

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

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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.

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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

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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

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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

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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:

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- 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.

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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

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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 FEE, AND
11 LICENSE FEE AS DESCRIBED IN SECTION 9, the ~~secretary of state~~ DEPARTMENT shall
12 investigate as to the ~~truth and veracity of the statements and~~
13 ~~the applicant's reputation for truth, honesty, integrity and eth-~~
14 ~~ical dealing~~ APPLICANT'S QUALIFICATIONS FOR LICENSURE.

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

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

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

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1 office or branch office for which the license is issued, the
2 EXPIRATION date, ~~of which it will expire~~ and the name of the
3 person filing the statement required by this act upon which the
4 license is issued.

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

13 (3) If the license is SUSPENDED OR revoked ~~or terminated~~
14 for any cause, ~~no~~ THE DEPARTMENT SHALL NOT refund ~~shall be~~
15 ~~made of~~ the license ~~fees or any part thereof~~ OR APPLICATION

16 PROCESSING FEE OR ANY PART OF THE LICENSE OR APPLICATION PROCESSING FEE.
17 (4) THE CHANGES REGARDING LICENSE AND APPLICATION FEES CONTAINED IN
18 SUBSECTION (1) DO NOT REQUIRE A PERSON, FIRM, PARTNERSHIP, COMPANY,
19 LIMITED LIABILITY COMPANY, OR CORPORATION HOLDING A LICENSE UNDER THIS
20 ACT ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
21 SUBSECTION TO PAY THE APPLICATION PROCESSING AND INITIAL LICENSE FEE
22 IMPOSED BY THE AMENDATORY ACT THAT ADDED THIS SUBSECTION. A PERSON,
23 FIRM, PARTNERSHIP, COMPANY, LIMITED LIABILITY COMPANY, OR CORPORATION
24 HOLDING A LICENSE ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
25 THIS SUBSECTION IS ONLY OBLIGATED TO PAY THE RENEWAL FEE DESCRIBED IN
26 SECTION 26(1).

17 Sec. 10. (1) The ~~secretary of state~~ DEPARTMENT may
18 SUSPEND OR revoke a license issued under this act if the
19 ~~secretary~~ DEPARTMENT determines ~~, upon good cause shown,~~ that
20 the licensee or licensee's manager, if an individual, or if the
21 licensee is a person other than an individual, that an officer,
22 director, partner, or its manager, has DONE ANY OF THE
23 FOLLOWING:
24 (a) Made false statements or given false information in con-
25 nection with an application for a license or a renewal or rein-
26 statement of a license.

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1 (b) Violated this act OR ANY RULE PROMULGATED UNDER THIS
2 ACT.

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

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

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

11 (2) Upon notification from the ~~secretary of state~~
12 DEPARTMENT of the SUSPENSION OR revocation of the license, the
13 licensee, within 24 hours, shall surrender to the ~~secretary of~~
14 ~~state~~ DEPARTMENT the ~~certificate of~~ license and his or her
15 identification card. Failure to ~~comply with the directions of~~
16 ~~the secretary of state~~ SURRENDER THE LICENSE IN COMPLIANCE WITH
17 THIS SUBSECTION is a misdemeanor.

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

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

26 Sec. 13. Any change in the name or location of the agency
27 or of a branch office or subagency shall be reported to the

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1 ~~secretary of state~~ DEPARTMENT at least 30 days ~~prior to~~
2 BEFORE the change ~~becoming~~ BECOMES effective. ~~, upon~~ UPON
3 receipt of ~~which the secretary of state~~ THE NOTICE OF CHANGE OF
4 NAME OR LOCATION, THE DEPARTMENT shall prepare and forward a
5 ~~certificate~~ LICENSE showing the change ~~,~~ and the licensee
6 shall return ~~his~~ THE old ~~certificate~~ LICENSE within 3 busi-
7 ness days after the change.

8 Sec. 14. (1) Upon issuing a certificate of license, the
9 ~~secretary of state~~ DEPARTMENT shall also issue AN IDENTIFICA-
10 TION CARD to the principal license holder ~~,~~ or, if the agency
11 is a partnership, to each partner ~~,~~ or, if the license holder
12 is a corporation OR LIMITED LIABILITY COMPANY, to each resident
13 officer, ~~or~~ manager, ~~thereof, an identification card~~ OR
14 MEMBER.

15 (2) The identification card ISSUED UNDER SUBSECTION (1)
16 shall be in such form and contain such information as may be pre-
17 scribed by the ~~secretary of state~~ DEPARTMENT and ~~shall be~~ IS
18 recallable by the ~~secretary of state~~ DEPARTMENT for the same
19 reasons as the ~~certificate of~~ license.

