

SENATE BILL No. 241

March 8, 2011, Introduced by Senator BOOHER and referred to the Committee on Regulatory Reform.

A bill to license and regulate persons engaged in the security business; to protect the general public against unauthorized, unlicensed, and unethical operations by persons engaged in the security business; to establish minimum qualifications for persons engaged in the security business; to impose certain fees; to create the security guard fund; to prescribe the powers and duties of certain state agencies and departments; and to provide for remedies and penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "security guard act".

3 Sec. 3. As used in this act:

1 (a) "Bodyguard" means any person, working for a fee or other
2 consideration, whose primary responsibility is to protect an
3 individual from physical harm from another person, whether the
4 individual under protection is on-premises or is in transit from 1
5 location to another.

6 (b) "Department" means the department of energy, labor, and
7 economic growth.

8 (c) "Licensee" means a person licensed under this act.

9 (d) "Patrol service" means any person roving on foot or in a
10 vehicle who, for a fee or other consideration, provides security
11 for persons or property by observation, direct or indirect
12 intervention, or both.

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

15 (f) "Security alarm act" means the security alarm act, 1968 PA
16 330, MCL 338.1051 to 338.1092.

17 (g) "Security business" means a person engaged in arranging
18 for or providing any of the following services:

19 (i) Security guard.

20 (ii) Security consultant.

21 (iii) Bodyguard.

22 (iv) Patrol service.

23 (v) Security management.

24 (h) "Security consultant" means a person that, for a fee or
25 other consideration, does any of the following for another person:

26 (i) Directly or indirectly aids in the evaluation, development,
27 or implementation of security policies, security procedures, or

1 security systems.

2 (ii) Engages in security management.

3 (iii) Engages in the hiring, training, or deployment of security
4 guards.

5 (i) "Security guard" or "security guard agency" means a
6 person, or an employee of that person, that provides protection for
7 persons or property on the premises of another.

8 (j) "Security management" means a person that, for a fee or
9 other consideration and by contract or agreement, provides
10 security-related evaluation, oversight, or supervision or trains
11 security guards for deployment. Security management does not
12 include a person acting as a security administrator who is employed
13 under a bona fide employer-employee relationship to oversee
14 security operations for another.

15 (k) "Security system" means a detection device or an assembly
16 of equipment and devices arranged to signal the presence of a
17 hazard requiring urgent attention or to detect an unauthorized
18 intrusion. Security system includes a system to which police or
19 other persons are expected to respond or a camera system that uses
20 a public communication to transmit a video signal.

21 Sec. 5. (1) A person shall not engage in, offer to engage in,
22 or advertise to be in the business of security guard, security
23 guard agency, security consultant, security management, bodyguard,
24 or patrol service without first obtaining a license as a security
25 guard or security guard agency under this act. This act does not
26 prevent a security alarm agent or contractor licensed under the
27 security alarm act from evaluating, developing, selling, or

1 servicing security systems. This act does not apply to a private
2 college security force regulated by sections 37 to 42 of the
3 security alarm act, MCL 338.1087 to 338.1092.

4 (2) An individual employed as a law enforcement officer in any
5 capacity for any department or unit of government within Michigan
6 on the effective date of this act is not eligible for initial
7 licensure under this act. However, a law enforcement officer
8 described in this subsection who has a license as a security guard
9 or security guard agency issued under the security alarm act may
10 retain that license and may renew that license under this act
11 rather than the security alarm act.

12 (3) Subsection (1) does not exempt a professional investigator
13 licensed under the professional investigator licensure act, 1965 PA
14 285, MCL 338.821 to 338.851, from obtaining a license under this
15 act if that person performs the services of a security business.
16 However, a licensed professional investigator may act as a
17 bodyguard without being licensed under this act. For the purpose of
18 protecting persons or property, a security guard may respond to a
19 burglar, fire, or supervisory alarm for the purpose of securing the
20 property and ensuring the safety of others in or on that property.
21 The responding security guard may, if it is his or her duty, review
22 alarm history, reset the alarm, and, if authorized, perform other
23 normal end-user tasks including bypassing a protected zone if
24 necessary in order to reset the alarm system. The security guard
25 shall not, for any reason, physically alter or service the alarm
26 system.

27 (4) If an applicant submits a completed application and the

1 appropriate application and license fee and is determined qualified
2 by the department, the department shall issue the applicant a
3 license to conduct business as a security guard or security guard
4 agency for a period of 2 years from the date of issuance. If a
5 license to conduct business as a security guard or security guard
6 agency is issued to a person, that licensee is not required to
7 obtain any other license to conduct the business as a security
8 guard or security guard agency from a municipality or political
9 subdivision of this state.

10 Sec. 7. (1) The department shall issue a license to conduct
11 business as a security guard or security guard agency if it is
12 satisfied that the applicant, if the applicant is an individual, or
13 the individual who is the sole or principal license holder of the
14 applicant if the applicant is a person that is not an individual,
15 demonstrates, in a manner acceptable to the department, all of the
16 following qualifications:

17 (a) Is not less than 25 years of age.

18 (b) Has a high school education or its equivalent.

