

Act No. 384
Public Acts of 2006
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**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Senator Gilbert

ENROLLED SENATE BILL No. 1290

AN ACT to provide for the certification of driver education providers; to prescribe certain record-keeping and program requirements for driver education providers; to provide for the certification of driver education instructors; to prescribe the powers and duties of certain persons and departments; to prescribe certain fees; to establish a fund in the state treasury; to prescribe remedies, sanctions, and penalties; and to rescind administrative rules.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the “driver education provider and instructor act”.

Sec. 3. As used in this act:

(a) “Adult driver training” means instruction that is provided to a person 18 years of age or older in the operation of a motor vehicle, other than a commercial motor vehicle as defined in section 7a of the Michigan vehicle code, 1949 PA 300, MCL 257.7a.

(b) “Behind-the-wheel instruction” means instruction in which a student is in control of a motor vehicle on a public street or highway in real and varied traffic situations and a driver education instructor is the only other occupant in the front passenger seating area with the student.

(c) “Classroom instruction” means that part of a driver education course that occurs in a classroom environment that enables a student to learn through varied instructional methods, under the direct guidance of a driver education instructor.

(d) “Conviction” means a conviction for a crime or attempted crime whether under a law of this state, a local ordinance substantially corresponding to a law of this state, or a law of another state substantially corresponding to a law of this state.

(e) “Coordinated segment 1 driver education course” means a segment 1 course provided by 2 or more certified driver education providers in the use of auxiliary aids and services as that term is defined in the Americans with disabilities act of 1990, 42 USCA 12102.

(f) “Curriculum” means a written plan that guides the instruction given in a driver education course and includes performance objectives, a content outline, detailed learning activities, and assessment tools.

(g) “Designated representative or coordinator” means the individual that a driver education provider employs, enlists, or appoints, or contracts with to supervise, manage, and administer the day-to-day responsibilities of the

provider's driver education school operation. Often this individual is an owner, partner, officer, or director of the driver education provider.

(h) "Driver education course" means a program of study offered by a certified driver education provider, which enables a student to acquire the basic knowledge, skill, and attitude necessary to operate a motor vehicle upon a highway transportation system.

(i) "Driver education course certificate of completion" means a written or electronic authorization issued by a certified driver education provider to a student who has successfully completed segment 1 or segment 2 of a driver education course offered by the provider.

(j) "Driver education instructor" means a person who the secretary of state certifies has met the instructor qualifications of this act to instruct a student in a driver education course.

(k) "Driver education instructor certificate" means a written or electronic authorization issued by the secretary of state to indicate that a person has met the instructor qualifications of this act to instruct a student in a driver education course.

Sec. 5. As used in this act:

(a) "Driver education instructor preparation program" means a program of driver education instructor preparation courses offered by a college or university or by a person approved by the secretary of state.

(b) Except as otherwise provided in this act, "driver education instructor preparation courses" means the courses that are required to obtain a driver education instructor certificate.

(c) "Driver education provider" or "provider" means a person who meets the requirements in subparagraph (i), if not excluded under subparagraph (ii), as follows:

(i) Maintains or obtains the facilities and certified instructors to give instruction in the driving of a motor vehicle or maintains or obtains the facilities and certified instructors to prepare an applicant for an exam given by the secretary of state for a license as defined in section 25 of the Michigan vehicle code, 1949 PA 300, MCL 257.25, or a vehicle indorsement issued under former section 312e of the Michigan vehicle code, 1949 PA 300.

(ii) Driver education provider does not include a person who provides instruction as follows:

(A) Only for the benefit of its employees if that instruction is not open to the public.

(B) In the driving or operating of a motorcycle as defined in section 31 of the Michigan vehicle code, 1949 PA 300, MCL 257.31, or the preparing of an applicant for an exam given by the secretary of state for a motorcycle indorsement issued under section 312a of the Michigan vehicle code, 1949 PA 300, MCL 257.312a.

(C) On an unpaid, casual basis to a relative or friend.

(d) "Driver education provider certificate" means a written or electronic authorization issued by the secretary of state to indicate that a person has met the driver education provider qualifications of this act.

(e) "Educational institution" means a public school, nonpublic school, or public school academy as those terms are defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5; a consortium that is defined to mean a partnership, association, or alliance of 2 or more school districts in a common venture; a community college, a 4-year college, a university, or any other body of higher education.

(f) "Established office location" means a building that meets all of the following requirements:

(i) Is of a permanent nature where the provider's communications and notices are received.

(ii) Is heated, lighted, and ventilated and contains appropriate space to properly store and preserve the information, records, or other documents required to be maintained under this act.

(iii) Complies with applicable zoning and municipal requirements.

(g) "Governmental agency" means an agency of the federal government, a state government, a county, city, village, or township, or a combination of any of these entities.

(h) "Graduated driver license" means a license issued by the secretary of state under section 310e of the Michigan vehicle code, 1949 PA 300, MCL 257.310e.

(i) "Multiple vehicle driving facility" means that part of a driver education course that enables the driver education instructor, from a position outside the vehicle, and using electronic or oral communication, to teach and supervise several students simultaneously, each of whom is operating a vehicle at an off-street facility specifically designed for that type of instruction.

Sec. 7. As used in this act:

(a) "Performance objective" means a certain level of knowledge and skill a student is expected to acquire to successfully complete a driver education course.

(b) "Person" means an individual, partnership, corporation, association, limited liability company, educational institution, governmental agency or other legal or commercial entity, and their legal successors.

(c) "Practicum" means classroom and behind-the-wheel instruction in a driver education course under the direction of an instructor employed, enlisted, or appointed by a college or university or by a person approved by the secretary of state and a cooperating instructor, providing practical application of theory and experience for a student in an approved driver education instructor preparation program. As used in this subdivision, "cooperating instructor" means a driver education instructor approved by the secretary of state to participate in a practicum course to mentor an uncertified driver education instructor in the practicum.

(d) "Professional development requirements" means training prescribed by the secretary of state to update the instructional knowledge and skill of a driver education instructor.

(e) "Revocation" means the termination of a driver education provider's certification or a driver education instructor's certification.

(f) "Segment 1" means a teen driver education course that meets the requirements in section 37 of this act.

(g) "Segment 2" means a teen driver education course that meets the requirements in section 39 of this act.

(h) "Simulator device training" means that part of a driver education course where a driver education instructor uses interactive simulator units and programs to reproduce driving situations likely to occur in actual driving on a street and the student is required to evaluate risk, make decisions, and respond to the situations presented.

(i) "Suspension" means the temporary withdrawal of a person's certification to engage or offer to engage in activities as a driver education provider or a driver education instructor during the period of suspension.

(j) "Teen driver training" means driver training instruction provided through a segment 1 or segment 2 driver education course that allows a person 17 years of age or less to apply for a level 1 or level 2 graduated driver license.

(k) "Truck driver training" means instruction that is provided to operate a commercial motor vehicle as that term is defined in section 7a of the Michigan vehicle code, 1949 PA 300, MCL 257.7a.

Sec. 9. (1) A person may apply to the secretary of state for a driver education provider certificate in 1 or more of the following classifications:

(a) Adult driver training.

(b) Teen driver training.

(c) Truck driver training.

(2) The secretary of state shall not grant an original driver education provider certificate under this act until an investigation is made of the applicant's qualification.

(3) Except as provided in this act, an applicant must do or submit evidence that he or she has done or will do, as applicable, all of the following to be eligible to receive a driver education provider certificate:

(a) Submit a properly completed application signed by the applicant.

(b) Maintain an established office location.

(c) Maintain classroom facilities in a public or commercial setting.

(d) Maintain the surety bond required under this section.

(e) Require each of their designated representatives or coordinators to complete a criminal history check as described in section 29.

