

HOUSE BILL No. 5274

October 9, 2007, Introduced by Reps. Farrah and Accavitti and referred to the Committee on Regulatory Reform.

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), 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

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

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

11 Sec. 2. As used in this act:

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

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

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

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

1 ~~obtaining information with reference to any of the following:~~

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

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

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

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

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

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

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

23 (ii) **A** person, firm, partnership, company, limited liability
24 company, or corporation who acts for insurance companies solely in
25 the capacity of a claim adjuster ~~—a~~ **AND WHO DOES NOT PERFORM**
26 **INVESTIGATIVE SERVICES INCLUDING, BUT NOT LIMITED TO, SURVEILLANCE**
27 **ACTIVITIES.**

1 (iii) A person, firm, partnership, company, limited liability
2 company, or corporation engaged in the business of public adjuster
3 acting for claimants in securing adjustments of claims against
4 insurance companies and who does not perform investigative services
5 including, **BUT NOT LIMITED TO**, surveillance activities.

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

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

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

19 (iii) THE LOCATION, DISPOSITION, OR RECOVERY OF LOST OR STOLEN
20 PROPERTY.

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

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

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

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

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

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

6 (G) ~~(e)~~—"Professional engineer" means a person licensed under
7 article 20 of the occupational code, 1980 PA 299, MCL 339.2001 to
8 339.2014, as a professional engineer.

9 (H) "PROFESSIONAL INVESTIGATOR" MEANS A PERSON WHO, FOR A FEE,
10 REWARD, OR OTHER CONSIDERATION, ENGAGES IN THE INVESTIGATION
11 BUSINESS.

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

1 a license AS A PROFESSIONAL INVESTIGATOR from the department.

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

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

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

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

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

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

25 (2) Upon the issuance of a license under this act to conduct
26 business as a ~~private detective or private~~**PROFESSIONAL**
27 investigator, the applicant is not required to obtain any other

1 license from any municipality or political subdivision of this
2 state.

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

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

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

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

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

14 (i) Dishonesty or fraud.

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

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

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

22 (v) Two or more alcohol related offenses.

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

25 (vii) An assault.

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

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

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

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

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

23 (iv) A graduate **OF AN ACCREDITED INSTITUTION OF HIGHER**
24 **EDUCATION** with a baccalaureate **OR POSTGRADUATE** degree in the field
25 of police administration, **SECURITY MANAGEMENT, INVESTIGATION, LAW,**
26 or criminal justice. ~~from an accredited university or college~~
27 ~~acceptable to the department.~~

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

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

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

14 (3) ~~A person regulated as a private detective or private~~
15 ~~investigator in another state having a reciprocal agreement with~~
16 ~~this state may engage in activities regulated by this act without~~
17 ~~being licensed for the limited purpose and for a limited amount of~~
18 ~~time as necessary to continue an ongoing investigation originating~~
19 ~~in that state.~~ BEGINNING JANUARY 1, 2008, A LAW ENFORCEMENT
20 OFFICER, AS THAT TERM IS DEFINED IN SECTION 2 OF THE COMMISSION ON
21 LAW ENFORCEMENT STANDARDS ACT, 1965 PA 203, MCL 28.602, OR AN
22 INDIVIDUAL ENGAGED IN LAW ENFORCEMENT ON BEHALF OF THE FEDERAL
23 GOVERNMENT, ANOTHER STATE, A TERRITORY, OR ANOTHER COUNTRY, SHALL
24 NOT BE ISSUED ANY NEW OR RENEWAL LICENSE OR BE EMPLOYED BY, OR
25 AUTHORIZED TO OPERATE IN ANY CAPACITY AS, A PROFESSIONAL
26 INVESTIGATOR IN THE STATE OF MICHIGAN. THIS SUBSECTION DOES NOT
27 APPLY TO ANY OF THE FOLLOWING:

1 (A) AN INDIVIDUAL WHO HOLDS A VOLUNTEER CIVIL DEFENSE OR
2 EMERGENCY SERVICES POSITION AND ACTS IN A LAW ENFORCEMENT OR POLICE
3 CAPACITY SOLELY AS PART OF HIS OR HER VOLUNTEER DUTIES.

4 (B) A MEMBER OF THE NATIONAL GUARD OR RESERVE ARMED FORCES OF
5 THE UNITED STATES WHO ACTS IN A LAW ENFORCEMENT OR POLICE CAPACITY
6 SOLELY AS PART OF HIS OR HER MILITARY DUTIES.

7 (C) AN INDIVIDUAL AUTHORIZED TO ACT WITH, USE, OR EMPLOY
8 POLICE OR OTHER OFFICIAL POWERS IN THE CASE OF AN EMERGENCY OR
9 DISASTER AND ONLY FOR THE IMMEDIATE TIME OF THE EMERGENCY OR
10 DISASTER.