19 (c) If the individual is a licensee under the security alarm
20 act whose license was issued after March 28, 2001, has not been
21 convicted of a felony.

22 (d) If the individual is a licensee under the security alarm
23 act whose license was issued on or before March 28, 2001, has not
24 been convicted of a felony in the 5-year period preceding the date
25 of application.

26 (e) Was not convicted of an offense listed in section 15(1)(c)
27 in the 5-year period preceding the date of application.

1 (f) Has not been dishonorably discharged from a branch of the
2 United States military service.

3 (g) Meets 1 or more of the following:

4 (i) Held a license to conduct a security guard or security
5 guard agency business in another state for a period of at least 3
6 years.

7 (ii) Was lawfully engaged in the security guard or security
8 guard agency business for at least 4 years as an employee of the
9 holder of a license to conduct a security guard or security guard
10 agency business; has at least 4 years of full-time field
11 experience; and has at least 4 years of experience in a bona fide
12 management capacity that included direct supervision over multiple
13 security guards with full line authority including the ability to
14 hire and fire.

15 (iii) Was lawfully engaged in law enforcement employment as a
16 certified police officer on a full-time basis for at least 4 years
17 for a city, county, or state government or for the United States
18 government; and either is a graduate with a baccalaureate degree or
19 its equivalent in the field of police administration, criminal
20 justice, or industrial security from an accredited college or
21 university or has 2 years of experience in a bona fide management
22 capacity that included direct supervision over multiple security
23 guards with full line authority including the ability to hire and
24 fire.

25 (iv) Is a graduate with a baccalaureate degree or its
26 equivalent in the field of police administration, criminal justice,
27 or industrial security from an accredited college or university;

1 and for a period of 2 years on a full-time basis either engaged in
2 the private security guard or security guard agency business as an
3 employee of the holder of a license to conduct a security guard or
4 security guard agency business, including at least 2 years of
5 experience in a bona fide management capacity that included direct
6 supervision over multiple security guards with full line authority
7 including the ability to hire and fire, or engaged on his or her
8 own account as a security administrator or loss prevention manager
9 in private business.

10 (h) Has provided the department the bond or insurance required
11 under subsection (5) or (6).

12 (i) Has not been adjudged insane, unless he or she has been
13 adjudged restored to sanity by court order.

14 (j) Is not subject to any outstanding warrants for his or her
15 arrest.

16 (2) If a person now doing or seeking to do business in this
17 state is applying for a license under this act, the applicant or
18 the resident manager of the applicant shall comply with the
19 applicable qualifications of this section.

20 (3) The department shall prepare a uniform application for a
21 license under this act. An applicant or resident manager of the
22 applicant shall sign and verify the application. The application
23 shall contain at least all of the following:

24 (a) The name and principal address where the applicant or
25 resident manager is located in this state.

26 (b) The address and location of any branch office of the
27 business.

1 (c) The certificate of incorporation of the applicant, if the
2 applicant is a corporation, or any other similar organizational
3 documents of the applicant, if applicable.

4 (4) An individual applicant shall submit 2 passport-quality
5 photographs with the application. If the applicant is a person
6 other than an individual, the resident manager of the business
7 shall submit 2 passport-quality photographs of himself or herself
8 with the application.

9 (5) The department shall not issue a license under this act if
10 the applicant does not pay the department in full for each license
11 fee and does not comply with subsection (6) or provide a bond to
12 the department that meets all of the following:

13 (a) Is in the principal amount of \$25,000.00.

14 (b) Is payable to the department for the benefit of the people
15 of this state and any person injured by the willful, malicious, and
16 wrongful act of the licensee or any of his or her agents or
17 employees.

18 (c) Is conditioned on the faithful and honest conduct of the
19 business by the applicant.

20 (d) Is approved by the department.

21 (6) In lieu of a bond required under subsection (5), an
22 applicant may furnish a policy of insurance issued by an insurer
23 authorized to do business in this state that names the licensee and
24 the state as coinsured in the amount of \$25,000.00 for property
25 damage, \$100,000.00 for injury to or death of 1 person, and
26 \$200,000.00 for injuries to or deaths of more than 1 person arising
27 out of the operation of the licensed activity.

1 (7) A person may bring an action on a bond described in
2 subsection (5) or an insurance policy described in subsection (6)
3 in his or her own name to recover damages suffered by reason of a
4 licensee's wrongful act.

5 Sec. 9. (1) If it receives a completed application for a
6 license under this act and the application fee, the department
7 shall investigate the applicant's qualifications for licensure in
8 the manner provided under this section.

9 (2) The department shall require that an applicant for a
10 license under this act obtain reference statements from 5 reputable
11 citizens who have known the applicant for a period of at least 5
12 years, who can attest that the applicant is honest, of good
13 character, and competent, and who are not related or connected to
14 the applicant by blood or marriage. An application and
15 investigation are not considered complete until the applicant has
16 received the approval of the prosecuting attorney and the sheriff
17 of the county in this state in which the principal office of the
18 applicant is or will be located. If the office is or will be
19 located in a city, township, or village, the applicant may obtain
20 the approval of the chief of police instead of the sheriff. Similar
21 approval is required for branch offices and branch managers.