(f) Provide the name and address of each designated representative or coordinator of the applicant, if applicable.

(g) Provide the name, address, date of birth, and social security number of each owner or partner and, if a corporation, of each of the principal officers.

(h) Provide a statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, director, and designated representative or coordinator. The statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.

(i) Provide a statement indicating whether the applicant or its designated representative or coordinator has ever applied for a driver education provider certificate in this state or any other state, and the result of that application.

(j) Provide a statement indicating whether the applicant or its designated representative or coordinator has ever been denied a driver education provider certificate or has ever been the holder of a certificate that was suspended or revoked.

(k) If the applicant is a corporation or partnership, provide a statement indicating whether a partner, employee, officer, director, or its designated representative or coordinator has ever been denied a driver education provider certificate or has ever been the holder of a certificate that was suspended or revoked.

(l) Certify that the applicant or another person named on the application is not acting as the alter ego of any other person or persons in seeking the certificate. For the purpose of this subdivision, "alter ego" means a person who acts for and on behalf of, or in the place of, another person for purposes of obtaining a driver education provider certificate.

(m) Affirm that the established office location meets all applicable zoning and municipal requirements.

(n) Obtain written or electronic verification from the state fire marshal or his or her representative that the proposed classroom facilities have been inspected and approved by the state fire marshal or his or her representative according to state and local building code and public occupancy requirements.

(o) Obtain written or electronic verification from an insurer that the applicant maintains or will maintain bodily injury and property damage liability insurance on each motor vehicle used in a driver education course.

(p) Except as otherwise provided in this subdivision, submit a nonrefundable application processing fee with each application for a separate established place of business where records will be maintained as follows:

(i) \$225.00 for a driver education provider who offers adult or teen driver training.

(ii) \$360.00 for a driver education provider who offers truck driver training.

(iii) A fee is not required for an additional location that is used for the sole purpose of conducting classroom instruction and at which records are not maintained, enrollments are not made, and staff is not ordinarily assigned, except for the purpose of conducting classroom instruction.

(q) Provide a statement indicating whether the applicant will use a multiple vehicle driving facility in a driver education course. If a facility will be used, both of the following apply:

(i) The statement shall include a detailed description of the facility as determined necessary by the secretary of state and its address.

(ii) A multiple vehicle driving facility review and approval fee of \$125.00 shall accompany the applicant's application for a driver education provider certificate.

(r) Provide other information and documents as prescribed by the secretary of state necessary to determine whether the applicant meets the requirements of this act.

(4) An application for an original driver education provider certificate shall include a properly executed surety bond or renewal certificate with the application. If a renewal certificate is used, the bond is considered renewed for each succeeding year in the same amount and with the same effect as an original bond. The bond or certificate shall be maintained continuously without interruption to protect the contractual rights of students. The bond or certificate of an adult or teen driver education provider with 999 or fewer students in a calendar year shall be in the principal sum of \$20,000.00 with good and sufficient surety to be approved by the secretary of state. The bond or certificate of an adult or teen driver education provider with 1,000 or more students in a calendar year shall be in the principal sum of \$40,000.00 with good and sufficient surety to be approved by the secretary of state. The bond or certificate of a truck driver education provider shall be in the principal sum of \$50,000.00 with good and sufficient surety to be approved by the secretary of state. The bond shall indemnify or reimburse a student, financing agency, or governmental agency for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the driver education provider's business where the fraud, cheating, or misrepresentation was made by the provider or by an employee, agent, instructor, or salesperson of the provider. The surety shall make indemnification or reimbursement for a monetary loss only after judgment based on fraud, cheating, or misrepresentation has been entered in a court of record against the provider. The aggregate liability of the surety shall not exceed the sum of the bond. The surety on the bond may cancel the bond by giving 30 days' written or electronic notice to the secretary of state and after giving notice is not liable for a breach of condition occurring after the effective date of the cancellation.

(5) A driver education provider who offers adult driver training, teen driver training, and truck driver training shall furnish a separate bond for each driver education provider certificate issued by the secretary of state to the applicant. When the secretary of state receives written or electronic notice that a driver education provider's surety bond required under subsection (4) or insurance coverage required under subsection (10) has been canceled, the secretary of state shall notify the provider that the provider's certificate shall be automatically canceled unless the secretary of state receives a new surety bond or a new insurance certificate within 30 days or less. If the provider fails to submit a new surety bond or insurance certificate to the secretary of state within 30 days or less, the secretary of state may automatically cancel the provider's certificate. A driver education provider who changes or terminates the provider's surety bond or the insurance coverage before the expiration date of the bond or insurance coverage shall immediately furnish the secretary of state with written or electronic notice as prescribed by the secretary of state of that change or termination and proof of a new bond or insurance coverage.

(6) As a condition precedent to the granting of a certificate, an applicant shall file with the secretary of state, on a form prescribed by the secretary of state, an irrevocable written or electronic stipulation. The stipulation shall be signed by the applicant and state that the applicant agrees that legal process affecting the applicant, served on the secretary of state against the applicant or the applicant's successor in interest for a violation of this act, a rule promulgated under this act, or an order issued under this act, has the same effect as if personally served on the

applicant. This appointment remains in force as long as the provider has any outstanding liability within this state under this act.

(7) Subsections (3)(d), (g), and (p) and (4) do not apply to an educational institution or a governmental agency.

(8) Subsection (3)(c) does not apply to a classroom location currently in use that was approved by the secretary of state in writing before the effective date of this act.

(9) A classroom facility may not be located in a person's residence or a structure attached or adjacent to the person's residence unless the classroom facility was used and approved by the secretary of state in writing before the effective date of this act.

(10) A driver education provider shall maintain bodily injury and property damage liability insurance on a motor vehicle used in driver education course instruction. The insurance shall insure the liability of the driver education provider, the driver education instructors, and a person taking instruction in the amount of \$100,000.00 for bodily injury to or the death of 1 person in 1 accident, and, subject to the limit for 1 person; \$300,000.00 for bodily injury to or the death of 2 or more persons in 1 accident; and \$50,000.00 for damage to the property of others in 1 accident. The insurer shall be authorized to do insurance business in this state. The insurer shall not cancel the insurance before its expiration date unless it gives the secretary of state written or electronic notice as prescribed by the secretary of state of the insurer's intent to cancel the insurance at least 30 days before the cancellation.

(11) The secretary of state shall review and, in writing, approve or deny the use of a multiple vehicle driving facility under this act as determined necessary by the secretary of state. The secretary of state shall approve a facility only if it meets criteria prescribed by the secretary of state. The secretary of state shall perform an on-site inspection of a multiple vehicle driving facility as determined necessary by the secretary of state.

(12) The secretary of state may develop and prescribe an orientation and education program that a person must complete before the secretary of state issues that person an original driver education provider certificate under section 13.

(13) Nonrefundable application processing and multiple vehicle driving facility review and approval fees collected under this section shall be deposited into the driver education provider and instructor fund created in section 83.

Sec. 11. (1) A certified driver education provider may apply for the renewal of a driver education provider certificate. The renewal application shall be submitted to the secretary of state every other year in a format and as prescribed by the secretary of state. A renewal application shall include all of the following:

(a) A properly completed application signed by the applicant.

(b) A nonrefundable application processing fee as follows:

(i) \$225.00 for a driver education provider who offers adult or teen driver training.

(ii) \$360.00 for a driver education provider who offers truck driver training.

(c) If applicable, either of the following:

(i) A certification that the applicant has used a multiple vehicle driving facility in a driver education course and that the facility has not been altered or changed since the secretary of state inspected that facility after the effective date of this act. A nonrefundable multiple vehicle driving facility review and approval fee of \$75.00 shall accompany the applicant's application for a renewal of its driver education provider certificate.

