

Act No. 411
Public Acts of 2000
Approved by the Governor
January 8, 2001
Filed with the Secretary of State
January 8, 2001
EFFECTIVE DATE: March 28, 2001

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000**

Introduced by Rep. Sanborn

ENROLLED HOUSE BILL No. 5917

AN ACT to amend 1968 PA 330, entitled "An act to license and regulate private security guards, private police, special police, security technicians, watchmen, patrol service, private security guard agencies and alarm systems sales, installations, and operations; to provide penalties for violations; to protect the general public against unauthorized, unlicensed and unethical operations by individuals engaged in private security activity or alarm systems sales, installations, and operations; to establish minimum qualifications for individuals as well as private agencies engaged in private security work and alarm systems and operations; and to prescribe the powers and duties of the department of state police," by amending the title and sections 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 14, 17, 18, 19, 22, 25, 29, 30, 31, 32, and 33 (MCL 338.1051, 338.1052, 338.1053, 338.1054, 338.1056, 338.1057, 338.1058, 338.1059, 338.1060, 338.1061, 338.1064, 338.1067, 338.1068, 338.1069, 338.1072, 338.1075, 338.1079, 338.1080, 338.1081, 338.1082, and 338.1083), sections 6, 10, 17, and 18 as amended by 1994 PA 326; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

TITLE

An act to license and regulate private security guards, private security police, private security guard agencies and security alarm systems servicing, installing, operating, and monitoring; to provide penalties for violations; to protect the general public against unauthorized, unlicensed and unethical operations by individuals engaged in private security activity or security alarm systems sales, installations, service, maintenance, and operations; to establish minimum qualifications for individuals as well as private agencies engaged in the security business and security alarm systems and operations; and to prescribe the powers and duties of the department of state police.

Sec. 1. This act shall be known and may be cited as the "private security business and security alarm act".

Sec. 2. (1) As used in this act:

- (a) "Department" means the department of state police.
- (b) "Licensee" means a person, firm, company, partnership, or corporation licensed under this act.
- (c) "Private security guard" means an individual or an employee of an employer who offers, for hire, to provide protection of property on the premises of another.
- (d) "Private security police" means that part of a business organization primarily responsible for the protection of property on the premises of the business organization.
- (e) "Security alarm system" means a detection device or an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention or to which police are expected to respond. Security alarm system includes any system that can electronically cause an expected response by a law enforcement agency to a premises by

means of the activation of an audible signal, visible signal, electronic notification, or video signal, or any combination of these signals, to a remote monitoring location on or off the premises. Security alarm system does not include a video signal that is not transmitted over a public communication system or a fire alarm system or an alarm system that monitors temperature, humidity, or other condition not directly related to the detection of an unauthorized intrusion into a premises or an attempted robbery at a premises.

(f) "Security alarm system agent" means a person employed by a security alarm system contractor whose duties include the altering, installing, maintaining, moving, repairing, replacing, selling, servicing, monitoring, responding to, or causing others to respond to a security alarm system.

(g) "Security alarm system contractor" means a person, firm, company, partnership, or corporation engaged in the installation, maintenance, alteration, monitoring, or servicing of security alarm systems or who responds to a security alarm system. Security alarm system contractor does not include a business that only sells or manufactures security alarm systems unless the business services security alarm systems, installs security alarm systems, monitors or arranges for the monitoring of a security alarm system, or responds to security alarm systems at the protected premises.

(h) "Security business" means a person or business entity engaged in offering, arranging, or providing 1 or more of the following services:

- (i) Security alarm system installation, service, maintenance, alteration, or monitoring.
- (ii) Private security guard.
- (iii) Private security police.

(2) All businesses furnishing security alarm systems for the protection of persons and property, whose employees and security technicians travel on public property and thoroughfares in the pursuit of their duties, are subject to this act.

(3) A communications common carrier providing communications channels under tariffs for the transmission of signals in connection with an alarm system is not subject to this act.

(4) Railroad policemen appointed and commissioned under the railroad code of 1993, 1993 PA 354, MCL 462.101 to 462.451, are exempt from this act.

Sec. 3. (1) Unless licensed under this act, a person, firm, company, partnership, or corporation shall not engage in the business of security alarm system contractor, private security guard, private security police, patrol service, or an agency furnishing those services. A person, firm, company, partnership, or corporation shall not advertise its business to be that of security alarm system contractor, security alarm system agent, private security guard agency, or an agency furnishing those services without having first obtained from the department a license to do so for each office and branch office to be owned, conducted, managed, or maintained for the conduct of that business.

