

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 929

A bill to amend 1965 PA 285, entitled
"Private detective license act of 1965,"
by amending the title and sections 1, 2, 3, 4, 5, 6, 7, 9, 10,
11, 12, 13, 14, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28,
and 31 (MCL 338.821, 338.822, 338.823, 338.824, 338.825, 338.826,
338.827, 338.829, 338.830, 338.831, 338.832, 338.833, 338.834,
338.836, 338.837, 338.838, 338.840, 338.841, 338.842, 338.843,
338.844, 338.845, 338.846, 338.847, 338.848, and 338.851).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6

TITLE

An act to license and regulate private detectives and inves-
tigators; ~~to provide penalties for violations~~ TO PROVIDE FOR
CERTAIN POWERS AND DUTIES FOR CERTAIN STATE AGENCIES AND LOCAL
OFFICIALS; TO PROVIDE FOR THE IMPOSITION FOR CERTAIN FEES; to
protect the general public against unauthorized, unlicensed and

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

2

1 unethical operations by private detectives and private
2 investigators; TO PROVIDE FOR PENALTIES AND REMEDIES; and to
3 repeal ~~certain~~ acts and parts of acts.

4 Sec. 1. This act shall be known and may be cited as the
5 "private detective license act". ~~of 1965~~.

6 Sec. 2. As used in this act:

7 ~~(a) "Good moral character" means good moral character as~~
8 ~~defined and determined under Act No. 381 of the Public Acts of~~
9 ~~1974, as amended, being sections 338.41 to 338.47 of the Michigan~~
10 ~~Compiled Laws.~~

11 (A) "DEPARTMENT" MEANS THE MICHIGAN DEPARTMENT OF CONSUMER
12 AND INDUSTRY SERVICES.

13 (b) "Private detective" or "private investigator" means a
14 person, other than an insurance adjuster who is on salary and
15 employed by an insurance company OR OTHER THAN A PROFESSIONAL
16 ENGINEER, who, for a fee, reward, or other consideration, engages
17 in business or accepts employment to furnish, or subcontracts or
18 agrees to make, or makes an investigation for the purpose of
19 obtaining information with reference to any of the following:

20 (i) Crimes or wrongs done or threatened against the United
21 States or a state or territory of the United States.

22 (ii) The identity, habits, conduct, business, occupation,
23 honesty, integrity, credibility, trustworthiness, efficiency,
24 loyalty, activity, movement, whereabouts, affiliations, associa-
25 tions, transactions, acts, reputation, or character of a person.

26 (iii) The location, disposition, or recovery of lost or
27 stolen property.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

3

1 (iv) The cause or responsibility for fires, libels, losses,
2 accidents, or damage or injury to persons or property.

3 (v) Securing evidence to be used before a court, board,
4 officer, or investigating committee.

5 (c) "Insurance adjuster" means a person other than a private
6 detective or private investigator who, for a consideration,
7 engages in the activities ~~enumerated~~ DESCRIBED in subdivision
8 (b) in the course of adjusting or otherwise participating in the
9 disposal of claims under or in connection with a policy of
10 insurance. ~~An "insurance adjuster" is one~~ INSURANCE ADJUSTER
11 INCLUDES A PERSON who is employed on a salary basis by an insur-
12 ance company; a person, firm, partnership, company, LIMITED
13 LIABILITY COMPANY, or corporation who acts for insurance com-
14 panies solely in the capacity of a claim adjuster, a person,
15 firm, partnership, company, LIMITED LIABILITY COMPANY, or corpo-
16 ration engaged in the business of public adjuster acting for
17 claimants in securing adjustments of claims against insurance
18 companies and who does not perform investigative services includ-
19 ing surveillance activities.

20 (d) "Licensee" means a person licensed under this act.

21 (E) "PROFESSIONAL ENGINEER" MEANS A PERSON LICENSED UNDER
22 ARTICLE 20 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.2001 TO
23 339.2014, AS A PROFESSIONAL ENGINEER.

24 Sec. 3. (1) A person, firm, partnership, company, LIMITED
25 LIABILITY COMPANY, or corporation shall not engage in the busi-
26 ness of private detective or investigator for hire, fee or
27 reward, ~~nor~~ AND SHALL NOT advertise his OR HER business to be

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

4

1 that of detective or of a detective agency ~~—~~ without first
2 obtaining a license from the department. ~~of state police.~~

3 (2) A person, firm, partnership, company, LIMITED LIABILITY
4 COMPANY, or corporation shall not engage in the business of fur-
5 nishing or supplying, for hire and reward, information as to the
6 personal character of any person or firm, or as to the character
7 or kind of business and occupation of any person, firm, partner-
8 ship, company, LIMITED LIABILITY COMPANY, or corporation ~~—nor~~
9 AND shall ~~he~~ NOT own, conduct, or maintain a bureau or agency
10 for the ~~above mentioned~~ purposes ~~—~~ DESCRIBED IN THIS
11 SUBSECTION except as to the financial rating of persons, firms,
12 partnerships, companies, LIMITED LIABILITY COMPANIES, or corpora-
13 tions ~~—~~ without having first obtained a license from the
14 department. ~~of state police. Violation of~~

15 (3) A PERSON VIOLATING this section is ~~a misdemeanor~~
16 GUILTY OF A FELONY punishable by imprisonment for not more than
17 ~~90 days~~ 4 YEARS or by a fine of not more than ~~\$1,000.00~~
18 \$5,000.00, or both.