(ii) A statement that the applicant will use a multiple vehicle driving facility in a driver education course, a detailed description of the facility as determined necessary by the secretary of state, and its address. A multiple vehicle driving facility review and approval fee of \$125.00 shall accompany the applicant's application for a renewal of its driver education provider certificate.

(d) Other information and documents prescribed by the secretary of state as needed to determine whether the applicant meets the requirements of this act.

(2) The designated representative or coordinator of a certified driver education provider shall complete a criminal history check as described in section 29 to the satisfaction of the secretary of state every 4 years on an application to renew the driver education provider's certificate.

(3) If the secretary of state receives a properly completed renewal application before the applicant's driver education provider's current certificate expires, the certificate continues in full force and effect until the secretary of state either approves or denies the renewal application. If the secretary of state does not receive a properly completed renewal application before the driver education provider certificate expires, the driver education provider shall not offer to engage or engage in the activity of a driver education provider until the secretary of state issues the holder of the expired certificate an original or renewal driver education provider certificate as provided in this act.

(4) The secretary of state shall not issue a renewal certificate more than 30 days after a driver education provider certificate expires unless the provider has submitted a properly completed renewal application within 30 days after the certificate's expiration date. A provider that applies for a certificate renewal later than 30 days after the certificate expires shall apply to the secretary of state for an original driver education provider certificate.

(5) The secretary of state shall review and, in writing, approve or deny the use of a multiple vehicle driving facility under this act as determined necessary by the secretary of state. The secretary of state may only approve a facility that meets criteria prescribed by the secretary of state. The secretary of state shall perform an on-site inspection of a multiple vehicle driving facility as determined necessary by the secretary of state.

(6) Subsection (1)(b) does not apply to an educational institution or a governmental agency.

(7) Nonrefundable application processing and multiple vehicle driving facility review and approval fees collected under this section shall be deposited into the driver education provider and instructor fund created under section 83.

Sec. 13. (1) The secretary of state may issue an original or renewal driver education provider certificate if the secretary of state is satisfied the applicant meets the requirements for that certificate under this act. The secretary of state may assign an identifying number to a driver education provider and put that number on the provider's certificate. The secretary of state may indicate the adult, teen, or truck driver training classification applicable on the driver education provider's certificate.

(2) A driver education provider certificate issued under this act is valid for 2 years. The original expiration date is exactly 2 years from the date the secretary of state issues the provider an original certificate. A provider's renewal certificate expires 2 years after its issuance on the same day and month that the original certificate expired.

(3) A person licensed as a driver training school by the secretary of state under former 1974 PA 369 or who has been approved for segment 1 and segment 2 driver education course performance objectives under former 1974 PA 369, and who submits an original driver education provider certificate application in accordance with this act to the secretary of state on or before June 1, 2007, may provide driver education instruction in accordance with this act while the secretary of state processes the application. If an application is received after June 1, 2007, the driver education provider shall not provide instruction until the secretary of state processes the application and issues the certificate. The certificate expires exactly 2 years from the date of issuance.

(4) A person shall not transfer or assign a driver education provider certificate to another person, and any purported transfer or assignment is not effective.

Sec. 15. (1) A driver education provider shall immediately notify the secretary of state in a manner prescribed by the secretary of state of a change in an owner, partner, officer, director, or the designated representative or coordinator of the provider. Immediately upon notifying the secretary of state, the provider shall also submit a request to the department of state police for a criminal history check as described in section 29 of the changed owner, partner, officer, director, or the designated representative or coordinator of the provider.

(2) A driver education provider shall immediately notify the secretary of state in a manner prescribed by the secretary of state of a change of address for the established office location or the classroom facilities of the provider. The provider shall also submit with that address change notification any information, record, report, or other document prescribed by the secretary of state or required under this act.

(3) A person who stops operating as a driver education provider or no longer qualifies as a certified driver education provider shall immediately in a format prescribed by the secretary of state do all of the following:

(a) Return the certificate issued under section 13 to the secretary of state.

(b) Prepare a final inventory listing each segment 1 or segment 2 driver education course certificate of completion that the secretary of state issued to the provider during the past year.

(c) Return to the secretary of state each segment 1 or segment 2 driver education course certificate of completion in the provider's possession that the provider did not issue to a student.

(d) Inform the secretary of state of the location where the information, records, or other documents that the provider is required to maintain under this act will be stored for no less than 4 years after the provider stops operating as a driver education provider or fails to qualify for certification as a provider.

(4) A person who fails to immediately comply with subsection (3)(a), (b), or (c) is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$2,000.00, or both.

Sec. 17. (1) A person may apply to the secretary of state for a driver education instructor certificate in 1 or more of the following classifications:

(a) Adult driver training.

(b) Teen driver training.

(c) Truck driver training.

(2) The secretary of state shall not issue an original driver education instructor certificate under this act until an investigation is made of the applicant's qualification under this act.

(3) The secretary of state may issue a person a driver education instructor certificate if the person presents satisfactory evidence to the secretary of state in a format and as prescribed by the secretary of state that the person meets all of the following requirements:

(a) Submits a properly completed application signed by the applicant.

(b) Is not less than 21 years of age on the date of application.

(c) Provides the applicant's driver license number.

(d) Possesses a valid driver license that has been in continuous effect for not less than 5 years immediately preceding the application.

(e) Provides a statement indicating whether the applicant has ever applied for a driver education instructor certificate in this state or any other state, and the result of that application.

(f) Provides a statement indicating whether the applicant has ever been the holder of a driver education instructor certificate that was revoked or suspended, in this state or any other state.

(g) Completes a criminal history check as described in section 29 to the satisfaction of the secretary of state.

(h) Certifies that the applicant does not have a pending criminal matter or an outstanding arrest, warrant, or conviction since submitting a request for a criminal history check under section 29.

(i) Submits a nonrefundable application processing fee of \$45.00.

(j) Submits a certified medical examination report that is not older than 90 days and that is prepared by a physician, a physician's assistant, or a certified nurse practitioner licensed to practice in this state or in the applicant's state of residence. The report shall include a statement by the person that certified the report that the applicant is medically qualified to operate a motor vehicle and to train others to operate a motor vehicle.

(k) Until December 31, 2007, for an original application for a driver education instructor certificate for teen driver training, submits an official transcript from an approved college or university that currently offers driver education instructor preparation programs. Beginning January 1, 2008, for an original application for a driver education instructor certificate for teen or adult driver training, submits an official transcript from an approved college, university, or person to verify the completion of the driver education instructor preparation courses required under the driver education instructor preparation program described in section 23. Except for a driver education instructor issued a temporary approval under the driver education and training schools act, 1974 PA 369, MCL 256.601 to 256.612, an applicant approved as a driver education instructor by the secretary of state before December 31, 2007 is considered to have complied with this transcript requirement.

(l) An applicant who is not a resident of this state shall submit an up-to-date certified driving record from the applicant's state of residence to the secretary of state. The applicant shall agree in writing or electronically as prescribed by the secretary of state to submit an up-to-date certified driving record every 60 days for as long as the applicant is not a resident of this state.

(m) Other information and documents prescribed by the secretary of state to determine an applicant's qualifications for certification under this section.

(4) As a condition precedent to the granting of a certificate, an applicant shall file with the secretary of state, on a form prescribed by the secretary of state, an irrevocable written or electronic stipulation. The stipulation shall be signed by the applicant and state the applicant agrees that legal process affecting the applicant, served on the secretary of state against the applicant or the applicant's successor in interest for a violation of this act, a rule promulgated under this act, or an order issued under this act, has the same effect as if personally served on the applicant. This appointment remains in force as long as the applicant has any outstanding liability within this state under this act.

