

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5274

A bill to amend 1965 PA 285, entitled  
"Private detective license act,"  
by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 8, 10, 14,  
16, 17, 19, 20, 22, 24, 27, and 29 (MCL 338.821, 338.822, 338.823,  
338.824, 338.825, 338.826, 338.827, 338.828, 338.830, 338.834,  
338.836, 338.837, 338.839, 338.840, 338.842, 338.844, 338.847, and  
338.849), the title and sections 1, 2, 3, 4, 5, 6, 7, 10, 14, 16,  
17, 20, 22, 24, and 27 as amended by 2002 PA 474.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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TITLE

An act to license and regulate ~~private detectives and~~  
**PROFESSIONAL** investigators; to provide for certain powers and  
duties for certain state agencies and local officials; to provide

1 for the imposition for certain fees; to protect the general public  
2 against unauthorized, unlicensed and unethical operations by  
3 ~~private detectives and private~~ **PROFESSIONAL** investigators; **TO**  
4 **PROVIDE FOR IMMUNITY FOR CERTAIN PERSONS UNDER CERTAIN**  
5 **CIRCUMSTANCES;** to provide for penalties and remedies; and to repeal  
6 acts and parts of acts.

7 Sec. 1. This act shall be known and may be cited as the  
8 ~~"private detective license"~~ **"PROFESSIONAL INVESTIGATOR LICENSURE**  
9 **act"**.

10 Sec. 2. As used in this act:

11 (A) **"CERTIFIED PUBLIC ACCOUNTANT" MEANS A PERSON LICENSED AS A**  
12 **CERTIFIED PUBLIC ACCOUNTANT UNDER ARTICLE 7 OF THE OCCUPATIONAL**  
13 **CODE, 1980 PA 299, MCL 339.720 TO 339.736.**

14 (B) **"COMPUTER FORENSICS" MEANS THE COLLECTION, INVESTIGATION,**  
15 **ANALYSIS, AND SCIENTIFIC EXAMINATION OF DATA HELD ON, OR RETRIEVED**  
16 **FROM, COMPUTERS, COMPUTER NETWORKS, COMPUTER STORAGE MEDIA,**  
17 **ELECTRONIC DEVICES, ELECTRONIC STORAGE MEDIA, OR ELECTRONIC**  
18 **NETWORKS, OR ANY COMBINATION THEREOF.**

19 (C) ~~(a)~~ "Department" means the Michigan department of ~~consumer~~  
20 ~~and industry services~~ **LABOR AND ECONOMIC GROWTH.**

21 ~~(b) "Private detective" or "private investigator" means a~~  
22 ~~person, other than an insurance adjuster who is on salary and~~  
23 ~~employed by an insurance company or other than a professional~~  
24 ~~engineer, who, for a fee, reward, or other consideration, engages~~  
25 ~~in business or accepts employment to furnish, or subcontracts or~~  
26 ~~agrees to make, or makes an investigation for the purpose of~~  
27 ~~obtaining information with reference to any of the following:~~

1 ~~—— (i) Crimes or wrongs done or threatened against the United~~  
 2 ~~States or a state or territory of the United States.~~

3 ~~—— (ii) The identity, habits, conduct, business, occupation,~~  
 4 ~~honesty, integrity, credibility, trustworthiness, efficiency,~~  
 5 ~~loyalty, activity, movement, whereabouts, affiliations,~~  
 6 ~~associations, transactions, acts, reputation, or character of a~~  
 7 ~~person.~~

8 ~~—— (iii) The location, disposition, or recovery of lost or stolen~~  
 9 ~~property.~~

10 ~~—— (iv) The cause or responsibility for fires, libels, losses,~~  
 11 ~~accidents, or damage or injury to persons or property.~~

12 ~~—— (v) Securing evidence to be used before a court, board,~~  
 13 ~~officer, or investigating committee.~~

14 (D) ~~(e)~~ "Insurance adjuster" means a person other than a  
 15 ~~private detective or private~~ **PROFESSIONAL** investigator who, for a  
 16 consideration, engages in the activities described in subdivision  
 17 ~~(b)~~ **(E)** in the course of adjusting or otherwise participating in  
 18 the disposal of claims under or in connection with a policy of  
 19 insurance. Insurance adjuster includes a **ANY OF THE FOLLOWING:**

20 (i) A person who is employed on a salary basis by an insurance  
 21 company. ~~—~~

22 (ii) A person, firm, partnership, company, limited liability  
 23 company, or corporation who acts for insurance companies solely in  
 24 the capacity of a **AN INDEPENDENT** claim adjuster ~~—~~ **WHILE**  
 25 **PERFORMING WITHIN THAT CAPACITY.**

26 (iii) A person, firm, partnership, company, limited liability  
 27 company, or corporation engaged in the business of public adjuster

1 acting for claimants in securing adjustments of claims against  
2 insurance companies and who does not perform investigative services  
3 including, **BUT NOT LIMITED TO**, surveillance activities.

