

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 425

A bill to amend 1968 PA 330, entitled
"Private security business and security alarm act,"
by amending the title and sections 2, 3, 6, 7, 9, 10, 13, 14, 17,
18, 19, 24, 25, 29, and 31 (MCL 338.1052, 338.1053, 338.1056,
338.1057, 338.1059, 338.1060, 338.1063, 338.1064, 338.1067,
338.1068, 338.1069, 338.1074, 338.1075, 338.1079, and 338.1081),
the title and sections 2, 3, 6, 7, 9, 10, 14, 17, 18, 19, 25, 29,
and 31 as amended by 2000 PA 411.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6

TITLE

An act to license and regulate private security guards, pri-
vate security police, private security guard agencies and secur-
ity alarm systems servicing, installing, operating, and
monitoring; to provide penalties for violations; to protect the
general public against unauthorized, unlicensed and unethical

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

2

1 operations by individuals engaged in private security activity or
2 security alarm systems sales, installations, service, mainte-
3 nance, and operations; to establish minimum qualifications for
4 individuals as well as private agencies engaged in the security
5 business and security alarm systems and operations; TO IMPOSE
6 CERTAIN FEES; TO CREATE CERTAIN FUNDS; and to prescribe the
7 powers and duties of the ~~department~~ DEPARTMENTS of state police
8 AND CONSUMER AND INDUSTRY SERVICES.

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

10 (a) "Department" means the department of ~~state police~~
11 CONSUMER AND INDUSTRY SERVICES EXCEPT THAT IN REFERENCE TO THE
12 REGULATION OF PRIVATE SECURITY POLICE, DEPARTMENT MEANS THE
13 DEPARTMENT OF STATE POLICE.

14 (b) "Licensee" means a ~~person~~ SOLE PROPRIETORSHIP, firm,
15 company, partnership, LIMITED LIABILITY COMPANY, or corporation
16 licensed under this act.

17 (c) "Private security guard" means an individual or an
18 employee of an employer who offers, for hire, to provide protec-
19 tion of property on the premises of another.

20 (d) "Private security police" means that part of a business
21 organization OR EDUCATIONAL INSTITUTION primarily responsible for
22 the protection of property on the premises of the business
23 organization.

24 (e) "Security alarm system" means a detection device or an
25 assembly of equipment and devices arranged to signal the presence
26 of a hazard requiring urgent attention or to which police are
27 expected to respond. Security alarm system includes any system

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

3

1 that can electronically cause an expected response by a law
2 enforcement agency to a premises by means of the activation of an
3 audible signal, visible signal, electronic notification, or video
4 signal, or any combination of these signals, to a remote monitor-
5 ing location on or off the premises. Security alarm system does
6 not include a video signal that is not transmitted over a public
7 communication system or a fire alarm system or an alarm system
8 that monitors temperature, humidity, or other condition not
9 directly related to the detection of an unauthorized intrusion
10 into a premises or an attempted robbery at a premises.

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

16 (g) "Security alarm system contractor" means a ~~person~~ SOLE
17 PROPRIETORSHIP, firm, company, partnership, LIMITED LIABILITY
18 COMPANY, or corporation engaged in the installation, maintenance,
19 alteration, monitoring, or servicing of security alarm systems or
20 who responds to a security alarm system. Security alarm system
21 contractor does not include a business that only sells or manu-
22 factures security alarm systems unless the business services
23 security alarm systems, installs security alarm systems, monitors
24 or arranges for the monitoring of a security alarm system, or
25 responds to security alarm systems at the protected premises.

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

4

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

4 (i) Security alarm system installation, service, mainte-
5 nance, alteration, or monitoring.

6 (ii) Private security guard.

7 (iii) Private security police.

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

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

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

18 Sec. 3. (1) Unless licensed under this act, a ~~person~~ SOLE
19 PROPRIETORSHIP, firm, company, partnership, LIMITED LIABILITY
20 COMPANY, or corporation shall not engage in the business of
21 security alarm system contractor, private security guard, private
22 security police, patrol service, or an agency furnishing those
23 services. A person, firm, company, partnership, LIMITED LIABIL-
24 ITY COMPANY, or corporation shall not advertise its business to
25 be that of security alarm system contractor, security alarm
26 system agent, private security guard agency, or an agency
27 furnishing those services without having first obtained from the

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

5

1 department a license to do so for each office and branch office
2 to be owned, conducted, managed, or maintained for the conduct of
3 that business.