(5) The secretary of state may require an applicant to submit a photograph of the applicant, may prescribe the size and format of the photograph, and may include a reproduction of the photograph on the driver education instructor certificate. The secretary of state may receive the applicant's written or electronic permission to use the image of the applicant captured and retained under section 307 of the Michigan vehicle code, 1949 PA 300, MCL 257.307, on the driver education instructor certificate.

(6) A person licensed as a driver training school instructor by the secretary of state or who has been approved as an instructor for segment 1 and segment 2 driver education performance objectives under former 1974 PA 369, and who submits an original driver education instructor certificate application in accordance with this act to the secretary of state on or before June 1, 2007, may provide driver education instruction in accordance with this act while the secretary of state processes the application. If an application is received after June 1, 2007, the driver education provider shall not provide instruction until the secretary of state processes the application and issues the certificate. The certificate expires exactly 2 years from the date of issuance.

(7) A person who engages or offers to engage in activity as a driver education instructor before being certified by the secretary of state is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$2,000.00, or both.

(8) The secretary of state may develop and prescribe an orientation and education program that a person must complete before receiving an original driver education instructor certificate issued under this act.

(9) Beginning December 31, 2007, an applicant for an original driver education instructor certificate is required to complete the driver education instructor preparation courses described in section 23. This subsection does not apply to an applicant for a driver education instructor certificate to conduct truck driver training.

Sec. 19. (1) The secretary of state may issue a person an original or renewal driver education instructor certificate if the secretary of state is satisfied that the person meets the requirements for that certificate under this act. A certificate may include the following:

- (a) The name of the instructor.
- (b) An image of the instructor.
- (c) An identification number assigned to the instructor.
- (d) One or more driver education training classifications.
- (e) Other information determined necessary by the secretary of state.

(2) A driver education instructor shall display the driver education instructor certificate card issued by the secretary of state to that instructor at all times while providing instruction to a student. A driver education instructor shall provide a copy of his or her certificate to a driver education provider who utilizes the instructor's services.

Sec. 21. (1) A certified driver education instructor may apply to the secretary of state for renewal of his or her driver education instructor certificate. The application shall be in a format as prescribed by the secretary of state and shall include all of the following:

(a) A properly completed application signed by the applicant.

(b) A certification that the applicant complies with the professional development requirements of this act and any additional verification regarding compliance with the professional development requirements of this act as prescribed by the secretary of state.

(c) A nonrefundable application processing fee of \$45.00.

(d) Every 2 years, a new certified medical examination report that is not older than 90 days and that is prepared by a physician, a physician's assistant, or a certified nurse practitioner licensed to practice in this state or in the applicant's state of residence. The report shall include a statement by the person that certified the report that the applicant is medically qualified to operate a motor vehicle and to train others to operate a motor vehicle.

(e) Other information and documents prescribed by the secretary of state.

(2) If the secretary of state receives a properly completed renewal application before the applicant's driver education instructor's current certificate expires, the certificate continues in full force and effect until the secretary of state either approves or denies the renewal application. If the secretary of state does not receive a properly completed renewal application before the driver education instructor certificate expires, the driver education instructor shall not offer to engage or engage in the activity of a driver education instructor until the secretary of state issues the holder of the expired certificate an original or renewal driver education instructor certificate as provided in this act.

(3) The secretary of state shall not issue a renewal certificate more than 30 days after a driver education instructor certificate expires unless the instructor has submitted a properly completed renewal application within 30 days after the certificate's expiration date. An instructor that applies for a certificate renewal later than 30 days after the certificate expires shall apply to the secretary of state for an original driver education instructor certificate.

(4) A certified driver education instructor shall complete a criminal history check as described in section 29 to the satisfaction of the secretary of state every 4 years on a renewal application for a driver education instructor certificate.

(5) A driver education instructor certificate issued under this act is valid for 2 years. The original expiration date is exactly 2 years from the date the secretary of state issues the instructor an original certificate. An instructor's renewal certificate expires 2 years after its issuance on the same day and month that the original certificate expired.

(6) A nonrefundable application processing fee collected under this section shall be deposited into the driver education provider and instructor fund created under section 83.

Sec. 23. (1) A college or university or a person approved by the secretary of state may present a driver education instructor preparation program. A college, university, or person shall not offer to engage or engage in the activity of presenting a driver education instructor preparation program without the prior approval of the secretary of state.

(2) A college, university, or person may apply to the secretary of state for approval to conduct a driver education instructor preparation program. A college, university, or person seeking approval shall present satisfactory evidence to the secretary of state as prescribed by the secretary of state that the college's, university's, or person's proposed program meets the requirements of this section.

(3) The secretary of state shall review and approve a driver education instructor preparation program that meets the requirements of this section. The secretary of state shall give the college, university, or person requesting approval a written notice of the secretary of state's approval or denial, including the reason for any denial.

(4) The secretary of state shall prepare a driver education instructor preparation program guide as a model for how to conduct a driver education instructor preparation program. The model program guide shall identify the content of each course identified in subsection (7).

(5) Beginning September 1, 2007, a driver education instructor preparation program shall consist of not less than 4 driver education preparation courses.

(6) A college, university, or person seeking approval of a driver education instructor preparation course shall present evidence satisfactory to the secretary of state that the proposed course meets the requirements of this section. The secretary of state shall review a driver education instructor preparation course and determine whether that course meets the requirements of this act. The secretary of state shall prescribe the administration and curriculum of a driver education instructor preparation course. The secretary of state shall give the college, university, or person requesting approval written notice of the secretary of state's approval or denial, including the reason for any denial.

(7) A driver education instructor preparation program shall consist of not less than 4 driver education instructor preparation courses. The 4 required courses shall each concentrate on only 1 of the following concepts, and all of the following concepts shall be covered in the minimum 4 courses required:

- (a) Driver task analysis.
- (b) Developing classroom and program knowledge.
- (c) Developing vehicle operation skills.
- (d) Practicum.

(8) A driver education instructor preparation course shall consist of not less than 2 semester hours per course or the equivalent of not less than 2 semester hours per course as approved by the secretary of state. A driver education instructor preparation course shall extend for not less than 3 weeks.

(9) An instructor who teaches a driver education instructor preparation course shall meet the following requirements:

- (a) Have a master's degree in education from an accredited college or university.
- (b) Hold a valid driver education instructor certificate issued by the secretary of state.
- (c) Any other requirement the secretary of state determines is necessary to determine instructor qualifications.

(10) A college, university, or person approved by the secretary of state that offers a driver education instructor preparation course shall include in the course registration material information explaining the driver education instructor qualifications required under this act.

(11) The secretary of state shall review each driver education instructor preparation program approved under this section at least once every 3 years.

(12) A driver education preparation course credit earned through a college, university, or another entity in another state may be accepted on the same basis as the equivalent credit earned through a driver education instructor preparation program conducted by a college or university or by a person approved by the secretary of state, if approved by the secretary of state. A person seeking approval of a driver education course credit earned in another state shall present satisfactory evidence to the secretary of state that the other state's course substantially meets the requirements of this state. The secretary of state shall review a driver education preparation course credit earned in another state and determine whether that course content meets the requirements of this act. The secretary of state shall give the person a written notice of the secretary of state's approval or denial, including the reason for any denial.

(13) This section does not apply to an applicant for a driver education instructor certificate that is limited to the truck driver training classification.

Sec. 25. (1) A person shall not participate in a practicum course conducted by a college or university or by a person approved by the secretary of state unless the person possesses a conditional driver education instructor certificate.

