

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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Short Title: Protective Services/Alarm Systems Law Changes.

(Public)

Sponsors:

Referred to:

April 9, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE PRIVATE PROTECTIVE SERVICES  
3 ACT AND THE ALARM SYSTEMS LICENSING ACT, AND TO CREATE CERTAIN  
4 FEES.

5 The General Assembly of North Carolina enacts:

6  
7 **PART I. PRIVATE PROTECTIVE SERVICES ACT CHANGES**

8 **SECTION 1.1.** G.S. 74C-3(a) reads as rewritten:

9 "(a) As used in this Chapter, the term "private protective services profession" means and  
10 includes the following:

11 ...

12 (5) Detection of deception examiner. – Any person, firm, association, or  
13 corporation ~~which~~ which, for a fee or other valuable consideration, uses any  
14 device or instrument, regardless of its name or design, for the purpose of the  
15 detection of deception or any person who reviews the work product of an  
16 examiner including charts, tapes or other methods of record keeping for the  
17 purpose of detecting deception or determining accuracy.

18 (5a) Electronic countermeasures profession. – Any person, firm, association, or  
19 corporation which for a fee or other valuable consideration discovers, locates,  
20 or disengages by electronic, electrical, or mechanical means any ~~listening of~~  
21 the following:

22 a. Listening or other monitoring equipment surreptitiously placed to  
23 gather information concerning any individual, firm, association, or  
24 corporation.

25 b. Any device intended to block the transmission of any electronic signal.

26 ...

27 (8) Private detective or private investigator. – Any person who engages in the  
28 profession of or accepts employment to furnish, agrees to make, or makes  
29 inquiries or investigations concerning any of the following on a contractual  
30 basis:

31 ...

32 f. ~~Protection of individuals from serious bodily harm or death.~~

33 ...



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1           (10) Close personal protection. – Any person, firm, association, or corporation  
 2           which, for a fee or other valuable consideration, provides or offers to provide  
 3           security measures to ensure the safety of a business executive, elected or  
 4           appointed public official, celebrity, or other individuals who may be exposed  
 5           to elevated personal risk because of the individual's employment, status,  
 6           wealth, associations, or geographical location.

7           (11) Digital forensics examination. – Any individual, firm, association, or  
 8           corporation which, for a fee or other valuable consideration, provides or offers  
 9           to provide examination of digitally stored data to recover, image, analyze, or  
 10           examine the data by using software to determine responsibility or reconstruct  
 11           usage of the data.

12       (b) "Private protective services" shall not include any of the following:

13       ...

14       (17) ~~A person engaged in (i) computer or digital forensic services or in the~~  
 15       ~~acquisition, review, or analysis of digital or computer-based information,~~  
 16       ~~whether for the purposes of obtaining or furnishing information for~~  
 17       ~~evidentiary or other purposes, or for providing expert testimony before a~~  
 18       ~~court; or (ii) network or system vulnerability testing, including network scans~~  
 19       ~~and risk assessment and analysis of computers connected to a~~  
 20       ~~network-network, and routine service or repair.~~

21       (18) A person under contract with an occupational licensing board as defined by  
 22       G.S. 93B-1 while performing an investigation solely for that board.

23       (c) A licensed North Carolina private investigator, or permitted private investigator  
 24       trainee who has provided at least five years of services pursuant to former G.S. 74C-3(a)(8)f. of  
 25       this section within the immediate five years prior to July 1, 2020, upon submission of sufficient  
 26       proof of services, may apply and receive a close personal protection endorsement."

27       **SECTION 1.2.** G.S. 74C-4 reads as rewritten:

28       **"§ 74C-4. Private Protective Services Board established; members; terms; vacancies;**  
 29       **compensation; meetings.**

30       ...

31       (d) Each member of the Board, before assuming the duties of his or her office, shall take  
 32       an oath for the faithful performance of his or her duties. A Board member may be removed at the  
 33       pleasure of the authority making the original appointment or by the Board for misconduct,  
 34       incompetence, or neglect of duty.

35       ...

36       (f) The Board shall elect a ~~chairman, vice-chairman, chair, vice-chair~~ and other officers  
 37       and committee ~~chairmen-chairs~~ from among its members as the Board deems necessary and  
 38       desirable at the first meeting after July 1 of each year. The ~~chairman-chair~~ and ~~vice-chairman~~  
 39       ~~vice-chair~~ shall be selected by the members of the Board for a term of one year and shall be  
 40       eligible for reelection. The Board shall meet at the call of the ~~chairman-chair~~ or a majority of the  
 41       members of the Board at such time, date, and location as may be decided upon by a majority of  
 42       the Board.

43       ...."

44       **SECTION 1.3.** G.S. 74C-5 reads as rewritten:

45       **"§ 74C-5. Powers of the Board.**

46       In addition to the powers conferred upon the Board elsewhere in this Chapter, the Board shall  
 47       have the power to do all of the following:

48       ...

49       (13) Conduct investigations regarding unlicensed activity and, with the  
 50       concurrence of the Secretary of Public Safety, issue cease and desist letters.

1           (14) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property  
2 in the same manner as a private person or corporation, subject only to approval  
3 of the Governor and the Council of State. Collateral pledged by the Board for  
4 an encumbrance is limited to the assets, income, and revenues of the Board.

5           (15) Adopt rules establishing standards for the use of any firearm or other weapon  
6 approved by the Board.

7           (16) Adopt and publish a code of professional conduct for licensees, registrants,  
8 certificate holders, or permit holders, the violation of which is grounds to  
9 suspend or revoke a license, registration, or permit pursuant to G.S. 74C-12."

10           **SECTION 1.4.** G.S. 74C-7 reads as rewritten:

11 **"§ 74C-7. Investigative powers of the Secretary of Public Safety.**

12           The Secretary of Public Safety for the State of North Carolina ~~shall have~~ has the power to  
13 investigate or cause to be investigated any complaints, allegations, or suspicions of wrongdoing  
14 or violations of this Chapter involving ~~individuals licensed, unlicensed individuals, licensed~~  
15 individuals, or individuals to be licensed, licensed under this Chapter. The Secretary shall retain  
16 the authority to enforce the provisions of this Chapter and impose any penalty authorized by  
17 G.S. 74C-12(a) and G.S. 74C-17 against any person or entity who is under investigation for or  
18 charged with a violation of this Chapter even if the person or entity's license or registration has  
19 been surrendered or has lapsed. Any investigation conducted pursuant to this section is  
20 confidential and is not subject to review under G.S. 132-1 until the investigation is complete and  
21 a report is presented to the Board. However, the report may be released to the licensee after the  
22 investigation is complete but before the report is presented to the Board."

23           **SECTION 1.5.** G.S. 74C-8 reads as rewritten:

24 **"§ 74C-8. License requirements.**

25           ...

26           (b) Application. – To apply for a license, an applicant must submit a verified application  
27 in writing to the Board that includes all of the following:

28           ...

29           (7) Accompanying trainee permit applications only, a notarized statement signed  
30 by the applicant and his or her employer stating that the trainee applicant will  
31 at all times work with and under the direct supervision of a licensed private  
32 detective.

33           (c) Qualifying Agent. – A business entity, other than a sole proprietorship, that engages  
34 in private protective services is subject to all of the requirements listed in this subsection with  
35 respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent" is an individual  
36 in a management position who is licensed under this Chapter and whose name and address have  
37 been registered with the Director. The requirements are:

38           ...