19 Sec. 4. This act ~~shall~~ DOES not apply to ANY OF THE
20 FOLLOWING:

21 (a) A person employed exclusively and regularly by an
22 employer in connection with the affairs of the employer only and
23 there exists a bona fide employer-employee relationship ~~—~~ for
24 which the employee is reimbursed on a salary basis.

25 (b) An officer or employee of the United States, ~~or of~~
26 this state, or A political subdivision ~~thereof,~~ OF THIS STATE

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

5

1 while ~~such~~ THAT officer or employee is engaged in the
2 performance of his OR HER official duties.

3 (c) The business of obtaining and furnishing information as
4 to the financial standing, rating, and credit responsibility of
5 persons or as to the personal habits and financial responsibility
6 of applicants for insurance, indemnity bonds, or commercial
7 credit.

8 (d) A charitable philanthropic society or association duly
9 incorporated under the laws of this state ~~which~~ THAT is orga-
10 nized and maintained for the public good and not for private
11 profit.

12 (e) An attorney at law in performing his OR HER duties as
13 such attorney at law.

14 (f) A collection agency or finance company licensed to do
15 business under the laws of this state or any employee ~~thereof~~
16 OF A COLLECTION AGENCY OR FINANCE COMPANY while acting within the
17 scope of his OR HER employment when making an investigation inci-
18 dental to the business of the agency, including an investigation
19 of the location of the debtor or his OR HER assets and ~~of~~ prop-
20 erty IN which the client has an interest ~~in~~ or UPON WHICH THE
21 CLIENT HAS a lien. ~~upon~~.

22 (g) An insurance adjuster who is employed on a salary basis
23 by an insurance company ~~or~~ OR a person, firm, partnership,
24 company, LIMITED LIABILITY COMPANY, or corporation ~~who~~ THAT
25 acts for an insurance company solely in the capacity of claim
26 adjuster. A person, firm, partnership, company, LIMITED
27 LIABILITY COMPANY, or corporation engaged in the business of

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

6

1 public adjuster acting for claimants in securing adjustments of
2 claims against insurance companies and who does not perform
3 investigative services including, but not limited to, surveil-
4 lance activities.

5 (H) A PROFESSIONAL ENGINEER ACTING WITHIN THE SCOPE OF HIS
6 OR HER LICENSED PROFESSIONAL PRACTICE WHO DOES NOT PERFORM INVES-
7 TIGATIVE SERVICES, INCLUDING, BUT NOT LIMITED TO, SURVEILLANCE
8 ACTIVITIES OR OTHER ACTIVITIES OUTSIDE OF THE SCOPE OF HIS OR HER
9 LICENSED PROFESSIONAL PRACTICE.

10 Sec. 5. (1) The ~~secretary of state~~ DEPARTMENT, upon
11 ~~proper~~ application and ~~upon being satisfied~~ AFTER MAKING A
12 DETERMINATION that the applicant is ~~entitled to receive same~~
13 QUALIFIED, shall issue the applicant a license to conduct busi-
14 ness as a private detective or private investigator for a period
15 of ~~2~~ 3 years from date of issuance.

16 (2) Upon the issuance of a license UNDER THIS ACT to conduct
17 business as a private detective or private investigator, the
18 applicant ~~shall~~ IS not ~~be~~ required to obtain any other
19 license from any municipality or political subdivision of this
20 state.

21 Sec. 6. (1) The ~~secretary of state~~ DEPARTMENT shall issue
22 a license to conduct business as a private detective or private
23 investigator if ~~the secretary is~~ satisfied that the applicant
24 is a person, or if a firm, partnership, company, LIMITED LIABIL-
25 ITY COMPANY, or corporation, the sole or principal license holder
26 is a person who meets all of the following qualifications:

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

7

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

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

3 ~~(c) Is of good moral character.~~

4 (C) ~~(d)~~ Has a high school education or its equivalent.

5 ~~(e) Is a resident of this state.~~

6 (D) ~~(f)~~ Has not been convicted of a felony, or A misde-
7 meanor involving ~~dishonesty~~ ANY OF THE FOLLOWING:

8 (i) DISHONESTY or fraud. ~~, unauthorized~~

9 (ii) UNAUTHORIZED divulging or selling of information or
10 evidence. ~~, impersonation~~

11 (iii) IMPERSONATION of a law enforcement officer or employee
12 of the United States or a state, or a political subdivision of
13 ~~either, or of illegally~~ THE UNITED STATES OR A STATE.

14 (iv) ILLEGALLY using, carrying, or possessing a dangerous
15 weapon.