4 (2) A person shall not sell, install, operate, adjust,
5 arrange for, or contract to provide a device which upon activa-
6 tion, either mechanically, electronically, or by any other means,
7 initiates the automatic calling or dialing of, or makes a connec-
8 tion directly to, a telephone assigned to a public service, util-
9 ity, or police agency, for the purpose of delivering a recorded
10 message, without first receiving written permission from that
11 service, utility, or agency.

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

15 Sec. 6. (1) The department shall issue a license to conduct
16 business as a security alarm system contractor or a private
17 security guard, private security police, or to a private security
18 guard business, if it is satisfied that the applicant is a
19 ~~person~~ SOLE PROPRIETORSHIP, or if a firm, partnership, company,
20 LIMITED LIABILITY COMPANY, or corporation the sole or principal
21 license holder is ~~a person~~ AN INDIVIDUAL, who meets all of the
22 following qualifications:

23 (a) Is not less than 25 years of age.

24 (b) Has a high school education or its equivalent.

25 (c) In the case of a ~~person licensed~~ LICENSEE under this
26 section after ~~the effective date of the amendatory act that~~
27 ~~added subdivision (d)~~ MARCH 28, 2001, has not been under any

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

6

1 sentence, including parole, probation, or actual incarceration,
2 for the commission of a felony.

3 (d) In the case of a person licensed under this section on
4 or before ~~the effective date of the amendatory act that added~~
5 ~~this subdivision~~ MARCH 28, 2001, has not been under any sen-
6 tence, including parole, probation, or actual incarceration, for
7 the commission of a felony within 5 years before the date of
8 application.

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

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

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

16 (i) In the private security guard or agency business on his
17 or her own account IN ANOTHER STATE for a period of not less than
18 3 years.

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

25 (iii) In law enforcement employment AS A CERTIFIED POLICE
26 OFFICER on a full-time basis for not less than 4 years for a

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

7

1 city, county, or state government, or for the United States
2 government.

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

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

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

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

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

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

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

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

8

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

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

13 (2) Upon receipt of the application AND APPLICATION FEE, the
14 department shall investigate the applicant's ~~reputation for~~
15 ~~truth, honesty, integrity and ethical dealing~~ QUALIFICATIONS FOR
16 LICENSURE.

17 (3) The application and investigation ~~is~~ ARE not consid-
18 ered complete until the applicant has received the approval of
19 the prosecuting attorney and the sheriff of the county in this
20 state within which the principal office of the applicant is to be
21 located. If the office is to be located in a city, township, or
22 village, the approval of the chief of police may be obtained
23 instead of the sheriff. Branch offices and branch managers shall
24 be similarly approved.

25 (4) If a person has not previously been denied a license or
26 has not had a previous license suspended or revoked, the
27 department may issue a nonrenewable temporary license to an

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

9

1 applicant. If approved by the department, the temporary license
2 is valid until 1 or more of the following occur but not to exceed
3 120 days:

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

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

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

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

12 (e) The applicant fails to meet 1 or more of the require-
13 ments for licensure imposed under this act.

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

16 Sec. 9. (1) The department, when satisfied of the good
17 character, competence, and integrity of the applicant, or if the
18 applicant is a firm, company, partnership, LIMITED LIABILITY
19 COMPANY, or corporation, of its individual members or officers,
20 shall issue to the applicant a ~~certificate of~~ license.
21 BEGINNING OCTOBER 1, 2004, THE ISSUANCE OF THE LICENSE IS
22 CONDITIONED upon the applicant's paying to the department for
23 each ~~certificate of~~ license \$200.00 if a ~~person~~ SOLE
24 PROPRIETORSHIP, or \$300.00 if a private security guard firm, com-
25 pany, partnership, LIMITED LIABILITY COMPANY, or corporation, or
26 \$500.00 if a security alarm system contractor, and upon the
27 applicant's executing, delivering, and filing with the department

