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SFA

BILL ANALYSIS

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Senate Bills 425 and 426 (as introduced 4-26-01)
Sponsor: Senator Philip E. Hoffman
Committee: Judiciary

Date Completed: 3-13-02

CONTENT

Senate Bills 425 and 426 would amend, respectively, the Private Security Business and Security Alarm Act and the Commission on Law Enforcement Standards Act to do all of the following:

- Increase some fees for licensure under the Security Business and Security Alarm Act.**
- Require the Department of State Police to adopt training requirements for private security guards and private security police, and to consider recommendations made by the Commission on Law Enforcement Standards.**
- Require private security guards and private security police carrying a concealed pistol to pass a pistol training or safety program.**
- Require the Commission on Law Enforcement Standards to promulgate rules with respect to training standards for private security guards, private security police, and private detectives acting as security guards or security police.**
- Revise a provision pertaining to the Law Enforcement Officers Training Fund.**

The bills are tie-barred.

Senate Bill 425

License Fees/Increase

Under the Private Security Business and Security Alarm Act, the Department of State Police must issue a certificate of license when an applicant pays certain fees and files a bond or furnishes an insurance policy, if the Department is satisfied of the good character, competence, and integrity of the applicant, or of the individual members or officers of an applicant that is a firm, company, partnership, or corporation.

Currently, the license fee is \$200 for an individual applicant or \$300 for a private security guard firm, company, partnership, or corporation or a security alarm system contractor. Under the bill, the fee would be \$500 for all of those categories, including an individual.

If a licensee desires to open a branch office, he or she may receive a license for that branch following approval under the Act and payment to the Department of an additional fee of \$50. The bill would increase the branch office fee to \$200.

The Department may renew a license granted under the Act upon the licensee's application, filing of a renewal bond, and payment of a renewal fee of \$100 for an individual; \$150 for a private security guard firm, company, partnership, or corporation; or \$250 for a security alarm

system contractor. The bill would raise the renewal fee to \$400 for an individual licensee and to \$1,000 for a private security guard firm, company, partnership, or corporation. The bill would retain the \$250 renewal fee for a security alarm system contractor. (Pursuant to Executive Order 2001-9, the renewal fee for fiscal year 2001-02 is \$1,500 for an individual, a private security guard firm, company, partnership, corporation, or a security alarm system contractor.)

Training Requirements

The bill would require that the Department of State Police adopt training requirements acceptable to the State Police Director, by rule or as otherwise provided by law. The bill specifies that the Department would have to consider the training requirements recommended by the Commission on Law Enforcement Standards under the Commission on Law Enforcement Standards Act.

Pistol Training

The bill would require private security guards and private security police who carried or possessed a concealed pistol within the course of their employment to complete and successfully pass a pistol training or safety program that met or exceeded the pistol training or safety program prescribed under Section 5j of the handgun licensure Act (MCL 28.425j). (That section was added to the handgun licensure Act by Public Act 381 of 2000 and took effect on July 1, 2001. It establishes standards for a pistol safety program to meet in order to satisfy requirements for knowledge or training in the safe use and handling of a pistol.)

Senate Bill 426

Promulgation of Rules for Training Standards

The Commission on Law Enforcement Standards Act requires the Commission to promulgate rules with respect to various matters. The bill would require the promulgation of rules with respect to training standards for private security guards and private security police licensed under the Private Security Business and Security Alarm Act, or people licensed as private detectives and acting as private security guards or private security police but exempt from licensure under that Act.

Training Fund

The Commission on Law Enforcement Standards Act created in the State Treasury the Law Enforcement Officers Training Fund, from which the Legislature must appropriate sums deemed necessary for the purposes of the Act. The bill would delete the requirement that the Legislature appropriate sums from the Fund.

The bill specifies that the State Treasurer could receive money or other assets from appropriations, or from any other source, for deposit into the Fund. The State Treasurer would have to direct investment into the Fund and credit to it any interest and earnings from Fund investments. Money in the Fund at the close of a fiscal year would remain in the Fund and could not lapse to the State's General Fund.

MCL 338.1059 et al. (S.B. 425)
28.609 & 28.613 (S.B. 426)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

Senate Bill 425

The bill would generate approximately \$170,000 annually in license fee revenue which would be used by the Department of State Police to regulate the contractual security guard and alarm industry in the State. Under the current fee structure, some of which is set by Executive Order 2001-9, license fee collections are estimated to reach \$250,000 for the 2001-02 fiscal year. Prior to the executive order, collections from these fees totaled approximately \$100,000 annually. The bill would adjust existing fees as follows:

License - New	Current Law	SB 425
Sole proprietorship	\$200 (statute)	\$500
Firm, company, partnership	\$300 (statute)	\$500
Alarm contractor	\$500 (statute)	\$500
Branch office-security guard	\$50 (statute)	\$200
Branch office-alarm	\$100 (statute)	\$100
License - Renewal		
Sole Proprietorship	\$1,500 (E.O. 2001-9)	\$400
Firm, company, partnership	\$1,500 (E.O. 2001-9)	\$1,000
Alarm contractor	\$1,500 (E.O. 2001-9)	\$250
Branch office-security guard	\$50 (statute)	\$200
Branch office-alarm	\$100 (statute)	\$100

Provisions of the bill requiring regulatory activities not currently specified in statute could be met successfully by the funds generated under the bill's fee structure and by the regulatory office's current level of 6.0 FTEs.

Senate Bill 426

The bill would have a minimum fiscal impact on the Department of State Police. The bill's requirement that training standards be developed for private security guards and private security police could be accomplished by existing resources within the Department of State Police.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.