16 (v) Two or more alcohol related offenses.

17 (vi) Controlled substances under the public health code,
18 1978 PA 368, MCL 333.1101 to 333.25211.

19 (vii) An assault.

20 (E) ~~(g)~~ Has not been dishonorably discharged from a branch
21 of the United States military service.

22 (F) ~~(h)~~ For a period of not less than 3 years has been or
23 is any of the following:

24 (i) Lawfully engaged in the private detective business on
25 his or her own account IN ANOTHER STATE.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

8

1 (ii) Lawfully engaged in the private detective business as
2 an investigative employee of the holder of a certificate of
3 authority to conduct a detective agency.

4 (iii) An investigator, detective, special agent, or
5 CERTIFIED police officer of a city, county, or state government
6 or of the United States government.

7 (iv) ~~Is a~~ A graduate with a BACCALAUREATE degree in the
8 field of police administration OR CRIMINAL JUSTICE from an
9 accredited university or college ACCEPTABLE TO THE DEPARTMENT.

10 (G) ~~(i)~~ Has posted with the ~~secretary of state~~
11 DEPARTMENT a bond provided for in this act.

12 (2) In the case of a person, firm, partnership, company,
13 LIMITED LIABILITY COMPANY, or corporation now doing or seeking to
14 do business in this state, the resident manager shall comply with
15 the qualifications of this section.

16 (3) A PERSON REGULATED AS A PRIVATE DETECTIVE OR PRIVATE
17 INVESTIGATOR IN ANOTHER STATE HAVING A RECIPROCAL AGREEMENT WITH
18 THIS STATE MAY ENGAGE IN ACTIVITIES REGULATED BY THIS ACT WITHOUT
19 BEING LICENSED FOR THE LIMITED PURPOSE AND FOR A LIMITED AMOUNT
20 OF TIME AS NECESSARY TO CONTINUE AN ONGOING INVESTIGATION ORIGI-
21 NATING IN THAT STATE. THIS ACT DOES NOT PREVENT A LICENSEE FROM
22 ACTING AS A PRIVATE DETECTIVE OR PRIVATE INVESTIGATOR OUTSIDE OF
23 THIS STATE TO THE EXTENT ALLOWED BY THAT OTHER STATE UNDER THE
24 LAWS OF THAT STATE.

25 Sec. 7. (1) The ~~secretary of state~~ DEPARTMENT shall pre-
26 pare a standard uniform application. ~~, and shall require the~~
27 ~~person filing application to~~ THE APPLICANT SHALL obtain

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

9

1 notarized reference statements from at least 5 reputable citizens
2 who swear that they ~~know~~ HAVE KNOWN the applicant and his OR
3 HER qualifications ~~, and have so known the applicant~~ for a
4 period of at least 5 years ~~, and that prior to the filing of the~~
5 ~~application they have read it and believe each of the statements~~
6 ~~therein to be true~~ and BELIEVE that the applicant is honest, of
7 good character, and competent. ~~, and~~ THE INDIVIDUAL PROVIDING
8 THE 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 ~~secretary of~~
12 ~~state~~ DEPARTMENT shall investigate as to the ~~truth and veracity~~
13 ~~of the statements and the applicant's reputation for truth, hon-~~
14 ~~esty, integrity and ethical dealing~~ APPLICANT'S QUALIFICATIONS
15 FOR LICENSURE.

16 (3) The application and investigation ~~shall~~ ARE not ~~be~~
17 CONSIDERED complete until the applicant has received the approval
18 of the prosecuting attorney and the sheriff of the county within
19 which the principal office of the applicant is to be located. If
20 the office is to be located in a city, TOWNSHIP, or village, the
21 approval of the chief of police may be obtained instead of the
22 sheriff.

23 Sec. 9. (1) The ~~secretary of state~~ DEPARTMENT, when sat-
24 isfied of the ~~good character,~~ competency and integrity of the
25 applicant, or if the applicant is a firm, partnership, COMPANY,
26 LIMITED LIABILITY COMPANY, or corporation, of ~~the~~ ITS
27 individual members or officers, ~~thereof,~~ shall issue to the