4 (E) "INVESTIGATION BUSINESS" MEANS A BUSINESS THAT, FOR A FEE,  
5 REWARD, OR OTHER CONSIDERATION, ENGAGES IN BUSINESS OR ACCEPTS  
6 EMPLOYMENT TO FURNISH, OR SUBCONTRACTS OR AGREES TO MAKE, OR MAKES  
7 AN INVESTIGATION FOR THE PURPOSE OF OBTAINING INFORMATION WITH  
8 REFERENCE TO ANY OF THE FOLLOWING:

9 (i) CRIMES OR WRONGS DONE OR THREATENED AGAINST THE UNITED  
10 STATES OR A STATE OR TERRITORY OF THE UNITED STATES, OR ANY OTHER  
11 PERSON OR LEGAL ENTITY.

12 (ii) THE IDENTITY, HABITS, CONDUCT, BUSINESS, OCCUPATION,  
13 HONESTY, INTEGRITY, CREDIBILITY, TRUSTWORTHINESS, EFFICIENCY,  
14 LOYALTY, ACTIVITY, MOVEMENT, WHEREABOUTS, AFFILIATIONS,  
15 ASSOCIATIONS, TRANSACTIONS, ACTS, REPUTATION, OR CHARACTER OF A  
16 PERSON.

17 (iii) THE LOCATION, DISPOSITION, OR RECOVERY OF LOST OR STOLEN  
18 PROPERTY.

19 (iv) THE CAUSE OR RESPONSIBILITY FOR FIRES, LIBELS, LOSSES,  
20 ACCIDENTS, OR DAMAGE OR INJURY TO PERSONS OR PROPERTY.

21 (v) SECURING EVIDENCE TO BE USED BEFORE A COURT, BOARD,  
22 OFFICER, OR INVESTIGATING COMMITTEE.

23 (vi) THE PREVENTION, DETECTION, AND REMOVAL OF SURREPTITIOUSLY  
24 INSTALLED DEVICES DESIGNED FOR EAVESDROPPING OR OBSERVATION, OR  
25 BOTH.

26 (vii) THE ELECTRONIC TRACKING OF THE LOCATION OF AN INDIVIDUAL  
27 OR MOTOR VEHICLE FOR PURPOSES OF DETECTION OR INVESTIGATION.

1           (viii) **COMPUTER FORENSICS TO BE USED AS EVIDENCE BEFORE A COURT,**  
2 **BOARD, OFFICER, OR INVESTIGATING COMMITTEE.**

3           (F) ~~(d)~~—"Licensee" means a person licensed under this act.

4           (G) ~~(e)~~—"Professional engineer" means a person licensed under  
5 article 20 of the occupational code, 1980 PA 299, MCL 339.2001 to  
6 339.2014, as a professional engineer.

7           (H) **"PROFESSIONAL INVESTIGATOR" MEANS A PERSON, OTHER THAN AN**  
8 **INSURANCE ADJUSTER WHO IS ON SALARY AND EMPLOYED BY AN INSURANCE**  
9 **COMPANY, WHO FOR A FEE, REWARD, OR OTHER CONSIDERATION ENGAGES IN**  
10 **THE INVESTIGATION BUSINESS.**

11           Sec. 3. (1) A person, firm, partnership, company, limited  
12 liability company, or corporation shall not engage in the business  
13 of ~~private detective or~~ **PROFESSIONAL** investigator for hire, fee, or  
14 reward, and shall not advertise his or her business to be that of  
15 ~~detective~~ **PROFESSIONAL INVESTIGATOR** or of a ~~detective~~ **PROFESSIONAL**  
16 **INVESTIGATOR** agency without first obtaining a license from the  
17 department. ~~(2)~~ A person, firm, partnership, company, limited  
18 liability company, or corporation shall not engage in the business  
19 of furnishing or supplying, for hire and reward, information as to  
20 the personal character of any person or firm, or as to the  
21 character or kind of business and occupation of any person, firm,  
22 partnership, company, limited liability company, or corporation and  
23 shall not own, conduct, or maintain a bureau or agency for the  
24 purposes described in this subsection except as to the financial  
25 rating of persons, firms, partnerships, companies, limited  
26 liability companies, or corporations without having first obtained  
27 a license **AS A PROFESSIONAL INVESTIGATOR** from the department.