22 (3) The department shall not provide final approval of a
23 license application unless all of the following conditions are met:

24 (a) Verification that all of the requirements of section 7 are
25 met.

26 (b) The completion of the investigation of any employees of
27 the licensee as described in section 25.

1 (c) Confirmation of compliance with the bonding or insurance
2 requirements under section 7.

3 (4) If a person has not previously been denied a license or
4 has not had a previous license suspended or revoked, the department
5 shall issue a temporary license to an applicant that meets the
6 bonding or insurance requirements under section 7. A temporary
7 license is valid until the applicant meets or fulfills the
8 conditions imposed in subsection (3)(a) and (b), but the department
9 shall not issue a temporary license that is valid for more than 180
10 days. If the department determines during the investigation that
11 the applicant fails to meet any of the requirements for a license
12 described in this section and section 7, the department shall
13 revoke the temporary license.

14 (5) The department shall issue a license to an applicant if
15 the applicant meets the requirements of this act and the department
16 is satisfied of the good character, competence, and integrity of 1
17 of the following, as applicable:

18 (a) If the applicant is an individual, the applicant.

19 (b) If the applicant is a partnership, limited liability
20 company, corporation, or other legal entity, its individual members
21 or officers.

22 Sec. 11. (1) The department shall require that a licensee pay
23 a license fee that is based on the total number of employees of the
24 licensee at the time of the initial or renewal application as a
25 percentage of the total funding determined by the department as
26 necessary to enforce this act.

27 (2) A licensee that intends to open a branch office may apply

1 for a license for that branch. A licensee may open a branch office
2 only after receiving approval of the department and payment of the
3 appropriate license fee. A licensee shall post a license obtained
4 under this subsection in a conspicuous place in the branch office.
5 A license under this subsection for a branch office expires on the
6 same date as the initial or annual license.

7 (3) If a license is denied, revoked, or suspended, the
8 department shall not refund all or any part of the license fees for
9 the license unless the licensee demonstrates that the department
10 made a mistake in calculating or collecting the fee.

11 (4) The security guard fund is created in the state treasury.
12 The department shall deposit all license and application fees,
13 civil fines or judgments, and administrative fines collected under
14 this act into the fund. The state treasurer may receive money or
15 other assets from any source for deposit into the fund. The state
16 treasurer shall direct the investment of the fund. The state
17 treasurer shall credit to the fund interest and earnings from fund
18 investments. Money in the fund at the close of the fiscal year
19 shall remain in the fund and be available for appropriation and
20 expenditure by the department in subsequent fiscal years. The money
21 in the fund shall not lapse to the general fund. The department
22 shall expend money from the fund, on appropriation, only for
23 enforcement and administration of this act. The department is the
24 administrator of the fund for auditing purposes.

25 (5) The department shall issue or deny an application for an
26 initial or renewal license within 180 days or 60 days,
27 respectively, after the applicant files a completed application. An

1 application is considered filed on the date the application is
2 received by any agency or department of this state. If the
3 department considers an application incomplete, the department
4 shall notify the applicant in writing, or make the information
5 electronically available, within 10 days after the filing of the
6 incomplete application, describing the deficiency and requesting
7 the additional information. A 180-day or 60-day period described in
8 this subsection is tolled from the date the department notifies the
9 applicant of a deficiency until the date the requested information
10 is received by the department. A determination of the completeness
11 of an application does not operate as an approval of the
12 application for the license and does not confer eligibility of an
13 applicant determined otherwise ineligible for issuance of a
14 license.

15 (6) The director of the department shall submit a report by
16 December 1 of each year to the standing committees and
17 appropriations subcommittees of the senate and house of
18 representatives concerned with occupational issues. The director
19 shall include all of the following information in the report
20 concerning the preceding fiscal year:

21 (a) The number of initial and renewal applications the
22 department received and completed.

23 (b) The number of applications the department denied.

24 (7) As used in this section, "completed application" means an
25 application complete on its face and submitted with any applicable
26 licensing fees and any other information, records, approval,
27 security, or similar item required by law or rule from a local unit

1 of government, a federal agency, or a private person but not from
2 another department or agency of this state.

3 Sec. 13. (1) The department shall employ a full-time security
4 business enforcement investigator to enforce compliance with this
5 act and to investigate allegations of illegal unlicensed security
6 business activity regulated by this act. A security business
7 enforcement investigator has all the powers of a peace officer.

8 (2) Any money appropriated to the department for costs
9 associated with the employment of a full-time security business
10 enforcement investigator described in subsection (1) shall be
11 appropriated by the legislature from money contained in the
12 security guard fund created in section 11(4). In determining the
13 amount of any fees required under this act, the department shall
14 ensure that the fees collected are sufficient to cover the actual
15 costs of the administration of the licensing program under this act
16 and the cost of the full-time dedicated security business
17 enforcement investigator and are used for the administration and
18 employment of both. The department and the department of state
19 police shall each issue a report to the appropriations
20 subcommittees that have jurisdiction over their respective
21 departments within 60 days after the effective date of this act
22 regarding whether the fees under this act are adequate to support
23 the licensure program and enforcement investigator under this act.