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

10

1 applicant a ~~certificate of~~ license upon the applicant's paying
2 to the ~~secretary of state for each certificate of license a fee~~
3 ~~of \$100.00 if a person, or \$200.00 if a firm, partnership or cor-~~
4 ~~poration, and upon the applicant's executing, delivering and~~
5 ~~filing in the office of the secretary of state~~ DEPARTMENT AN
6 APPLICATION PROCESSING FEE OF \$150.00 AND AN INITIAL LICENSE FEE
7 OF \$600.00. THE APPLICANT SHALL EXECUTE, DELIVER, AND FILE WITH
8 THE DEPARTMENT a bond in the sum of ~~\$5,000.00 if a person, or~~
9 ~~\$10,000.00 if a firm, partnership or corporation~~ \$10,000.00,
10 conditioned for the faithful and honest conduct of ~~such~~ THE
11 business by ~~such~~ THE applicant, which bond shall be approved by
12 the ~~secretary of state~~ DEPARTMENT. The license ~~shall be~~ IS
13 valid for ~~2~~ 3 years ~~,~~ but ~~shall be revocable~~ IS SUBJECT TO
14 SUSPENSION OR REVOCATION at all times by the ~~secretary of state~~
15 DEPARTMENT for cause shown. The bonds shall be taken in the name
16 of the people of the state, and any person injured by the
17 ~~wilful~~ WILLFUL, malicious, and wrongful act of the principal
18 may bring an action on the bond OR INSURANCE in his OR HER own
19 name to recover damages suffered by reason of such ~~wilful~~
20 WILLFUL, malicious, and wrongful act. IN LIEU OF A BOND, THE
21 APPLICANT MAY FURNISH A POLICY OF INSURANCE ISSUED BY AN INSURER
22 AUTHORIZED TO DO BUSINESS IN THIS STATE NAMING THE LICENSEE AND
23 THE STATE AS CO-INSURED IN THE AMOUNT OF \$10,000.00 FOR PROPERTY
24 DAMAGES, \$100,000.00 FOR INJURY OR DEATH OF 1 PERSON, AND
25 \$200,000.00 FOR INJURIES TO OR DEATHS OF MORE THAN 1 PERSON ARIS-
26 ING OUT OF THE OPERATION OF THE LICENSED ACTIVITY. The license
27 ~~certificate~~ shall be in a form to be prescribed by the

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

11

1 ~~secretary of state~~ DEPARTMENT and shall specify the full name
2 of the applicant, the location of the principal office or place
3 of business and the location of the bureau, agency, subagency,
4 office or branch office for which the license is issued, the
5 EXPIRATION date, ~~of which it will expire~~ and the name of the
6 person filing the statement required by this act upon which the
7 license is issued.

8 (2) ~~If a~~ A licensee ~~desires~~ DESIRING to open a branch
9 office or subagency ~~, he may~~ SHALL receive a ~~certificate of~~
10 license for that branch or subagency upon payment to the
11 ~~secretary of state~~ DEPARTMENT of an additional fee of ~~-\$25.00~~
12 \$125.00 for each additional license. The additional license
13 shall be posted in a conspicuous place in the branch office or
14 subagency and ~~shall expire concurrent with~~ EXPIRES ON the date
15 of the initial license.

16 (3) If the license is SUSPENDED OR revoked ~~or terminated~~
17 for any cause, ~~no~~ THE DEPARTMENT SHALL NOT refund ~~shall be~~
18 ~~made of~~ the license ~~fees or any part thereof~~ OR APPLICATION
19 PROCESSING FEE OR ANY PART OF THE LICENSE OR APPLICATION PROCESS-
20 ING FEE.

21 (4) THE CHANGES REGARDING LICENSE AND APPLICATION FEES CON-
22 TAINED IN SUBSECTION (1) DO NOT REQUIRE A PERSON, FIRM, PARTNER-
23 SHIP, COMPANY, LIMITED LIABILITY COMPANY, OR CORPORATION HOLDING
24 A LICENSE UNDER THIS ACT ON THE EFFECTIVE DATE OF THE AMENDATORY
25 ACT THAT ADDED THIS SUBSECTION TO PAY THE APPLICATION PROCESSING
26 AND INITIAL LICENSE FEE IMPOSED BY THE AMENDATORY ACT THAT ADDED
27 THIS SUBSECTION. A PERSON, FIRM, PARTNERSHIP, COMPANY, LIMITED

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

12

1 LIABILITY COMPANY, OR CORPORATION HOLDING A LICENSE ON THE
2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION
3 IS ONLY OBLIGATED TO PAY THE RENEWAL FEE DESCRIBED IN SECTION
4 26(1).

5 Sec. 10. (1) The ~~secretary of state~~ DEPARTMENT may
6 SUSPEND OR revoke a license issued under this act if the
7 ~~secretary~~ DEPARTMENT determines ~~, upon good cause shown,~~ that
8 the licensee or licensee's manager, if an individual, or if the
9 licensee is a person other than an individual, that an officer,
10 director, partner, or its manager, has DONE ANY OF THE
11 FOLLOWING:

12 (a) Made false statements or given false information in con-
13 nection with an application for a license or a renewal or rein-
14 statement of a license.

15 (b) Violated this act OR ANY RULE PROMULGATED UNDER THIS
16 ACT.

17 (c) Been convicted of a felony or misdemeanor involving dis-
18 honesty or fraud, unauthorized divulging or selling of informa-
19 tion or evidence. ~~—,~~

20 (D) BEEN CONVICTED OF impersonation of a law enforcement
21 officer or employee of the United States or a state, or a politi-
22 cal subdivision of ~~either,~~ THE UNITED STATES OR A STATE.