39           (3) In the event that the qualifying agent upon whom the business entity relies in  
40 order to do business ceases to perform his or her duties as qualifying agent,  
41 the business entity shall notify the Director within 10 working days. The  
42 business entity must obtain a substitute qualifying agent within ~~30~~ 90 days  
43 after the original qualifying agent ceases to serve as qualifying agent unless  
44 the Board, in its discretion, extends ~~this the 90-day period~~, for good cause, for  
45 ~~a period of time not to exceed three months~~ an additional 30 days upon the  
46 filing of a petition by the business entity and upon a hearing by the Board. The  
47 Board may require the payment of a late fee for a business entity failing to  
48 obtain a substitute qualifying agent pursuant to the requirements of this  
49 subdivision.

1 (d) Criminal Record Check. – An applicant must meet all of the following requirements  
 2 and qualifications determined by a background investigation conducted by the Board in  
 3 accordance with G.S. 74C-8.1 and upon receipt of an application:

4 ...

5 (2) That the applicant is of good moral character and temperate habits. The  
 6 following shall be prima facie evidence that the applicant does not have good  
 7 moral character or temperate habits: conviction by any local, State, federal, or  
 8 military court of any crime involving the illegal use, carrying, or possession  
 9 of a ~~firearm~~; firearm or other deadly weapon; conviction of any crime  
 10 involving the illegal use, possession, sale, manufacture, distribution, or  
 11 transportation of a controlled substance, drug, narcotic, or alcoholic beverage;  
 12 conviction of a crime involving ~~felonious~~ assault or an act of violence;  
 13 conviction of a crime involving unlawful breaking or entering, burglary,  
 14 larceny, or any offense involving moral turpitude; or a history of addiction to  
 15 alcohol or a narcotic drug; provided that, for purposes of this subsection,  
 16 "conviction" means and includes the entry of a plea of guilty or no contest or  
 17 a verdict rendered in open court by a judge or jury.

18 ...

19 (f) Issuance. – Upon a finding that the application is in proper form, the completion of  
 20 the background investigation, and the completion of an examination required by the Board, the  
 21 Director shall submit to the Board the application and the Director's recommendations. Upon  
 22 completion of the background investigation, the Director may issue a temporary license pending  
 23 approval of the application by the Board at the next regularly scheduled meeting. The Board shall  
 24 determine whether to approve or deny the application for a license. Upon approval by the Board,  
 25 a license will be issued to the applicant upon payment by the applicant of the initial license fee  
 26 and the required contribution to the Private Protective Services Education Fund, and filing of a  
 27 certificate of liability insurance ~~insurance~~ with the Board. The applicant must pay the initial  
 28 license fee and make the required contribution to the Fund within 90 days from the date the  
 29 applicant receives notice of pending licensure approval unless the Board, in its discretion, extends  
 30 the 90-day period, for good cause, for an additional 30 days upon the filing of a petition by the  
 31 applicant and upon a hearing by the Board. The Board may require the payment of a late fee for  
 32 an applicant failing to pay the initial license fee or failing to make the contribution to the Fund  
 33 pursuant to the requirements of this subsection."

34 **SECTION 1.6.** G.S. 74C-9 reads as rewritten:

35 "**§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable; late**  
 36 **renewal fee.**

37 ...

38 (e) The Board is authorized to charge reasonable application and license fees as follows:

39 ...

40 (7) An application fee for a firearm registration permit for all applicants and  
 41 licensees subject to G.S. 74C-13 not to exceed fifty dollars (\$50.00).

42 (8) A new, renewal, replacement, or reissuance fee for a firearm registration  
 43 permit for all applicants and licensees subject to G.S. 74C-13 not to exceed  
 44 thirty dollars (\$30.00).

45 ...

46 (16) A late fee for a business entity subject to G.S. 74C-8(c)(3) or an applicant for  
 47 licensure under G.S. 74C-8(f) not to exceed one hundred dollars (\$100.00).

48 Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be  
 49 expended, under the direction of the Board, for the purpose of defraying the expenses of  
 50 administering this Chapter.

1 (f) A license or trainee permit granted under the provisions of this Chapter may be  
2 renewed by the Private Protective Services Board upon notification by the licensee or permit  
3 holder to the Director of intended renewal, the payment of the proper fee, and evidence of a  
4 ~~policy of liability insurance~~ policy as prescribed in G.S. 74C-10(e).

5 The renewal shall be finalized before the expiration date of the license. In no event will  
6 renewal be granted more than three months after the date of expiration of a license or trainee  
7 permit.

8 ...."

9 **SECTION 1.7.** G.S. 74C-10 reads as rewritten:

10 "**§ 74C-10. Certificate of liability insurance required; form and approval; suspension for**  
11 **noncompliance.**

12 ...

13 (e) No security guard and patrol, armored car, or special limited guard and patrol license  
14 shall be issued under this Chapter unless the applicant files with the Board evidence of a ~~policy~~  
15 ~~of liability insurance.~~ liability insurance policy. The policy must provide for the following  
16 minimum coverage: fifty thousand dollars (\$50,000) because of bodily injury or death of one  
17 person as a result of the negligent act or acts of the principal insured or his or her agents operating  
18 in the course and scope of his or her employment; subject to said limit for one person, one  
19 hundred thousand dollars (\$100,000) because of bodily injury or death of two or more persons  
20 as the result of the negligent act or acts of the principal insured or his or her agents operating in  
21 the course and scope of his or her agency; twenty thousand dollars (\$20,000) because of injury  
22 to or destruction of property of others as the result of the negligent act or acts of the principal  
23 insured or his or her agents operating in the course and scope of his or her agency. ~~If the licensee,~~  
24 a licensee or a trainee supervised by a licensee, other than a security guard and patrol, armored  
25 car, or special limited guard and patrol licensee, carries a firearm while engaged in private  
26 protective services activities, the licensee or trainee shall obtain a ~~policy of liability insurance~~  
27 policy with a minimum coverage as specified above. A licensee or trainee is deemed to be  
28 "carrying a firearm" for purposes of this section while engaged in private protective services if  
29 the licensee or trainee has a firearm on the licensee's or trainee's person or in the automobile the  
30 licensee or trainee is using to perform private protective services. A licensee may provide  
31 coverage for a trainee under the licensee's supervision; however, failure of the licensee to provide  
32 coverage does not exempt the trainee from the requirements of this section.

33 (e1) The Board shall approve the form, execution, and terms of the liability insurance  
34 policy.

35 (f) An insurance carrier ~~shall have~~ has the right to cancel ~~such policy of liability~~  
36 ~~insurance~~ a liability insurance policy upon giving a 30-day notice to the Board. Provided,  
37 however, that ~~such the~~ cancellation shall not affect any liability on the policy ~~which that~~ accrued  
38 prior thereto. ~~The policy of liability shall be approved by the Board as to form, execution, and~~  
39 ~~terms thereon.~~

40 (g) ~~The holder of any trainee permit and persons~~ Persons registered pursuant to  
41 G.S. 74C-11 ~~shall not be~~ are not required to obtain a certificate of liability insurance.

42 ...."