24 (3) A security business enforcement investigator described in
25 subsection (1), the department, the attorney general, the
26 department of state police, or a local law enforcement agency, on
27 its own initiative or at the request of any other person, may

1 investigate allegations that a person is engaging in activities
2 regulated under this act and is not appropriately licensed or
3 exempt from licensure. The entity conducting the investigation
4 shall report its findings to the attorney general and the county
5 prosecuting attorney who has jurisdiction in the location in which
6 the alleged violator is engaged in business. The attorney general
7 or county prosecuting attorney may bring an appropriate civil or
8 criminal action in a court of competent jurisdiction to prosecute
9 any person that has engaged in any activity regulated by this act
10 and is not appropriately licensed or exempt from licensure or to
11 enjoin any person from performing or attempting any activity
12 regulated under this act without appropriate licensure or exemption
13 from licensure. A court may issue an injunction without proof of
14 actual damage sustained by any person. Issuance of an injunction
15 does not prevent criminal prosecution of a violator. In addition to
16 issuing an injunction, a court may impose a civil fine of not more
17 than \$25,000.00. A person that reports to the department, a local
18 law enforcement agency, a county prosecuting attorney, or the
19 attorney general regarding an allegation of unlicensed activity is
20 not responsible for any personal injury or property damage arising
21 from making the report.

22 Sec. 15. (1) The department shall revoke a license issued
23 under this act if it determines, after notice and an opportunity
24 for a hearing under the administrative procedures act of 1969, 1969
25 PA 306, MCL 24.201 to 24.328, that the licensee or his or her
26 manager, if the licensee is an individual, or, if the licensee is
27 not an individual, any of its officers, directors, or partners or

1 its manager, has done any of the following:

2 (a) Made any false statements or given any false information
3 in connection with an application for a license or a renewal or
4 reinstatement of a license.

5 (b) Violated any provision of this act.

6 (c) While licensed or employed by a licensee, been convicted
7 of a felony or a misdemeanor involving any of the following:

8 (i) Dishonesty or fraud.

9 (ii) Unauthorized divulging or selling of information or
10 evidence.

11 (iii) Impersonation of a law enforcement officer or employee of
12 the United States, this state, or a political subdivision of this
13 state.

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

16 (v) Two or more alcohol-related offenses.

17 (vi) A controlled substance under the public health code, 1978
18 PA 368, MCL 333.1101 to 333.25211.

19 (vii) An assault.

20 (d) Knowingly submitted to the department any of the
21 following:

22 (i) A name other than the true name of a prospective employee.

23 (ii) Fingerprints that do not belong to a prospective employee.

24 (iii) False identifying information in connection with the
25 application of a prospective employee.

26 (2) The department shall not renew a license of a licensee who
27 owes any fine or fee to the department at the time of renewal.

1 (3) Within 48 hours after notification from the department of
2 the revocation of a license under this act, the licensee shall
3 surrender the license and the identification card issued under
4 section 19. A person who violates this subsection is guilty of a
5 misdemeanor punishable by imprisonment for not more than 93 days or
6 a fine of not more than \$500.00, or both.

7 (4) Unless revocation of the license is required under this
8 act for the failure to comply, the department may suspend a license
9 issued under this act if the licensee fails to comply with any of
10 the requirements of this act. The department shall reinstate a
11 suspended license if the licensee demonstrates compliance with this
12 act and the licensee pays a \$100.00 reinstatement fee.

13 Sec. 17. (1) When a licensee receives its license from the
14 department, the licensee shall post it in a conspicuous place in
15 the licensee's office.

16 (2) A licensee must report any change in the name or location
17 of the licensee's office or any branch office to the department at
18 least 10 days before the change becomes effective. After receiving
19 a report described in this subsection, the department shall prepare
20 and forward a license showing the change. The licensee shall return
21 the old license to the department within 3 business days after it
22 receives the new license. The department may suspend the license of
23 a licensee that fails to notify the department of a change in name
24 or location described in this subsection.

25 Sec. 19. (1) When it issues a license, the department shall
26 issue an identification card to the principal license holder, and,
27 if the licensee is a partner in a partnership, to each partner,

1 and, if the license holder is a corporation, to each resident
2 officer or manager. All of the following apply to an identification
3 card described in this subsection:

4 (a) The department shall prescribe the form and contents of
5 the identification card.

6 (b) The department shall recall the identification cards
7 issued to a licensee if its license is revoked.

8 (c) The department shall issue only 1 identification card for
9 each person entitled to receive a card. The licensee is responsible
10 for the maintenance, custody, and control of the identification
11 cards and shall not let, loan, sell, or otherwise permit
12 unauthorized persons or employees to use them.

13 (d) This section does not prevent a licensee from issuing its
14 own identification cards to its employees if the cards are approved
15 as to form and content by the department. A card issued by a
16 licensee shall not bear the seal of the state, and the card of an
17 employee shall designate him or her as "security guard" or engaged
18 in "loss prevention".

19 (2) If it receives a proper application and if sufficient
20 reasons are shown, the department may issue duplicates of an
21 original license or identification card.

22 (3) A licensee shall not assign a license issued under this
23 act. A license is considered personal to the licensee.

