

# SENATE BILL No. 1222

May 13, 2004, Introduced by Senator SANBORN and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1965 PA 285, entitled  
"Private detective license act,"  
by amending sections 9, 11, and 26 (MCL 338.829, 338.831, and  
338.846), as amended by 2002 PA 474.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 9. (1) The department, when satisfied of the  
2 competency and integrity of the applicant, or if the applicant is  
3 a firm, partnership, company, limited liability company, or  
4 corporation, of its individual members or officers, shall issue  
5 to the applicant a license upon the applicant's paying to the  
6 department an application processing fee of \$150.00 and an  
7 initial license fee of \$600.00. The applicant shall execute,  
8 deliver, and file with the department a bond in the sum of  
9 \$10,000.00, conditioned for the faithful and honest conduct of  
10 the business by the applicant, which bond shall be approved by

1 the department. The license is valid for 3 years but is subject  
2 to suspension or revocation at all times by the department for  
3 cause shown. The bonds shall be taken in the name of the people  
4 of the state, and any person injured by the willful, malicious,  
5 and wrongful act of the principal may bring an action on the bond  
6 or insurance in his or her own name to recover damages suffered  
7 by reason of such willful, malicious, and wrongful act. In lieu  
8 of a bond, the applicant may furnish a policy of insurance issued  
9 by an insurer authorized to do business in this state naming the  
10 licensee and the state as co-insured in the amount of \$10,000.00  
11 for property damages, \$100,000.00 for injury or death of 1  
12 person, and \$200,000.00 for injuries to or deaths of more than 1  
13 person arising out of the operation of the licensed activity.  
14 The license shall be in a form to be prescribed by the department  
15 and shall specify the full name of the applicant, the location of  
16 the principal office or place of business and the location of the  
17 bureau, agency, subagency, office or branch office for which the  
18 license is issued, the expiration date, and the name of the  
19 person filing the statement required by this act upon which the  
20 license is issued.

21 (2) A licensee desiring to open a branch office or subagency  
22 shall receive a license for that branch or subagency upon payment  
23 to the department of an additional fee of \$125.00 for each  
24 additional license. The additional license shall be posted in a  
25 conspicuous place in the branch office or subagency and expires  
26 on the date of the initial license.

27 (3) If the license is suspended or revoked for any cause, the

1 department shall not refund the license or application processing  
2 fee or any part of the license or application processing fee.

3 ~~(4) The changes regarding license and application fees~~  
4 ~~contained in subsection (1) do not require a person, firm,~~  
5 ~~partnership, company, limited liability company, or corporation~~  
6 ~~holding a license under this act on the effective date of the~~  
7 ~~amendatory act that added this subsection to pay the application~~  
8 ~~processing and initial license fee imposed by the amendatory act~~  
9 ~~that added this subsection. A person, firm, partnership,~~  
10 ~~company, limited liability company, or corporation holding a~~  
11 ~~license on the effective date of the amendatory act that added~~  
12 ~~this subsection is only obligated to pay the renewal fee~~  
13 ~~described in section 26(1).~~

14 (4) Beginning the effective date of the amendatory act that  
15 added this subsection, the department shall issue an initial or  
16 renewal license not later than 6 months after the applicant files  
17 a completed application. If the application is considered  
18 incomplete by the department, the department shall notify the  
19 applicant in writing within 10 days after receipt of the  
20 incomplete application, describing the deficiency and requesting  
21 the additional information. The 6-month period is tolled upon  
22 notification by the department of a deficiency until the date the  
23 requested information is received by the department.

24 (5) If the department fails to issue or deny a license within  
25 the time required by this section, the department shall return  
26 the license fee and shall reduce the license fee for the  
27 applicant's next renewal application, if any, by 15%. The

1 department shall not discriminate against an applicant in the  
2 processing of the application based upon the fact that the  
3 application fee was refunded or discounted under this  
4 subsection.

5 (6) Beginning January 31, 2005, the director of the  
6 department shall submit a report by January 31 of each year to  
7 the standing committees and appropriations subcommittees of the  
8 senate and house of representatives concerned with occupational  
9 issues. The director shall include all of the following  
10 information in the report concerning the preceding calendar  
11 year:

12 (a) The number of initial and renewal applications the  
13 department received and completed within the 6-month time period  
14 described in subsection (4).

15 (b) The number of applications requiring a request for  
16 additional information.

17 (c) The average time for an applicant to respond to a request  
18 for additional information.

19 (d) The number of applications rejected, categorized by  
20 reason for rejection.

21 (e) The amount of money returned to licensees and registrants  
22 under subsection (5).

23 (f) The number of applications not issued within the 6-month  
24 period.

25 (g) The average processing time for initial and renewal  
26 applications granted after the time period described in  
27 subsection (4).

1       Sec. 11. The department shall not refund a license fee  
2 unless a showing is made of mistake, inadvertence, ~~or~~ error in  
3 the collection of the fee, **or noncompliance with the time periods**  
4 **described in section 9(4) or (5).**

5       Sec. 26. (1) A license granted under this act may be  
6 renewed upon application and the payment of a renewal fee of  
7 \$300.00 **unless reduced under section 9(5)** and filing of a renewal  
8 surety bond or liability insurance policy in the amount  
9 equivalent to that specified in section 9.

10       (2) A renewal license shall be dated as of the expiration  
11 date of the previously existing license. For the renewal of a  
12 license, the licensee shall submit an application in such form as  
13 prescribed by the department. Upon receipt of a completed  
14 application, payment of the renewal **fee subject to section 9(5),**  
15 and proof acceptable to the department of bond or insurance, the  
16 department shall renew a license. The department may defer the  
17 renewal if there are uninvestigated complaints then outstanding  
18 against the licensee or if there is a criminal complaint then  
19 pending against the licensee.