(2) A person shall not sell, install, operate, adjust, arrange for, or contract to provide a device which upon activation, either mechanically, electronically, or by any other means, initiates the automatic calling or dialing of, or makes a connection directly to, a telephone assigned to a public service, utility, or police agency, for the purpose of delivering a recorded message, without first receiving written permission from that service, utility, or agency.

(3) A person who violates this section is guilty of a felony punishable by imprisonment for not more than 4 years, by a fine of not more than \$1,000.00, or both.

Sec. 4. The department may issue separate licenses to security alarm system contractors, private security police, and private security guard agencies. This section does not prevent a private detective or private investigator licensed under the private detective license act of 1965, 1965 PA 285, MCL 338.821 to 338.851, from performing the services of a private security guard or private security police except that a private security guard or private security police may not perform the services of a private detective or private investigator without obtaining a private detective or private investigator license.

Sec. 6. (1) The department shall issue a license to conduct business as a security alarm system contractor or a private security guard, private security police, or to a private security guard business, if it is satisfied that the applicant is a person, or if a firm, partnership, company, or corporation the sole or principal license holder is a person, who meets all of the following qualifications:

- (a) Is not less than 25 years of age.
- (b) Has a high school education or its equivalent.

(c) In the case of a person licensed under this section after the effective date of the amendatory act that added subdivision (d), has not been under any sentence, including parole, probation, or actual incarceration, for the commission of a felony.

(d) In the case of a person licensed under this section on or before the effective date of the amendatory act that added this subdivision, has not been under any sentence, including parole, probation, or actual incarceration, for the commission of a felony within 5 years before the date of application.

(e) Has not been convicted of an offense listed in section 10(1)(c) within 5 years before the date of application.

(f) Has not been dishonorably discharged from a branch of the United States military service.

(g) In the case of an applicant for a private security guard or agency license, has been lawfully engaged in 1 or more of the following:

(i) In the private security guard or agency business on his or her own account for a period of not less than 3 years.

(ii) In the private security guard or agency business for a period of not less than 4 years as an employee of the holder of a certificate of authority to conduct a private security guard or agency business and has had experience reasonably equivalent to not less than 4 years of full-time guard work in a supervisory capacity with rank above that of patrolman.

(iii) In law enforcement employment on a full-time basis for not less than 4 years for a city, county, or state government, or for the United States government.

(iv) In the private security guard or agency business as an employee or on his or her own account or as a security administrator in private business for not less than 2 years on a full-time basis, and is a graduate with a baccalaureate degree or its equivalent in the field of police administration or industrial security from an accredited college or university.

(h) In the case of an applicant for a security alarm system contractor license, has been lawfully engaged in either or both of the following:

(i) The security alarm system contractor business on his or her own account for a period of not less than 3 years.

(ii) The security alarm system contractor business for a period of not less than 4 years as an employee of the holder of a certificate of authority to conduct a security alarm system contractor business, and has had experience reasonably equivalent to at least 4 years of full-time work in a supervisory capacity or passes a written exam administered by the department designed to measure his or her knowledge and training in security alarm systems.

(i) Has posted with the department a bond provided for in this act.

(j) Has not been adjudged insane unless restored to sanity by court order.

(k) Does not have any outstanding warrants for his or her arrest.

(2) In the case of a person, firm, partnership, company, or corporation now doing or seeking to do business in this state, the resident manager shall comply with the applicable qualifications of this section.

Sec. 7. (1) The department shall prepare a uniform application for the particular license and shall require the person filing the application to obtain reference statements from at least 5 reputable citizens who are residents of this state who have known the applicant for a period of at least 5 years, who can attest that the applicant is honest, of good character, and competent, and who are not related or connected to the applicant by blood or marriage.

(2) Upon receipt of the application, the department shall investigate the applicant's reputation for truth, honesty, integrity and ethical dealing.

(3) The application and investigation is not considered complete until the applicant has received the approval of the prosecuting attorney and the sheriff of the county in this state within which the principal office of the applicant is to be located. If the office is to be located in a city, township, or village, the approval of the chief of police may be obtained instead of the sheriff. Branch offices and branch managers shall be similarly approved.

