



STATE OF MICHIGAN

DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

DAVID C. HOLLISTER
DIRECTOR

November 7, 2003

The Honorable Marc Shulman, Chair
House Consumer & Industry Services Subcommittee
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

Dear Representative Shulman:

In compliance with Section 9 of P.A. 330 of 1968, the Department of Consumer and Industry Services is reporting on license fees for Alarm Systems Contractors and Security Guard Agencies. The statute requires the department to determine whether the fee changes enacted by the legislature for fiscal year 2003 and 2004 are adequate to support these licensure functions.

CIS became responsible for these functions on October 1, 2002. Because of this, we requested and were granted an extension until November 7, 2003 to report on the adequacy of the licensing fees. This permitted us adequate time to assess revenues and expenditures related to alarm system and security guard licensing.

Revenues collected are adequate to support the licensing function. Revenue collected as of 9/30/2003 for Alarm System Contractors was \$280,544 and for Security Guard Agencies was \$201,512. Both of these areas are on a two-year licensing cycle. Because of this, in fiscal year 2003 we licensed approximately half of the contractors and agencies. In fiscal year 2004 we will license the remaining half and should collect similar revenue amounts as in fiscal year 2003.

Expenditures for fiscal year 2003 for Alarm System Contractors were approximately \$52,000 and for Security Guard Agencies were \$60,500.

This report will be posted to our website within 48 hours, under "Inside CIS" at the following address: <http://www.michigan.gov/cis/>. If you have any questions regarding this information please feel free to contact me at 335-1976.

Sincerely,

Allan R. Pohl, Acting Director
Finance and Administrative Services

ARP/rct

cc: House Consumer & Industry Services Subcommittee Members
Robert Swanson
Mary Lannoye
Dean Kimmith
Steven Stauff
Brian Keisling



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DIRECTOR

November 7, 2003

The Honorable Valde Garcia, Chair
Senate Consumer & Industry Services Subcommittee
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

Dear Senator Garcia:

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