1           (2) THE DEPARTMENT, THE ATTORNEY GENERAL, THE MICHIGAN STATE  
2 POLICE, OR A LOCAL LAW ENFORCEMENT AGENCY, ON ITS OWN INITIATIVE OR  
3 AT THE REQUEST OF ANY OTHER PERSON OR LEGAL ENTITY, MAY INVESTIGATE  
4 ALLEGATIONS OF A PERSON OR LEGAL ENTITY ENGAGING IN ACTIVITIES  
5 REGULATED UNDER THIS ACT WITHOUT BEING APPROPRIATELY LICENSED OR  
6 EXEMPT FROM LICENSURE UNDER THIS ACT. THE ENTITY CONDUCTING THE  
7 INVESTIGATION SHALL REPORT ITS FINDINGS TO THE ATTORNEY GENERAL AND  
8 COUNTY PROSECUTING ATTORNEY HAVING JURISDICTION IN THE LOCATION  
9 WITHIN WHICH THE ALLEGED VIOLATOR IS ENGAGED IN BUSINESS. THE  
10 ATTORNEY GENERAL OR COUNTY PROSECUTING ATTORNEY MAY BRING AN  
11 APPROPRIATE CIVIL OR CRIMINAL ACTION IN A COURT OF COMPETENT  
12 JURISDICTION TO ENJOIN ANY PERSON OR LEGAL ENTITY THAT HAS ENGAGED  
13 OR IS ABOUT TO ENGAGE IN ANY ACTIVITY REGULATED BY THIS ACT WITHOUT  
14 BEING APPROPRIATELY LICENSED OR EXEMPT FROM LICENSURE UNDER THIS  
15 ACT. SUCH AN INJUNCTION MAY BE ISSUED WITHOUT PROOF OF ACTUAL  
16 DAMAGE SUSTAINED BY ANY PERSON OR LEGAL ENTITY. ISSUANCE OF AN  
17 INJUNCTION SHALL NOT PREVENT CRIMINAL PROSECUTION OF A VIOLATOR. IN  
18 ADDITION TO ISSUING THE INJUNCTION, THE COURT MAY IMPOSE A CIVIL  
19 VIOLATION FINE NOT TO EXCEED \$25,000.00. A PERSON OR OTHER LEGAL  
20 ENTITY WHO REPORTS TO THE DEPARTMENT, A LOCAL LAW ENFORCEMENT  
21 AGENCY, A COUNTY PROSECUTING ATTORNEY, OR THE ATTORNEY GENERAL  
22 REGARDING AN ALLEGATION OF UNLICENSED ACTIVITY IS IMMUNE FROM TORT  
23 LIABILITY FOR MAKING THE REPORT.

24           (3) A person violating this section is guilty of a felony  
25 punishable by imprisonment for not more than 4 years or by a **PENAL**  
26 fine of not more than \$5,000.00, or both.

27           Sec. 4. This act does not apply to any of the following:

1 (a) A person employed exclusively and regularly by an employer  
2 in connection with the affairs of the employer only and there  
3 exists a bona fide employer-employee relationship for which the  
4 employee is reimbursed on a salary basis.

5 (b) An officer or employee of the United States, this state,  
6 or a political subdivision of this state while that officer or  
7 employee is engaged in the performance of his or her official  
8 duties **EXCEPT THAT SUCH OFFICER OR EMPLOYEE DOES NOT INCLUDE A**  
9 **PROFESSIONAL INVESTIGATOR HIRED OR EMPLOYED UNDER CONTRACT BY THE**  
10 **UNITED STATES, THIS STATE, OR A POLITICAL SUBDIVISION OF THIS**  
11 **STATE.**

12 (c) The business of obtaining and furnishing information as to  
13 the financial standing, rating, and credit responsibility of  
14 persons or as to the personal habits and financial responsibility  
15 of applicants for insurance, indemnity bonds, or commercial credit.

16 (d) A charitable philanthropic society or association duly  
17 incorporated under the laws of this state that is organized and  
18 maintained for the public good and not for private profit.

19 (e) An attorney ~~at law~~ **ADMITTED TO PRACTICE IN THIS STATE** in  
20 performing his or her duties as ~~such~~ **AN** attorney at law.

21 (f) A collection agency or finance company licensed to do  
22 business under the laws of this state or any employee of a  
23 collection agency or finance company while acting within the scope  
24 of his or her employment when making an investigation incidental to  
25 the business of the agency, including an investigation of the  
26 location of the debtor or his or her assets and property in which  
27 the client has an interest or upon which the client has a lien.

1 (g) An insurance adjuster who is employed on a salary basis by  
2 an insurance company or a person, firm, partnership, company,  
3 limited liability company, or corporation that acts for an  
4 insurance company solely in the capacity of claim adjuster. A  
5 person, firm, partnership, company, limited liability company, or  
6 corporation engaged in the business of public adjuster acting for  
7 claimants in securing adjustments of claims against insurance  
8 companies and who does not perform investigative services  
9 including, but not limited to, surveillance activities.

10 (h) A professional engineer acting within the scope of his or  
11 her licensed professional practice who does not perform  
12 investigative services, including, but not limited to, surveillance  
13 activities or other activities outside of the scope of his or her  
14 licensed professional practice.