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

10

1 a bond in the sum of \$25,000.00. BEGINNING OCTOBER 1, 2002 AND
2 UNTIL OCTOBER 1, 2004, THE ISSUANCE OF THE LICENSE IS CONDITIONED
3 UPON THE APPLICANT'S PAYING TO THE DEPARTMENT FOR EACH LICENSE
4 \$1,000.00 IF A SOLE PROPRIETORSHIP, OR \$1,500.00 IF A PRIVATE
5 SECURITY FIRM, COMPANY, PARTNERSHIP, LIMITED LIABILITY COMPANY,
6 OR CORPORATION, OR \$1,500.00 IF A SECURITY ALARM SYSTEM CONTRAC-
7 TOR, AND UPON THE APPLICANT'S EXECUTING, DELIVERING, AND FILING
8 WITH THE DEPARTMENT A BOND OF \$25,000.00. The bond shall be con-
9 ditioned upon the faithful and honest conduct of the business by
10 the applicant and shall be approved by the department. In lieu
11 of a bond, the applicant may furnish a policy of insurance issued
12 by an insurer authorized to do business in this state naming the
13 licensee and the state as coinsureds in the amount of \$25,000.00
14 for property damages, \$100,000.00 for injury to or death of 1
15 person, and \$200,000.00 for injuries to or deaths of more than 1
16 person arising out of the operation of the licensed activity.
17 The license is valid for 2 years but is revocable at all times by
18 the department for cause shown. The bonds shall be taken in the
19 name of the people of the state and a person injured by the will-
20 ful, malicious, and wrongful act of the licensee or any of his or
21 her agents or employees may bring an action on the bond or insur-
22 ance policy in his or her own name to recover damages suffered by
23 reason of the wrongful act. The license certificate shall be in
24 a form to be prescribed by the department. THE FEE CHANGES
25 EFFECTIVE OCTOBER 1, 2002 UNTIL OCTOBER 1, 2004 IN THIS SECTION
26 AND SECTION 25 ARE CONSIDERED NECESSARY TO COVER THE ACTUAL COSTS
27 OF THE LICENSURE PROGRAM UNDER THIS ACT AND SHALL ONLY BE USED

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

11

1 FOR ADMINISTRATION OF THAT LICENSURE PROGRAM. THE DEPARTMENT AND
2 THE DEPARTMENT OF STATE POLICE SHALL EACH ISSUE A REPORT TO THE
3 APPROPRIATIONS SUBCOMMITTEES HAVING JURISDICTION OVER THEIR
4 DEPARTMENT NOT LATER THAN APRIL 1, 2003, ON WHETHER THE FEE
5 CHANGES IN THIS SECTION AND SECTION 25 ARE ADEQUATE TO SUPPORT
6 THE LICENSURE PROGRAM UNDER THIS ACT.

7 (2) If a licensee desires to open a branch office, he or she
8 may receive a ~~certificate of~~ license for that branch following
9 approval as required in section 7 and payment to the department
10 of ~~an~~ THE FOLLOWING:

11 (A) BEGINNING OCTOBER 1, 2004, AN additional fee of \$50.00
12 for each private security guard branch office license and \$100.00
13 for each security alarm system contractor branch office license.

14 (B) BEGINNING OCTOBER 1, 2002 AND UNTIL OCTOBER 1, 2004, AN
15 ADDITIONAL FEE OF \$250.00 FOR EACH PRIVATE SECURITY BRANCH OFFICE
16 LICENSE AND \$500.00 FOR EACH SECURITY ALARM SYSTEM CONTRACTOR
17 BRANCH OFFICE LICENSE.

18 (3) The additional license ISSUED UNDER SUBSECTION (2) shall
19 be posted in a conspicuous place in the branch office and shall
20 expire on the same date as the initial license.

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

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

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

12

1 (5) THE FEES COLLECTED BY THE DEPARTMENT UNDER THIS SECTION
2 SHALL BE DEPOSITED INTO THE SECURITY BUSINESS FUND CREATED IN
3 SUBSECTION (6).