(4) If a person has not previously been denied a license or has not had a previous license suspended or revoked, the department may issue a nonrenewable temporary license to an applicant. If approved by the department, the temporary license is valid until 1 or more of the following occur but not to exceed 120 days:

(a) The completion of the investigations and approvals required under subsections (1), (2), and (3).

(b) The completion of the investigation of the subject matter addressed in section 6.

(c) The completion of the investigation of any employees of the licensee as further described in section 17.

(d) Confirmation of compliance with the bonding or insurance requirements imposed in section 9.

(e) The applicant fails to meet 1 or more of the requirements for licensure imposed under this act.

(5) The fees for a temporary license shall be the applicable fees as described in section 9.

Sec. 8. (1) Each applicant shall sign and verify the application. Each application shall contain at least all of the following:

(a) The name and principal address where the individual or business entity is located in this state.

(b) The address and location of any branch office of the business.

(c) The certificate of incorporation of the business, if applicable.

(2) Each applicant shall submit 2 passport quality photographs of the applicant with the application. If the applicant is a business entity, the resident manager of the business shall submit 2 passport quality photographs of himself or herself.

Sec. 9. (1) The department, when satisfied of the good character, competence, and integrity of the applicant, or if the applicant is a firm, company, partnership, or corporation, of its individual members or officers, shall issue to the applicant a certificate of license upon the applicant's paying to the department for each certificate of license \$200.00 if a person, or \$300.00 if a private security guard firm, company, partnership, or corporation, or \$500.00 if a security alarm system contractor, and upon the applicant's executing, delivering, and filing with the department a bond in the sum of \$25,000.00. The bond shall be conditioned upon the faithful and honest conduct of the business by the applicant and shall be approved by the department. In lieu of a bond, the applicant may furnish a policy of insurance issued by an insurer authorized to do business in this state naming the licensee and the state as coinsureds in the amount of \$25,000.00 for property damages, \$100,000.00 for injury to or death of 1 person, and \$200,000.00 for injuries to or deaths of more than 1 person arising out of the operation of the licensed activity. The license is valid for 2 years but is revocable at all times by the department for cause shown. The bonds shall be taken in the name of the people of the state and a person injured by the willful, malicious, and wrongful act of the licensee or any of his or her agents or employees may bring an action on the bond or insurance policy in his or her own name to recover damages suffered by reason of the wrongful act. The license certificate shall be in a form to be prescribed by the department.

(2) If a licensee desires to open a branch office, he or she may receive a certificate of license for that branch following approval as required in section 7 and payment to the department of an additional fee of \$50.00 for each private security guard branch office license and \$100.00 for each security alarm system contractor branch office license. The additional license shall be posted in a conspicuous place in the branch office and shall expire on the same date as the initial license.

(3) The department shall charge an additional fee of \$25.00 for a late renewal as further described in section 25.

(4) If the license is denied, revoked, or suspended for cause, no refund shall be made of the license fees or a part thereof.

Sec. 10. (1) The department may revoke any license issued under this act if it determines, upon good cause shown, that the licensee or his or her manager, if the licensee is an individual, or if the licensee is a person other than an individual, that any of its officers, directors, partners or its manager, has done any of the following:

(a) Made any false statements or given any false information in connection with an application for a license or a renewal or reinstatement of a license.

(b) Violated any provision of this act.

(c) Been, while licensed or employed by a licensee, convicted of a felony or a misdemeanor involving any of the following:

(i) Dishonesty or fraud.

(ii) Unauthorized divulging or selling of information or evidence.

(iii) Impersonation of a law enforcement officer or employee of the United States, this state, or a political subdivision of this state.

(iv) Illegally using, carrying, or possessing a dangerous weapon.

(v) Two or more alcohol related offenses.

(vi) Controlled substances under the public health code, 1978 PA 368, MCL 333.1101 to 333.25211.

(vii) An assault.

(d) Knowingly submitted any of the following:

(i) A name other than the true name of a prospective employee.

(ii) Fingerprints not belonging to the prospective employee.

(iii) False identifying information in connection with the application of a prospective employee.

(2) The department shall not renew a license of a licensee who owes any fine or fee to the department at the time for a renewal.

(3) Within 48 hours after notification from the department of the revocation of a license under this act, the licensee shall surrender the license and the identification card issued under section 14. A person who violates this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$500.00, or both.

