

HOUSE BILL No. 5995

April 17, 2008, Introduced by Rep. Condino and referred to the Committee on Regulatory Reform.

A bill to amend 1943 PA 148, entitled

"An act to provide for the regulation and licensing of proprietary schools in the state; to require surety; to provide for collection and disposition of fees; and to prescribe penalties for the violation of this act,"

by amending sections 1, 1a, 2, 2a, and 2b (MCL 395.101, 395.101a, 395.102, 395.102a, and 395.102b), sections 1, 2, 2a, and 2b as amended and section 1a as added by 1983 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) ~~A proprietary school shall secure from the board a~~
2 ~~license issued in the form prescribed by the board and in~~
3 ~~accordance with this act. A PERSON SHALL NOT OPERATE A PROPRIETARY~~
4 ~~SCHOOL IN THIS STATE WITHOUT A TEMPORARY PERMIT OR LICENSE FROM THE~~
5 ~~DEPARTMENT UNDER THIS ACT. THE DEPARTMENT SHALL PRESCRIBE THE FORM~~
6 ~~OF LICENSE AND TEMPORARY PERMIT.~~

1 (2) A license issued under this act ~~shall be~~ **IS NOT** valid for
2 ~~not~~ more than 1 year. ~~If the applicant~~ **THE DEPARTMENT MAY RENEW THE**
3 **LICENSE OF A PERSON THAT** continues to comply with this act and the
4 rules promulgated under this act. ~~, the license may be renewed.~~

5 (3) The ~~license may be revoked~~ **DEPARTMENT MAY REVOKE A LICENSE**
6 **GRANTED UNDER THIS ACT** at any time if, in the judgment of the ~~board~~
7 **DEPARTMENT**, the person to ~~whom~~ **WHICH** the license is issued is not
8 complying with ~~provisions of the~~ **ANY APPLICABLE** law or the rulings
9 of the board.

10 (4) ~~A person shall not be granted~~ **EXCEPT AS PROVIDED IN**
11 **SUBSECTION (5), THE DEPARTMENT SHALL NOT GRANT** a temporary permit
12 or a license to operate a proprietary school as part of, or in
13 conjunction with, another business or commercial enterprise ~~which~~
14 **THAT** utilizes or sells goods or services produced by students.

15 (5) **THE DEPARTMENT MAY NOT REFUSE TO GRANT A TEMPORARY PERMIT**
16 **OR LICENSE UNDER SUBSECTION (4) TO A PROPRIETARY SCHOOL ENGAGED IN**
17 **TEACHING MASSAGE THERAPY SOLELY BECAUSE THAT SCHOOL PROVIDES**
18 **CLINICAL TRAINING IN MASSAGE THERAPY THAT MEETS ALL OF THE**
19 **FOLLOWING:**

20 (A) **THE CLINICAL TRAINING CONSISTS OF PROVIDING MASSAGE**
21 **THERAPY TO CUSTOMERS BY STUDENTS OF THE SCHOOL, UNDER THE**
22 **SUPERVISION OF AN INSTRUCTOR OR OTHER QUALIFIED EMPLOYEE OF THE**
23 **SCHOOL.**

24 (B) **THE CLINICAL TRAINING IS AN INTEGRAL PART OF THE MASSAGE**
25 **THERAPY PROGRAM AT THE SCHOOL.**

26 (C) **ANY CUSTOMER RECEIVING MASSAGE THERAPY AT THE SCHOOL IS**
27 **NOTIFIED THAT THE INDIVIDUAL PROVIDING THE MASSAGE THERAPY IS A**

1 STUDENT OF THE SCHOOL AND IS ONLY CHARGED A NOMINAL FEE FOR THAT
2 MESSAGE THERAPY.

3 Sec. 1a. (1) THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE
4 "PROPRIETARY SCHOOLS ACT".

5 (2) As used in this act:

6 (a) ~~"Board" means the state board of education.~~ "DEPARTMENT"
7 MEANS THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH.

8 (B) "MASSAGE THERAPY" MEANS THE APPLICATION OF A SYSTEM OF
9 STRUCTURED TOUCH, PRESSURE, MOVEMENT, AND HOLDING TO THE SOFT
10 TISSUE OF THE HUMAN BODY IN WHICH THE PRIMARY INTENT IS TO ENHANCE
11 OR RESTORE THE HEALTH AND WELL-BEING OF THE CLIENT.

12 (C) ~~(b)~~ "Person" means an individual, partnership,
13 corporation, LIMITED LIABILITY COMPANY, association, organization,
14 or other legal entity.