(2) A person shall apply to the secretary of state for a conditional driver education instructor certificate. The secretary of state may issue a person a conditional driver education instructor certificate after the person presents satisfactory evidence to the secretary of state that the applicant complies with both of the following:

- (a) Meets all of the driver education instructor application requirements under section 17 except for completion of a practicum course.
- (b) Is enrolled in a practicum course conducted by a college or university or by a person approved by the secretary of state.

(3) This section does not apply to an applicant for a driver education instructor certificate that is limited to the truck driver training classification.

Sec. 27. Beginning January 1, 2008, the secretary of state shall establish professional development requirements for a certified driver education instructor. The secretary of state shall publish the requirements in a format and manner prescribed by the secretary of state. Professional development requirements shall provide the following:

(a) The criteria a driver education instructor shall follow to select an activity to meet the professional development requirements.

(b) The date by which an instructor shall complete the professional development requirements.

Sec. 29. (1) A criminal history check required under this act shall be performed by the department of state police and the federal bureau of investigation.

(2) A person required to have a criminal history check shall send a request for a criminal history check to the department of state police in a format and as prescribed by the department of state police. The fees required by the department of state police and the federal bureau of investigation to conduct the criminal history check shall accompany a request for a criminal history check.

(3) The department of state police shall conduct a criminal history check within 45 days after receiving a proper request and the required fee for a criminal history check under this section. After conducting the criminal history check and within that same 45 days, the department of state police shall provide the secretary of state with a report of the criminal history check. The report shall contain any criminal history record information on the person maintained by the department of state police.

(4) Except as otherwise provided in this act, the secretary of state shall not approve an original or renewal driver education provider or driver education instructor certificate before receiving and reviewing the applicable criminal history checks from the department of state police and the federal bureau of investigation.

(5) The secretary of state shall use criminal history record information received under this section only for evaluating an applicant's qualifications to receive a driver education provider or driver education instructor certificate under this act. The secretary of state shall discuss the report or its contents only with staff of the department of state police or a person who was involved in the prosecution of a criminal matter noted in a report for purposes of clarifying whether an offense meets 1 of the crimes described in section 59. A person who uses criminal history record information in violation of this subsection is guilty of a misdemeanor punishable by a fine of not more than \$10,000.00.

(6) As used in this section, "criminal history record information" means that term as defined in section 1a of 1925 PA 289, MCL 28.241a.

Sec. 31. (1) A motor vehicle used by a driver education provider shall:

(a) Comply with the motor vehicle safety standards required under both federal law and the laws of this state when used as a driver education vehicle.

(b) Display an identity, in a size and design prescribed by the secretary of state, that the vehicle is used in a driver education course.

(c) Display a driver education provider's identity, in a size and design prescribed by the secretary of state, that uses the vehicle in a driver education course.

(2) A driver education provider shall not allow a driver education instructor to use a motor vehicle in a driver education course with more occupants than the number of safety belts installed in the vehicle.

(3) A passenger motor vehicle used by a driver education provider in a driver education course shall be a dual-controlled vehicle. For the purpose of this subsection, a "dual-controlled vehicle" means a motor vehicle that is equipped with a duplicate brake or, if applicable, a duplicate brake and clutch pedal that is positioned on the right front floorboard of the vehicle.

Sec. 33. A driver education provider issued a driver education provider certificate that is classified for teen driver training under this act shall comply with all of the following:

(a) Verify that a person enrolled in a driver education course complies with the following:

(i) Is 14 years, 8 months of age or older before beginning a segment 1 curriculum. A student's initial attendance or participation in a class shall not begin or commence on a date after the first day of that scheduled class without good cause. Except as otherwise provided in this subsection, the student being less than 14 years and 8 months on the first day of class is not good cause.

(ii) If less than 14 years, 8 months of age, that the secretary of state has issued the person an approval, as prescribed by the secretary of state, for a minor restricted driver license under section 312 of the Michigan vehicle code, 1949 PA 300, MCL 257.312.

(iii) Meets the physical or mental requirements for a motor vehicle operator's license under section 309 of the Michigan vehicle code, 1949 PA 300, MCL 257.309.

(b) Provide a driver education course that has been approved by the secretary of state under this act.

(c) Administer a knowledge test approved by the secretary of state under this act to each student at the completion of a driver education course in accordance with the standards prescribed by the secretary of state under this act.

(d) For a student or customer who is less than 18 years of age, sign a written agreement with the student or customer or the student's or customer's parent or legal guardian. The agreement shall provide that the driver education provider shall have not less than 2 students in the vehicle used by the student or customer during behind-the-wheel instruction. A student's or customer's parent or legal guardian may waive this requirement only in writing.

Sec. 35. (1) The secretary of state shall prescribe a model curriculum for teen driver training under this act. After September 1, 2007, a driver education provider classified for teen driver training shall use the secretary of state's prescribed model curriculum or may use an alternative curriculum only after it has been reviewed and approved by the secretary of state. The secretary of state may approve an alternative curriculum if it substantially meets or exceeds the standards of the secretary of state's prescribed model curriculum.

(2) Under a segment 1 curriculum and segment 2 curriculum combined, each student shall receive no less than 30 hours of classroom instruction and 7 hours of behind-the-wheel driver education course experience.

Sec. 37. (1) A segment 1 curriculum shall include both classroom and behind-the-wheel driver education course experience. The classroom instruction and behind-the-wheel instruction shall be integrated, relate to each other, and meet the following requirements:

(a) Each student shall receive not less than 24 hours of classroom instruction. Classroom instruction shall be scheduled to occur as follows:

(i) Classroom instruction shall occur not more than 2 hours per day.

(ii) Classroom instruction shall occur over the course of 3 or more weeks.

(iii) Classroom instruction of 4 or more hours shall be received before the student begins to receive behind-the-wheel instruction.

(iv) Behind-the-wheel instruction of 3 or more hours shall be completed before classroom instruction terminates.

(b) Each student shall receive not less than 6 hours of behind-the-wheel instruction or substitute hours permitted under this subsection. Behind-the-wheel instruction shall be scheduled to occur as follows:

(i) A student shall receive not more than 1 hour of behind-the-wheel instruction per day.

(ii) Not more than 1 student shall occupy the front seat of the vehicle with the instructor.

(iii) A driver education motor vehicle shall contain not more than 4 students during behind-the-wheel instruction.

(iv) Not later than 3 weeks after the last classroom instruction has been completed, a student shall complete any remaining required behind-the-wheel instruction.

(v) Except as otherwise provided in this section, a student may receive instruction while operating a motor vehicle at a multiple vehicle driving facility. One hour of instruction received at a multiple vehicle driving facility may substitute as credit for 1 hour of behind-the-wheel experience. A maximum of 2 hours of behind-the-wheel experience can be substituted with instruction received at a multiple vehicle driving facility.

(c) A student shall receive 4 or more hours of behind-the-wheel observation time.

(2) A driver education provider classified for teen driver training shall not substitute behind-the-wheel instruction with multiple vehicle driving facility experience until the secretary of state gives the provider written approval for that substitution as provided in this act.

(3) A driver education provider classified for teen driver training shall not substitute behind-the-wheel driving experience with simulator device training.

(4) As used in this section:

(a) "Integrated" means classroom and behind-the-wheel instruction scheduled to include a mix of classroom and behind-the-wheel instruction throughout the duration of the driver education course, except as otherwise provided in this section.

(b) "Observation time" means the time a student in a driver education course sits in the rear seat of a vehicle and observes another student in the front seat behind the wheel operating the controls of the vehicle, responding to driving situations, and with an instructor sitting in the front seat.

Sec. 39. A segment 2 curriculum course provided under this act shall meet both of the following requirements:

(a) Be offered only to a student who has done all of the following:

(i) Successfully completed a segment 1 curriculum driver education course.