43 **SECTION 1.8.** G.S. 74C-11 is amended by adding a new subsection to read:

44 "(g) Notwithstanding the provisions of this section, during a State of Disaster or State of  
45 Emergency declared by the Governor of this State pursuant to Article 1 of Chapter 166A of the  
46 General Statutes, a licensee may employ a person properly registered or licensed as an armed  
47 security guard in another state provided the licensee, prior to deploying the armed security guard  
48 in this State, submits to the Director the name, address, and Social Security number of the armed  
49 security guard, the name of the state of current registration or licensing of the armed security  
50 guard, proof of completion of the four-hour training course mandated by G.S. 74C-13(h)(1)a.  
51 and 14B NCAC 16 .0807(c)(1), administered by a North Carolina certified trainer, qualification

1 by a North Carolina Private Protective Services Board certified firearms instructor based on the  
2 firearm the armed security guard intends to carry, meeting the qualification requirements  
3 approved by the Board and the Secretary of Public Safety for each firearm, and the Director  
4 approves the employment of the armed security guard in this State. Qualification shall be valid  
5 for a period of 12 months. The duration of the deployment of an armed security guard from  
6 another state by a licensee shall not exceed the declared State of Emergency or Disaster."

7 **SECTION 1.9.** G.S. 74C-12 reads as rewritten:

8 "**§ 74C-12. Denial, suspension, or revocation of license, registration, or permit; duty to**  
9 **report criminal arrests.**

10 (a) The Board may, after compliance with Chapter 150B of the General Statutes, deny,  
11 suspend or revoke a license, certification, registration, or permit issued under this Chapter if it is  
12 determined that the applicant, licensee, trainee, registrant, or permit holder has done any of the  
13 following acts:

14 (1) Made any false statement or given any false information in connection with  
15 any application for a license, certification, registration, or permit or for the  
16 renewal or reinstatement of a license, certification, registration, or permit.

17 ...

18 (6) Engaged in or permitted any employee to engage in a private protective  
19 services profession when not lawfully in possession of a valid license or  
20 registration issued under the provisions of this Chapter.

21 ...

22 (9) Committed an unlawful breaking or entering, assault, battery, or  
23 ~~kidnapping~~ kidnapping or violated any State or federal firearms law.

24 ...

25 (24) Fraudulently held himself or herself out as employed by or licensed by the  
26 ~~State Bureau of Investigation~~ Department of Public Safety or any other  
27 governmental authority."

28 **SECTION 1.10.** G.S. 74C-13 reads as rewritten:

29 "**§ 74C-13. Armed licensee or registered employee required to have firearm registration**  
30 **permit; firearms training.**

31 (a) It shall be unlawful for any person performing private protective services duties to  
32 carry a firearm in the performance of those duties without first having met the qualifications of  
33 this section and having been issued a firearm registration permit by the Board. A licensee or  
34 proprietary employer described in G.S. 74C-3(b)(13) shall register any individual carrying a  
35 firearm within 30 days of employment. Before engaging in any private protective services  
36 activity, the individual shall receive any required training prescribed by the ~~Board~~ Board, unless  
37 specifically exempted from training by G.S. 74C-13.1.

38 ...

39 (d2) A proprietary security organization that employs an armed security guard shall submit  
40 to the Board an application for a license on a form provided by the Board for that purpose. A  
41 proprietary security organization shall renew its license every two years.

42 ...

43 (g) The Board may suspend, revoke, or deny a firearm registration permit if the holder or  
44 applicant has been convicted of any crime involving moral turpitude or any crime ~~involving the~~  
45 ~~illegal use, carrying, or possession of a deadly weapon~~ set forth in G.S. 74C-8(d) or for violation  
46 of this section or rules promulgated by the Board to implement this section. The Director may  
47 summarily suspend a firearm registration permit pending resolution of charges ~~involving the~~  
48 ~~illegal use, carrying, or possession of a firearm~~ lodged against the holder of the permit for any  
49 crime involving moral turpitude, any of the offenses set forth in G.S. 74C-12, or any crime set  
50 forth in G.S. 74C-8(d).

1 (h) The Board and the Secretary of Public Safety shall establish a firearms training  
2 program for licensees and registered employees to be conducted by agencies and institutions  
3 approved by the Board and the Secretary of Public Safety. The Board and the Secretary of Public  
4 Safety may approve training programs conducted by a contract security company and the security  
5 department of a proprietary security organization, if the contract security company or security  
6 department of a proprietary security organization offers the courses listed in subdivision (1) of  
7 this subsection and if the instructors of the training program are certified trainers approved by  
8 the Board and the Secretary of Public Safety:

9 (1) The basic training course approved by the Board and the Secretary of Public  
10 Safety shall consist of a minimum of four hours of ~~classroom~~ training which  
11 shall include all of the following:

- 12 a. Legal limitations on the use of ~~hand guns~~ firearms and on the powers  
13 and authority of an armed security guard.
- 14 b. Familiarity with this section.
- 15 c. Range firing and procedure and ~~hand gun~~ firearm safety and  
16 maintenance.

17 ...

18 (o) The Board shall not knowingly issue a firearm registration permit to an individual  
19 who is prohibited by federal or State law from possessing a firearm."

20 **SECTION 1.11.** Article 1 of Chapter 74C of the General Statutes is amended by  
21 adding a new section to read:

22 **"§ 74C-13.1. Exemption from firearms training requirements.**

23 (a) The following persons may be exempt from the firearms training requirements of  
24 G.S. 74C-13(b):

- 25 (1) Those who have successfully completed the North Carolina Basic Law  
26 Enforcement Training (BLET) and the first year of probationary employment.
- 27 (2) Persons who have retired either by years of service or by medical disability,  
28 or separated in good standing as a sworn law enforcement officer from a  
29 federal, state, county, or municipal law enforcement agency that included in  
30 their duty the use and qualification of a firearm. Retirement or separation must  
31 have occurred within three years of application.
- 32 (3) Military personnel who have been honorably discharged within three years of  
33 application and whose military occupational specialty (MOS) included  
34 Military Police or Criminal Investigative Division (CID) within three years of  
35 application.
- 36 (4) Employees of a nuclear power plant that are required to comply with 10 C.F.R.  
37 § 73.55 Appendix B, "Training and Qualification of Security Personnel," as  
38 supplemented by the United States Nuclear Regulatory Commission  
39 Regulatory Guide 5.75.

40 (b) An applicant claiming one of the above exemptions from the 20-hour course of armed  
41 guard instruction must provide the Board the following documentation, as appropriate:

- 42 (1) A copy of a North Carolina BLET training certificate and a letter from the  
43 applicant's department verifying that the probationary employment period has  
44 been completed.
- 45 (2) Retirement documentation not older than three years verifying sworn status,  
46 or the card issued by the North Carolina Criminal Justice Training &  
47 Standards Division authorizing concealed carry under the United States Law  
48 Enforcement Officers' Safety Act of 2004.
- 49 (3) Documentation from a United States Department of Defense Form DD 214,  
50 Form DD 215, or Form NGB 22 noting a Military Police or CID military  
51 occupational specialty.

1           (4)    Documentation of retirement or separation from a federal law enforcement  
2                   agency with a United States Office of Personnel Management job series of  
3                   1811.

4           (5)    Documentation of current, direct employment with a nuclear power plant  
5                   located in North Carolina.

6           (c)    The Board shall deny the exemption if the applicant fails to provide the  
7                   documentation, as applicable, set forth above.

