SECURITY ALARM SYSTEMS ACT

Act 580 of 2012

AN ACT to register and regulate certain providers of security alarm systems; to provide for the assessment of registration fees; and to prescribe the powers and duties of certain state departments, agencies, officers, and political subdivisions.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

The People of the State of Michigan enact:

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338.2181 Short title.

Sec. 1.

This act shall be known and may be cited as the "security alarm systems act".

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

338.2182 Definitions.

Sec. 2.

As used in this act:

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

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

(c) "Background check" means a criminal history check administered by a public or private entity that examines federal and state government records in a manner that allows for the successful identification of the criminal offenses listed in section 4(3)(c).

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

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

(f) "Operator" means an employee or independent contractor who performs alarm operator, dispatcher, or monitor functions for a security alarm system at a central monitoring station. The term does not include a system user who receives signals or messages about his or her own security alarm system.

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

(h) "Protected premises" means a location at or in which a system user's security alarm system is installed and maintained.

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

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

(k) "Remote monitoring" means the retransmission of information received from a security alarm system to a central monitoring system.

(l) "Security alarm system" means a detection device or an assembly of equipment and devices that transmits signals to a central monitoring station and is arranged to signal the presence of a hazard that requires urgent attention or to which police are expected to respond. The term includes any electronic system that transmits signals to a central monitoring station and monitors or records various components designed to detect or prevent

burglaries, intrusions, theft, or robbery of the protected premises, including, but not limited to, an intrusion detection system, video monitoring or recording system, access control system, and 1-way or 2-way audio monitoring systems. The term does not include a fire alarm system or an alarm system that monitors temperature, humidity, or other condition that is not directly related to the detection or prevention of burglaries, intrusions, theft, or robbery of the protected premises.

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

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

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

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

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

(v) A person that only manufactures or sells security alarm systems, unless that person services, installs, monitors, or responds to signals from security alarm systems at the protected premises.

(vi) A person that sells security alarm systems that are designed to be installed and monitored by any of the following:

(A) The customer, and not the person selling the security alarm system.

(B) An affiliate of or contractor to the person selling the security alarm system if the affiliate or contractor that installs at the protected premises or monitors the security alarm system is registered under this act.

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

(n) "System user" means a person that uses a security alarm system at a protected premises or remotely.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

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338.2183 System provider; requirements; wrongful act.

Sec. 3.

(1) A person shall not act as a system provider in this state without first doing both of the following:

(a) Filing a registration statement with the department that meets the requirements of section 4. A person that acts as a system provider in multiple locations in this state is only required to file 1 registration statement with the department.

(b) Meeting 1 of the following:

(i) Providing a bond to the department that is in the principal amount of $25,000.00; is conditioned on the applicant's or registrant's compliance with this act; is acceptable to the department; and is for the benefit of the residents of this state.

(ii) Providing a policy of insurance to the department, in the amount of $25,000.00 for property damages, $100,000.00 for injury to or death of 1 person, and $200,000.00 for injuries to or deaths of more than 1 person arising out of the operation of the licensed activity, that is issued by an insurer authorized to do business in this state and names the applicant or registrant and the state as coinsureds.

(iii) Demonstrating to the department that the applicant or registrant, or an affiliate of the applicant or registrant, is licensed as a basic local exchange provider under the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2603.

(iv) Demonstrating to the department that the applicant or registrant, or an affiliate of the applicant or registrant, has annual revenue of $10,000,000.00 or more.

(2) An individual injured by the willful, malicious, and wrongful act of an applicant or registrant, or any agent or employee of an applicant or registrant, may bring an action on a bond or insurance policy provided under subsection (1)(b) in his or her own name to recover damages suffered by reason of the wrongful act.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

338.2184 Registration statement; affidavit; contents; background check of each employee or independent contractor; employment prohibited; conditions.

Sec. 4.

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

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

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

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

(d) A description of the training the registrant will provide to its employees or independent contractors who are involved in installing or monitoring security alarm systems. The department may refuse to accept a registration statement if it determines that the training is not commercially reasonable considering the nature of the security alarm systems installed or monitored by the registrant or applicant.

(e) A description of the security alarm system services that the registrant or applicant does or will provide.

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

(2) A registrant, applicant, or affiliate or contractor described in section 2(m)(vi)(B) shall conduct a background check of each employee or independent contractor of the registrant, applicant, affiliate, or contractor who, in the normal course of his or her employment or engagement, enters a customer's premises to sell, lease, rent, maintain, repair, install, or otherwise provide a security alarm system at a protected premises. The background check required under this subsection shall include the taking of fingerprints of the employee or independent contractor and submission of those fingerprints to the department of state police or the federal bureau of investigation for the purpose of a criminal history record search. However, a registrant, applicant, affiliate, or contractor is not required to submit the fingerprints of an employee or independent contractor under this subsection if the employee's or independent contractor's fingerprints were previously submitted for the purpose of a criminal history record search for the purposes of meeting the requirements of a regulatory authority in another state and the registrant, applicant, affiliate, or contractor has the results of that submission.

(3) An applicant, registrant, or affiliate or contractor described in section 2(m)(vi)(B) shall not employ or engage, or continue to employ or engage, an individual for whom a background check is required under subsection (2) if he or she meets any of the following:

(a) Is not at least 18 years old.

(b) Does not have a high school diploma or a general education development (GED) certificate or its equivalent.

(c) His or her background check under subsection (2) discloses any of the following:

(i) He or she was convicted of a felony.

(ii) Within the 5-year period preceding the date of the background check, he or she was convicted of a misdemeanor involving any of the following:

(A) Dishonesty or fraud.

(B) Unauthorized divulging or selling of information or evidence.

(C) Impersonation of a law enforcement officer or employee of the United States, this state, or a political subdivision of this state.

(D) Illegally using, carrying, or possessing a dangerous weapon.

(E) Two or more alcohol-related offenses.

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

(G) An assault.

(H) Criminal sexual conduct in the fourth degree under section 520e of the Michigan penal code, 1931 PA 328, MCL 750.520e.

(iii) He or she has been adjudged insane unless restored to sanity by court order.

(iv) He or she has any outstanding warrants for his or her arrest.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

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338.2185 Registration statement; limitation on administration of act; fee.

Sec. 5.

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

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

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

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

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338.2186 Provisions of act superseding local requirements.

Sec. 6.

The provisions of this act supersede and preempt any rule, regulation, code, or ordinance of any local unit of government of this state relating to the authorization or registration of system providers and their employees or independent contractors. A local unit of government of this state shall not require the issuance of a certificate, license, or permit or otherwise regulate any person that provides any form of security alarm security, monitoring, and control services or the installation and maintenance of facilities associated with security alarm systems, except that a local unit of government of this state may do any of the following:

(a) By ordinance, establish decibel limits, length, or time period of audible alarm sounding.

(b) By ordinance, regulate or prohibit automated calls, automated signals, or other automated communications to local units of government, including public safety access points.

(c) Require a permit for high-voltage electrical or plumbing work to be performed by a system provider.

(d) Enforce any preexisting rights with respect to the use of its rights-of-way.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013

338.2187 Violation as misdemeanor; penalty.

Sec. 7.

A person that violates this act is guilty of a misdemeanor punishable by imprisonment for not more than 180 days or a fine of not more than $1,000.00, or both, for each violation.

History: 2012, Act 580, Imd. Eff. Jan. 2, 2013