15 (D) ~~(e)~~ "Proprietary school" means a school that uses a
16 certain plan or method to teach a trade, occupation, or vocation
17 for a consideration, reward, or promise of ~~whatever nature~~ ANY
18 KIND. Proprietary school includes, but is not limited to, a private
19 business, trade, or home study school. Proprietary school does not
20 include ANY OF the following:

21 (i) A school or college possessing authority to grant degrees.

22 (ii) A school licensed by law through another ~~board~~ DEPARTMENT
23 of this state.

24 (iii) A school maintained or a program conducted, without
25 profit, by a person for that person's employees.

26 Sec. 2. (1) ~~A license shall not be issued until the~~ THE
27 DEPARTMENT SHALL NOT ISSUE A LICENSE UNDER THIS ACT UNLESS THE

1 **LICENSE** applicant has operated under a temporary permit **FROM THE**
 2 **DEPARTMENT** in a manner satisfactory to the ~~board-DEPARTMENT~~ and
 3 ~~until the board-DEPARTMENT~~ has approved the method and content of
 4 the advertising, the standards and the methods of instruction, the
 5 personnel, and the operating and instructional practices of the
 6 school.

7 (2) ~~A-**THE DEPARTMENT MAY GRANT A**~~ temporary permit to operate a
 8 proprietary school ~~may be granted on the basis of-**BASED ON**~~ a
 9 written proposal submitted in the manner and form prescribed by the
 10 ~~board-DEPARTMENT~~. The proposal shall include plans for facilities,
 11 instructional procedures, personnel, business standards, and
 12 operating and instructional practices ~~which-**THAT**~~ comply with this
 13 act and with rules promulgated under this act. A temporary permit
 14 issued under this act ~~shall be-**IS NOT**~~ valid for ~~not~~ more than 1
 15 year. ~~If the applicant-**THE DEPARTMENT MAY RENEW THE TEMPORARY**~~
 16 **PERMIT OF A PERSON THAT** continues to comply with this act and the
 17 rules promulgated under this act. ~~, a temporary permit may be~~
 18 ~~renewed.~~

19 Sec. 2a. (1) The ~~board-DEPARTMENT~~ shall provide for adequate
 20 inspection of all proprietary schools. The ~~board-DEPARTMENT~~ shall
 21 promulgate rules ~~pursuant to-**UNDER**~~ the administrative procedures
 22 act of 1969, ~~Act No. 306 of the Public Acts of 1969, being sections~~
 23 ~~24.201 to 24.315 of the Michigan Compiled Laws-**1969 PA 306, MCL**~~
 24 **24.201 TO 24.328**, and employ the personnel necessary to ~~carry out~~
 25 **ADMINISTER** this act. A proprietary school shall submit reports
 26 required by the ~~board-DEPARTMENT~~ and shall make available to
 27 authorized representatives of the ~~board-DEPARTMENT~~ all records

1 pertaining to the instructional program of the school or to any
2 individual student or enrollee.

3 (2) The ~~board~~**DEPARTMENT** shall set and collect fees for
4 licenses, temporary permits, and renewals issued under this act.
5 The fees shall be used solely for administrative expenses incurred
6 under this act.

7 (3) The ~~board~~**DEPARTMENT** shall exercise jurisdiction and
8 control over proprietary schools and solicitors for proprietary
9 schools consistent with this act and ~~Act No. 40 of the Public Acts~~
10 ~~of 1963, being sections 395.121 to 395.125 of the Michigan Compiled~~
11 ~~Laws 1963 PA 40, MCL 395.121 TO 395.125.~~

12 Sec. 2b. A proprietary school shall provide the ~~board~~
13 **DEPARTMENT** with evidence of surety conditioned to provide
14 indemnification to a student suffering loss because of inability to
15 complete an approved course or program of study due to the closing
16 of the proprietary school. ~~A~~**THE** surety may consist of a bond, the
17 amount of which shall be determined according to rules promulgated
18 by the ~~board~~**DEPARTMENT**. Surety shall expire on June 30 following
19 the date of issuance and **THE PROPRIETARY SCHOOL MUST SUBMIT** proof
20 of renewal ~~shall be submitted to the board prior to~~**DEPARTMENT**
21 **BEFORE** the date of expiration. ~~Failure~~**ANY FAILURE** to submit
22 evidence of surety ~~shall invalidate~~**INVALIDATES** a license to
23 operate a proprietary school. This section does not apply to a
24 proprietary school with a license issued ~~by the board prior to~~
25 **UNDER THIS ACT BEFORE** November 2, 1967.