8           (d)    When utilizing this exemption, the applicant must qualify within the first three  
9                   attempts on the required firearm qualification course. If the applicant fails to qualify on both of  
10                  these required courses, the applicant shall be required to undergo the entire 20-hour course of  
11                  instruction.

12           (e)    When utilizing this exemption, the applicant must complete the legal block of  
13                   instruction required by G.S. 74C-13(h)(1) and the Board's administrative rules."

14           **SECTION 1.12.** G.S. 74C-15(a) reads as rewritten:

15           "(a)    Upon the issuance of a license or trainee permit, a pocket identification card of design,  
16                   size, and content approved by the Board shall be issued by the Board without charge to each  
17                   licensee or trainee. The holder must have this card in his or her possession at all times when he  
18                   or she is on duty and working within the scope of his or her employment. When a licensee or  
19                   trainee to whom a card has been issued terminates his or her position as a licensee or trainee, the  
20                   card must be surrendered to the Director of the Board within 10 working days thereafter."

21           **SECTION 1.13.** G.S. 74C-17 reads as rewritten:

22           "**§ 74C-17. Enforcement.**

23           ...

24           (b)    Any person, firm, association, or corporation or their agents and employees violating  
25                   any of the provisions of this Chapter or knowingly violating any rule promulgated to implement  
26                   this Chapter shall be guilty of a Class 1 misdemeanor. The Attorney General, or his or her  
27                   representative, shall have concurrent jurisdiction with the district attorneys of this State to  
28                   prosecute violations of this Chapter.

29           (c)    In lieu of revocation or suspension of a license or permit under G.S. 74C-12, a civil  
30                   penalty of not more than two thousand dollars (\$2,000) per violation may be assessed by the  
31                   Board against any person or business who violates any provision of this Chapter or any rule of  
32                   the Board adopted pursuant to this Chapter. In determining the amount of any penalty, the Board  
33                   shall consider the degree and extent of harm caused by the violation. The clear proceeds of civil  
34                   penalties provided for in this subsection shall be remitted to the Civil Penalty and Forfeiture Fund  
35                   in accordance with G.S. 115C-457.2.

36           (d)    Proceedings for the assessment of civil penalties under this section shall be governed  
37                   by Chapter 150B of the General Statutes. If the person assessed a civil penalty fails to pay the  
38                   penalty to the Board, the Board may institute an action in the superior court of the county in  
39                   which the person resides or has his or her principal place of business to recover the unpaid amount  
40                   of the penalty. An action to recover a civil penalty under this section shall not relieve any party  
41                   from any other penalty prescribed by law."

42           **SECTION 1.14.** G.S. 74C-18(b) reads as rewritten:

43           "(b)    The Director, in his or her discretion and subject to the approval of the Board, may  
44                   issue a temporary permit to a nonresident who has complied with the provisions of G.S. 74C-10  
45                   and who is validly licensed in another state to engage in a private protective service activity  
46                   incidental to a specific case originating in another state. A temporary permit may be issued for a  
47                   period of no more than 30 days and may be renewed. A temporary permit may contain such  
48                   restrictions which the Board, in its discretion, deems appropriate."

49           **SECTION 1.15.** G.S. 74C-21(b) reads as rewritten:

50           "(b)    An off-duty law enforcement officer may be employed during his or her off-duty  
51                   hours by a licensed security guard and patrol company on an employer-employee basis. An



1 off-duty law enforcement officer shall not wear his or her police officer's uniform or use the  
2 police equipment while working for a security guard and patrol company."

3 **SECTION 1.16.** G.S. 74C-23 reads as rewritten:

4 "**§ 74C-23. Acquisition or change of ownership or control of licensed firm, association, or**  
5 **corporation.**

6 In the event a company, firm, or corporation licensed under this Chapter transfers ownership,  
7 control, or a majority of assets to another person, firm, association, or corporation, the person,  
8 firm, association, or corporation acquiring control or ownership shall have the following  
9 responsibilities:

10 ...  
11 (4) Provide to the Director ~~within 60-10~~ calendar days ~~from the~~ prior to the  
12 effective date of the transaction the following: a list of any licensee and any  
13 registrants affected by the transaction.

14 a. ~~A list of all registrants or licensees affected by the transaction.~~

15 b. ~~Written confirmation of completion of any changes necessary for the~~  
16 ~~acquiring party to comply with the requirements of this Chapter or any~~  
17 ~~applicable rules adopted by the Board on a form approved by the~~  
18 ~~Director.~~

19 (5) Provide to the Director within 60 calendar days from the effective date of the  
20 transaction written confirmation of completion of any changes necessary for  
21 the acquiring party to comply with the requirements of this Chapter or any  
22 applicable rules adopted by the Board on a form approved by the Director."

23 **SECTION 1.17.** G.S. 14-269.3 reads as rewritten:

24 "**§ 14-269.3. Carrying weapons into assemblies and establishments where alcoholic**  
25 **beverages are sold and consumed.**

26 ...  
27 (b) This section shall not apply to any of the following:

28 ...  
29 (4) A person registered ~~or hired~~ as a security guard as defined in  
30 G.S. 74C-3(b)(13) who is hired by the owner, lessee, or person or organization  
31 sponsoring the event event or a person employed by a business licensed  
32 pursuant to G.S. 74C-2 who is hired by the owner, lessee, or person or  
33 organization sponsoring the event.

34 ...."

## 36 PART II. ALARM SYSTEMS LICENSING ACT CHANGES

37 **SECTION 2.** Chapter 74D of the General Statutes reads as rewritten:

38 "Chapter 74D.

39 "~~Alarm~~ Electronic Security Systems.

40 "Article 1.

41 "~~Alarm~~ Electronic Security Systems Licensing Act.

42 "**§ 74D-1. Title.**

43 This act may be cited as the "~~Alarm~~ Electronic Security Systems Licensing Act."

44 "**§ 74D-2. License requirements.**

45 (a) License Required. – No person, firm, association, corporation, or department or  
46 division of a firm, association or corporation, shall engage in or hold itself out as engaging in an  
47 ~~alarm~~ electronic security systems business without first being licensed in accordance with this  
48 Chapter. A department or division of a firm, association, or corporation may be separately  
49 licensed under this Chapter if the distinct department or division, as opposed to the firm,  
50 association, or corporation as a whole, engages in an ~~alarm~~ electronic security systems business.  
51 The department or division shall ensure strict confidentiality of private security information, and

1 the private security information of the department or division must, at a minimum, be physically  
2 separated from other premises of the firm, association, or corporation. For purposes of this  
3 Chapter an "~~alarm~~-electronic security systems business" is defined as any person, firm,  
4 association or corporation that does any of the following:

- 5 (1) ~~Sells~~-Unless otherwise exempt, sells or attempts to sell an ~~alarm~~-electronic  
6 security system device-by engaging in a ~~any~~ personal solicitation ~~at a~~  
7 ~~residence or business~~-to advise, design, or consult on specific types and  
8 specific locations of ~~alarm~~-electronic security system devices.
- 9 (2) ~~Installs~~-Unless otherwise exempt, installs, services, monitors, or responds to  
10 electrical, wireless or hardwired electronic or mechanical alarm signal  
11 ~~devices~~-devices and security systems, and integrated automation of a  
12 residence or business that includes a security element, burglar alarms,  
13 monitored access control, or cameras used to detect or observe burglary,  
14 breaking or entering, intrusion, shoplifting, pilferage, theft, or other  
15 unauthorized or illegal activity. ~~This provision shall not apply to a locking~~  
16 ~~device that records entry and exit data and does not transmit the data in real~~  
17 ~~time to an on-site or off-site monitoring location, provided the installer is duly~~  
18 ~~licensed by the North Carolina Locksmith Licensing Board.~~

19 ...