4 (6) THE SECURITY BUSINESS FUND IS CREATED WITHIN THE STATE
5 TREASURY. THE DEPARTMENT SHALL DEPOSIT ALL LICENSE FEES COL-
6 LECTED UNDER THIS ACT INTO THE FUND. THE STATE TREASURER MAY
7 RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR DEPOSIT INTO
8 THE FUND. THE STATE TREASURER SHALL DIRECT THE INVESTMENT OF THE
9 FUND. THE STATE TREASURER SHALL CREDIT TO THE FUND INTEREST AND
10 EARNINGS FROM FUND INVESTMENTS. MONEY IN THE FUND AT THE CLOSE
11 OF THE FISCAL YEAR SHALL REMAIN IN THE FUND AND BE AVAILABLE FOR
12 APPROPRIATION AND EXPENDITURE BY THE DEPARTMENT IN SUBSEQUENT
13 FISCAL YEARS. THE MONEY IN THE FUND SHALL NOT LAPSE TO THE GEN-
14 ERAL FUND. THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
15 APPROPRIATION, ONLY FOR ENFORCEMENT AND ADMINISTRATION OF THIS
16 ACT.

17 Sec. 10. (1) The department may revoke any license issued
18 under this act if it determines, upon good cause shown, that the
19 licensee or his or her manager, if the licensee is an individual,
20 or if the licensee is ~~a person other than~~ NOT an individual,
21 that any of its officers, directors, partners or its manager, has
22 done any of the following:

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

26 (b) Violated any provision of this act.

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

13

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

4 (i) Dishonesty or fraud.

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

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

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

12 (v) Two or more alcohol related offenses.

13 (vi) Controlled substances under the public health code,
14 1978 PA 368, MCL 333.1101 to 333.25211.

15 (vii) An assault.

16 (d) Knowingly submitted any of the following:

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

19 (ii) Fingerprints not belonging to the prospective
20 employee.

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

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

26 (3) Within 48 hours after notification from the department
27 of the revocation of a license under this act, the licensee shall

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

14

1 surrender the license and the identification card issued under
2 section 14. A person who violates this subsection is guilty of a
3 misdemeanor punishable by imprisonment for not more than 93 days
4 or a fine of not more than \$500.00, or both.

5 Sec. 13. (1) Any change in the name or location of the
6 agency or of a branch office or subagency shall be reported BY
7 THE LICENSEE to the department at least 10 days ~~prior to~~ BEFORE
8 the change ~~becoming~~ BECOMES effective, upon receipt of which
9 the department shall prepare and forward a certificate showing
10 the change. ~~, and the~~ THE licensee shall return ~~his~~ THE old
11 certificate within 3 business days after the change.

12 (2) FAILURE TO NOTIFY THE DEPARTMENT OF A CHANGE IN NAME OR
13 LOCATION MAY RESULT IN LICENSE SUSPENSION.

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

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

23 (3) Only 1 identification card shall be issued for each
24 person entitled to receive it. ~~, and the~~ THE licensee ~~shall~~
25 ~~be~~ IS responsible for the maintenance, custody, and control of
26 the identification card ~~, and~~ shall not let, loan, sell, or
27 otherwise permit unauthorized persons or employees to use it.

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

15

1 This section does not prevent an agency from issuing its own
2 identification cards to its employees if they are approved as to
3 form and content by the department. The individual card shall
4 not bear the seal of the state, ~~but~~ AND the employee shall be
5 designated as either security alarm system agent, private secur-
6 ity police officer, security guard, or security technician.

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

13 (5) Upon proper application and for sufficient reasons
14 shown, the department may issue duplicates of the original cer-
15 tificate of license or identification card.