15 (I) A CERTIFIED PUBLIC ACCOUNTANT ACTING WITHIN THE SCOPE OF  
16 HIS OR HER LICENSED PROFESSIONAL PRACTICE WHO DOES NOT PERFORM  
17 INVESTIGATIVE SERVICES, INCLUDING, BUT NOT LIMITED TO, SURVEILLANCE  
18 ACTIVITIES OR OTHER ACTIVITIES OUTSIDE OF THE SCOPE OF HIS OR HER  
19 LICENSED PROFESSIONAL PRACTICE.

20 (J) A BAIL AGENT AUTHORIZED UNDER SECTION 167B OF THE MICHIGAN  
21 PENAL CODE, 1931 PA 328, MCL 750.167B, WHILE PERFORMING HIS OR HER  
22 DUTIES AS A BAIL AGENT.

23 Sec. 5. (1) The department, upon application and after making  
24 a determination that the applicant is qualified, shall issue the  
25 applicant a license to conduct business as a ~~private detective or~~  
26 ~~private~~ **PROFESSIONAL** investigator for a period of 3 years from date  
27 of issuance.



1           (2) Upon the issuance of a license under this act to conduct  
2 business as a ~~private detective or private~~ **PROFESSIONAL**  
3 investigator, the applicant is not required to obtain any other  
4 license from any municipality or political subdivision of this  
5 state.

6           Sec. 6. (1) The department shall issue a license to conduct  
7 business as a ~~private detective or private~~ **PROFESSIONAL**  
8 investigator if satisfied that the applicant is a person, or if a  
9 firm, partnership, company, limited liability company, or  
10 corporation, the sole or principal license holder is a person who  
11 meets all of the following qualifications:

12           (a) Is a citizen of the United States.

13           (b) Is not less than 25 years of age.

14           (c) Has a high school education or its equivalent.

15           (d) Has not been convicted of a felony, or a misdemeanor  
16 involving any of the following:

17           (i) Dishonesty or fraud.

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

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

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

25           (v) Two or more alcohol related offenses.

26           (vi) Controlled substances under the public health code, 1978

27 PA 368, MCL 333.1101 to 333.25211.

1 (vii) An assault.

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

4 (f) For a period of not less than 3 years has been or is any  
5 of the following **ON A FULL-TIME BASIS**:

6 (i) Lawfully engaged in the ~~private detective business on his~~  
7 ~~or her own account~~ **PROFESSIONAL INVESTIGATION BUSINESS AS A**  
8 **LICENSEE, REGISTRANT, OR INVESTIGATIVE EMPLOYEE** in another state.

9 (ii) Lawfully engaged in the ~~private detective~~ **INVESTIGATION**  
10 business as an investigative employee of the holder of a  
11 ~~certificate of authority~~ **LICENSE** to conduct a ~~detective~~  
12 **PROFESSIONAL INVESTIGATION** agency.

13 (iii) An investigator, detective, special agent, **INTELLIGENCE**  
14 **SPECIALIST, PAROLE AGENT, PROBATION OFFICER,** or certified police  
15 officer ~~of a city, county, or state government or of the United~~  
16 ~~States government~~ **EMPLOYED BY ANY GOVERNMENT EXECUTIVE, MILITARY,**  
17 **JUDICIAL, OR LEGISLATIVE AGENCY, OR OTHER PUBLIC AUTHORITY ENGAGED**  
18 **IN INVESTIGATIVE OR INTELLIGENCE ACTIVITIES. THIS SUBDIVISION DOES**  
19 **NOT INCLUDE INDIVIDUALS EMPLOYED BY EDUCATIONAL OR CHARITABLE**  
20 **INSTITUTIONS WHO ARE SOLELY ENGAGED IN ACADEMIC, CONSULTING,**  
21 **EDUCATIONAL, INSTRUCTIONAL, OR RESEARCH ACTIVITIES. IN THE CASE OF**  
22 **THE EXPERIENCE REQUIREMENT UNDER THIS SUBPARAGRAPH FOR AN APPLICANT**  
23 **DEMONSTRATING EXPERIENCE AS A PROBATION OFFICER OR PAROLE AGENT,**  
24 **THE DEPARTMENT SHALL CONSIDER ANY APPLICATION FILED ON OR AFTER**  
25 **JANUARY 1, 2005 FOR ELIGIBILITY REGARDING THAT EXPERIENCE.**

26 (iv) A graduate **OF AN ACCREDITED INSTITUTION OF HIGHER**  
27 **EDUCATION** with a baccalaureate **OR POSTGRADUATE** degree in the field

1 of police administration, SECURITY MANAGEMENT, INVESTIGATION, LAW,  
2 ~~or~~ criminal justice, OR COMPUTER FORENSICS OR OTHER COMPUTER  
3 FORENSIC INDUSTRY CERTIFICATED STUDY THAT IS ACCEPTABLE TO THE  
4 DEPARTMENT. ~~from an accredited university or college acceptable to~~  
5 ~~the department.~~