20 (c) Qualifying Agent. – A business entity that ~~engages in the alarm systems business is~~  
21 required to be licensed under this Chapter is subject to all of the requirements listed in this  
22 subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent"  
23 is an individual who is a full-time employee in a management position who is licensed under this  
24 Chapter and whose name and address have been registered with the Board. The requirements are:

- 25 (1) The business entity shall employ a designated qualifying agent who meets the  
26 requirements for a license issued under and who is, in fact, licensed under the  
27 provisions of this Chapter, unless otherwise approved by the Board. Service  
28 upon the qualifying agent appointed by the business entity of any process,  
29 notice or demand required by or permitted by law to be served upon the  
30 business entity by the ~~Alarm~~-Electronic Security Systems Licensing Board  
31 shall be binding upon the licensed business entity. Nothing herein contained  
32 shall limit or affect the right to serve any process, notice or demand required  
33 or permitted by law to be served upon a business entity in any other manner  
34 or hereafter permitted by law.

35 ...

- 36 (3) In the event that the qualifying agent upon whom the business entity relies in  
37 order to do business ceases to perform his or her duties as qualifying agent,  
38 the business entity shall notify the board in writing by letter or using the  
39 Board's online form within 10 working days. The business entity must obtain  
40 a substitute qualifying agent within 90 days after the original qualifying agent  
41 ceases to serve as qualifying agent. The Director may extend the 90-day  
42 period, for good cause, an additional 30 days upon a written request of an  
43 officer of the company.

- 44 (4) The license certificate shall list the name of the qualifying agent. No ~~licensee~~  
45 person shall serve as the qualifying agent for more than one business entity  
46 without the prior approval of the Board.

47 ...

- 48 (6) The qualifying agent is responsible for maintaining a current address and other  
49 contact information with the Board.

50 (d) ~~Criminal Record Check.~~ Minimum Qualifications of Qualifying Agent. – An  
51 applicant for qualifying agent must meet all of the following requirements and qualifications

1 determined by a background investigation conducted by the Board in accordance with  
2 ~~G.S. 74D-2.1 and upon receipt of an application:~~G.S. 74D-2.1:

- 3 (1) The applicant is at least 18 years of age.
- 4 (2) The applicant is of good moral character and temperate habits. The following  
5 shall be prima facie evidence that the applicant does not have good moral  
6 character or temperate habits: conviction by any local, State, federal, or  
7 military court of any crime involving the illegal use, carrying, or possession  
8 of a firearm; conviction of any crime involving the illegal use, possession,  
9 sale, manufacture, distribution or transportation of a controlled substance,  
10 drug, narcotic, or alcoholic beverages; conviction of a crime involving  
11 felonious assault or an act of violence; conviction of a crime involving  
12 unlawful breaking or entering, burglary, larceny, or of any offense involving  
13 moral turpitude; or a history of addiction to alcohol or a narcotic drug;  
14 provided that, for purposes of this subsection, "conviction" means and  
15 includes the entry of a plea of guilty, plea of no contest, or a verdict rendered  
16 in open court by a judge or ~~jury-jury, including a prayer for judgment~~  
17 continued, adjudication withheld, or equivalent disposition.
- 18 (3) The applicant has the necessary training, qualifications and experience to be  
19 licensed.
- 20 (4) The applicant has successfully completed or kept current the Certified Alarm  
21 Technician Level II course offered by the Electronic Security System  
22 Association.
- 23 (5) Proof of how in-State activities of the licensee are to be monitored, including  
24 a business plan setting forth the type of activities to be performed in this State,  
25 such as telephone solicitation, residential and commercial installation or  
26 monitoring. The plan shall be updated promptly as activities change.

27 (e) ~~Examination.—The Board may require the applicant to demonstrate the applicant's~~  
28 ~~qualifications by examination.~~

29 ...

30 (g) An alarm monitoring company located in another state and licensed by that state  
31 which demonstrates to the Board's satisfaction that it does not conduct any business through a  
32 personal representative present in this State but which solicits and conducts business solely  
33 through interstate communication facilities, such as telephone, earth satellite relay stations, the  
34 Internet and the United States Postal Service, upon receipt by the Board of a certificate of good  
35 standing from the state of licensure, is not required to register employees pursuant to G.S. 74D-8.  
36 Out-of-state monitoring companies not licensed in any state must be licensed by the Board and  
37 register employees pursuant to G.S. 74D-8.

38 **"§ 74D-2.1. Criminal background checks.**

39 (a) Authorization. – Upon receipt of an application for a license or registration, the Board  
40 shall conduct a background investigation to determine whether the applicant meets the  
41 requirements for a license or registration as set out in G.S. 74D-2(d). The ~~Department of Public~~  
42 ~~Safety State Bureau of Investigation's Division of Criminal Information Network~~ may provide a  
43 criminal record check to the Board for a person who has applied for a new or renewal license or  
44 registration through the Board. The Board shall provide to the ~~Department of Public Safety, State~~  
45 ~~Bureau of Investigation,~~ along with the request, the fingerprints of a new applicant, and the  
46 ~~Department of Public Safety State Bureau of Investigation~~ shall provide a criminal record check  
47 based upon the applicant's fingerprints. The Board may request a criminal record check from the  
48 ~~Department of Public Safety State Bureau of Investigation~~ for a renewal applicant based upon  
49 the applicant's fingerprints in accordance with policy adopted by the Board. The Board shall  
50 provide any additional information required by the ~~Department of Public Safety State Bureau of~~  
51 ~~Investigation~~ and a form signed by the applicant consenting to the check of the criminal record

1 and to the use of the fingerprints and other identifying information required by the State or  
2 national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of  
3 Investigation for a search of the State's criminal history record file, and the State Bureau of  
4 Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a  
5 national criminal history check. ~~The Department of Public Safety~~ State Bureau of Investigation  
6 may charge each applicant a ~~fee-fee, to be collected by the Board and transmitted to the State~~  
7 Bureau of Investigation, for conducting the checks of criminal history records authorized by this  
8 subsection.

9 The Board may require a new or renewal applicant to obtain a criminal record report from  
10 one or more reporting services designated by the Board to provide criminal record reports.  
11 Applicants are required to pay the designated reporting service for the cost of these reports.

12 (b) Confidentiality. ~~The~~ Except as necessary to support the denial of an application or  
13 a disciplinary matter in a contested case, the Board shall keep all information obtained pursuant  
14 to this section confidential in accordance with applicable State law and federal guidelines, and  
15 the information shall not be a public record under Chapter 132 of the General Statutes.