11 (D) A LICENSED OR REGULATED PROFESSIONAL INVESTIGATOR OR
12 PRIVATE SECURITY BUSINESS AND ITS EMPLOYEES WHO HAVE SPECIAL POLICE
13 POWERS THAT ARE AUTHORIZED BY LAW AND ARE LIMITED TO THOSE DUTIES
14 PERFORMED IN THEIR LICENSED OR REGULATED CAPACITY.

15 (E) AN INDIVIDUAL DEPUTIZED OR EMPOWERED BY A GOVERNMENTAL
16 ENTITY SOLELY FOR THE PURPOSE OF SERVING CIVIL PROCESS.

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

21 (5) THE DEPARTMENT MAY ENTER INTO RECIPROCAL AGREEMENTS WITH
22 OTHER STATES THAT HAVE PROFESSIONAL INVESTIGATOR QUALIFICATION LAWS
23 TO ALLOW A PROFESSIONAL INVESTIGATOR LICENSE OR REGISTRATION TO BE
24 USED BY THAT LICENSEE OR REGISTRANT WITHIN THE JURISDICTION OF
25 EITHER THIS STATE OR ANOTHER STATE. THE RECIPROCAL AGREEMENT SHALL
26 BE LIMITED TO ONLY ALLOW PROFESSIONAL INVESTIGATORS TO CONTINUE
27 INVESTIGATIONS THAT ORIGINATE IN THE INVESTIGATOR'S HOME STATE AND

1 THAT REQUIRE INVESTIGATION IN ANOTHER STATE. THE DEPARTMENT SHALL
2 ENTER INTO A RECIPROCAL AGREEMENT IF THE OTHER STATE MEETS ALL OF
3 THE FOLLOWING CONDITIONS:

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

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

8 (C) HAS DISQUALIFICATION, SUSPENSION, AND REVOCATION STANDARDS
9 FOR LICENSES AND REGISTRATIONS.

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

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

15 (A) A REQUIREMENT THAT THE PROFESSIONAL INVESTIGATOR POSSESS A
16 PROFESSIONAL INVESTIGATOR LICENSE OR REGISTRATION IN GOOD STANDING
17 FROM HIS OR HER HOME STATE.

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

23 (C) A REQUIREMENT THAT THE PROFESSIONAL INVESTIGATOR FROM THE
24 OTHER STATE NOT SOLICIT ANY BUSINESS IN THIS STATE WHILE CONDUCTING
25 INVESTIGATIONS IN THIS STATE.

26 Sec. 7. (1) The department shall prepare a standard uniform
27 application. The applicant shall obtain notarized reference

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

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

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

17 Sec. 8. If the applicant is a corporation, the application
18 shall be signed and verified by the president, secretary and
19 treasurer thereof, and shall specify the name of the corporation,
20 the date and place of its incorporation, the location of its
21 principal place of business, and the name of the city, town or
22 village, stating the street and number, and such other description
23 as will indicate the location of the bureau, agency, subagency,
24 office or branch office for which the license is desired, ~~the~~
25 ~~amount of the corporation's outstanding paid up capital and stock,~~
26 ~~and whether paid in cash or property, and if in property, the~~
27 ~~nature of the same,~~ and shall be accompanied by a duly certified

1 copy of a certificate of incorporation.

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

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

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

11 (c) Been convicted of a felony or misdemeanor involving
12 dishonesty or fraud, unauthorized divulging or selling of
13 information or evidence.

14 (d) Been convicted of impersonation of a law enforcement
15 officer or employee of the United States or a state, or a political
16 subdivision of the United States or a state.

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

19 **(2) IN ADDITION TO THE SUSPENSION OR REVOCATION PROVISIONS**
20 **AVAILABLE TO THE DEPARTMENT UNDER SUBSECTION (1), THE DEPARTMENT**
21 **MAY DO 1 OR MORE OF THE FOLLOWING REGARDING A LICENSEE OR A**
22 **LICENSEE'S MANAGER, IF AN INDIVIDUAL, OR IF THE LICENSEE IS A**
23 **PERSON OTHER THAN AN INDIVIDUAL, AN OFFICER, DIRECTOR, PARTNER,**
24 **MEMBER, OR ITS MANAGER, WHO VIOLATES THIS ACT OR A RULE OR ORDER**
25 **PROMULGATED OR ISSUED UNDER THIS ACT:**

26 **(A) PLACE A LIMITATION ON A LICENSE.**

27 **(B) DENY A RENEWAL OF A LICENSE.**

1 (C) ISSUE AN ORDER OF CENSURE.

2 (D) ISSUE AN ORDER OF PROBATION.

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

4 (3) ~~(2)~~—Upon notification from the department of the
5 suspension or revocation of the license, the licensee, within 24
6 hours, shall surrender to the department the license and his or her
7 identification card. Failure to surrender the license in compliance
8 with this subsection is a misdemeanor.