6 (v) LAWFULLY ENGAGED IN THE INVESTIGATION BUSINESS AS A FULL-  
7 TIME PROPRIETARY OR IN-HOUSE INVESTIGATOR EMPLOYED BY A BUSINESS OR  
8 ATTORNEY, OR AS AN INVESTIGATIVE REPORTER EMPLOYED BY A RECOGNIZED  
9 MEDIA OUTLET, ACCEPTABLE TO THE DEPARTMENT. THIS SUBDIVISION DOES  
10 NOT INCLUDE INDIVIDUALS EMPLOYED BY EDUCATIONAL OR CHARITABLE  
11 INSTITUTIONS WHO ARE SOLELY ENGAGED IN ACADEMIC, CONSULTING,  
12 EDUCATIONAL, INSTRUCTIONAL, OR RESEARCH ACTIVITIES.

13 (g) Has posted with the department a bond OR INSURANCE POLICY  
14 provided for in this act.

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

19 (3) ~~A person regulated as a private detective or private~~  
20 ~~investigator in another state having a reciprocal agreement with~~  
21 ~~this state may engage in activities regulated by this act without~~  
22 ~~being licensed for the limited purpose and for a limited amount of~~  
23 ~~time as necessary to continue an ongoing investigation originating~~  
24 ~~in that state.~~ BEGINNING JULY 1, 2010, A LAW ENFORCEMENT OFFICER,  
25 AS THAT TERM IS DEFINED IN SECTION 2 OF THE COMMISSION OF LAW  
26 ENFORCEMENT STANDARDS ACT, 1965 PA 203, MCL 28.602, SHALL NOT BE  
27 ISSUED A NEW OR RENEWAL LICENSE AND SHALL NOT BE EMPLOYED AND

1 WORKING IN AN INVESTIGATIVE CAPACITY BY, OR AUTHORIZED TO OPERATE  
2 IN A CAPACITY AS, A PROFESSIONAL INVESTIGATOR UNLESS THE LAW  
3 ENFORCEMENT OFFICER OBTAINS AND PRODUCES, IN A MANNER ACCEPTABLE TO  
4 THE DEPARTMENT, ANY 1 OF THE FOLLOWING:

5 (A) WRITTEN PERMISSION TO ACT AS A PROFESSIONAL INVESTIGATOR  
6 FROM THE CURRENT CHIEF OF POLICE, COUNTY SHERIFF, OR OTHER OFFICIAL  
7 HAVING EXECUTIVE AUTHORITY AND RESPONSIBILITY OVER THE LAW  
8 ENFORCEMENT MATTERS IN THAT JURISDICTION IF THE LAW ENFORCEMENT  
9 OFFICER DOES NOT WORK UNDER THE AUTHORITY OF A CHIEF OF POLICE OR  
10 COUNTY SHERIFF.

11 (B) A COPY OF THE LAW ENFORCEMENT OFFICER'S JURISDICTION'S  
12 PUBLISHED POLICIES AND PROCEDURES ALLOWING OFF-DUTY EMPLOYMENT,  
13 WHICH POLICIES AND PROCEDURES INCLUDE THE PROHIBITION OF THE OFF-  
14 DUTY USE OF INVESTIGATIVE TOOLS OR EQUIPMENT, OR BOTH, PROVIDED  
15 EXCLUSIVELY FOR LAW ENFORCEMENT AND INDICATE THAT THE OFF-DUTY  
16 EMPLOYMENT AS A PROFESSIONAL INVESTIGATOR IS NOT CONSIDERED IN  
17 CONFLICT WITH EMPLOYMENT AS A LAW ENFORCEMENT OFFICER.

18 (C) A COPY OF THE COLLECTIVE BARGAINING AGREEMENT OF THE LAW  
19 ENFORCEMENT OFFICER'S JURISDICTION.

20 (4) This act does not prevent a licensee from acting as a  
21 ~~private detective or private~~ PROFESSIONAL investigator outside of  
22 this state to the extent allowed by that other state under the laws  
23 of that state.

24 (5) THE DEPARTMENT MAY ENTER INTO RECIPROCAL AGREEMENTS WITH  
25 OTHER STATES THAT HAVE PROFESSIONAL INVESTIGATOR QUALIFICATION LAWS  
26 TO ALLOW A PROFESSIONAL INVESTIGATOR LICENSE OR REGISTRATION TO BE  
27 USED BY THAT LICENSEE OR REGISTRANT WITHIN THE JURISDICTION OF

1 EITHER THIS STATE OR ANOTHER STATE. THE RECIPROCAL AGREEMENT SHALL  
2 BE LIMITED TO ONLY ALLOW PROFESSIONAL INVESTIGATORS TO CONTINUE  
3 INVESTIGATIONS THAT ORIGINATE IN THE INVESTIGATOR'S HOME STATE AND  
4 THAT REQUIRE INVESTIGATION IN ANOTHER STATE. THE DEPARTMENT MAY  
5 ENTER INTO A RECIPROCAL AGREEMENT IF THE OTHER STATE MEETS ALL OF  
6 THE FOLLOWING CONDITIONS:

7 (A) ISSUES A PROFESSIONAL INVESTIGATOR IDENTIFICATION CARD  
8 WITH AN EXPIRATION DATE PRINTED ON THE CARD.