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

22 (2) Employees in the employ of a licensee after ~~the effec-~~
23 ~~tive date of the amendatory act that added subsection (5)~~
24 MARCH 28, 2001 shall meet the qualifications outlined in section
25 6(1)(c), (e), (j), and (k), be at least 18 years of age, and have
26 had at least an eighth grade education or its equivalent. An
27 employee in the employ of a licensee on or before ~~the effective~~

SB425, As Passed House, June 5, 2002

Sub. SB 425 (H-2) as amended June 4, 2002 16

1 ~~date of the amendatory act that added subsection (5)~~ MARCH 28,
2 2001 shall meet the qualifications outlined in section 6(1)(d),
3 (e), (j), and (k), be at least 18 years of age, and have had at
4 least an eighth grade education or its equivalent. EMPLOYEES [HIRED
5 BY] A LICENSEE AFTER THE EFFECTIVE DATE OF THE AMENDA-
6 TORY ACT THAT ADDED THIS SENTENCE SHALL MEET THE QUALIFICATIONS
7 OUTLINED IN SECTION 6(1)(C), (E), (J), AND (K), BE AT LEAST 18
8 YEARS OF AGE, AND HAVE AT LEAST A HIGH SCHOOL DIPLOMA, A GED, OR
9 ITS EQUIVALENT.

10 (3) A licensee shall keep and maintain in this state ade-
11 quate and complete personnel information on all persons employed
12 by him or her. A COMPLETE EMPLOYEE ROSTER IN A MANNER DESCRIBED
13 BY THE DEPARTMENT SHALL BE FILED WITH THE DEPARTMENT BY EACH
14 LICENSEE ON A QUARTERLY BASIS. THE ROSTERS MUST BE FILED WITH
15 THE DEPARTMENT BY APRIL 15, JULY 15, OCTOBER 15, AND JANUARY 15
16 FOR THE PRECEDING QUARTER. FAILURE TO SUBMIT ACCURATE ROSTERS
17 SHALL BE CAUSE FOR SUSPENSION OF THE LICENSE. A RENEWAL APPLICA-
18 TION SHALL NOT BE PROCESSED IF THE QUARTERLY ROSTER HAS NOT BEEN
19 RECEIVED FOR EACH QUARTER OF THE PRECEDING 2-YEAR LICENSE PERIOD.

20 (4) If a licensee falsely states or represents that a person
21 is or has been in his or her employ, the false statement or rep-
22 resentation is sufficient cause for the revocation of the
23 license.

24 (5) A person shall not falsely state or represent that he or
25 she is an agent of a licensed security alarm system contractor,
26 private security police officer, or private security guard. A
27 person who violates this subsection is guilty of a misdemeanor

SB425, As Passed House, June 5, 2002

Sub. SB 425 (H-2) as amended June 5, 2002 17

1 punishable by imprisonment for not more than 93 days or a fine of
2 not more than \$500.00, or both.

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

5 ~~(2) The licensee shall cause fingerprints to be taken of~~
6 ~~all prospective employees, which fingerprints shall be submitted~~
7 ~~to the department for processing and approval.~~ THE LICENSEE
8 SHALL CAUSE FINGERPRINTS TO BE TAKEN OF ALL PROSPECTIVE [EMPLOYEES
9 WHO ARE DIRECT PROVIDERS OF THE SECURITY BUSINESS], WHICH FINGERPRINTS
10 SHALL BE SUBMITTED TO THE
11 DEPARTMENT OF STATE POLICE AND THE FEDERAL BUREAU OF INVESTIGA-
12 TION FOR A STATE AND NATIONAL CRIMINAL HISTORY BACKGROUND CHECK.
13 THE FINGERPRINTS SHALL BE ACCOMPANIED BY A FINGERPRINT PROCESSING
14 FEE IN THE AMOUNT PRESCRIBED BY SECTION 3 OF 1935 PA 120,
15 MCL 28.273, AS WELL AS ANY FEES IMPOSED BY THE FEDERAL BUREAU OF
16 INVESTIGATION. THE RESULTS OF THE NATIONAL CRIMINAL HISTORY
17 BACKGROUND CHECK AS RETURNED BY THE FEDERAL BUREAU OF INVESTIGA-
18 TION TO THE DEPARTMENT OF STATE POLICE SHALL BE USED BY THE
19 DEPARTMENT TO MAKE A FITNESS DETERMINATION. A LICENSEE SHALL NOT
20 EMPLOY [A PERSON WHO IS A DIRECT PROVIDER OF THE SECURITY BUSINESS]
21 BEFORE SUBMITTING FINGER-
22 PRINTS TO THE DEPARTMENT OF STATE POLICE.