23 (E) BEEN CONVICTED of illegally using, carrying, or possess-
24 ing a dangerous weapon. ~~, or is not of good moral character.~~

25 (2) Upon notification from the ~~secretary of state~~
26 DEPARTMENT of the SUSPENSION OR revocation of the license, the
27 licensee, within 24 hours, shall surrender to the ~~secretary of~~

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

13

1 ~~state~~ DEPARTMENT the ~~certificate of~~ license and his or her
2 identification card. Failure to ~~comply with the directions of~~
3 ~~the secretary of state~~ SURRENDER THE LICENSE IN COMPLIANCE WITH
4 THIS SUBSECTION is a misdemeanor.

5 Sec. 11. ~~A~~ THE DEPARTMENT SHALL NOT REFUND A license fee
6 ~~shall not be refunded~~ unless a showing is made of
7 ~~ineligibility to receive the license by failure to meet the~~
8 ~~requirements of this act, or by a showing of~~ mistake, inadver-
9 tence, or error in the collection of the fee.

10 Sec. 12. Upon receipt of a ~~certificate of~~ license from
11 the ~~secretary of state~~ DEPARTMENT, the licensee shall post it
12 in a conspicuous place in his OR HER office.

13 Sec. 13. Any change in the name or location of the agency
14 or of a branch office or subagency shall be reported to the
15 ~~secretary of state~~ DEPARTMENT at least 30 days ~~prior to~~
16 BEFORE the change ~~becoming~~ BECOMES effective. ~~, upon~~ UPON
17 receipt of ~~which the secretary of state~~ THE NOTICE OF CHANGE OF
18 NAME OR LOCATION, THE DEPARTMENT shall prepare and forward a
19 ~~certificate~~ LICENSE showing the change ~~,~~ and the licensee
20 shall return ~~his~~ THE old ~~certificate~~ LICENSE within 3 busi-
21 ness days after the change.

22 Sec. 14. (1) Upon issuing a ~~certificate of~~ license, the
23 ~~secretary of state~~ DEPARTMENT shall also issue AN IDENTIFICA-
24 TION CARD to the principal license holder ~~,~~ or, if the agency
25 is a partnership, to each partner ~~,~~ or, if the license holder
26 is a corporation OR LIMITED LIABILITY COMPANY, to each resident

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

14

1 officer, ~~or~~ manager, ~~thereof, an identification card~~ OR
2 MEMBER.

3 (2) The identification card ISSUED UNDER SUBSECTION (1)
4 shall be in such form and contain such information as may be pre-
5 scribed by the ~~secretary of state~~ DEPARTMENT and ~~shall be~~ IS
6 recallable by the ~~secretary of state~~ DEPARTMENT for the same
7 reasons as the ~~certificate of~~ license.

8 (3) ~~Only~~ THE DEPARTMENT SHALL ONLY ISSUE 1 identification
9 card ~~shall be issued~~ for each person entitled to receive it. ~~,~~
10 ~~and the~~ THE licensee ~~shall be~~ IS responsible for the mainte-
11 nance, custody, and control of the identification card ~~,~~ and
12 shall ~~neither let~~ NOT LEASE, loan, sell, ~~nor~~ OR otherwise
13 permit unauthorized persons or employees to use it. ~~Nothing in~~
14 ~~this section~~ THIS SUBSECTION shall NOT be construed to prevent
15 each agency from issuing its own identification cards, if ~~they~~
16 ~~are~~ approved as to form and content by the ~~secretary of state~~
17 DEPARTMENT, to their respective employees. The individual
18 IDENTIFICATION card shall not bear the seal of the state ~~nor~~ OR
19 the designation of private detective or private investigator, but
20 the IDENTIFICATION CARD MAY DESIGNATE THE employee ~~shall be~~
21 ~~designated~~ as AN investigator or operator AND MAY STATE THAT THE
22 PERSON IS EMPLOYED BY A LICENSEE OF THE DEPARTMENT AND THE STATE
23 OF MICHIGAN.

24 (4) Upon proper application and for sufficient reasons
25 shown, the ~~secretary of state~~ DEPARTMENT may issue duplicates
26 of the original ~~certificate of~~ license or identification card.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

15

1 Sec. 16. (1) ~~No~~ A person shall ~~manufacture~~ NOT POSSESS
2 OR DISPLAY a badge or shield ~~which~~ THAT purports to indicate
3 that the holder is a ~~licensed~~ private detective. ~~, nor shall~~
4 ~~any person print identification cards or certificates of license~~
5 ~~to do business as a private detective without first having~~
6 ~~obtained the express authorization of the secretary of state.~~

7 No

8 (2) A LICENSEE MAY REQUEST AUTHORIZATION TO PROVIDE EMPLOYEE
9 IDENTIFICATION CARDS ONLY UPON THE EXPRESS AUTHORIZATION OF THE
10 DEPARTMENT AS TO FORMAT AND CONTENT.