9 (B) IS AVAILABLE TO VERIFY THE LICENSE OR REGISTRATION STATUS  
10 FOR LAW ENFORCEMENT PURPOSES.

11 (C) HAS DISQUALIFICATION, SUSPENSION, AND REVOCATION STANDARDS  
12 FOR LICENSES AND REGISTRATIONS.

13 (D) REQUIRES THE APPLICANT FOR A LICENSE OR REGISTRATION AS A  
14 PROFESSIONAL INVESTIGATOR TO SUBMIT TO A CRIMINAL HISTORY RECORDS  
15 CHECK PURSUANT TO APPLICABLE STATE AND FEDERAL LAW.

16 (6) EACH RECIPROCAL AGREEMENT SHALL, AT A MINIMUM, INCLUDE THE  
17 FOLLOWING PROVISIONS:

18 (A) A REQUIREMENT THAT THE PROFESSIONAL INVESTIGATOR POSSESS A  
19 PROFESSIONAL INVESTIGATOR LICENSE OR REGISTRATION IN GOOD STANDING  
20 FROM HIS OR HER HOME STATE.

21 (B) A REQUIREMENT THAT THE PROFESSIONAL INVESTIGATOR SHALL BE  
22 TIME-LIMITED TO A MAXIMUM OF 30 DAYS PER CASE WHILE CONDUCTING AN  
23 INVESTIGATION IN THIS STATE, OR A LESSER AMOUNT OF TIME IF REQUIRED  
24 TO COMPLY WITH THE RECIPROCITY STATUTES OR REGULATIONS OF THE OTHER  
25 STATE.

26 (C) A REQUIREMENT THAT THE PROFESSIONAL INVESTIGATOR FROM THE  
27 OTHER STATE NOT SOLICIT ANY BUSINESS IN THIS STATE WHILE CONDUCTING

1 **INVESTIGATIONS IN THIS STATE.**

2       Sec. 7. (1) The department shall prepare a standard uniform  
3 application. The applicant shall obtain notarized reference  
4 statements from at least 5 reputable citizens who swear that they  
5 have known the applicant and his or her qualifications for a period  
6 of at least 5 years and believe that the applicant is honest, of  
7 good character, and competent. The individual providing the  
8 reference shall not be related or connected to the person so  
9 certifying by blood or marriage.

10       (2) Upon receipt of the application, application processing  
11 fee, and license fee as described in section 9, the department  
12 shall investigate as to the applicant's qualifications for  
13 licensure.

14 ~~(3) The application and investigation are not considered~~  
15 ~~complete until the applicant has received the approval of the~~  
16 ~~prosecuting attorney and the sheriff of the county within which the~~  
17 ~~principal office of the applicant is to be located. If the office~~  
18 ~~is to be located in a city, township, or village, the approval of~~  
19 ~~the chief of police may be obtained instead of the sheriff.~~

20       Sec. 8. If the applicant is a corporation, the application  
21 shall be signed and verified by the president, secretary and  
22 treasurer thereof, and shall specify the name of the corporation,  
23 the date and place of its incorporation, the location of its  
24 principal place of business, and the name of the city, town or  
25 village, stating the street and number, and such other description  
26 as will indicate the location of the bureau, agency, subagency,  
27 office or branch office for which the license is desired, the

1 ~~amount of the corporation's outstanding paid up capital and stock,~~  
2 ~~and whether paid in cash or property, and if in property, the~~  
3 ~~nature of the same,~~ and shall be accompanied by a duly certified  
4 copy of a certificate of incorporation.

5       Sec. 10. (1) The department may suspend or revoke a license  
6 issued under this act if the department determines that the  
7 licensee or licensee's manager, if an individual, or if the  
8 licensee is a person other than an individual, that an officer,  
9 director, partner, or its manager, has done any of the following:

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

13       (b) Violated this act or any rule promulgated under this act.

14       (c) Been convicted of a felony or misdemeanor involving  
15 dishonesty or fraud, unauthorized divulging or selling of  
16 information or evidence.

17       (d) Been convicted of impersonation of a law enforcement  
18 officer or employee of the United States or a state, or a political  
19 subdivision of the United States or a state.

20       (e) Been convicted of illegally using, carrying, or possessing  
21 a dangerous weapon.

