

**CHILD CARE ORGANIZATIONS (EXCERPT)**  
**Act 116 of 1973**

**722.115m Child care center, group child care home, or family child care home; requirements for licensure; disclosure of ownership interest.**

Sec. 5m.

(1) This section and sections 5n to 5s apply only to a child care center, group child care home, or family child care home.

(2) A person, local or state governmental organization, trust, or legal entity shall not establish or maintain a child care center, group child care home, or family child care home unless licensed by the department. Application for a child care center, group child care home, or family child care home license must be made on forms provided, and in the manner prescribed, by the department, including the fees required under subsection (11). Before issuing or renewing a child care center, group child care home, or family child care home license, the department must investigate the applicant's activities and proposed standards of care and must make an on-site visit of the proposed or established child care center, group child care home, or family child care home. Except as otherwise provided in this subsection and sections 5q and 5r, if the department is satisfied as to the need for a child care center, group child care home, or family child care home, as to its financial stability, and that the service, facility, applicant, licensee, child care staff member, or member of the household is conducive to the welfare of the children, the department shall issue or renew the child care center, group child care home, or family child care home license. If the department determines that a service, facility, applicant, licensee, child care staff member, or member of the household is not conducive to the welfare of the children, the department shall deny that application or revoke that licensee's license according to section 11.

(3) An applicant for a child care center license must disclose the ownership interest in the child care center as follows:

- (a) If the owner is a trust, the applicant must disclose the names and addresses of all the trustees.
- (b) If the owner is a privately held corporation, the applicant must disclose the names and addresses of all shareholders, officers, and directors.
- (c) If the owner is a publicly held corporation, the applicant must disclose the names and addresses of the officers and directors and all shareholders holding a direct or indirect interest of greater than 5%.
- (d) If the owner is a partnership or limited liability partnership, the applicant must disclose the names and addresses of all the partners.
- (e) If the owner is a limited partnership or limited liability limited partnership, the applicant must disclose the names and addresses of all partners, both general and limited.
- (f) If the owner is a limited liability company, the applicant must disclose the names and addresses of all members and managers.
- (g) If the owner is a legal entity not covered under subdivisions (a) to (f), the applicant must disclose the names and address of all individuals that participate in governance for the legal entity.

(4) To assess whether the service, facility, applicant, licensee, child care staff member, or member of the household is conducive to the welfare of the children, the department may utilize available information, including, but not limited to, any of the following:

- (a) Investigative report, such as a law enforcement report and a children's protective services report.
  - (b) Medical report.
  - (c) Public record.
  - (d) Child care center, group child care home, or family child care home record.
  - (e) Inspection of the child care center, group child care home, or family child care home.
- (5) The department may use information obtained under section 5k to obtain reports prepared independently for police, law enforcement, or other purposes to make a determination under this section.

(6) The department shall issue a group child care home or family child care home license to a person who has successfully completed an orientation session offered by the department and who meets the requirements of this act. The department must make available to group child care home or family child care home applicants for licensure an orientation session regarding this act, the rules promulgated under this act, and the needs of children in child care before issuing a group child care home or family child care home license.

(7) Except as provided in subsection (2), the department shall issue an original or renewal license under this act for a child care center, group child care home, or family child care home not later than 6 months after the applicant files a completed application. Receipt of the application is considered the date the application is received by the department. If the application is considered incomplete by the department, the department must notify the applicant in writing or make notice electronically available within 30 days after receipt of the incomplete application, describing the deficiency and requesting additional information. If the department identifies a deficiency or requires

the fulfillment of a corrective action plan, the 6-month period is tolled until either of the following occurs:

(a) Upon notification by the department of a deficiency, until the date the requested information is received by the department.

(b) Upon notification by the department that a corrective action plan is required, until the date the department determines the requirements of the corrective action plan have been met.

(8) The determination of the completeness of an application is not an approval of the application for the license and does not confer eligibility on an applicant determined otherwise ineligible for issuance of a license.

(9) Except as provided in subsection (2), if the department fails to issue, deny, or refuse to renew a license to a child care center, group child care home, or family child care home within the time required by this section, the department must return the application fee required under subsection (11) and shall reduce the application fee for the applicant's next renewal application, if any, by 15%. Failure to issue, deny, or refuse to renew a license to a child care center, group child care home, or family child care home within the time period required under this section does not allow the department to otherwise delay the processing of the application. A completed application shall be placed in sequence with other completed applications received at that same time. The department shall not discriminate against an applicant in processing of an application based on the fact that the application fee was refunded or discounted under this subsection.

(10) If, on a continual basis, inspections performed by a local health department delay the department in issuing or denying a license for a child care center, group child care home, or family child care home under this act within the 6-month period, the department may use department staff to complete the inspection instead of the local health department causing the delays.

(11) The department shall assess fees as provided in the following schedule:

(a) Family child care home license, \$50.00 for an original license application and \$25.00 for renewal.

(b) Group child care home license, \$100.00 for an original license application and \$50.00 for renewal.

(c) Child care center license with a capacity of 1 to 20, \$150.00 for an original license application and \$75.00 for renewal.

(d) Child care center license with a capacity of 21 to 50, \$200.00 for an original license application and \$100.00 for renewal.

(e) Child care center license with a capacity of 51 to 100, \$250.00 for an original license application and \$125.00 for renewal.

(f) Child care center license with a capacity of over 100, \$300.00 for an original license application and \$150.00 for renewal.

(12) The department shall use the fees collected under this section only to fund the program licensing child care centers, group child care homes, and family child care homes. Funds remaining at the end of the fiscal year shall not lapse to the general fund but shall remain available to fund the program in subsequent years.

(13) Fees described in this section are payable to the department at the time an application is submitted for original issuance or renewal. If a license is denied, revoked, or refused renewal, or an application is rejected as provided in section 15(4), the department shall not refund fees paid to the department.

(14) As used in this section:

(a) "Completed application" means an application complete on its face and submitted with any applicable fees as well as any other information, records, approval, security, or similar item required by law or rule from a local unit of government, a federal agency, a state department or agency of another state, or a private entity but not from another department or agency of this state. A completed application does not include a health inspection performed by a local health department.

(b) "Conducive to the welfare of the children" means:

(i) The service and facility comply with this act and the administrative rules promulgated under this act.

(ii) The disposition, temperament, condition, and action of the applicant, licensee, licensee designee, program director, child care staff member, and member of the household promote the safety and well-being of the children served.

**History:** Add. 2017, Act 258, Eff. Mar. 28, 2018 ;-- Am. 2022, Act 107, Imd. Eff. June 23, 2022

**Compiler's Notes:** For transfer of powers and duties relative to the licensing and regulation of child caring institutions, child placing agencies, foster family homes, foster family group homes, and court-operated facilities from department of licensing and regulatory affairs to the department of health and human services, see E.R.O. No. 2018-6, compiled at MCL 722.110. For the transfer of all powers and duties related to the licensing and regulation of children's camps, child care centers, day care centers, family day care homes, and group day care homes from the department of licensing and regulatory affairs to MiLEAP, see E.R.O. No. 2023-2, compiled at MCL 388.1283.

**Popular Name:** Act 116

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