11 (3) A person shall NOT display ~~for sale~~ any badge, shield,
12 identification card, or ~~certificate of~~ license ~~, by which the~~
13 ~~purchaser~~ THAT might mislead the public into thinking that the
14 holder is a licensed detective. ~~No person, company, individual~~
15 ~~or business shall distribute a badge, shield, identification card~~
16 ~~or certificate of license in this state except the secretary of~~
17 ~~state. No person shall knowingly buy or receive from any source~~
18 ~~any form of spurious identification as a private detective. Any~~
19 ~~violation of~~

20 (4) A PERSON WHO VIOLATES this section is GUILTY OF a misde-
21 meanor ~~, and~~ any unauthorized badge, shield, identification
22 card, or ~~certificate of~~ license shall be confiscated by any law
23 enforcement officer of the state. Each day the violation contin-
24 ues shall constitute a separate offense.

25 Sec. 17. (1) A licensee may employ as many persons as ~~he~~
26 ~~deems~~ CONSIDERED necessary to assist ~~him~~ in his OR HER work of
27 detective and in the conduct of ~~his~~ THE business. ~~, and at~~ AT

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

16

1 all times during the employment, THE LICENSEE shall be
2 accountable for the good conduct in the business of each person
3 so employed.

4 (2) A licensee shall keep adequate and complete records of
5 all persons ~~employed by him~~ HE OR SHE EMPLOYS, which records
6 shall be made available to the ~~secretary of state~~ DEPARTMENT
7 upon request and to police authorities if the police authorities
8 offer legitimate proof for the request in connection with a spe-
9 cific need.

10 (3) If a licensee falsely states or represents that a person
11 is or has been in his OR HER employ, the false statement or rep-
12 resentation shall be sufficient cause for the SUSPENSION OR revo-
13 cation of the license. Any person falsely stating or represent-
14 ing that he OR SHE is or has been a detective or employed by a
15 detective agency ~~—~~ is guilty of a misdemeanor.

16 (4) A LICENSEE SHALL NOT KNOWINGLY EMPLOY ANY PERSON WHO
17 DOES NOT MEET THE REQUIREMENTS OF THIS ACT.

18 (5) THE LICENSEE SHALL CAUSE FINGERPRINTS TO BE TAKEN OF ALL
19 PROSPECTIVE EMPLOYEES, WHICH FINGERPRINTS SHALL BE SUBMITTED TO
20 THE DEPARTMENT AND THE FEDERAL BUREAU OF INVESTIGATION FOR PRO-
21 CESSING AND APPROVAL.

22 (6) THE FINGERPRINTS REQUIRED TO BE TAKEN UNDER
23 SUBSECTION (5) MAY BE TAKEN BY A LAW ENFORCEMENT AGENCY OR ANY
24 OTHER PERSON DETERMINED BY THE DEPARTMENT TO BE QUALIFIED TO TAKE
25 FINGERPRINTS. THE LICENSEE SHALL SUBMIT A FINGERPRINT PROCESSING
26 FEE TO THE DEPARTMENT IN ACCORDANCE WITH SECTION 3 OF 1935

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

17

1 PA 120, MCL 28.273, AS WELL AS ANY COSTS IMPOSED BY THE FEDERAL
2 BUREAU OF INVESTIGATION.

3 Sec. 18. (1) ~~No~~ A licensee shall NOT knowingly employ any
4 person who has been convicted of a felony, or ~~high misdemeanor~~
5 ~~or any crime involving moral turpitude. The licensee shall cause~~
6 ~~fingerprints to be taken and processed by the local law enforce=~~
7 ~~ment agency of all prospective employees to assist him in his~~
8 ~~work as a private detective.~~ CONVICTED OF A MISDEMEANOR WITHIN
9 THE PRECEDING 8 YEARS INVOLVING ANY OF THE FOLLOWING:

10 (A) DISHONESTY OR FRAUD.

11 (B) UNAUTHORIZED DIVULGING OR SELLING OF INFORMATION OR
12 EVIDENCE.

13 (C) IMPERSONATION OF A LAW ENFORCEMENT OFFICER OR EMPLOYEE
14 OF THE UNITED STATES, THIS STATE, OR A POLITICAL SUBDIVISION OF
15 THIS STATE.

16 (D) ILLEGALLY USING, CARRYING, OR POSSESSING A DANGEROUS
17 WEAPON.

18 (E) TWO OR MORE ALCOHOL RELATED OFFENSES.

19 (F) CONTROLLED SUBSTANCES UNDER THE PUBLIC HEALTH CODE, 1978
20 PA 368, MCL 333.1101 TO 333.25211.

21 (G) AN ASSAULT.

22 (2) Any employee or operator who, upon demand, fails to sur-
23 render to the licensee his OR HER identification card and any
24 other property issued to him OR HER for use in connection with
25 his OR HER employer's business — is guilty of a misdemeanor.

26 Sec. 20. (1) Any person who is or has been an employee of a
27 licensee shall not divulge to anyone other than his OR HER

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

18

1 employer or former employer, or as the employer shall direct,
2 except as he OR SHE may be required by law, any information
3 acquired by him OR HER during his OR HER employment in respect to
4 any of the work to which he OR SHE shall have been assigned by
5 the employer. Any employee violating the provisions of this sec-
6 tion and any employee who ~~wilfully~~ WILLFULLY makes a false
7 report to his OR HER employer in respect to any work is guilty of
8 a misdemeanor.