22       **(F) IN THE CASE OF A LAW ENFORCEMENT OFFICER ISSUED A LICENSE**  
23 **UNDER THE CONDITIONS CONTAINED IN SECTION 6(3), VIOLATED THE**  
24 **POLICIES AND PROCEDURES GOVERNING OFF-DUTY EMPLOYMENT.**

25       **(2) IN ADDITION TO THE SUSPENSION OR REVOCATION PROVISIONS**  
26 **AVAILABLE TO THE DEPARTMENT UNDER SUBSECTION (1), THE DEPARTMENT**  
27 **MAY DO 1 OR MORE OF THE FOLLOWING REGARDING A LICENSEE OR A**

1 LICENSEE'S MANAGER, IF AN INDIVIDUAL, OR IF THE LICENSEE IS A  
2 PERSON OTHER THAN AN INDIVIDUAL, AN OFFICER, DIRECTOR, PARTNER,  
3 MEMBER, OR ITS MANAGER, WHO VIOLATES THIS ACT OR A RULE OR ORDER  
4 PROMULGATED OR ISSUED UNDER THIS ACT:

5 (A) PLACE A LIMITATION ON A LICENSE.

6 (B) DENY A RENEWAL OF A LICENSE.

7 (C) ISSUE AN ORDER OF CENSURE.

8 (D) ISSUE AN ORDER OF PROBATION.

9 (E) IMPOSE A REQUIREMENT THAT RESTITUTION BE MADE.

10 (3) ~~(2)~~ Upon notification from the department of the  
11 suspension or revocation of the license, the licensee, within 24  
12 hours, shall surrender to the department the license and his or her  
13 identification card. Failure to surrender the license in compliance  
14 with this subsection is a misdemeanor.

15 Sec. 14. (1) Upon issuing a license, the department shall also  
16 issue an identification card to the principal license holder or, if  
17 the agency is a partnership, to each partner or, if the license  
18 holder is a corporation or limited liability company, to each  
19 resident officer, manager, or member.

20 (2) The identification card issued under subsection (1) shall  
21 be in such form and contain such information as may be prescribed  
22 by the department and is recallable by the department for the same  
23 reasons as the license.

24 (3) The department shall only issue 1 identification card for  
25 each person entitled to receive it. The licensee is responsible for  
26 the maintenance, custody, and control of the identification card  
27 and shall not lease, loan, sell, or otherwise permit unauthorized



1 persons or employees to use it. This subsection ~~shall~~**DOES** not be  
2 ~~construed to~~ prevent each agency from issuing its own  
3 identification cards, if approved as to form and content by the  
4 department, to ~~their~~**ITS** respective employees. The individual  
5 identification card shall not bear the seal of the state or the  
6 designation of ~~private detective or private~~**PROFESSIONAL**  
7 investigator, but the identification card may designate the  
8 employee as an investigator or operator and may state that the  
9 person is employed by a licensee of the department and the state of  
10 Michigan.

11 (4) Upon proper application and for sufficient reasons shown,  
12 the department may issue duplicates of the original license or  
13 identification card.

14 Sec. 16. (1) A person shall not possess or display a badge or  
15 shield that purports to indicate that the holder is a private  
16 detective, **PRIVATE INVESTIGATOR, OR PROFESSIONAL INVESTIGATOR.**

17 (2) A licensee may request authorization to provide employee  
18 identification cards only upon the express authorization of the  
19 department as to format and content.

20 (3) A person shall not display any badge, shield,  
21 identification card, or license that might mislead the public into  
22 thinking that the holder is a licensed ~~detective~~**PROFESSIONAL**  
23 **INVESTIGATOR.**

24 (4) A person who violates this section is guilty of a  
25 misdemeanor and any unauthorized badge, shield, identification  
26 card, or license shall be confiscated by any law enforcement  
27 officer of the state. Each day the violation continues shall

1 constitute a separate offense.

2       Sec. 17. (1) A licensee may employ as many persons as  
3 considered necessary to assist in his or her work of ~~detective~~  
4 **PROFESSIONAL INVESTIGATOR** and in the conduct of the business. At  
5 all times during the employment, the licensee shall ~~be~~**HAVE DIRECT**  
6 **INVOLVEMENT IN THE DAY-TO-DAY ACTIVITIES AND IS** accountable for the  
7 good conduct in the business of each person so employed.

8       (2) A licensee shall keep adequate and complete records of all  
9 persons he or she employs, which records shall be made available to  
10 the department upon request and to police authorities if the police  
11 authorities offer legitimate proof for the request in connection  
12 with a specific need.

13       (3) If a licensee falsely states or represents that a person  
14 is or has been in his or her employ, the false statement or  
15 representation shall be sufficient cause for the suspension or  
16 revocation of the license. Any person falsely stating or  
17 representing that he or she is or has been a ~~detective~~**PROFESSIONAL**  
18 **INVESTIGATOR** or employed by a ~~detective~~**PROFESSIONAL INVESTIGATOR**  
19 agency is guilty of a misdemeanor.

20       (4) A licensee shall not knowingly employ any person who does  
21 not meet the requirements of this act.

22       (5) The licensee shall cause fingerprints to be taken of all  
23 prospective employees, which fingerprints shall be submitted to the  
24 department and the federal bureau of investigation for processing  
25 and approval.