20 (3) ~~Only~~ THE DEPARTMENT SHALL ONLY ISSUE 1 identification
21 card ~~shall be issued~~ for each person entitled to receive it. ~~,~~
22 ~~and the~~ THE licensee ~~shall be~~ IS responsible for the mainte-
23 nance, custody, and control of the identification card ~~,~~ and
24 shall ~~neither let~~ NOT LEASE, loan, sell, ~~nor~~ OR otherwise
25 permit unauthorized persons or employees to use it. ~~Nothing in~~
26 ~~this section~~ THIS SUBSECTION shall NOT be construed to prevent
27 each agency from issuing its own identification cards, if ~~they~~

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1 ~~are~~ approved as to form and content by the ~~secretary of state~~
2 DEPARTMENT, to their respective employees. The individual
3 IDENTIFICATION card shall not bear the seal of the state ~~nor~~ OR
4 the designation of private detective or private investigator, but
5 the IDENTIFICATION CARD MAY DESIGNATE THE employee ~~shall be~~
6 ~~designated~~ as AN investigator or operator AND MAY STATE THAT THE
7 PERSON IS EMPLOYED BY A LICENSEE OF THE DEPARTMENT AND THE STATE
8 OF MICHIGAN.

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

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

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

22 (3) A person shall NOT display ~~for sale~~ any badge, shield,
23 identification card, or ~~certificate of~~ license ~~, by which the~~
24 ~~purchaser~~ THAT might mislead the public into thinking that the
25 holder is a licensed detective. ~~No person, company, individual~~
26 ~~or business shall distribute a badge, shield, identification card~~
27 ~~or certificate of license in this state except the secretary of~~

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1 ~~state. No person shall knowingly buy or receive from any source~~
2 ~~any form of spurious identification as a private detective. Any~~
3 ~~violation of~~

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

9 Sec. 17. (1) A licensee may employ as many persons as ~~he~~
10 ~~deems~~ CONSIDERED necessary to assist ~~him~~ in his OR HER work of
11 detective and in the conduct of ~~his~~ THE business. ~~—, and at~~ AT
12 all times during the employment, THE LICENSEE shall be account-
13 able for the good conduct in the business of each person so
14 employed.

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

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

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

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

7 (6) THE FINGERPRINTS REQUIRED TO BE TAKEN UNDER
8 SUBSECTION (5) MAY BE TAKEN BY A LAW ENFORCEMENT AGENCY OR ANY
9 OTHER PERSON DETERMINED BY THE DEPARTMENT TO BE QUALIFIED TO TAKE
10 FINGERPRINTS. THE LICENSEE SHALL SUBMIT A FINGERPRINT PROCESSING
11 FEE TO THE DEPARTMENT IN ACCORDANCE WITH SECTION 3 OF 1935
12 PA 120, MCL 28.273, AS WELL AS ANY COSTS IMPOSED BY THE FEDERAL
13 BUREAU OF INVESTIGATION. A LICENSEE MAY HIRE AN EMPLOYEE ON A
14 PROBATIONARY BASIS PENDING FINGERPRINT CLEARANCE.

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

22 (A) DISHONESTY OR FRAUD.

23 (B) UNAUTHORIZED DIVULGING OR SELLING OF INFORMATION OR
24 EVIDENCE.

25 (C) IMPERSONATION OF A LAW ENFORCEMENT OFFICER OR EMPLOYEE
26 OF THE UNITED STATES, THIS STATE, OR A POLITICAL SUBDIVISION OF
27 THIS STATE.

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1 (D) ILLEGALLY USING, CARRYING, OR POSSESSING A DANGEROUS
2 WEAPON.

3 (E) TWO OR MORE ALCOHOL RELATED OFFENSES.

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

6 (G) AN ASSAULT.

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

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
13 employer or former employer, or as the employer shall direct,
14 except as he OR SHE may be required by law, any information
15 acquired by him OR HER during his OR HER employment in respect to
16 any of the work to which he OR SHE shall have been assigned by
17 the employer. Any employee violating the provisions of this sec-
18 tion and any employee who ~~wilfully~~ WILLFULLY makes a false
19 report to his OR HER employer in respect to any work is guilty of
20 a misdemeanor.

21 (2) Any principal, manager, or employee of a licensee who
22 ~~wilfully~~ WILLFULLY furnishes false information to clients, or
23 who ~~wilfully~~ WILLFULLY sells, divulges, or otherwise discloses
24 to other than clients, except as ~~he~~ may be required by law, any
25 information acquired ~~by him or them~~ during employment by the
26 client is guilty of a misdemeanor ~~—~~ and ~~shall be subjected~~ IS
27 SUBJECT to ~~immediate~~ SUMMARY suspension of license ~~by the~~

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1 ~~secretary of state~~ and revocation of license upon satisfactory
2 proof of the offense to the ~~secretary of state~~ DEPARTMENT. Any
3 communications, oral or written, furnished by a professional
4 ~~man~~ or client to a licensee, or any information secured in con-
5 nection with an assignment for a client, ~~shall be deemed~~ IS
6 CONSIDERED privileged with the same authority and dignity as are
7 other privileged communications recognized by the courts of this
8 state.

