A bill to register and regulate providers of internet protocol-enabled premises security, monitoring, and control systems; to provide for the assessment of registration fees; and to prescribe the powers and duties of certain state departments, agencies, officers, and political subdivisions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "internet protocol-enabled premises security, monitoring, and control act".

Sec. 2. As used in this act:

(a) "Alarm system" means any mechanical or electrical device, including an electronic access control system, a surveillance video system, a burglar alarm system, a fire alarm system, or any other
electronic system that activates an audible, visible, remote, or recorded signal, that is designed to emit an audible alarm or transmit a signal or message if activated and that is used to detect an unauthorized entry into a protected premises or alert other persons of the occurrence of a fire or medical emergency or the commission of an unlawful act against a person or in a protected premises. The term includes, but is not limited to, a silent, panic, holdup, robbery, duress, burglary, medical alert, or proprietor alarm that requires an operator to contact emergency personnel to respond.

(b) "Applicant" means a person for which a registration statement is filed under section 3.

(c) "Department" means department of licensing and regulatory affairs.

(d) "False alarm" means an alarm that elicits a police or fire response when the situation does not require police or fire services. The term does not include an alarm triggered by severe atmospheric conditions or other circumstances that are not reasonably under the control of the alarm system user or system provider.

(e) "Internet protocol" or "IP" means transmission control protocol or a successor protocol or technology.

(f) "IP-enabled sensor or device" means any sensor or device that provides or enables access or interaction, in whole or in part by wireless frequency or wire, with an IP-enabled premises security, monitoring, and control system through the public internet or through a private interoperable packet-switched data
network based on a secured infrastructure that allows secured
transmission of information, using internet protocol, among or by
the system user, the system provider, or the system. An IP-enabled
sensor or device includes any web-enabled sensor or device that
provides remote access using internet protocol.

(g) "IP-enabled premises security, monitoring, and control
system" means an integrated system of IP-enabled devices, sensors,
or controls, which may include, but is not limited to, door and
window contacts, access control devices, motion detectors, smoke
detectors, moisture detectors, cameras, and software installed at a
customer's premises or on personal property, and connected in whole
or in part by wireless frequency or wire, to do, solely or in
combination, all of the following:

(i) Remote monitoring of various alarm systems or alarm events,
which may include, but are not limited to, unauthorized entry,
fire, smoke, or carbon monoxide at the protected premises.

(ii) Remote monitoring and provision of premises management and
automation services, which may include, but are not limited to,
door locks and other premises access control, thermostats for
heating, ventilation and air conditioning and other environmental
controls, lighting, appliances, or moisture or water control,
including, but not limited to, water shutoff.

(iii) Remote monitoring of the protected premises through IP-
enabled devices and audio/video transmissions.

(iv) Remote monitoring of a person's health and welfare at the
protected premises through IP-enabled sensors and devices.

(v) Remote monitoring or tracking of personal property that is
or was located at the protected premises through IP-enabled sensors and devices.

(h) "Local unit of government" means a city, county, village, or township, or a special district designated by law that exercises limited government powers or powers in respect to limited government subjects.

(i) "Operator" means a system provider employee that performs alarm operator, dispatcher, or monitor functions of an IP-enabled premises security, monitoring, and control system.

(j) "Person" means an individual, partnership, corporation, limited liability company, or other legal entity.

(k) "Protected premises" means a location at or in which a system user's IP-enabled premises security, monitoring, and control system is installed and maintained.

(l) "Registrant" means a person that is registered by the department as a system provider.

(m) "Registration" means a registration that is issued by the department.

(n) "Remote monitoring" means the retransmission of information received from an IP-enabled premises security, monitoring, and control system to an operator or to a system user through an IP-enabled sensor or device.

(o) "System" means an IP-enabled premises security, monitoring, and control system.

(p) "System provider" means a person that engages in the business of selling, leasing, renting, maintaining, repairing, installing, or otherwise providing IP-enabled premises security,
monitoring, and control systems to the public at the protected
premises or by remote monitoring. The term does not include any of
the following:

(i) A person that purchases, rents, or uses an alarm system
that is affixed to a motor vehicle.

(ii) A person that owns or conducts a business of selling,
leasing, renting, installing, maintaining, or monitoring an alarm
system that is affixed to a motor vehicle.

(iii) An alarm system that is operated by this state, a
political subdivision of this state, an agency or department of
this state or a political subdivision of this state, or any other
governmental agency or department.

(iv) A person that installs a nonmonitored alarm system for a
business that the person owns, is employed by, or manages.

(v) A business that only sells from a fixed location other
than the location of the protected premises, including, but not
limited to, a retail store, customer call center, telemarketing
location, or an internet website, IP-enabled premises security,
monitoring, and control systems and IP-enabled sensors or devices
that are designed to be installed or monitored by either of the
following:

(A) The customer, and not the business selling the IP-enabled
premises security, monitoring, and control systems or IP-enabled
sensor or device.

(B) An affiliate of or contractor to the business selling the
IP-enabled premises security, monitoring, and control system or IP-
enabled sensor or device, if the affiliate or contractor that
installs at the protected premises or monitors the IP-enabled premises security, monitoring, and control system or IP-enabled sensor or device is licensed under this act.