(ii) Held a valid level 1 graduated driver license for not less than 3 continuous months.

(iii) Acquired 30 or more hours driving experience on a level 1 graduated driver license that includes not less than 2 hours of night driving with a licensed parent or legal guardian, or with the permission of a parent or legal guardian, with any licensed driver who is 21 years of age or older.

(b) Contain 6 or more hours of classroom instruction that is scheduled so the student receives not more than 2 hours of classroom instruction per day.

Sec. 41. (1) Except as otherwise provided in this section, a segment 1 or segment 2 classroom shall not contain more than 36 students when classroom instruction is given.

(2) A segment 2 class size may exceed 36 students with the prior approval of the secretary of state. The secretary of state may approve a segment 2 class size to exceed 36 students for up to 60 minutes per day when justified by a special presentation.

(3) The number of students in a class shall not exceed the number of students allowed by the fire marshal.

Sec. 43. (1) A driver education provider classified to provide teen driver training shall issue a driver education course certificate of completion to a student who successfully passes a written knowledge test prescribed by the secretary of state for that segment and successfully completes the other course work for that segment. The secretary of state shall prescribe the knowledge test administered to a teen student, including establishing a passing score and the maximum number of times a student may take the test.

(2) A driver education provider shall not issue a driver education course certificate of completion for segment 1 if the student is not eligible for a graduated driver license.

(3) A driver education provider shall not issue a driver education course certificate of completion for segment 2 to a student unless the student has been issued a graduated driver license.

Sec. 45. (1) Before holding a class, a driver education provider shall file a projected driver education course schedule report with and as prescribed by the secretary of state. The course schedule report shall contain:

(a) The name of the school.

(b) The dates and times of the class.

(c) The classroom location.

(d) The names of the instructors.

(e) Any other information the secretary of state determines is needed to administer this act or ensure the health, safety, and welfare of a student or the public.

(2) If a change occurs in the information contained in a report filed under subsection (1), the driver education provider shall immediately file an updated projected driver education course report with the secretary of state or later if authorized by the secretary of state.

(3) Upon completion of a class, a driver education provider shall file a course completion report with and as prescribed by the secretary of state. The course completion report shall contain:

(a) The name of the school.

(b) The dates the class was held.

(c) The name, address, and birth date of each student issued a certificate of completion.

(d) The inventory control number of each certificate of completion issued to a student.

(e) Any other information the secretary of state determines is needed to administer this act or ensure the health, safety, and welfare of a student or the public.

(4) A driver education provider classified for truck driver training shall file a report with and as prescribed by the secretary of state on April 15 and October 15 of each year. Each report shall contain:

(a) The name, address, and driver license number of each student enrolled since the provider's last report under this subsection.

(b) The name of each student who completed a training program.

(c) Any other information the secretary of state determines is needed to administer this act or ensure the health, safety, and welfare of a student or the public.

(5) A driver education provider shall file a year-end report with and as prescribed by the secretary of state on or before January 31 of each year. The year-end report shall contain all of the following:

(a) The name of the school.

(b) The number of students who passed and failed each type of instruction given.

(c) A list of the instructors who taught during the year.

(d) A list of classroom locations utilized during the year.

(e) The tuition charged for each type of instruction.

(f) Any other information the secretary of state determines is needed to administer this act or ensure the health, safety, and welfare of a student or the public.

(6) A driver education provider shall maintain a record of the instruction given to a student as prescribed by the secretary of state. A student instruction record shall contain all of the following:

(a) The dates and number of hours of classroom and behind-the-wheel instruction given the student, signed by the instructors that gave the instruction.

(b) Complete registration and achievement records for the student.

(c) A list of the student's payments for tuition, fees, and purchase or rental of supplies or equipment.

(d) A copy of the signed contract between the school and the student.

(e) The information contained on a course completion report for the student.

(f) Any other information the secretary of state determines is needed to administer this act or ensure the health, safety, and welfare of a student or the public.

(7) The secretary of state shall prescribe the manner and method that any information, forms, reports, and other documents required in this act are submitted to the secretary of state, including electronic submission.

Sec. 47. (1) A driver education provider shall have a written agreement with each of its students. A driver education provider shall not give instruction to a student until after the provider and the student have entered into the written agreement. The agreement shall be dated and signed by both the provider and the student. The agreement shall contain all the terms of the agreement between the provider and the student and include all of the following:

(a) The student's name, address, birth date, and telephone number.

(b) If the student is a minor, the parent's or legal guardian's name, address, and telephone number.

(c) A description of the instruction to be given by that provider.

(d) The amount of the fee or tuition charged and paid for the instruction.

(e) A notice statement prescribed by the secretary of state.

(f) Other information prescribed by the secretary of state.

(2) Before instruction begins, the driver education provider shall give the student a signed copy of the agreement, accompanied by a copy of all of the provider's applicable policies.

(3) This section does not apply to an educational institution or a governmental agency that does not charge a student a fee for driver education instruction.

Sec. 49. (1) The secretary of state may approve the giving of a coordinated segment 1 driver education course. A driver education provider shall not give a coordinated segment 1 driver education course without the prior written approval of the secretary of state. The provider shall file a request for approval with the secretary of state in a format as prescribed by the secretary of state. The secretary of state may review a request on a case-by-case basis.

(2) A driver education provider shall not give instruction under this section until after the provider and the student have entered into a written agreement as provided in this subsection. The agreement shall be dated and signed by both the provider and the student. The agreement shall contain all the terms of agreement between the provider and the student and include all of the following:

(a) The student's name, address, birth date, and telephone number.

(b) If the student is a minor, the parent's or legal guardian's name, address, and telephone number.

(c) The name of each provider that will give instruction.

(d) A description of the instruction that each provider will give.

(e) A description of the assessment or test to be administered by each provider.

(f) The amount of the fee or tuition charged and paid for the instruction.

(g) The name of the provider responsible for issuing a segment 1 driver education course certificate of completion.

(h) A statement of who is responsible for maintaining each part of the student's records as required under this act.

(i) Other information prescribed by the secretary of state.

(3) Before instruction begins, the driver education provider shall give the student a signed copy of the agreement.

(4) This section does not apply to an educational institution or a governmental agency that does not charge a student a fee for driver education instruction.

Sec. 51. (1) The secretary of state may require that information, a record, or any document required to be maintained under this act be maintained in a format and manner prescribed by the secretary of state.

(2) The secretary of state may prescribe the format, manner, and deadline for filing a report with the secretary of state under this act. Except as otherwise provided in this act, the secretary of state shall notify a person required to file a report with the secretary of state of the applicable filing deadline. The secretary of state shall provide that notice not less than 15 days before the report is due, unless the secretary of state has reason to believe the report is needed more quickly to protect the health, safety, and welfare of a student or the public or to properly administer this act.

(3) The secretary of state may require information, a record, or other document that is required to be maintained or filed under this act to be maintained or filed electronically or as prescribed by the secretary of state.

(4) A driver education provider shall maintain information, a record, a report, or other document required under this act at its established office location.

(5) A driver education provider shall make information, a record, or other document maintained under this act available for inspection by the secretary of state or his or her authorized representative at reasonable times.

(6) If a driver education provider fails to make information, a record, or other document required under this act available for inspection at reasonable times, the secretary of state may suspend the driver education provider's certificate after notice and opportunity for a hearing.

(7) A driver education provider shall maintain a record required under this act for not less than 4 calendar years after the student has ceased receiving instruction from the provider.

Sec. 53. (1) A driver education provider shall verify that a driver education instructor possesses a valid driver education instructor certificate issued under this act, before employing, hiring, contracting, or otherwise engaging the person as an instructor for a driver education course.

(2) The secretary of state may prescribe the method and manner that a driver education provider shall use to verify an instructor's certificate status.