24 Sec. 21. (1) Except as provided in section 27(2), a person
25 shall not possess a badge or shield that indicates that the holder
26 is a licensed security guard or security guard agency or any other
27 person engaged in the security business. An unauthorized badge or

1 shield is subject to confiscation by a law enforcement officer.

2 (2) A person shall not distribute an identification card or
3 certificate of license in this state except as provided under this
4 act. A person shall not knowingly buy or receive any form of
5 spurious identification as a security guard or security guard
6 agency or any other person engaged in the security business. An
7 unauthorized identification card or license is subject to
8 confiscation by a law enforcement officer. A person who violates
9 this subsection is guilty of a misdemeanor punishable by
10 imprisonment for not more than 93 days or a fine of not more than
11 \$500.00, or both. Each day a violation of this subsection continues
12 constitutes a separate offense.

13 Sec. 23. (1) A licensee may employ as many individuals as it
14 considers necessary to assist the licensee in its work as a
15 security guard agency. A licensee may hire temporary employees who
16 are not direct providers of security, including temporary event
17 employees to provide crowd management, ticket taking, traffic
18 control, or ushering or to perform other services that do not
19 involve protection of persons or property or place the employee in
20 a position of trust, at an event. All of the following apply to a
21 temporary event employee:

22 (a) A licensee may not employ him or her for more than 21 days
23 in connection with an event.

24 (b) He or she must pass the provisional background check
25 required by the department.

26 (c) He or she must wear an identification badge that
27 designates him or her as an "event work" or "crowd management"

1 employee.

2 (d) A temporary event employee is exempt from fingerprinting
3 unless he or she continues his or her employment for more than 21
4 days.

5 (e) A temporary event employee must wear the appropriate guard
6 agency uniform, blazer, or polo shirt.

7 (f) At all times during his or her employment, the licensee is
8 accountable for the good conduct of a temporary work employee in
9 the course of his or her employment.

10 (2) A licensee shall not employ an individual who does not
11 meet 1 of the following:

12 (a) If the individual was hired by the licensee on or before
13 March 28, 2001, he or she meets all of the following:

14 (i) Was not convicted of a felony in the 5-year period
15 preceding the date he or she was hired.

16 (ii) The qualifications described in section 7(1)(e), (i), and
17 (j).

18 (iii) Is at least 18 years of age.

19 (iv) Has at least an eighth grade education or its equivalent.

20 (b) If the individual was hired by the licensee after March
21 28, 2001 and before July 23, 2004, he or she meets all of the
22 following:

23 (i) The qualifications outlined in section 7(1)(c), (e), (i),
24 and (j).

25 (ii) Is at least 18 years of age.

26 (iii) Has at least an eighth grade education or its equivalent.

27 (c) If the individual is hired by the licensee on or after

1 July 23, 2004, he or she meets all of the following:

2 (i) The qualifications outlined in section 7(1)(c), (e), (i),
3 and (j).

4 (ii) Is at least 18 years of age.

5 (iii) Has at least a high school diploma or a GED or has
6 completed an educational program equivalent to a high school
7 education and meets both of the following:

8 (A) He or she demonstrates that he or she has acquired life
9 experience, reading, writing, communication skills, and aptitude
10 equivalent to or higher than a high school graduate.

11 (B) He or she is at least 25 years old.

12 (3) A licensee shall maintain and keep in this state adequate
13 and complete personnel information on all of its employees. A
14 licensee shall file a complete employee roster with the department
15 in a manner prescribed by the department by April 15, July 15,
16 October 15, and January 15 of each year for the preceding quarter.
17 Failure to submit an accurate roster is cause for suspension of a
18 license. The department shall not process a renewal application if
19 the department has not received a quarterly roster for each quarter
20 of the preceding 2-year license period.

21 (4) If a licensee falsely states or represents that an
22 individual is or has been in the licensee's employ, the department
23 may revoke the license.

24 (5) A person shall not falsely state or represent that he or
25 she is an agent of a licensed security guard agency. A person who
26 violates this subsection is guilty of a misdemeanor punishable by
27 imprisonment for not more than 93 days or a fine of not more than

1 \$500.00, or both.

2 Sec. 25. (1) A licensee shall not knowingly employ an
3 individual who fails to meet the requirements of section 23. An
4 individual who is convicted of a felony, or any misdemeanor
5 described in section 15(1)(c), while in the employ of a licensee as
6 a security guard is not allowed to continue that employment.

7 (2) A licensee shall not employ an individual to provide any
8 security business services directly to the licensee's customers
9 before submitting that individual's fingerprints to the department
10 of state police in a manner approved by the department.

11 (3) A licensee shall cause fingerprints to be taken of any
12 prospective employee whom the licensee intends to hire to provide
13 any security business services directly to the licensee's customers
14 and shall ensure that those fingerprints are submitted to the
15 department of state police and the federal bureau of investigation
16 for a state and national criminal history background check,
17 accompanied by a fingerprint processing fee in the amount
18 prescribed in section 3 of 1935 PA 120, MCL 28.273, and any fees
19 imposed by the federal bureau of investigation. The department
20 shall use the results of the national criminal history background
21 check to make a fitness determination.