21 (3) The fingerprints required to be taken under
22 subsection (2) may be taken by a law enforcement agency or any
23 other person determined by the department OF STATE POLICE to be
24 qualified to take fingerprints. ~~The department may charge a fee~~
25 ~~not to exceed \$100.00 for training. The licensee shall submit a~~
26 ~~1-time \$15.00 processing fee for each person applying for~~
27 ~~employment at that agency.~~ If a licensee takes the fingerprints,

SB425, As Passed House, June 5, 2002

Sub. SB 425 (H-2) as amended June 5, 2002 18

1 that licensee shall obtain training in taking fingerprints from
2 the department OF STATE POLICE or a law enforcement agency or
3 other person determined qualified by the department OF STATE
4 POLICE. ~~The department may impose a fee not to exceed \$5.00 for~~
5 ~~fingerprints submitted to the department that do not meet stan-~~
6 ~~dards imposed by the department.~~

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

9 (4) ~~(5)~~ A licensee shall request the department OF STATE
10 POLICE to conduct a background check of each prospective employee
11 [WHO IS A DIRECT PROVIDER OF THE SECURITY BUSINESS] based upon a name
12 check. The licensee shall
13 obtain a complete and signed employment application for all indi-
14 viduals for whom a name check is requested and conducted. The
15 employment application shall be retained for at least 1 year from
16 the date of its submission. The department OF STATE POLICE shall
17 conduct the background check upon a written, ELECTRONIC, or tele-
18 phonic request of a licensee accompanied by a fee of ~~\$5.00~~
19 \$15.00. The background check shall be conducted not later than 3
20 days after the date a written request is made and not later than
21 24 hours after a telephonic OR ELECTRONIC request is made.
22 Provisional clearance based on the name check shall allow the
23 employee to be employed AS A SECURITY GUARD, for a period of time
24 not to exceed 90 days, pending final clearance based upon a fin-
25 gerprint check AS PROVIDED FOR IN SUBSECTION (2). If an approval
26 is once denied, that individual may not again be employed AS A
27 [DIRECT PROVIDER OF THE SECURITY BUSINESS] by the submitting licensee
except upon receipt of
an approved fingerprint clearance. A licensee or employee of a

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

19

1 licensee who uses a name check or results of a name check for
2 purposes other than prospective employment is guilty of a misde-
3 meanor punishable by imprisonment for not more than 93 days, a
4 fine of not more than \$1,000.00, or both.

5 (5) ~~-(6)-~~ The department OF STATE POLICE may enter into an
6 agreement with a licensee for the payment of fees imposed pursu-
7 ant to this act.

8 (6) ~~-(7)-~~ Any employee who, upon demand, fails to surrender
9 to the licensee his or her identification card and any other
10 property issued to him or her for use in connection with his or
11 her employer's business is guilty of a misdemeanor.

12 Sec. 19. (1) The particular type of uniform and insignia
13 worn by a licensee or his or her employees must be approved by
14 the department and shall not deceive or confuse the public or be
15 identical with that of a law enforcement officer of the federal
16 government, state, or a political subdivision of the state in the
17 community of the license holder. Shoulder identification patches
18 shall be worn on all uniform jackets, coats, and shirts and shall
19 include the name of the licensee or agency. Shoulder identifica-
20 tion patches or emblems shall not be less than ~~-2-~~ 3 inches by
21 ~~-3-~~ 5 inches in size.

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

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

20

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

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

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

13 Sec. 24. Each ~~person~~ SOLE PROPRIETORSHIP, partnership,
14 firm, LIMITED LIABILITY COMPANY, or corporation licensed and
15 operating under the provisions of this act where there is an
16 employer-employee relationship ~~is required to~~ MUST comply with
17 the state and federal laws applicable and ~~shall be required to~~
18 MUST make written records and reports in accordance with ~~same~~
19 THE APPLICABLE STATE AND FEDERAL LAWS.