16 **"§ 74D-3. Exemptions.**

17 (a) The provisions of this Chapter shall not apply to the following:

- 18 (1) A person, firm, association or corporation that sells or manufactures ~~alarm~~  
19 electronic security systems, unless the person, firm, association or corporation  
20 makes personal solicitations at a residence or business to advise, design, or  
21 consult on specific types and specific locations of ~~alarm~~ electronic security  
22 system devices, installs, services, monitors, or responds to ~~alarm~~ electronic  
23 security systems at or from a protected premises or a premises to be protected  
24 and thereby obtains knowledge of specific application or location of the ~~alarm~~  
25 electronic security system. ~~A person licensed under this Chapter may hire a~~  
26 consultant to troubleshoot a location or installation for a period of time not to  
27 exceed 48 hours in a one-month period if the licensee submits a report to the  
28 Board within 30 days from the date of the consultation designating the  
29 consultant as a temporary consultant;
- 30 (2) Installation, servicing or responding to fire alarm systems or any alarm device  
31 which is installed in a motor vehicle, aircraft or ~~boat~~; boat.
- 32 (3) Installation or service of an ~~alarm~~ electronic security system on property  
33 owned by or leased to the ~~installer~~; installer.
- 34 (4) An ~~alarm~~ monitoring company located in another state which demonstrates to  
35 the Board's satisfaction that it does not conduct any business through a  
36 personal representative present in this State but which solicits and conducts  
37 business solely through interstate communication facilities such as telephone  
38 messages, earth satellite relay stations and the United States postal service;  
39 and
- 40 (5) A person or business providing alarm systems services to a State agency or  
41 local government if that person or business has been providing those services  
42 to the State agency or local government for more than five years prior to the  
43 effective date of this Chapter, and the State agency or local government joins  
44 with the person or business in requesting the application of this exemption.
- 45 (6) Installation or service of a locking device that records entry and exit data and  
46 does not transmit the data in real time to an on-site or off-site monitoring  
47 location, provided the installer is licensed by the North Carolina Locksmith  
48 Licensing Board.

49 (b) A person licensed under this Chapter may hire a consultant to troubleshoot a location  
50 or installation for a period of time not to exceed 48 hours in a one-month period if the licensee

1 submits a report to the Board within 30 days from the date of the consultation designating the  
2 consultant as a temporary consultant.

3 **"§ 74D-4. ~~Alarm~~Electronic Security Systems Licensing Board.**

4 (a) ~~The Alarm~~Electronic Security Systems Licensing Board is hereby established.

5 (b) The Board shall consist of seven members: the Secretary of Public Safety or his or  
6 her designee; two persons appointed by the Governor, one of whom shall be licensed under this  
7 Chapter and one of whom shall be a public member; two persons appointed by the General  
8 Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance  
9 with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be  
10 a public member; and two persons appointed by the General Assembly upon the recommendation  
11 of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom  
12 shall be licensed under this Chapter and one of whom shall be a public member.

13 (c) Each member shall be appointed for a term of three years and shall serve until a  
14 successor is installed. ~~No~~With the exception of the Secretary or his or her designee, no member  
15 shall serve more than two complete three-year consecutive terms. ~~The term of each member,~~  
16 ~~other than the Attorney General or his designee, who is serving on August 7, 1989, shall terminate~~  
17 ~~on June 30, 1989. Of the appointments made by the General Assembly upon the recommendation~~  
18 ~~of the President of the Senate to begin on July 1, 1989, one member shall be for a term of one~~  
19 ~~year and one member shall be for a term of three years. Of the appointments made by the General~~  
20 ~~Assembly upon the recommendation of the Speaker of the House of Representatives, one member~~  
21 ~~shall be appointed for a term of two years and one member shall be appointed for a term of three~~  
22 ~~years. Thereafter all terms shall be for three years.~~

23 ...

24 (f) The Board shall elect a ~~chairman~~chair and a ~~vice-chairman~~vice-chair from its  
25 membership by majority vote at the first meeting of its fiscal year. The ~~vice-chairman~~vice-chair  
26 shall serve as ~~chairman~~chair of the screening committee and shall also serve as ~~chairman~~chair  
27 in the ~~chairman's~~chair's absence. At no time shall both the positions of ~~chairman~~chair and  
28 ~~vice-chairman~~vice-chair be held by either an industry representative or a nonindustry  
29 representative.

30 (g) The Board shall meet at the call of the ~~chairman~~chair or a majority of the members  
31 of the Board. The Board shall adopt rules governing the call and conduct of its meetings. A  
32 majority of the current Board membership constitutes a quorum.

33 ...

34 **"§ 74D-5. Powers of the Board.**

35 (a) In addition to the powers conferred upon the Board elsewhere in this Chapter, the  
36 Board shall have the power ~~to~~to do the following:

- 37 (1) Promulgate rules necessary to carry out and administer the provisions of this  
38 Chapter including the authority to require the submission of reports and  
39 information by licensees under this ~~Chapter;~~Chapter.
- 40 (2) Determine minimum qualifications and establish minimum education,  
41 experience, and training standards for ~~applicants and~~applicants, licensees and  
42 registrants under this ~~Chapter;~~Chapter.
- 43 (3) Conduct investigations regarding alleged violations and make evaluations as  
44 may be necessary to determine if unlicensed individuals or entities are in  
45 violation of this Chapter and licensees and registrants under this Chapter are  
46 complying with the provisions of this ~~Chapter;~~Chapter. With the concurrence  
47 of the Secretary of Public Safety, the Board shall issue, in writing, cease and  
48 desist orders for violations of this Chapter.
- 49 (4) Adopt and amend bylaws, consistent with law, for its internal management  
50 and ~~control;~~control.

- 1 (5) Investigate and approve individual applicants to be licensed or registered  
 2 according to ~~this Chapter;~~Chapter.
- 3 (6) Deny, suspend, or revoke any license issued or to be issued under this Chapter  
 4 to any ~~applicant or licensee~~applicant, licensee, or registrant who fails to  
 5 satisfy the requirements of this Chapter or the rules established by the Board.  
 6 The denial, suspension, or revocation of such license ~~or registration~~ shall be  
 7 in accordance with Chapter 150B of ~~this the~~ General Statutes of North  
 8 Carolina;~~Statutes.~~
- 9 (7) Issue subpoenas to compel the attendance of witnesses and the production of  
 10 pertinent books, accounts, records, and documents. The district court shall  
 11 have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts  
 12 occurring in matters pending before the Board which would constitute civil  
 13 contempt if the acts occurred in an action pending in ~~court; and~~court.
- 14 (8) Contract for services as necessary to carry out the functions of the Board.
- 15 (9) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property  
 16 in the same manner as a private person or corporation, subject only to approval  
 17 of the Governor and the Council of State. Collateral pledged by the Board for  
 18 an encumbrance is limited to the assets, income, and revenues of the Board.

19 (b) The ~~chairman~~chair of the Board or his or her representative designated to be a hearing  
 20 officer may conduct any hearing called by the board for the purpose of denial, suspension, or  
 21 revocation of a license or registration under this Chapter.

22 (c) The regulation of electronic security businesses shall be exclusive to the Board;  
 23 however, any city or county shall be permitted to require an electronic security business operating  
 24 within its jurisdiction to register and to supply information regarding its license and may adopt  
 25 an ordinance to require users of electronic security systems to obtain revocable permits when  
 26 alarm usage involves automatic signal transmission to a law enforcement agency.

