

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 933

Short Title: Alarm Systems Licensing Act/Revisions. (Public)

Sponsors: Representatives Boles and Hardister (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance, if favorable, Rules, Calendar, and Operations of the House

May 12, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALARMS SYSTEMS LICENSING
3 ACT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1.(a) Chapter 74D of the General Statutes reads as rewritten:

6 "Chapter 74D.

7 "~~Alarm~~Electronic Security Systems.

8 "Article 1.

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

10 "§ 74D-1. Title.

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

12 "§ 74D-2. ~~License~~Business and qualifying agent license requirements.

13 (a) License Required. – No person, firm, association, corporation, or department or
14 division of a firm, association or corporation, shall engage in or hold itself out as engaging in an
15 ~~alarm~~electronic security systems business without first being licensed in accordance with this
16 Chapter. A department or division of a firm, association, or corporation may be separately
17 licensed under this Chapter if the distinct department or division, as opposed to the firm,
18 association, or corporation as a whole, engages in an ~~alarm~~electronic security systems business.
19 The department or division shall ensure strict confidentiality of private security information, and
20 the private security information of the department or division must, at a minimum, be physically
21 separated from other premises of the firm, association, or corporation. For purposes of this
22 Chapter an "~~alarm~~electronic security systems business" is defined as any person, firm,
23 association or corporation that does any of the following:

24 (1) ~~Sells~~Unless otherwise exempt, sells or attempts to sell an ~~alarm~~electronic
25 security system device ~~by engaging in a~~any ~~personal solicitation at a~~
26 ~~residence or business~~to advise, design, or consult on specific types and
27 specific locations of ~~alarm~~electronic security system devices.

28 (2) ~~Installs~~Unless otherwise exempt, installs, services, monitors, or responds to
29 electrical, wireless or hardwired ~~electronic or mechanical alarm signal~~
30 ~~devices, devices and security systems, integrated automation of a residence or~~
31 business that includes a security element, burglar alarms, monitored access
32 control, or cameras used to detect or observe ~~burglary, breaking or entering,~~
33 ~~intrusion, shoplifting, pilferage, theft, or other unauthorized or other illegal~~
34 ~~activity. This provision shall not apply to a locking device that records entry~~
35 ~~and exit data and does not transmit the data in real time to an on-site or off-site~~



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1 ~~monitoring location, provided the installer is duly licensed by the North~~
2 ~~Carolina Locksmith Licensing Board.~~

3 ...
4 (c) ~~Qualifying Agent. – A business entity that engages in the alarm systems business is~~
5 required to be licensed under this Chapter is subject to all of the requirements listed in this
6 subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent"
7 is an individual who is a full-time employee in a management position who is licensed under this
8 Chapter and whose name and address have been registered with the Board. The requirements are:

9 (1) The business entity shall employ a designated qualifying agent who meets the
10 requirements for a license issued under and who is, in fact, licensed under the
11 provisions of this Chapter, unless otherwise approved by the Board. Service
12 upon the qualifying agent appointed by the business entity of any process,
13 notice or demand required by or permitted by law to be served upon the
14 business entity by the ~~Alarm-Electronic Security Systems~~ Licensing Board
15 shall be binding upon the licensed business entity. Nothing herein contained
16 shall limit or affect the right to serve any process, notice or demand required
17 or permitted by law to be served upon a business entity in any other manner
18 or hereafter permitted by law.

19 ...
20 (3) In the event that the qualifying agent upon whom the business entity relies in
21 order to do business ceases to perform his duties as qualifying agent, the
22 business entity shall notify the board in writing by letter or using the Board's
23 online form within 10 working days. The business entity must obtain a
24 substitute qualifying agent within 90 days after the original qualifying agent
25 ceases to serve as qualifying agent. The Director, in his or her discretion, may
26 extend the 90-day period for good cause by an additional 30 days upon a
27 written request of an officer of the company.

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

31 ...
32 (6) The qualifying agent shall be responsible for maintaining a current address
33 and other contact information with the Board.

34 (d) ~~Criminal Record Check. – Minimum Qualifications for Qualifying Agent. – An~~
35 applicant must for qualifying agent shall meet all of the following requirements and qualifications
36 determined by a background investigation conducted by the Board in accordance with
37 ~~G.S. 74D-2.1 and upon receipt of an application:~~ G.S. 74D-2.1:

38 (1) The applicant is at least 18 years of age.