20 Sec. 25. (1) A license granted under this act may be
21 renewed by the department upon application by the licensee,
22 FILING A RENEWAL SURETY BOND IN THE AMOUNT SPECIFIED IN SECTION
23 9, and the payment of ~~a~~ THE FOLLOWING:

24 (A) BEGINNING OCTOBER 1, 2004, A renewal fee of \$100.00 if
25 ~~an individual~~ A SOLE PROPRIETORSHIP, \$150.00 if a private
26 security guard firm, company, partnership, LIMITED LIABILITY
27 COMPANY, or corporation, or \$250.00 if a security alarm system

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

21

1 contractor. ~~, and filing of a renewal surety bond in the amount~~
2 ~~specified in section 9.~~

3 (B) BEGINNING OCTOBER 1, 2002 AND UNTIL OCTOBER 1, 2004, A
4 RENEWAL FEE OF \$1,000.00 IF A SOLE PROPRIETORSHIP, \$1,500.00 IF A
5 PRIVATE SECURITY GUARD FIRM, COMPANY, PARTNERSHIP, LIMITED
6 LIABILITY COMPANY, OR CORPORATION, OR \$1,500.00 IF A SECURITY
7 ALARM SYSTEM CONTRACTOR.

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

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

18 (3) ~~(4)~~ A person who fails to renew a license on or before
19 the expiration date shall not engage in activities regulated by
20 this act. A person who fails to renew a license on or before the
21 expiration date may, within 30 days after the expiration date,
22 renew the license by payment of the required license fee and a
23 late renewal fee ~~as prescribed by section 9~~ OF \$25.00. An
24 applicant who fails to renew within the 30-day period must reap-
25 ply for a license under section 7.

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

22

1 (4) THE FEES COLLECTED BY THE DEPARTMENT UNDER THIS SECTION
2 SHALL BE DEPOSITED INTO THE SECURITY BUSINESS FUND CREATED IN
3 SECTION 9(6).

4 Sec. 29. (1) THE LICENSURE OF PRIVATE SECURITY POLICE SHALL
5 BE ADMINISTERED BY THE DEPARTMENT OF STATE POLICE. THE APPLICA-
6 TION, QUALIFICATION, AND ENFORCEMENT PROVISIONS UNDER THIS ACT
7 APPLY TO PRIVATE SECURITY POLICE EXCEPT THAT THE ADMINISTRATION
8 OF THOSE PROVISIONS SHALL BE PERFORMED BY, AND THE PAYMENT OF THE
9 APPROPRIATE FEES SHALL BE PAID TO, THE DEPARTMENT OF STATE
10 POLICE. THE DIRECTOR OF THE DEPARTMENT MAY JOINTLY PROMULGATE
11 RULES WITH THE DEPARTMENT OF STATE POLICE UNDER THE ADMINISTRA-
12 TIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328,
13 TO FACILITATE THE BIFURCATION OF AUTHORITY DESCRIBED IN THIS
14 SUBSECTION.

15 (2) This act ~~shall~~ DOES not require licensing of any pri-
16 vate security guards employed for the purpose of protecting the
17 property and employees of their employer and generally maintain-
18 ing security for their employer. However, any person, firm,
19 LIMITED LIABILITY COMPANY, BUSINESS ORGANIZATION, EDUCATIONAL
20 INSTITUTION, or corporation maintaining a private security police
21 organization may voluntarily apply for ~~licensing~~ LICENSURE
22 under this act. When a private security police employer AS
23 described ~~and defined~~ in this section provides the employee
24 with a pistol for the purpose of protecting the property of the
25 employer, ~~such~~ THE pistol shall be considered the property of
26 the employer and the employer shall retain custody ~~thereof~~ OF
27 THE PISTOL, except during the actual working hours of the

SB425, As Passed House, June 5, 2002

Senate Bill No. 425

23

1 employee. All such private security people shall be subject to
2 the provisions of ~~section~~ SECTIONS 17(1) AND 19(1).

3 Sec. 31. ~~Any person requesting licensing~~ AN APPLICANT FOR
4 LICENSURE AS PRIVATE SECURITY POLICE under this act under section
5 29, or the employee of the applicant, shall comply with training
6 requirements as prescribed by the department under this act.

7 Enacting section 1. This amendatory act takes effect
8 October 1, 2002.