Sec. 55. (1) Before a driver education provider shall provide behind-the-wheel driver education course instruction to an adult or truck driver training student, the provider shall verify that the student has a valid temporary instruction permit issued by the secretary of state under section 306 of the Michigan vehicle code, 1949 PA 300, MCL 257.306.

(2) The secretary of state may prescribe the method and manner that a driver education provider shall use to verify a student's temporary instruction permit under this section.

Sec. 57. A certified driver education provider or instructor or a provider's designated representative or coordinator shall immediately notify the secretary of state if convicted of a violation or attempted violation listed in section 59. A certified driver education instructor or designated representative or coordinator of a provider shall also notify his or her driver education provider employer. A notice required under this section shall be in a format as prescribed by the secretary of state and comply with all of the following:

- (a) Identify the conviction.
- (b) Identify the date of the conviction.
- (c) Identify the court that imposed the conviction.
- (d) Contain other information as prescribed by the secretary of state.

Sec. 59. (1) Except as otherwise provided in this section, the secretary of state shall automatically deny an original or renewal application for a driver education provider or instructor certificate and shall automatically immediately revoke a certificate issued to a person as a driver education provider or driver education instructor without the necessity for notice and an opportunity for a hearing if a criminal history check indicates that the applicant, instructor, provider, or the designated representative or coordinator of the applicant or provider has been convicted of a violation or attempted violation, or the secretary of state receives reliable notice under this section or section 57 of a conviction for a violation or attempted violation of any of the following:

(a) Criminal sexual conduct, assault with intent to commit criminal sexual conduct, or an attempt to commit criminal sexual conduct, in any degree under sections 520b to 520g of the Michigan penal code, 1931 PA 328, MCL 750.520b to 750.520g.

(b) A felony involving a criminal assault or battery on an individual.

(c) A crime involving felonious assault on a child, child abuse in the first degree, cruelty, torture, or indecent exposure involving a child.

(d) A felony involving the manufacture, distribution, or dispensing of a controlled substance or possession with intent to manufacture, distribute, or dispense a controlled substance.

(e) A felony conviction involving fraud as an element of the crime.

(2) A denial or revocation imposed under this section shall continue for not less than 10 years from the date of the conviction.

(3) The department of information technology shall work with the secretary of state and the department of state police to develop and implement an automated program that does an annual comparison of the conviction information received by the department of state police with a secretary of state list of persons holding a driver education provider or instructor certificate and the persons designated as a representative or coordinator of a provider. This comparison shall only include persons who are actually certified as a driver education provider or instructor or who are the designated representative or coordinator of an actually certified provider at the time of the comparison. Unless otherwise prohibited by law, this comparison shall include convictions contained in a nonpublic record. The department of state police shall take all reasonable and necessary measures using the available technology to ensure the accuracy of this comparison before transmitting the information under this subsection to the secretary of state. The secretary of state shall take all reasonable and necessary measures using the available technology to ensure the accuracy of this comparison before notifying a provider, a provider's designated representative or coordinator, or an instructor of a conviction that results in an automatic and immediate revocation of a provider or instructor certificate under this section.

(4) When the secretary of state receives reliable notice of a conviction for a violation or attempted violation under this section or section 57 by an applicant's or provider's designated representative or coordinator, the secretary of state shall automatically deny an original or renewal application for a driver education provider certificate or automatically immediately revoke a provider's certificate under this section if the applicant or provider fails to immediately terminate the designated representative's or coordinator's designation or employment as the provider's designated representative or coordinator.

Sec. 61. (1) Except as otherwise provided in this section, the secretary of state shall automatically deny a driver education provider or instructor application or revoke a provider's or instructor's certificate without notice and an opportunity for a hearing. The denial or revocation shall remain in effect until the applicant, instructor, provider, or the designated representative or coordinator of the applicant or provider completes 5 consecutive years without a conviction for a violation or attempted violation for which 4 or more points are assessed under section 320a of the Michigan vehicle code, 1949 PA 300, MCL 257.320a.

(2) The secretary of state shall automatically deny a driver education provider or instructor application or revoke a provider's or instructor's certificate without notice and an opportunity for a hearing until the driving record of the applicant, instructor, provider, or the designated representative or coordinator of the applicant or provider does not have within the prior 2 years 1 or more of the following:

(a) Three or more driver license denials, suspensions, or revocations, or any combination of 3 or more denials, suspensions, or revocations, imposed by the secretary of state for the failure to appear in court or a failure to comply with a court judgment under section 321a of the Michigan vehicle code, 1949 PA 300, MCL 257.321a.

(b) A conviction or finding of responsibility for a traffic violation in connection with 2 or more motor vehicle accidents.

(c) An accumulation of 6 or more points under section 320(a) of the Michigan vehicle code, 1949 PA 300, MCL 257.320.

(d) A conviction under section 624a, 625(6), or 626b of the Michigan vehicle code, 1949 PA 300, MCL 257.624a, 257.625, and 257.626b.

(3) When the driving record of an applicant's or provider's designated representative or coordinator is the cause for the secretary of state to deny an application or revoke a certificate under this section, the secretary of state shall automatically deny an original or renewal application for a driver education provider certificate or automatically revoke a provider's certificate under this section if the applicant or provider fails to immediately terminate the designated representative's or coordinator's designation or employment as the provider's designated representative or coordinator.

Sec. 63. (1) The secretary of state shall automatically suspend or revoke a driver education instructor's certificate without notice and an opportunity for a hearing if the instructor's driver license is denied, suspended, revoked, or canceled by this state or another state. A driver education instructor whose driver license is denied, suspended, revoked, or canceled by this state or another state shall immediately return his or her instructor's certificate to the secretary of state.

(2) The secretary of state may reinstate a driver education instructor's certificate suspended under this section if the instructor's driver license denial, suspension, revocation, or cancellation terminates before the instructor's certificate expires and the instructor submits a written request to the secretary of state, as prescribed by the secretary of state, for that reinstatement.

(3) The secretary of state shall not reinstate a driver education instructor certificate that is revoked under this section. A driver education instructor whose certificate is revoked may apply to the secretary of state for an original driver education instructor certificate.

Sec. 65. (1) The secretary of state may make, on its own initiative or in response to a complaint, a reasonable and necessary investigation within or outside this state and gather evidence against a person that violated, allegedly violated, or is about to violate this act, a rule promulgated under this act, or an order issued under this act, concerning whether a person, an applicant, a driver education provider, or a driver education instructor is in compliance with this act or a rule promulgated under this act.

(2) A person may file a complaint against a person, an applicant, a driver education provider, or a driver education instructor with the secretary of state. A complaint shall be made in a format as prescribed by the secretary of state. The complaint shall be based upon a violation or attempted violation of this act or a rule promulgated under this act and shall contain all of the following information:

(a) The complainant's name, address, and telephone number.

(b) A complete statement describing the basis for the complaint.

(c) A copy of any record, report, or document that is the basis for the complaint, including a copy of the student contract, driver education course certificate of completion issued, or other documents.

(d) The complainant's signature and the date the complaint was signed.

(e) Other information as prescribed by the secretary of state.

(3) The secretary of state may mediate a dispute between a driver education provider or driver education instructor and a student or the student's parent or legal guardian when a dispute arises from a violation or attempted violation of this act or a rule promulgated under this act.

(4) The secretary of state may develop conditions of probation for the operation of a driver education provider or the training conducted by a driver education instructor. Conditions shall be set forth in a written agreement and signed by the driver education provider or driver education instructor and the secretary of state. Conditions of probation may be agreed to in place of further disciplinary proceedings.