26       (6) The fingerprints required to be taken under subsection (5)  
27 may be taken by a law enforcement agency or any other person

1 determined by the department to be qualified to take fingerprints.  
2 The licensee shall submit a fingerprint processing fee to the  
3 department in accordance with section 3 of 1935 PA 120, MCL 28.273,  
4 as well as any costs imposed by the federal bureau of  
5 investigation.

6       Sec. 19. Any person licensed as a ~~private-detective~~  
7 **PROFESSIONAL INVESTIGATOR**, or in the employ of a ~~private-detective~~  
8 **PROFESSIONAL INVESTIGATOR** agency, is not authorized to carry a  
9 deadly weapon unless he is so licensed in accordance with the  
10 present laws of this state.

11       Sec. 20. (1) Any person who is or has been an employee of a  
12 licensee shall not divulge to anyone other than his or her employer  
13 or former employer, or as the employer shall direct, except as he  
14 or she may be required by law, any information acquired by him or  
15 her during his or her employment in respect to any of the work to  
16 which he or she shall have been assigned by the employer. Any  
17 employee violating the provisions of this section and any employee  
18 who willfully makes a false report to his or her employer in  
19 respect to any work is guilty of a misdemeanor.

20       (2) Any principal, manager, or employee of a licensee who  
21 willfully furnishes false information to clients, or who willfully  
22 sells, divulges, or otherwise discloses to other than clients,  
23 except as may be required by law, any information acquired during  
24 employment by the client is guilty of a misdemeanor and is subject  
25 to summary suspension of license and revocation of license upon  
26 satisfactory proof of the offense to the department. Any  
27 communications, oral or written, furnished by a professional or

1 client to a licensee, or any information secured in connection with  
2 an assignment for a client, is considered privileged with the same  
3 authority and dignity as are other privileged communications  
4 recognized by the courts of this state.

5 (3) Suspension, revocation, **DENIAL**, or other action against a  
6 licensee **OR APPLICANT FOR A LICENSE AS DESCRIBED IN SECTION 10**  
7 shall be accompanied by notice and an opportunity for a hearing  
8 under the administrative procedures act of 1969, 1969 PA 306, MCL  
9 24.201 to 24.328.

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

13 (2) A licensee shall, on notice from the department,  
14 discontinue any advertising or the use of any advertisement, seal,  
15 or card, that the department determines to be misleading to the  
16 public. Failure to comply with such an order is cause for  
17 suspension or revocation of the license.

18 (3) Unless licensed under this act, a person shall not  
19 advertise his or her business to be that of a ~~private detective~~  
20 **PROFESSIONAL INVESTIGATOR** regardless of the name or title actually  
21 used.

22 Sec. 24. (1) Each person, partnership, firm, company, limited  
23 liability company, or corporation licensed and operating under this  
24 act shall make a complete written record of the business  
25 transactions and reports made in connection with the operation of  
26 the agency.

27 (2) A ~~detective or detective~~ **PROFESSIONAL INVESTIGATOR** agency

1 that receives or generates a written or electronic report shall  
2 keep the report on file in the office of the ~~detective or agency~~  
3 **PROFESSIONAL INVESTIGATOR** for at least 2 years unless the file is  
4 returned to the client or agent.

5 Sec. 27. (1) Upon the death of a licensee, the business of the  
6 decedent may be carried on for a period of 90 days by any of the  
7 following:

8 (a) In the case of an individual licensee, the surviving  
9 spouse, or if there is none, the personal representative of the  
10 estate of the decedent.

11 (b) In the case of a partner, the surviving partners.

12 (c) In case of an officer of a firm, company, association,  
13 limited liability company, or corporation, the officers.

14 (2) Within 10 days following the death of a licensee, the  
15 department shall be notified by a person described in subsection  
16 (1) in writing. The notification shall state the name of the person  
17 legally authorized to carry on the business of the deceased.

18 (3) Upon the authorization of the department, the business may  
19 be carried on for a further period of time when necessary to  
20 complete any investigation or assist in any litigation pending at  
21 the death of the decedent.

22 (4) This section does not authorize the solicitation or  
23 acceptance of any business after the death of the decedent except  
24 as otherwise provided by this act.

25 (5) This section shall not be construed to restrict the sale  
26 of a ~~private detective~~ **PROFESSIONAL INVESTIGATOR** business if the  
27 vendee qualifies for a license under the provisions of this act.

1           Sec. 29. The requirements of this act as to license  
2 applications shall apply to all ~~private detectives~~ **PROFESSIONAL**  
3 **INVESTIGATORS**, except ~~private detectives~~ **THOSE** who already have  
4 been granted a license under prior laws of this state. The  
5 requirements as to renewal of license certificates shall apply to  
6 all ~~private detectives~~ **PROFESSIONAL INVESTIGATORS** licensed under  
7 this act or any prior law of this state.