22 (4) A licensee shall request the department of state police to
23 conduct a background name check of each prospective employee whom
24 the license intends to hire to provide security business services
25 directly to the licensee's customers. The licensee shall obtain a
26 complete and signed employment application for each individual for
27 whom a name check is requested. The licensee shall retain the

1 employment application for at least 1 year after the date of its
2 submission. The department of state police shall conduct the
3 background check on receipt of a written or electronic request from
4 a licensee accompanied by a fee of \$15.00. The department of state
5 police shall conduct the background check within 3 days after the
6 date a written request is received and within 24 hours after an
7 electronic request is received. Provisional clearance based on a
8 name check allows a licensee to employ the employee as a security
9 guard, for a period of time that does not exceed 90 days, pending
10 final clearance based on a fingerprint check under subsection (3).
11 If an approval is once denied, the licensee or any other licensee
12 may not again employ that individual as a direct provider of
13 security business services unless the licensee or other licensee
14 receives an approved fingerprint clearance for that individual. A
15 licensee or employee of a licensee who uses a name check obtained
16 under this subsection or the results of a name check requested
17 under this subsection for purposes other than prospective
18 employment or to verify the status of a current employee is guilty
19 of a misdemeanor punishable by imprisonment for not more than 93
20 days or a fine of not more than \$1,000.00, or both.

21 Sec. 27. (1) A licensee shall not wear or allow an employee to
22 wear a particular type of uniform and insignia that is not approved
23 by the department, that deceives or confuses the public, or that is
24 identical with that of a law enforcement officer of the federal
25 government, this state, or a political subdivision of this state.
26 Each uniform jacket, coat, or shirt worn by a licensee or its
27 employees shall have a shoulder identification patch that includes

1 the name of the licensee. A shoulder identification patch described
2 in this subsection, and any emblem worn on any part of a uniform,
3 may be any color and must be at least 12 square inches in size. A
4 shoulder identification patch or emblem may not be in the shape of
5 a shield or any shape that is used by any public law enforcement
6 agency in this state. A breast patch of any color shall be at least
7 4-1/2 inches long and 1 inch high, with clearly legible lettering
8 containing the words "security", "security guard", or "loss
9 prevention". Shirt epaulets may be any color.

10 (2) A licensee or employee of a licensee may wear a badge or
11 shield approved by the department as part of a security guard
12 uniform. A badge or shield shall not be similar in shape to that of
13 any law enforcement officer of the federal government, this state,
14 or a political subdivision of this state. A badge or shield may
15 contain the flag of the United States of America or the scale of
16 justice. A uniform may include designations of rank, emblems, or
17 other garnishments that may be any color, except that they shall
18 not bear the seal of the state of Michigan.

19 (3) If a licensee considers alternative apparel to be more
20 appropriate for a location or event, the licensee may authorize
21 either of the following in place of a uniform described in this
22 section:

23 (a) Dress slacks and shirt with a blazer. The blazer must bear
24 an emblem or a crest on the left breast that includes the full name
25 of the licensee. The emblem or crest may be any color.

26 (b) Dress slacks with a button-down polo shirt. The shirt must
27 bear an emblem or a crest on the left breast that includes the full

1 name of the licensee. The polo shirt may include lettering on the
2 back with the words "security" or "loss prevention".

3 (4) In inclement weather, a licensee or employee may wear a
4 vinyl raincoat over a uniform described in this section. A licensee
5 or employee may wear a uniform hat or cap with the uniform. The hat
6 or cap may bear an emblem that does not include the state of
7 Michigan seal.

8 (5) A person who is not licensed or employed as a security
9 guard shall not display a badge or shield or wear a uniform of a
10 security guard. A person who violates this subsection is guilty of
11 a misdemeanor punishable by imprisonment for not more than 93 days
12 or a fine of not more than \$500.00, or both.

13 Sec. 29. (1) An employee of a licensee shall not carry a
14 weapon or restraint of any kind while on duty, in uniform, or in
15 the course of the licensee's business unless the employee is
16 authorized to do so by the licensee and the employee has obtained
17 any license or permit and training required by this state or
18 required under this act.

19 (2) An employee of a licensee who is authorized to carry a
20 weapon in the course of duty and was hired by the licensee before
21 the effective date of this act must complete the minimum training
22 required by this act within 120 days after the effective date of
23 this act. An employee hired on or within 120 days after the
24 effective date of this act must complete the required training
25 within 120 days after the date of hire. An employee hired more than
26 120 days after the effective date of this act must complete
27 required training before carrying any weapon for which training is

1 required under this act.

2 (3) A licensee may authorize his or her employees to carry any
3 commercially available tactical baton or other less-than-lethal
4 device, an aerosol spray, or a conducted energy device, if the
5 baton, spray, or device is legal in this state. A licensee may
6 authorize his or her employees to carry a firearm or conducted
7 energy device, except that a security guard shall not carry a
8 pistol or conducted energy device without first obtaining a license
9 to carry a concealed pistol. A security guard shall not carry a
10 conducted energy device or aerosol spray without first receiving
11 manufacturer-authorized certification in the use of the device for
12 security or law enforcement personnel.