Sec. 67. A driver education provider or instructor shall not engage in a deceptive or unconscionable method, act, or practice. The following are deceptive or unconscionable methods, acts, or practices:

(a) Using, adopting, or conducting business under a name that is the same as, like, or deceptively similar to, the name of another driver education provider.

(b) Except as otherwise provided in this subsection, using the word "state", "government", "municipal", "city", or "county" as part of the name of the driver education provider. This provision does not apply to an educational institution or a governmental agency.

(c) Advertising, representing, or implying that a driver education provider is supervised, recommended, or endorsed by, or affiliated or associated with, or employed by, or an agent or representative of this state, the secretary of state, or a bureau of the secretary of state.

(d) Advertising or publicizing under a name other than the provider's full business name as identified on the provider's application for a driver education provider certificate.

(e) Advertising that the provider is open for business before the secretary of state issues a driver education provider certificate to the provider.

(f) Soliciting business on the premises of any facility rented, leased, owned, or used by the secretary of state.

(g) Misrepresenting the quantity or quality of the instruction provided or the requirements for a driver license, endorsement, minor restricted or temporary permit, or driver education certificate.

(h) Failing to promptly restore any deposit, down payment, or other payment that a person is entitled to after an agreement is rescinded, canceled, or otherwise terminated as required under the agreement or applicable law.

(i) Taking advantage of a student's or potential student's inability to reasonably protect his or her interest because of a disability, illiteracy, or inability to understand the language of an agreement, if the driver education provider knows or reasonably should have known of the student's or potential student's inability.

(j) Failing to honor a term of a student's, parent's, or legal guardian's agreement.

(k) Falsifying a document, agreement, record, report, or certificate required under this act or a rule promulgated under this act.

(l) Causing or allowing a student, parent, or legal guardian to sign a document in blank.

Sec. 69. (1) Except as otherwise provided in this act, the secretary of state may impose 1 or more of the sanctions in subsection (2) after notice and opportunity for a hearing if the secretary of state determines that a person, a driver education provider, a driver education instructor, or an applicant for either a provider or instructor certificate did 1 or more of the following:

(a) Failed to meet a requirement under this act or a rule promulgated under this act.

(b) Violated this act or a rule promulgated under this act.

(c) Made an untrue or misleading statement of a material fact to the secretary of state or concealed a material fact in connection with an application for a provider or instructor certificate.

(d) Permitted fraud or engaged in a fraudulent method, act, or practice in connection with a driver license or temporary driving permit application submitted to the secretary of state, or induced or countenanced fraud or a fraudulent method, act, or practice on the part of an applicant for a driver license or permit.

(e) Engaged in an unfair or deceptive method, act, or practice or made an untrue statement of a material fact.

(f) Violated a condition of probation or suspension or an order issued under this act.

(g) Failed to maintain good moral character as defined and determined under 1974 PA 381, MCL 338.41 to 338.47, in connection with business operations.

(2) After the secretary of state determines that a person, a driver education provider, a driver education instructor, or an applicant for a provider or instructor certificate committed a violation listed in subsection (1), the secretary of state may impose upon the person, provider, instructor, or applicant 1 or more of the following sanctions:

(a) Denial of an application for a driver education provider certificate or a driver education instructor certificate.

(b) Suspension or revocation of a driver education provider certificate or a driver education instructor certificate.

(c) An administrative fine paid to the secretary of state in an amount not to exceed \$1,000.00 for each violation.

(d) A requirement to take the affirmative action determined necessary by the secretary of state, including payment of restitution to a student or to an injured person.

(3) A sanction may be imposed under subsection (2) in addition to criminal penalties otherwise imposed for the same violation under this act or by law. The remedies and sanctions under this act are independent and cumulative.

Sec. 71. (1) If the secretary of state determines after notice and opportunity for a hearing that a person has committed a violation listed in section 69(1), the secretary of state may issue an order requiring the person to cease and desist from the unlawful method, act, or practice or to take an affirmative action that in the judgment of the secretary of state will carry out the purposes of this act, including, but not limited to, payment of restitution to a customer.

(2) If the secretary of state makes a finding of fact in writing that the public interest will be irreparably harmed by a delay in issuing an order, the secretary of state may issue a temporary cease and desist order. Before issuing a temporary cease and desist order, the secretary of state, when possible by telephone or otherwise, shall notify the person, the driver education provider, or the driver education instructor of the secretary of state's intention to issue a temporary cease and desist order. A temporary cease and desist order shall include in its terms a provision stating that upon request a hearing shall be held within 30 days to determine whether or not the order shall become permanent.

Sec. 75. (1) The secretary of state may order a summary suspension of a driver education provider or driver education instructor certificate pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, upon an affidavit by a person familiar with the facts set forth in the affidavit alleging a violation or attempted violation of this act, a rule promulgated under this act, or a deceptive or unconscionable method, act, or practice.

(2) The driver education provider or driver education instructor to whom the order is directed may apply to the secretary of state and shall be granted a hearing within 30 days of application pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) At the hearing, the order of summary suspension shall be set aside, continued, or modified by the secretary of state.

(4) If the order of summary suspension concerns the issuance or authorization of driver education course certificates of completion, the secretary of state may discontinue accepting certificates of completion issued or authorized by the provider for students receiving or completing instruction after the effective date of the order. The secretary of state may decide to resolve the summary suspension matter before determining a driver license issue that involves 1 or more of the certificates of completion.

Sec. 77. The expiration or absence of a driver education provider certificate or a driver education instructor certificate does not prevent the secretary of state from proceeding with an investigation, disciplinary proceeding, or other action authorized by this act against a person, a driver education provider, or a driver education instructor.

Sec. 79. A person shall not engage in or offer to engage in activity as a driver education provider or a driver education instructor unless the person holds a valid certificate under this act. A person who violates this section is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$2,000.00, or both. In addition to any other remedies provided by law, the secretary of state may impose an administrative fine of \$100.00 for each day the person is found to have engaged in activity as a driver education provider or a driver education instructor without being certified under this act.

Sec. 81. In a court proceeding involving a violation of this act, the court may order the person found guilty of violating this act to reimburse the secretary of state for the reasonable costs of the secretary of state's investigation that resulted in the conviction in addition to any other civil or criminal penalties allowed by law. Any costs collected under this section shall be deposited into the driver education provider and instructor fund created under section 83.

Sec. 83. (1) The driver education provider and instructor fund is created as a separate fund in the department of treasury. The fund shall be expended only as provided in this section. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall annually present to the secretary of state an accounting of the amount of money in the fund. Any unexpended and unencumbered money in the fund at the close of a fiscal year shall remain in the fund and shall not lapse or be transferred to the general fund.

(2) A nonrefundable application processing fee, a multiple vehicle driving facility review and approval fee, and an administrative fine collected under this act shall be transferred by the secretary of state to the state treasurer, who shall credit the money to the fund created under this section.

(3) The secretary of state shall expend money in the fund to administer this act. The secretary of state may deduct money from the fund to develop a driver education provider and instructor program. The secretary of state may deduct from the fund the actual administrative costs to administer this act, including any administrative costs to perform inspections, conduct investigations, or hold administrative hearings.

Sec. 84. After deducting the actual administrative costs of the department, the balance of the revenue from the fees collected under this act, up to an annual total of \$15,000.00, shall be deposited in the traffic law enforcement and safety fund created in section 819a of the Michigan vehicle code, 1949 PA 300, MCL 257.819a.

Sec. 85. The secretary of state may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to carry out this act.

Enacting section 1. The driver training schools rules, R 388.351 to R 388.362, and the driver education rules, R 388.302 to R 388.338, of the Michigan administrative code are rescinded.

Enacting section 2. This act takes effect October 1, 2006.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Ray E. Randall

Clerk of the House of Representatives

Approved

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Governor