

**Michigan Office of Administrative Hearings and Rules**  
**Administrative Rules Division (ARD)**

MOAHR-Rules@michigan.gov

**REQUEST FOR RULEMAKING (RFR)**

**1. Department:**

Licensing and Regulatory Affairs

**2. Bureau:**

Corporations, Securities, & Commercial Licensing

**3. Promulgation type:**

Full Process

**4. Title of proposed rule set:**

Private Security Guard and Security Alarm Agencies

**5. Rule numbers or rule set range of numbers:**

R 28.4001 - R 28.4006

**6. Estimated time frame:**

12 months

**Name of person filling out RFR:**

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**7. Describe the general purpose of these rules, including any problems the changes are intended to address.**

The general purpose of these rules is to bring more clarity to the regulation of the private security industry. Since the rules for 1968 PA 330 were rescinded in 2014, standards of practice have become disjointed as it pertains to advertising, badges and patches, and subcontracting. These rules aim to fix some of that confusion, foster a safer industry for the public, and establish a fair playing field for licensees.

Specifically, the new rules will lay out badge and uniform requirements, the parameters surrounding advertising and agency names, and establish clear guidelines for contracting and subcontracting practices.

**8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).**

General rulemaking authority is conferred on the department of licensing and regulatory affairs by section 27 of 1968 PA 330, MCL 338.1077. Promulgation authority is also granted jointly with the department of state police to facilitate the bifurcation of authority laid out in section 29 of the act, MCL 338.1079.

**A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).**

Sections 27 and 29 of 1968 PA 330, MCL 338.1077 and MCL 338.1079.

**B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.**

No.

**9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The rules do not conflict with nor duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

**10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?**

Yes. The department's website for Private Security Guards (<https://www.michigan.gov/lara/bureau-list/cscl/licensing/prof/guards>) and Security Alarm Contractors (<https://www.michigan.gov/lara/bureau-list/cscl/licensing/prof/alarm>) features under the header "Quick Links", links and instructions to obtain, renew, and verify a license and links to relevant statutes and existing rules. The link to obtain a license is labelled "MiCLEAR – Licensing – Apply/Renew". To verify a license, there is a link labeled "Verify a License".

Under the header, "Licensee Information" there is a link to "Uniform and Insignia Requirements," which lays out general instructions for licensees to comply with section 19 of the act. Under the header, "Spotlight," there are informational documents to assist applicants and licensees with general questions.

**11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?**

No.

**12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?**

Full Process

**13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The rules do not exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

**14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.**

Yes. CSCL has received since 2014, numerous public complaints regarding private security guard agencies licensed under 1968 PA 330. These complaints concerned subcontracted agencies, uniforms and patches of guards, and advertising. The problems that these rules aim to address were informed in part by these complaints by the public.

**15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.**

R 28.4001 through R 28.4007 were rescinded in 2014 and no new rules have been evaluated or written since then. In that time, the department has encountered difficulty enforcing certain provisions in 1968 PA 330 because the previous rules had provided the clarity necessary to do so. For instance, the specifics about which words may be used in agency names and determining which individual oversees daily operations. Without the rules in place, applicants and licensees have been confused about how to comply with statute when it comes to uniform and badge requirements and names and emblems in advertising.

As to economic conditions, since 2014, the private security guard and security alarm contractor industry has grown in the state, as has the use of subcontractors within the industry. The industry is projected to have continued growth through 2030 according to some studies (Private Security Market Size, Share | Industry Growth [2030] (fortunebusinessinsights.com)).

**16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?**

No.

**17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.**

No

**Based on the information provided in this RFR, MOAHR concludes that there are sufficient policy and legal bases for approving the RFR. The RFR satisfies the requirements of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and Executive Order No. 2019-6.**