13 Sec. 31. (1) Before providing security without direct
14 supervision, an individual employed as a security guard shall
15 complete a minimum of 16 hours of on-the-job, site-specific
16 training under the immediate supervision of an experienced
17 supervisor and 16 hours of classroom training within the first 90
18 days of employment. The licensee that employed the individual shall
19 document, retain, and make available records indicating the
20 completion of the training for review by the department.

21 (2) The classroom training described in subsection (1) shall
22 include, but not be limited to, the following subjects:

23 (a) A minimum of 6 hours of company and position orientation
24 that includes minimum uniform requirements and appearance; limits
25 of authority and employment; persons or authorities to be contacted
26 in emergencies or unusual occurrences; licensee or parent company
27 structure that affects guards' duties; guard courtesy and public

1 demeanor; and report writing.

2 (b) A minimum of 8 hours involving defensive tactics that
3 include self-defense; correct use of restraining devices; pressure
4 point training; and verbal and sensitivity training.

5 (c) A minimum of 2 hours regarding emergency preparedness that
6 includes the general responsibilities pertaining to medical
7 emergencies and response; crowd control; exposure to bodily fluid;
8 fire prevention and safety; bomb threats; searches; weather
9 emergencies; chemical spills, leaks, and related waste; and
10 evacuation procedures.

11 (3) The approval of the department is required for any
12 programs that offer any training required of licensees or employees
13 of licensees under this act. The department may promulgate rules
14 under the administrative procedures act of 1969, 1969 PA 306, MCL
15 24.201 to 24.328, to establish standards and approval procedures
16 for those programs. If a program is not approved, the department
17 shall not credit any hours completed by an individual in that
18 program toward the requirements of subsection (1).

19 (4) A licensee or employee of a licensee that provides
20 security is not authorized to use a weapon or restraint device
21 while on duty unless he or she has completed the following required
22 training:

23 (a) For an aerosol spray or conducted energy device, any
24 manufacturer-authorized certification in the use of the device for
25 security or law enforcement personnel.

26 (b) For a tactical baton, 4 class hours of an approved program
27 conducted by an approved sponsor.

1 (c) For a restraint device, 2 class hours of an approved
2 program conducted by an approved sponsor.

3 (d) For a firearm, 16 hours of approved specialized training
4 in the use of a firearm for security or law enforcement personnel
5 conducted by an approved sponsor.

6 Sec. 33. If the prosecuting attorney of the county convicts a
7 person of a violation of this act, he or she shall, within 10 days
8 after the date of the conviction, submit to the department a report
9 that includes the date of the conviction, the name of the person
10 convicted, and the nature of the charge.

11 Sec. 35. (1) Every advertisement by a licensee soliciting or
12 advertising for business shall contain the licensee's business name
13 and address as they appear in the records of the department.

14 (2) If the department issues a cease and desist order to the
15 licensee and provides the licensee with notice of the order, a
16 licensee shall discontinue any advertising or the use of any
17 advertisement, seal, or card that the department determines may
18 tend to mislead the public. Failure to comply with any order of the
19 department under this subsection is cause for revocation or
20 suspension of a license.

21 Sec. 37. A licensee shall not use any designation or trade
22 name without the prior approval of the department and shall not use
23 any designation or trade name that implies any association with any
24 municipal, county, or state government or the federal government or
25 an agency of the federal government.

26 Sec. 39. (1) A licensee that has 1 or more employees shall
27 comply with any applicable state and federal employment laws and

1 shall maintain and produce written records and reports in
2 compliance with those laws.

3 (2) This act does not exempt a licensee from complying with
4 other applicable ordinances, rules, regulations, or laws.

5 Sec. 41. (1) Subject to section 11(5), a licensee may renew a
6 license issued under this act by submitting an application to the
7 department, filing a renewal surety bond or certificate of
8 insurance in the amount specified in section 7(5) or (6), and
9 paying the required renewal license fee in full.

10 (2) The date of a renewal license issued by the department is
11 the expiration date of the previously existing license. The
12 department may defer the renewal of a license if there is an
13 uninvestigated outstanding criminal complaint pending against the
14 licensee or a criminal case pending in any court against the
15 licensee.

16 (3) A person that fails to renew a license on or before the
17 expiration date of the license shall not engage in activities
18 regulated by this act. A person that fails to renew a license on or
19 before the expiration date may, within 30 days after the expiration
20 date, renew the license by paying the required license fee and a
21 late renewal fee of \$25.00 to the department. If the applicant
22 fails to renew the license in that 30-day period, the applicant
23 cannot renew the license and must reapply for a license under
24 section 7.

25 Sec. 43. (1) If an individual who is a licensee or an owner of
26 a licensee dies, 1 of the following, as applicable, may continue
27 the business with which the licensee was connected for a period of

1 90 days:

2 (a) If the decedent was an individual licensee, the surviving
3 spouse or, if there is no surviving spouse, the executor or
4 administrator of the estate of the decedent.

5 (b) If the decedent was a partner in a partnership, the
6 surviving partners.

7 (c) If the decedent was an officer of a licensee that is not
8 an individual or partnership, the remaining officers of the
9 licensee.