9 (2) Any principal, manager, or employee of a licensee who
10 ~~wilfully~~ WILLFULLY furnishes false information to clients, or
11 who ~~wilfully~~ WILLFULLY sells, divulges, or otherwise discloses
12 to other than clients, except as ~~he~~ may be required by law, any
13 information acquired ~~by him or them~~ during employment by the
14 client is guilty of a misdemeanor ~~—~~ and ~~shall be subjected~~ IS
15 SUBJECT to ~~immediate~~ SUMMARY suspension of license ~~by the sec-~~
16 ~~retary of state~~ and revocation of license upon satisfactory
17 proof of the offense to the ~~secretary of state~~ DEPARTMENT. Any
18 communications, oral or written, furnished by a professional
19 ~~man~~ or client to a licensee, or any information secured in con-
20 nection with an assignment for a client, ~~shall be deemed~~ IS
21 CONSIDERED privileged with the same authority and dignity as are
22 other privileged communications recognized by the courts of this
23 state.

24 (3) SUSPENSION, REVOCATION, OR OTHER ACTION AGAINST A
25 LICENSEE SHALL BE ACCOMPANIED BY NOTICE AND AN OPPORTUNITY FOR A
26 HEARING UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969
27 PA 306, MCL 24.201 TO 24.328.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

19

1 Sec. 21. The prosecuting attorney of the county in which
2 any conviction for a violation of any provision of this act
3 shall, within 10 days thereafter, make and file with the
4 ~~secretary of state~~ DEPARTMENT a report showing the date of
5 ~~such~~ THE conviction, the name of the person convicted, and the
6 nature of the charge.

7 Sec. 22. (1) ~~Every~~ AN advertisement by a licensee solici-
8 iting or advertising for business shall contain his OR HER name
9 and address as they appear in the records of the ~~secretary of~~
10 ~~state~~ DEPARTMENT.

11 (2) ~~Any~~ A licensee shall, on notice from the ~~secretary of~~
12 ~~state~~ DEPARTMENT, discontinue any advertising or the use of any
13 advertisement, seal, or card, ~~which in the opinion of the secre-~~
14 ~~tary of state may tend to mislead~~ THAT THE DEPARTMENT DETERMINES
15 TO BE MISLEADING TO the public. Failure to comply with ~~any~~
16 such AN order ~~of the secretary of state shall be~~ IS cause for
17 SUSPENSION OR revocation of the license. ~~of such licensee.~~

18 (3) ~~No person, unless he is~~ UNLESS licensed under this
19 act, A PERSON shall NOT advertise his OR HER business to be that
20 of a private detective ~~irrespective~~ REGARDLESS of the name or
21 title actually used.

22 Sec. 23. ~~No~~ A licensee shall NOT use any designation or
23 trade name which has not been first approved by the ~~secretary of~~
24 ~~state, nor shall any licensee~~ DEPARTMENT AND SHALL NOT use any
25 designation or trade name ~~which~~ THAT implies any association
26 with any municipal, county, TOWNSHIP, or state government or the
27 federal government, or any agency thereof.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

20

1 Sec. 24. (1) Each person, partnership, firm, COMPANY,
2 LIMITED LIABILITY COMPANY, or corporation licensed and operating
3 under ~~the provisions of~~ this act shall ~~be required to~~ make a
4 complete written record of the business transactions and reports
5 made in connection with the operation of the agency. ~~When any~~

6 (2) A detective or detective agency THAT receives OR
7 GENERATES a ~~verbal~~ WRITTEN OR ELECTRONIC report ~~from one of~~
8 ~~his or its agents, a summary shall be made of such verbal report~~
9 ~~and this summary, together with written reports, shall be kept~~
10 SHALL KEEP THE REPORT on file in the office of the detective or
11 agency for at least 2 years ~~, excepting if~~ UNLESS THE file is
12 returned to the client or agent.

13 Sec. 25. (1) For the purpose of investigating the charac-
14 ter, competency, and integrity of the applicants, or for the pur-
15 pose of investigating complaints made against the licensee, the
16 ~~secretary of state~~ DIRECTOR OF THE DEPARTMENT may issue subpoe-
17 nas and compel the attendance of witnesses. All subpoenas shall
18 be issued under the hand of the ~~secretary of state,~~ DIRECTOR OF
19 THE DEPARTMENT and upon service ~~thereof~~ the witness shall be
20 tendered the fees to which he OR SHE would be entitled to receive
21 ~~were he~~ IF subpoenaed in a court of law. ~~If a~~

22 (2) A person duly subpoenaed WHO fails to obey the subpoena
23 ~~,~~ or, without cause, refuses to be examined or to answer any
24 legal or pertinent questions as to the character, qualifications,
25 or alleged misdeeds of the applicant or licensee ~~, the witness~~
26 is guilty of a misdemeanor.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

21

1 (3) The testimony of such witnesses shall be under oath,
2 which ~~the secretary of state~~ A DESIGNEE OF THE DIRECTOR OF THE
3 DEPARTMENT may administer. ~~Wilful~~ WILLFUL false swearing in
4 any such proceeding ~~shall be deemed~~ IS CONSIDERED perjury.