27 **"§ 74D-5.1. Position of Director created.**

28 The position of Director of the ~~Alarm~~Electronic Security Systems Licensing Board is hereby  
 29 created within the Department of Public Safety. The Secretary of Public Safety shall appoint a  
 30 person to fill this full-time position. The Director's duties shall be to administer the directives  
 31 contained in this Chapter and the rules ~~promulgated~~adopted by the Board to implement this  
 32 Chapter and to carry out the administrative duties incident to the functioning of the Board in  
 33 order to actively police the ~~alarm~~electronic security systems industry to insure compliance with  
 34 the law in all aspects. The Director may issue a temporary grant or denial of a request for  
 35 registration subject to final action by the Board at its next regularly scheduled meeting.

36 **"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.**

37 The Secretary of Public Safety shall have the power to investigate or cause to be investigated  
 38 any complaints, allegations, or suspicions of wrongdoing or violations of this Chapter involving  
 39 individuals unlicensed, licensed, or to be licensed, under this Chapter. Any investigation  
 40 conducted pursuant to this section is deemed confidential and is not subject to review under  
 41 G.S. 132-1 until the investigation is complete and a report is presented to the Board. However,  
 42 the report may be released to the licensee after the investigation is complete but before the report  
 43 is presented to the Board.

44 **"§ 74D-6. Denial of a ~~license or~~ registration.**

45 Upon a ~~finding that the applicant meets the requirements for licensure or receipt of an~~  
 46 application for registration under this Chapter, G.S. 74D-8, the Board shall determine whether  
 47 the applicant shall receive the ~~license or~~ registration applied for. The grounds for denial  
 48 ~~include;~~include the following:

- 49 (1) Commission of some act which, if committed by a registrant or licensee,  
 50 would be grounds for the suspension or revocation of a registration or license  
 51 under this ~~Chapter;~~Chapter.

- 1           (2)    Conviction of a crime involving ~~fraud;~~the illegal use, carrying, or possession  
2               of a firearm, felonious assault or an act of violence, felonious sexual offense,  
3               felonious larceny, or felonious fraud. For purposes of this subsection,  
4               "conviction" means and includes the entry of a plea of guilty, plea of no  
5               contest, or a verdict entered in open court by a judge or jury, including a prayer  
6               for judgment continued, adjudication withheld, or equivalent disposition.
- 7           (3)    Lack of good moral character or temperate habits. The following  
8               misdemeanor convictions within 10 years of the date of the application shall  
9               be prima facie evidence that the applicant does not have good moral character  
10              or temperate habits: conviction by any local, State, federal, or military court  
11              of any crime involving the illegal use, carrying, or possession of a firearm;  
12              conviction of any crime involving the illegal use, possession, sale,  
13              manufacture, distribution, or transportation of a controlled substance, drug,  
14              narcotic, or alcoholic beverages; conviction of a crime involving ~~felonious~~  
15              assault or an act of violence; conviction of a crime involving unlawful  
16              breaking or entering, burglary or larceny or of any offense involving moral  
17              turpitude; conviction of a crime involving a sexual offense; or a history of  
18              addiction to alcohol or a narcotic drug; provided that, for purposes of this  
19              subsection "conviction" means and includes the entry of a plea of guilty, plea  
20              of no contest, or a verdict rendered in open court by a judge or ~~jury;~~jury,  
21              including a prayer for judgment continued, adjudication withheld, or  
22              equivalent disposition.
- 23           (4)    Previous denial under this Chapter or previous revocation for ~~cause;~~cause.
- 24           (5)    Knowingly making any false statement or misrepresentation in an application  
25              made to the Board for a license or registration.
- 26           (6)    Registration as a sex offender in this State or any other state.

27 **"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

28       ...

29       (d)    Any branch office ~~of in this State with an alarm~~electronic security systems business  
30 shall obtain a branch office certificate. A separate certificate stating the location and licensed  
31 qualifying agent shall be posted at all times in a conspicuous place in each branch office. Every  
32 business covered under the provisions of this Chapter shall file in writing with the Board the  
33 addresses of each of its branch ~~offices.~~offices in this State. All licensees ~~of with~~ a branch office  
34 shall notify the Board in writing before the establishment, closing, or changing of the location of  
35 any branch ~~office.~~office in this State. ~~A licensed qualifying agent may be responsible for more~~  
36 ~~than one branch office of an alarm systems business with the prior approval of the Board.~~  
37 Temporary approval may be granted by the Director, upon application of the qualifying agent,  
38 for a period of time not to exceed ~~10 working~~ 45 days after the adjournment of the next regularly  
39 scheduled meeting of the Board unless the Board determines that the application should be  
40 denied.

41       ...

42 **"§ 74D-8. Registration of persons employed.**

- 43       (a)    (1)    A licensee of an ~~alarm~~electronic security systems business shall register with  
44 the Board within 30 days after the employment begins, all of the following  
45 employees of the licensee that are within the State, unless in the discretion of  
46 the Director, the time period is extended for good cause:
  - 47           a.       Any employee that has access to confidential information detailing the  
48                    design, installation, or application of any location specific electronic  
49                    security system or that has access to any code, number, or program  
50                    that would allow the system to be modified, altered, or circumvented.

b. Any employee who installs or services an electronic security system in a commercial business establishment or a personal residence. Employees engaged only in sales or marketing that does not involve any of the above are not required to be registered.

(1a) To register an employee, a licensee shall submit to the Board as to the employee: ~~set(s) two sets~~ of classifiable fingerprints on standard F.B.I. applicant cards; ~~two recent color photograph(s) photographs~~ of acceptable quality for identification; ~~and~~ statements of any criminal records as deemed appropriate by the ~~Board~~ Board; and the fee authorized under G.S. 74D-7(e)(4).

(1b) A licensee may employ an applicant for registration as a probationary employee for 20 consecutive days. Upon completion of the probationary period and the desire of the licensee to hire the registration applicant as a regular employee, the licensee shall register the employee described in subdivision (a)(1) of this section with the Board within 30 days after the probationary employment period ends, unless the Director extends the time period for good cause. Before a probationary employee engages in electronic security systems services, the employee shall complete any training requirements, and the licensee shall conduct a criminal record check on the employee, as the Board deems appropriate. The licensee shall submit a list of the probationary employees to the Director on a monthly basis. The list shall include the name, address, Social Security number, and dates of employment of the employees.

(2) Except during the probationary period and the time allowed for registration in subdivision (a)(1) of this section, no ~~alarm~~ electronic security systems business may employ any employee required to be registered by this Chapter unless the employee's registration has been approved by the Board as set forth in this section.

...  
**"§ 74D-8.1. Apprenticeship registration permit.**

(a) The Board may issue an apprenticeship registration permit to an applicant who is 16 or 17 years old ~~and currently enrolled in high school~~ if the applicant holds a valid drivers license ~~and~~ submits at least three letters of recommendation stating that the applicant is of good moral character as provided in G.S. 74D-2(d)(2). The letters of recommendation shall be from persons who are not related to the ~~individual, and at least one of the letters shall be from an official at the school where the applicant is currently enrolled.~~ individual.

...  
**"§ 74D-9. Certificate of liability insurance required; form and approval; suspension for noncompliance.**

(d) No license shall be issued under this act unless the applicant files with the Board evidence of a policy of liability insurance which policy must provide for the following minimum coverage: two hundred fifty thousand dollars ~~(\$50,000) (\$250,000)~~ because of bodily injury or death of one person as a result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her employment; subject to said limit for one person, one five hundred thousand dollars ~~(\$100,000) (\$500,000)~~ because of bodily injury or death of two or more persons as the result of the negligent act or acts of the principal insured or his or her agent operating in the course and scope of his or her agency; twenty one hundred thousand dollars ~~(\$20,000) (\$100,000)~~ because of injury to or destruction of property of others as the result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her agency.