9 Sec. 14. (1) Upon issuing a license, the department shall also
10 issue an identification card to the principal license holder or, if
11 the agency is a partnership, to each partner or, if the license
12 holder is a corporation or limited liability company, to each
13 resident officer, manager, or member.

14 (2) The identification card issued under subsection (1) shall
15 be in such form and contain such information as may be prescribed
16 by the department and is recallable by the department for the same
17 reasons as the license.

18 (3) The department shall only issue 1 identification card for
19 each person entitled to receive it. The licensee is responsible for
20 the maintenance, custody, and control of the identification card
21 and shall not lease, loan, sell, or otherwise permit unauthorized
22 persons or employees to use it. This subsection ~~shall~~**DOES** not be
23 ~~construed to prevent~~ each agency from issuing its own
24 identification cards, if approved as to form and content by the
25 department, to ~~their~~**ITS** respective employees. The individual
26 identification card shall not bear the seal of the state or the
27 designation of ~~private detective or private~~**PROFESSIONAL**

1 investigator, but the identification card may designate the
2 employee as an investigator or operator and may state that the
3 person is employed by a licensee of the department and the state of
4 Michigan.

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

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

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

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

18 (4) A person who violates this section is guilty of a
19 misdemeanor and any unauthorized badge, shield, identification
20 card, or license shall be confiscated by any law enforcement
21 officer of the state. Each day the violation continues shall
22 constitute a separate offense.

23 Sec. 17. (1) A licensee may employ as many persons as
24 considered necessary to assist in his or her work of ~~detective~~
25 **PROFESSIONAL INVESTIGATOR** and in the conduct of the business. At
26 all times during the employment, the licensee shall ~~be~~ **HAVE DIRECT**
27 **INVOLVEMENT IN THE DAY-TO-DAY ACTIVITIES AND IS** accountable for the

1 good conduct in the business of each person so employed.

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

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

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

16 (5) The licensee shall cause fingerprints to be taken of all
17 prospective employees, which fingerprints shall be submitted to the
18 department and the federal bureau of investigation for processing
19 and approval.

20 (6) The fingerprints required to be taken under subsection (5)
21 may be taken by a law enforcement agency or any other person
22 determined by the department to be qualified to take fingerprints.
23 The licensee shall submit a fingerprint processing fee to the
24 department in accordance with section 3 of 1935 PA 120, MCL 28.273,
25 as well as any costs imposed by the federal bureau of
26 investigation.

27 Sec. 19. Any person licensed as a ~~private-detective~~

1 **PROFESSIONAL INVESTIGATOR**, or in the employ of a ~~private detective~~
2 **PROFESSIONAL INVESTIGATOR** agency, is not authorized to carry a
3 deadly weapon unless he is so licensed in accordance with the
4 present laws of this state.

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

14 (2) Any principal, manager, or employee of a licensee who
15 willfully furnishes false information to clients, or who willfully
16 sells, divulges, or otherwise discloses to other than clients,
17 except as may be required by law, any information acquired during
18 employment by the client is guilty of a misdemeanor and is subject
19 to summary suspension of license and revocation of license upon
20 satisfactory proof of the offense to the department. Any
21 communications, oral or written, furnished by a professional or
22 client to a licensee, or any information secured in connection with
23 an assignment for a client, is considered privileged with the same
24 authority and dignity as are other privileged communications
25 recognized by the courts of this state.

26 (3) Suspension, revocation, **DENIAL**, or other action against a
27 licensee **OR APPLICANT FOR A LICENSE AS DESCRIBED IN SECTION 10**

1 shall be accompanied by notice and an opportunity for a hearing
2 under the administrative procedures act of 1969, 1969 PA 306, MCL
3 24.201 to 24.328.

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

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

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

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

21 (2) A ~~detective or detective~~**PROFESSIONAL INVESTIGATOR** agency
22 that receives or generates a written or electronic report shall
23 keep the report on file in the office of the ~~detective or agency~~
24 **PROFESSIONAL INVESTIGATOR** for at least 2 years unless the file is
25 returned to the client or agent.

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

1 following:

2 (a) In the case of an individual licensee, the surviving
3 spouse, or if there is none, the personal representative of the
4 estate of the decedent.

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

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

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

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

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

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

22 Sec. 29. The requirements of this act as to license
23 applications shall apply to all ~~private detectives~~ **PROFESSIONAL**
24 **INVESTIGATORS**, except ~~private detectives~~ **THOSE** who already have
25 been granted a license under prior laws of this state. The
26 requirements as to renewal of license certificates shall apply to
27 all ~~private detectives~~ **PROFESSIONAL INVESTIGATORS** licensed under

1 this act or any prior law of this state.