5 Sec. 26. (1) A license granted under ~~the provisions of~~
6 this act may be renewed ~~by the secretary of state~~ upon applica-
7 tion ~~therefor by the licensee,~~ and the payment of a renewal fee
8 of ~~\$50.00 if a person, or of \$200.00 if a firm, partnership,~~
9 ~~company or corporation,~~ \$300.00 and filing of a renewal surety
10 bond OR LIABILITY INSURANCE POLICY in the amount equivalent to
11 that specified in section 9. ~~of this act.~~

12 (2) A renewal license shall be dated as of the expiration
13 date of the previously existing license. For the renewal of a
14 license, the licensee shall submit an application in such form as
15 prescribed by the ~~secretary of state,~~ and a license shall be
16 ~~issued forthwith, except that the secretary of state~~
17 DEPARTMENT. UPON RECEIPT OF A COMPLETED APPLICATION, PAYMENT OF
18 THE RENEWAL, AND PROOF ACCEPTABLE TO THE DEPARTMENT OF BOND OR
19 INSURANCE, THE DEPARTMENT SHALL RENEW A LICENSE. THE DEPARTMENT
20 may defer the renewal if there are uninvestigated complaints then
21 outstanding against the licensee or if there is a criminal com-
22 plaint then pending against the licensee. ~~The renewal applica-~~
23 ~~tion shall be approved by the sheriff or chief of police and the~~
24 ~~prosecuting attorney, as required for an initial license.~~

25 Sec. 27. (1) Upon the death of ~~an individual of whose~~
26 ~~qualifications a license under this act has been obtained~~ A
27 LICENSEE, the business ~~with which~~ OF the decedent ~~was~~

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

22

1 ~~connected~~ may be carried on for a period of 90 days by ANY OF
2 the following:

3 (a) In the case of an individual licensee, the surviving
4 spouse, or if there ~~be~~ IS none, the ~~executor or administrator~~
5 PERSONAL REPRESENTATIVE of the estate of the decedent. ~~→~~

6 (b) ~~in~~ IN the case of a partner, the surviving partners.
7 ~~→~~

8 (c) ~~in~~ IN case of an officer of a firm, company, associa-
9 tion, ~~organization~~ LIMITED LIABILITY COMPANY, or corporation,
10 the officers. ~~thereof.~~

11 (2) Within 10 days following the death of a licensee, the
12 ~~secretary of state~~ DEPARTMENT shall be notified BY A PERSON
13 DESCRIBED IN SUBSECTION (1) in writing. ~~Such~~ THE notification
14 shall state the name of the person legally authorized to carry on
15 the business of the deceased.

16 (3) Upon the authorization of the ~~secretary of state~~
17 DEPARTMENT, the business may be carried on for a further period
18 of time when necessary to complete any investigation or assist in
19 any litigation pending at the death of the decedent.

20 (4) ~~Nothing in this~~ THIS section ~~authorizes~~ DOES NOT
21 AUTHORIZE the solicitation or acceptance of any business after
22 the death of the decedent except as otherwise provided by this
23 act.

24 (5) ~~Nothing in this~~ THIS section shall NOT be construed to
25 restrict the sale of a private detective business ~~,~~ if the
26 vendee qualifies for a license under the provisions of this act.

SB0929, As Passed House, June 5, 2002

Senate Bill No. 929

23

1 Sec. 28. (1) The ~~secretary of state~~ DEPARTMENT may employ
2 such agents as are necessary to carry out ~~the provisions of this~~
3 ~~act~~ and to enforce ~~compliance therewith~~ THIS ACT. ~~The secre-~~
4 ~~tary of state and each agent employed by him, in respect to vio-~~
5 ~~lations of any of the provisions of this act, has all the powers~~
6 ~~of a peace officer. All rules and regulations of the secretary~~
7 ~~of state shall be made in accordance with the provisions of Act~~
8 ~~No. 88 of the Public Acts of 1943, as amended, being sections~~
9 ~~24.71 to 24.80 of the Compiled Laws of 1948, and subject to Act~~
10 ~~No. 197 of the Public Acts of 1952, as amended, being sections~~
11 ~~24.101 to 24.110 of the Compiled Laws of 1948.~~

12 (2) THE DEPARTMENT MAY PROMULGATE RULES TO ENFORCE AND
13 ADMINISTER THIS ACT PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT
14 OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

15 Sec. 31. A licensee, manager, or employee of a licensee who
16 violates this act OR A RULE PROMULGATED UNDER THIS ACT is guilty
17 of a misdemeanor ~~—~~ punishable by imprisonment for not more than
18 90 days or by a fine of not more than ~~-\$100.00-~~ \$500.00, or
19 both.

20 Enacting section 1. This amendatory act takes effect
21 October 1, 2002.