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

14 (3) If authorized by the department, the business of a
15 decedent described in subsection (1) may be carried on for a longer
16 period of time than the 90-day period described in subsection (1)
17 if necessary to complete any business commitments pending when the
18 decedent died.

19 (4) This section does not restrict the sale of the business of
20 a licensee if the licensee or an owner of the licensee dies, if the
21 buyer qualifies for a license under this act.

22 Sec. 45. (1) If it receives a complaint concerning a potential
23 violation of this act or a rule promulgated or order issued under
24 this act, the department shall immediately refer the complaint to
25 the security business enforcement investigator described in section
26 13. The security business enforcement investigator shall begin an
27 investigation of the allegations of the complaint and shall open a

1 correspondence file. Within 15 days after receiving a complaint,
2 the department shall notify the person that made the complaint in
3 writing that it received the complaint. If the department made the
4 complaint, the director shall designate 1 or more employees of the
5 department to act as the person that made the complaint.

6 (2) The department or the investigator shall conduct the
7 investigation required under subsection (1). As part of the
8 investigation, the department or investigator may request that the
9 attorney general petition the circuit court to issue a subpoena
10 requiring a person to appear before the department and be examined
11 with reference to any matter within the scope of the investigation
12 and to produce books, papers, or documents pertaining to the
13 investigation.

14 (3) If the report of the department or the investigator
15 required under section 13(3) discloses evidence of a violation of
16 this act or a rule promulgated or order issued under this act, the
17 department or the department of attorney general shall prepare the
18 appropriate action against the person that is the subject of the
19 complaint. That action may include any of the following:

20 (a) A formal complaint.

21 (b) A cease and desist order.

22 (c) A notice of summary suspension.

23 (4) At any time during its investigation or after a formal
24 complaint is issued, the department may bring together the
25 complainant and the person that is the subject of the complaint for
26 an informal conference. At the informal conference, the department
27 shall attempt to resolve issues raised in the complaint and may

1 attempt to aid the parties in reaching a formal settlement or
2 stipulation.

3 (5) The department may, after notice and opportunity for a
4 hearing under the administrative procedures act of 1969, 1969 PA
5 306, MCL 24.201 to 24.328, issue any appropriate order, including a
6 suspension or revocation of the license, a limitation on a license,
7 or an administrative fine that does not exceed \$10,000.00.

8 Sec. 47. (1) Unless required by law, an individual who is or
9 has been an employee of a licensee shall not divulge to anyone
10 other than his or her employer or former employer, or as the
11 employer directs, any information acquired by him or her during his
12 or her employment with respect to any of the work to which he or
13 she had been assigned by the employer. An employee who violates
14 this section or an employee who willfully makes a false report to
15 his or her employer in respect to any work is guilty of a
16 misdemeanor punishable by imprisonment for not more than 93 days or
17 a fine of not more than \$100.00, or both, for a first offense and
18 punishable by imprisonment for not more than 180 days or a fine of
19 not more than \$2,000.00, or both, for a second or subsequent
20 offense.

21 (2) A person that violates section 5(1) is guilty of a felony
22 punishable by imprisonment for not more than 4 years or a fine of
23 not more than \$5,000.00, or both.

24 (3) If a person that is not a licensee under this act
25 advertises that he or she is engaged in any of the services that
26 are part of a security business, irrespective of the name or title
27 actually used by the person, the person is guilty of a felony

1 punishable by imprisonment for not more than 4 years or a fine of
2 not more than \$5,000.00, or both.

3 (4) An employee of a licensee under this act who fails, on
4 demand, to surrender to the licensee his or her identification card
5 or any other property issued to him or her for use in connection
6 with his or her employer's business is guilty of a misdemeanor
7 punishable by imprisonment for not more than 93 days or a fine of
8 not more than \$100.00, or both.

9 (5) An employee of a licensee who violates section 29 is
10 guilty of felony punishable by imprisonment for not more than 4
11 years or a fine of not more than \$5,000.00, or both.

12 Sec. 49. The director of the department may promulgate rules
13 under the administrative procedures act of 1969, 1969 PA 306, MCL
14 24.201 to 24.328, to implement, administer, and enforce this act.

15 Sec. 51. (1) This act does not impair or affect any act done,
16 offense committed, or right accruing, accrued, or acquired or any
17 penalty, forfeiture, or punishment incurred before the effective
18 date of this act.

19 (2) If the director of the department is directed or
20 authorized under this act to promulgate rules, and rules exist on
21 the date the requirement to promulgate rules takes effect that the
22 director of the department believes adequately cover the subject
23 matter, the director of the department may determine that new rules
24 are not required or may delay the promulgation of new rules until
25 he or she considers it advisable. Those rules promulgated under the
26 security alarm act and in effect on the effective date of this act
27 shall remain in effect until rescinded or otherwise changed

1 according to law, as provided for in section 31 of the
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.231.

3 (3) A reference in any application, document, authorization,
4 order, license, or other document issued or provided by the
5 department or its authorized agent to the private security business
6 and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1092, is
7 considered to be a reference to this act.

8 Sec. 53. This act takes effect 12 months after the date it is
9 enacted into law.

10 Sec. 55. This act does not take effect unless Senate Bill No.
11 239 of the 96th
12 Legislature is enacted into law.