(vi) A security alarm system contractor, as defined in section 2 of the private security business and security alarm act, 1968 PA 330, MCL 338.1052, that is required to obtain a license under that act.

(q) "System user" means a person that uses a wireless premises security, monitoring, and control system at a protected premises or remotely through a web-enabled device.

Sec. 3. (1) A person shall not act as a system provider in this state without first filing a registration statement with the department that meets the requirements of section 4.

(2) A person that acts as a system provider in multiple locations in this state is only required to file 1 registration statement with the department.

Sec. 4. (1) A registration statement filed with the department shall include a completed affidavit, submitted by the registrant or applicant and signed by an officer or another individual who is authorized to bind the registrant, that affirms all of the following:

(a) The registrant's or applicant's legal name and any name under which the registrant or applicant does or will do business in this state that is authorized by the department.

(b) The address and telephone number of the registrant's or applicant's principal place of business and contact information for the individual responsible for ongoing communications with the
department.

(c) A description of the geographic areas in this state the registrant or applicant does or will serve.

(d) A description of the IP-enabled premises security, monitoring, and control system services that the registrant or applicant does or will provide.

(e) That the registrant or applicant will file an updated registration statement annually, or sooner if a material change to the information occurs.

(2) A registrant or applicant shall conduct background checks and maintain a record of fingerprints, such as a fingerprint card, for each employee of the registrant or applicant who, in the normal course of employment, enters a customer's premises to sell, lease, rent, maintain, repair, install, or otherwise provide IP-enabled security, monitoring, and control systems at a protected premises.

Sec. 5. (1) The department shall accept a registration statement filed under section 3 if the requirements of this act are met.

(2) The department shall conduct a review of a registration statement filed under section 3 and, if the registration statement meets the requirements of section 4, register and provide a registration certificate to the registrant or applicant. The department shall complete its determination within 15 business days after the filing of the registration statement. If the registration statement and affidavit are not complete, the department shall state in its determination all of the reasons the registration statement or affidavit are incomplete, and the registrant or
applicant may resubmit a complete application. The department shall have an additional 15 days after submission by the registrant of a complete registration statement and affidavit. If the department does not notify the registrant regarding the completeness of the registration statement and affidavit or issue the certification within the time periods required under this section, the registration statement and affidavit are considered complete and the certification is considered issued on the day following expiration of that time period.

(3) The department's authority to administer this act is limited to the powers and duties explicitly provided under this act. The department does not have the authority to limit or expand the obligations and requirements provided in this act or to regulate or control a person to the extent that the person is providing IP-enabled premises security, monitoring, and control services except as provided in this act.

(4) The department may charge a fee for filing a registration statement under this act in an amount determined by the department. Any fee charged by the department may not exceed the department's actual costs to process and review a registration statement.

Sec. 6. (1) The provisions of this act supersede and preempt any rule, regulation, code, or ordinance of any political subdivision of this state relating to the authorization or registration of system providers and system agents and their employees. A political subdivision of this state shall not require the issuance of a certificate, license, or permit or otherwise regulate any person that provides any form of IP-enabled premises security, monitoring, and control services.
security, monitoring, and control services or the installation and
maintenance of facilities associated with IP-enabled premises
security, monitoring, and control services, except as provided in
this section.

(2) To the extent that IP-enabled premises security,
monitoring, and control services include direct notification of
emergency dispatch of police or fire department personnel, a
political subdivision of this state may enact ordinances as
follows:

(a) An ordinance that requires a system user or the owner of
the protected premises to register and pay an annual registration
fee to the local unit of government within a reasonable period of
time after installation of the system. If a local unit of
government adopts an ordinance described in this subdivision, the
annual registration fee shall not exceed the lesser of the
following:

(i) $50.00 per year for a residential protected premises and
$75.00 per year for a business protected premises.

(ii) The amount reasonably necessary to cover the costs
associated with the registration of IP-enabled premises security,
monitoring, and control system systems.

(b) An ordinance that is designed to discourage false alarm
dispacho by establishing regulatory criteria that require the
assessment of fines to system users or the owners of protected
premises in order to prevent excessive false alarm dispatches. An
ordinance described in this subdivision shall be limited to the
tracking of false alarms and the administration of a system of
fines related to false alarms. If a local unit of government adopts
an ordinance under this subdivision, the ordinance may impose a
fine on a system user or the owner of a protected premises for the
signaling of a false alarm if at least 3 other false alarms have
occurred during the immediately preceding 12-month period at that
protected premises. The amount of the fine for the signaling of a
false alarm may not exceed the following:

(i) $50.00, if the protected premises has had more than 3 but
fewer than 6 other false alarms in the immediately preceding 12-
month period.

(ii) $75.00, if the protected premises has had more than 5 but
fewer than 8 other false alarms in the immediately preceding 12-
month period.

(iii) $100.00, if the protected premises has had 8 or more other
false alarms in the immediately preceding 12-month period.

(3) A political subdivision of this state may require a permit
for high-voltage electrical or plumbing work to be performed by a
system provider or system agent if a permit for that high-voltage
electrical or plumbing work was required by local ordinance in
effect as of the effective date of this act and is limited to the
high-voltage electrical or plumbing activities performed or offered
and does not apply to other activities or functions performed or
offered by a system provider.