Sec. 11. The department shall not refund a license or application fee unless a showing is made of mistake, inadvertence, or error in the collection of the fee.

Sec. 14. (1) Upon issuing a certificate of license, the department shall issue an identification card to the principal license holder, and if the licensee is a partner in a partnership to each partner, and if the license holder is a corporation to each resident officer or manager but only if requested by a resident officer or manager.

(2) The form and contents of the identification card shall be prescribed by the department, and the card shall be recalled by the department if the person's license is revoked.

(3) Only 1 identification card shall be issued for each person entitled to receive it, and the licensee shall be responsible for the maintenance, custody, and control of the identification card, and shall not let, loan, sell, or otherwise permit unauthorized persons or employees to use it. This section does not prevent an agency from issuing its own identification cards to its employees if they are approved as to form and content by the department. The individual card shall not bear the seal of the state, but the employee shall be designated as either security alarm system agent, private security police officer, security guard, or security technician.

(4) The department may suspend a license issued under this act if the licensee fails to comply with any of the requirements of this act. Unless a license is required to be revoked for a violation of this act, the department shall reinstate a suspended license upon the licensee complying with this act and the licensee paying a \$100.00 reinstatement fee.

(5) Upon proper application and for sufficient reasons shown, the department may issue duplicates of the original certificate of license or identification card.

Sec. 17. (1) A licensee may employ as many persons as he or she considers necessary to assist him or her in his or her work of security alarm system contractor, private security police, or private security guard and in the conduct of his or her business, and at all times during the employment is accountable for the good conduct in the business of each person so employed.

(2) Employees in the employ of a licensee after the effective date of the amendatory act that added subsection (5) shall meet the qualifications outlined in section 6(1)(c), (e), (j), and (k), be at least 18 years of age, and have had at least an eighth grade education or its equivalent. An employee in the employ of a licensee on or before the effective date of the amendatory act that added subsection (5) shall meet the qualifications outlined in section 6(1)(d), (e), (j), and (k), be at least 18 years of age, and have had at least an eighth grade education or its equivalent.

(3) A licensee shall keep and maintain in this state adequate and complete personnel information on all persons employed by him or her.

(4) If a licensee falsely states or represents that a person is or has been in his or her employ, the false statement or representation is sufficient cause for the revocation of the license.

(5) A person shall not falsely state or represent that he or she is an agent of a licensed security alarm system contractor, private security police officer, or private security guard. A person who violates this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$500.00, or both.

Sec. 18. (1) A licensee shall not knowingly employ any person who fails to meet the requirements of section 17.

(2) The licensee shall cause fingerprints to be taken of all prospective employees, which fingerprints shall be submitted to the department for processing and approval.

(3) The fingerprints required to be taken under subsection (2) may be taken by a law enforcement agency or any other person determined by the department to be qualified to take fingerprints. The department may charge a fee not to exceed \$100.00 for training. The licensee shall submit a 1-time \$15.00 processing fee for each person applying for employment at that agency. If a licensee takes the fingerprints, that licensee shall obtain training in taking fingerprints from the department or a law enforcement agency or other person determined qualified by the department. The department may impose a fee not to exceed \$5.00 for fingerprints submitted to the department that do not meet standards imposed by the department.

(4) A charge not to exceed \$15.00 per person may be required by the local law enforcement agency for the fingerprint process.

(5) A licensee shall request the department to conduct a background check of each prospective employee based upon a name check. The licensee shall obtain a complete and signed employment application for all individuals for whom a name check is requested and conducted. The employment application shall be retained for at least 1 year from the date of its submission. The department shall conduct the background check upon a written or telephonic request of a licensee accompanied by a fee of \$5.00. The background check shall be conducted not later than 3 days after the date a written request is made and not later than 24 hours after a telephonic request is made. Provisional clearance based on the name check shall allow the employee to be employed, for a period of time not to exceed 90 days, pending final clearance based upon a fingerprint check. If an approval is once denied, that individual may not again be employed by the submitting licensee except upon receipt of an approved fingerprint clearance. A licensee or employee of a licensee who uses a name check or results of a name check for purposes other than prospective employment is guilty of a misdemeanor punishable by imprisonment for not more than 93 days, a fine of not more than \$1,000.00, or both.

(6) The department may enter into an agreement with a licensee for the payment of fees imposed pursuant to this act.

(7) Any employee who, upon demand, fails to surrender to the licensee his or her identification card and any other property issued to him or her for use in connection with his or her employer's business is guilty of a misdemeanor.