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

13 Sec. 21. The prosecuting attorney of the county in which
14 any conviction for a violation of any provision of this act
15 shall, within 10 days thereafter, make and file with the
16 ~~secretary of state~~ DEPARTMENT a report showing the date of
17 ~~such~~ THE conviction, the name of the person convicted, and the
18 nature of the charge.

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

23 (2) ~~Any~~ A licensee shall, on notice from the ~~secretary of~~
24 ~~state~~ DEPARTMENT, discontinue any advertising or the use of any
25 advertisement, seal, or card, ~~which in the opinion of the secre-~~
26 ~~tary of state may tend to mislead~~ THAT THE DEPARTMENT DETERMINES
27 TO BE MISLEADING TO the public. Failure to comply with ~~any~~

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1 such AN order ~~of the secretary of state shall be~~ IS cause for
2 SUSPENSION OR revocation of the license. ~~of such licensee.~~

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

7 Sec. 23. ~~No~~ A licensee shall NOT use any designation or
8 trade name which has not been first approved by the ~~secretary of~~
9 ~~state, nor shall any licensee~~ DEPARTMENT AND SHALL NOT use any
10 designation or trade name ~~which~~ THAT implies any association
11 with any municipal, county, TOWNSHIP, or state government or the
12 federal government, or any agency thereof.

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

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

25 Sec. 25. (1) For the purpose of investigating the charac-
26 ter, competency, and integrity of the applicants, or for the
27 purpose of investigating complaints made against the licensee,

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1 the ~~secretary of state~~ DIRECTOR OF THE DEPARTMENT may issue
2 subpoenas and compel the attendance of witnesses. All subpoenas
3 shall be issued under the hand of the ~~secretary of state,~~
4 DIRECTOR OF THE DEPARTMENT and upon service ~~thereof~~ the witness
5 shall be tendered the fees to which he OR SHE would be entitled
6 to receive ~~were he~~ IF subpoenaed in a court of law. ~~If a~~

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

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

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

23 (2) A renewal license shall be dated as of the expiration
24 date of the previously existing license. For the renewal of a
25 license, the licensee shall submit an application in such form as
26 prescribed by the ~~secretary of state,~~ and a license shall be
27 ~~issued forthwith, except that the secretary of state~~

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1 DEPARTMENT. UPON RECEIPT OF A COMPLETED APPLICATION, PAYMENT OF
2 THE RENEWAL, AND PROOF ACCEPTABLE TO THE DEPARTMENT OF BOND OR
3 INSURANCE, THE DEPARTMENT SHALL RENEW A LICENSE. THE DEPARTMENT
4 may defer the renewal if there are uninvestigated complaints then
5 outstanding against the licensee or if there is a criminal com-
6 plaint then pending against the licensee. The renewal applica-
7 tion shall be approved by the sheriff or chief of police and the
8 prosecuting attorney, as required for an initial license.

9 Sec. 27. (1) Upon the death of ~~an individual of whose~~
10 ~~qualifications a license under this act has been obtained~~ A
11 LICENSEE, the business ~~with which~~ OF the decedent ~~was~~
12 ~~connected~~ may be carried on for a period of 90 days by ANY OF
13 the following:

14 (a) In the case of an individual licensee, the surviving
15 spouse, or if there ~~be~~ IS none, the ~~executor or administrator~~
16 PERSONAL REPRESENTATIVE of the estate of the decedent. ~~;~~

17 (b) ~~in~~ IN the case of a partner, the surviving partners.
18 ~~;~~

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

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

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

5 (4) ~~Nothing in this~~ THIS section ~~authorizes~~ DOES NOT
6 AUTHORIZE the solicitation or acceptance of any business after
7 the death of the decedent except as otherwise provided by this
8 act.

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

12 Sec. 28. (1) The ~~secretary of state~~ DEPARTMENT may employ
13 such agents as are necessary to carry out ~~the provisions of this~~
14 ~~act~~ and to enforce ~~compliance therewith~~ THIS ACT. ~~The secre-~~
15 ~~tary of state and each agent employed by him, in respect to vio-~~
16 ~~lations of any of the provisions of this act, has all the powers~~
17 ~~of a peace officer. All rules and regulations of the secretary~~
18 ~~of state shall be made in accordance with the provisions of Act~~
19 ~~No. 88 of the Public Acts of 1943, as amended, being sections~~
20 ~~24.71 to 24.80 of the Compiled Laws of 1948, and subject to Act~~
21 ~~No. 197 of the Public Acts of 1952, as amended, being sections~~
22 ~~24.101 to 24.110 of the Compiled Laws of 1948.~~

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

26 Sec. 31. A licensee, manager, or employee of a licensee who
27 violates this act OR A RULE PROMULGATED UNDER THIS ACT is guilty

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1 of a misdemeanor — punishable by imprisonment for not more than
2 90 days or by a fine of not more than ~~-\$100.00-~~ \$500.00, or
3 both.

4 Enacting section 1. This amendatory act does not take
5 effect unless Senate Bill No. 425 of the 91st Legislature is
6 enacted into law.