1 ...  
2 **"§ 74D-10. Suspension or revocation of licenses and registrations; appeal.**  
3 (a) The Board may, after notice and an opportunity for hearing, suspend or revoke a  
4 license or registration issued under this Chapter if it is determined that the licensee or registrant  
5 has:

- 6 ...
- 7 (3) Violated any rule ~~promulgated~~ adopted by the Board pursuant to the authority  
8 contained in this Chapter.
- 9 (4) Been convicted of any felony set forth in G.S. 74D-6(2) or any crime  
10 involving moral turpitude or any other crime involving violence or the illegal  
11 use, carrying, or possession of a dangerous weapon as set forth in  
12 G.S. 74D-6(3).
- 13 ...
- 14 (7) Engaged in or permitted any employee to engage in any ~~alarm~~ electronic  
15 security systems business when not lawfully in possession of a valid ~~license~~  
16 registration issued under the provisions of this Chapter.
- 17 (8) Committed an unlawful breaking or entering, burglary, larceny, assault,  
18 battery, or kidnapping. ~~kidnapping, sexual offense, trespassing, or fraud.~~
- 19 ...
- 20 (10) Failed to maintain the certificate of liability insurance required by this  
21 Chapter.
- 22 ...
- 23 (15) Engaged in the ~~alarm~~ electronic security systems profession under a name  
24 other than the name under which the license was obtained under the provisions  
25 of this Chapter.
- 26 ...
- 27 (19) Engaged in conduct that constitutes dereliction of duty or otherwise deceives,  
28 defrauds, or harms the public in the course of professional activities or  
29 ~~services.~~ services, including fraudulently claiming a change in business  
30 ownership, fraudulently claiming dissolution of a competing business,  
31 fraudulently claiming to be a representative of the consumer's current service  
32 provider, misrepresentation of employer, or misrepresenting an upgrade of  
33 equipment as a sales tactic.

34 ...  
35 **"§ 74D-11. Enforcement.**

36 ...  
37 (b) Any person, firm, association, corporation, or department or division of a firm,  
38 association or corporation, or their agents and employees violating any of the provisions of this  
39 Chapter or knowingly violating any rule promulgated to implement this Chapter shall be guilty  
40 of a Class 1 misdemeanor. The Attorney General, or his or her representative, shall have  
41 concurrent jurisdiction with the district attorneys of this State to prosecute violations of this  
42 Chapter.

43 ~~(c) The regulation of alarm systems businesses shall be exclusive to the Board; however,~~  
44 ~~any city or county shall be permitted to require an alarm systems business operating within its~~  
45 ~~jurisdiction to register and to supply information regarding its license, and may adopt an~~  
46 ~~ordinance to require users of alarm systems to obtain revocable permits when alarm usage~~  
47 ~~involves automatic signal transmission to a law enforcement agency.~~

48 ...  
49 (e) Proceedings for the assessment of civil penalties shall be governed by Chapter 150B  
50 of the General Statutes. If the person assessed a penalty fails to pay the penalty to the Board, the  
51 Board may institute an action in the superior court of the county in which the person resides or

1 has his or her principal place of business to recover the unpaid amount of the penalty. An action  
2 to recover a civil penalty under this section shall not relieve any party from any other penalty  
3 prescribed by law.

4 (f) The sale, installation, or service of an ~~alarm~~electronic security system by an  
5 unlicensed or unregistered person shall constitute a threat to the public safety, and any contract  
6 for the sale, installation, or service of an ~~alarm~~electronic security system shall be deemed void  
7 and unenforceable.

8 ...

9 **~~"§ 74D-13. Transfer of funds.~~**

10 ~~All fees collected pursuant to Chapter 74C of the General Statutes from alarm systems~~  
11 ~~businesses which have not been expended upon January 1, 1984, shall be transferred to the Board~~  
12 ~~by the Private Protective Services Board for the purpose of defraying the expenses of~~  
13 ~~administering this act.~~

14 **"§ 74D-14. Proof of licensure to maintain or commence action.**

15 An ~~alarm~~electronic security systems business may not maintain any action in any court of  
16 the State for the collection of compensation for performing an act for which a license or  
17 registration is required by this Chapter without alleging and proving that the ~~alarm~~electronic  
18 security systems business is appropriately licensed and the employee or agent of the ~~alarm~~electronic  
19 security systems business is appropriately registered upon entering into a contract with  
20 the consumer. An ~~alarm~~electronic security systems installation, maintenance, or monitoring  
21 contract entered into with a consumer shall be void if the consumer confirms through records  
22 maintained by the Board that the ~~alarm~~electronic security systems business is not properly  
23 licensed or the consumer establishes through records maintained by the Board that the person  
24 enticing the consumer to enter into the contract is not properly registered by the Board. The sale,  
25 installation, or service of an ~~alarm~~electronic security system by an unlicensed entity or  
26 unregistered employee shall be deemed an unfair and deceptive trade practice and shall be  
27 actionable under Chapter 75 of the General Statutes.

28 ...

29 "Article 2.

30 ~~"Alarm-Electronic Security Systems Education Fund.~~

31 **~~"§ 74D-30. Alarm-Electronic Security Systems Education Fund created; payment to Fund;~~**  
32 **~~management; use of funds.~~**

33 (a) There is hereby created and established a special fund to be known as the "~~Alarm~~  
34 Electronic Security Systems Education Fund" (hereinafter Fund) which shall be set aside and  
35 maintained in the office of the State Treasurer. The Fund shall be used in the manner provided  
36 in this Article for the education of licensees and registrants.

37 ...

38 (c) In addition to the fees provided for elsewhere in this Chapter, the Board shall charge  
39 the following fees which shall be deposited into the Fund:

- 40 (1) On July 1, 1985, the Board shall charge every licensee on that date a fee of  
41 fifty dollars ~~(\$50.00); (\$50.00).~~
- 42 (2) The Board shall charge each new applicant for a license fifty dollars (\$50.00),  
43 provided that for purposes of this Article a new applicant is hereby defined as  
44 an applicant who did not possess a license on July 1, ~~1985; and~~ 1985.
- 45 (3) The Board is authorized to charge each licensee an additional amount, not to  
46 exceed fifty dollars (\$50.00), on July 1 of any year in which the balance of the  
47 Fund is less than twenty-five thousand dollars (\$25,000).

48 (d) The State Treasurer shall invest and reinvest the moneys in the Fund in a manner  
49 provided by law. The Board in its discretion, may use the Fund for any of the following purposes:

- 1           (1)    To advance education and research in the ~~alarm~~-electronic security systems  
2           field for the benefit of those licensed under the provisions of this Chapter and  
3           for the improvement of the industry,  
4           (2)    To underwrite educational seminars, training centers and other educational  
5           projects for the use and benefit generally of licensees, and  
6           (3)    To sponsor, contract for and to underwrite any and all additional educational  
7           training and research projects of a similar nature having to do with the  
8           advancement of the ~~alarm~~-electronic security systems field in North Carolina."  
9

10 **PART III. EFFECTIVE DATE**

11           **SECTION 3.** Section 1.1 of this act becomes effective July 1, 2020. The remainder  
12 of this act becomes effective July 1, 2019.