Sec. 19. (1) The particular type of uniform and insignia worn by a licensee or his or her employees must be approved by the department and shall not deceive or confuse the public or be identical with that of a law enforcement officer of the federal government, state, or a political subdivision of the state in the community of the license holder. Shoulder identification patches shall be worn on all uniform jackets, coats, and shirts and shall include the name of the licensee or agency. Shoulder identification patches or emblems shall not be less than 2 inches by 3 inches in size.

(2) A badge or shield shall not be worn or carried by a security alarm system agent, private security police officer, or employee, or licensee of a security alarm system contractor, private security police organization, or private security guard agency, unless approved by the director of the department.

(3) A person who is not employed as a security guard shall not display a badge or shield or wear a uniform of a security guard. A person who violates this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$500.00, or both.

(4) A person licensed as a security alarm system contractor, security alarm system agent, or a private security guard or agency is not authorized to carry a deadly weapon unless he or she is licensed to do so in accordance with the laws of this state.

(5) A licensee may authorize his or her employees to carry any commercially available tactical baton.

Sec. 22. (1) Every advertisement by a licensee soliciting or advertising for business shall contain his or her business name and address as they appear in the records of the department.

(2) A licensee shall, upon notice from and order of the department, discontinue any advertising or the use of any advertisement, seal, or card that, in the opinion of the department, may tend to mislead the public. Failure to comply with any such order of the department is cause for revocation or suspension of the license.

(3) A person not licensed under this act who advertises his or her business to be that of a private security guard or security alarm agency, irrespective of the name or title actually used, is guilty of a misdemeanor punishable by imprisonment for not more than 93 days, a fine of not more than \$1,000.00, or both.

Sec. 25. (1) A license granted under this act may be renewed by the department upon application by the licensee and the payment of a renewal fee of \$100.00 if an individual, \$150.00 if a private security guard firm, company, partnership, or corporation, or \$250.00 if a security alarm system contractor, and filing of a renewal surety bond in the amount specified in section 9.

(2) A renewal license shall be dated as of the expiration date of the previously existing license. For the renewal of a license, the licensee shall submit an application in such form provided by the department. The department may defer the renewal of license if there is an uninvestigated outstanding criminal complaint pending against the licensee or a criminal case pending in any court against the licensee.

(3) The renewal application must be approved by the sheriff or chief of police and the prosecuting attorney, as required for an initial license.

(4) A person who fails to renew a license on or before the expiration date shall not engage in activities regulated by this act. A person who fails to renew a license on or before the expiration date may, within 30 days after the expiration date, renew the license by payment of the required license fee and a late renewal fee as prescribed by section 9. An applicant who fails to renew within the 30-day period must reapply for a license under section 7.

Sec. 29. This act shall not require licensing of any private security guards employed for the purpose of protecting the property and employees of their employer and generally maintaining security for their employer. However, any person, firm, or corporation maintaining a private security police organization may voluntarily apply for licensing under this act. When a private security police employer described and defined in this section provides the employee with a pistol for the purpose of protecting the property of the employer, such pistol shall be considered the property of the employer and the employer shall retain custody thereof, except during the actual working hours of the employee. All such private security people shall be subject to the provisions of section 19(1).

Sec. 30. A private security police officer, as described in section 29, who is properly licensed under this act has the authority to arrest a person without a warrant as set forth for public peace officers in section 15 of chapter IV of the code of criminal procedure, 1927 PA 175, MCL 764.15, when that private security police officer is on the employer's premises. Such authority is limited to his or her hours of employment as a private security police officer and does not extend beyond the boundaries of the property of the employer and while the private security police officer is in the full uniform of the employer.

Sec. 31. Any person requesting licensing under this act under section 29, or the employee of the applicant, shall comply with training requirements as prescribed by the department under this act.

Sec. 32. Except as otherwise provided in this act, a licensee, manager, or employee of a licensee who violates this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days or by a fine of not more than \$1,000.00, or both.

Sec. 33. A security alarm system may not be installed or operated in this state unless the security alarm system is either installed by a security alarm system contractor licensed under this act or is installed by the owner or occupant of a residence in his or her residence.

Enacting section 1. Sections 28 and 35 of the private security guard act of 1968, 1968 PA 330, MCL 338.1078 and 338.1085, are repealed.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.