39 (2) The applicant is of good moral character and temperate habits. The following
40 shall be prima facie evidence that the applicant does not have good moral
41 character or temperate habits: conviction by any local, State, federal, or
42 military court of any crime involving the illegal use, carrying, or possession
43 of a firearm; conviction of any crime involving the illegal use, possession,
44 sale, manufacture, distribution or transportation of a controlled substance,
45 drug, narcotic, or alcoholic beverages; conviction of a crime involving
46 felonious assault or an act of violence; conviction of a crime involving
47 unlawful breaking or entering, burglary, larceny, or of any offense involving
48 moral turpitude; or a history of addiction to alcohol or a narcotic drug;
49 provided that, for purposes of this subsection, "conviction" means and
50 includes the entry of a plea of guilty, plea of no contest, or a verdict rendered

1 in open court by a judge or ~~jury-jury~~, including a prayer for judgment
2 continued, adjudication withheld, or equivalent.

3 (3) The applicant has the necessary training, qualifications and experience to be
4 licensed.

5 (4) The applicant has successfully completed or kept current a Certified Alarm
6 Technician Level II course offered by the Electronic Security System
7 Association.

8 (5) The applicant has proof of how in-State activities of the licensee are to be
9 monitored, including a business plan setting forth the type of activities to be
10 performed in this State, such as telephone solicitation, residential and
11 commercial installation, or monitoring. The applicant must update the plan
12 promptly as activities change.

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

15 ...

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

24 "**§ 74D-2.1. Criminal background checks.**

25 (a) Authorization. – Upon receipt of an application for a license or registration, the Board
26 shall conduct a background investigation to determine whether the applicant meets the
27 requirements for a license or registration as set out in G.S. 74D-2(d). ~~The Department State~~
28 ~~Bureau of Public Safety Investigation, Division of Criminal Information Network,~~ may provide
29 a criminal record check to the Board for a person who has applied for a new or renewal license
30 or registration through the Board. The Board shall provide to the ~~Department of Public Safety,~~
31 ~~State Bureau of Investigation,~~ along with the request, the fingerprints of a new applicant, and the
32 ~~Department of Public Safety State Bureau of Investigation~~ shall provide a criminal record check
33 based upon the applicant's fingerprints. The Board may request a criminal record check from the
34 ~~Department of Public Safety State Bureau of Investigation~~ for a renewal applicant based upon
35 the applicant's fingerprints in accordance with policy adopted by the Board. The Board shall
36 provide any additional information required by the ~~Department of Public Safety State Bureau of~~
37 ~~Investigation~~ and a form signed by the applicant consenting to the check of the criminal record
38 and to the use of the fingerprints and other identifying information required by the State or
39 national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of
40 Investigation for a search of the State's criminal history record file, and the State Bureau of
41 Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a
42 national criminal history check. ~~The Department of Public Safety State Bureau of Investigation~~
43 may charge each applicant a fee to be collected by the Board and transmitted to the State Bureau
44 of Investigation for conducting the checks of criminal history records authorized by this
45 subsection.

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

49 (b) Confidentiality. – ~~The~~ Except as necessary to support the denial of an application or
50 a disciplinary matter in a contested case, the Board shall keep all information obtained pursuant

1 to this section confidential in accordance with applicable State law and federal guidelines, and
2 the information shall not be a public record under Chapter 132 of the General Statutes.

3 **"§ 74D-3. Exemptions.**

4 The provisions of this Chapter shall not apply ~~to~~ to the following:

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

38 (b) A person licensed under this Chapter may hire a consultant to troubleshoot a location
39 or installation for a period of time not to exceed 48 hours in a one-month period if the licensee
40 submits a report to the Board within 30 days from the date of the consultation designating the
41 consultant as a temporary consultant.

42 **"§ 74D-4. Alarm-Electronic Security Systems Licensing Board.**

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

44 (b) The Board shall consist of seven members: the Secretary of Public Safety or his or
45 her designee; two persons appointed by the Governor, one of whom shall be licensed under this
46 Chapter and one of whom shall be a public member; two persons appointed by the General
47 Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance
48 with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be
49 a public member; and two persons appointed by the General Assembly upon the recommendation
50 of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom
51 shall be licensed under this Chapter and one of whom shall be a public member.

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

11 ...

12 (e) Board members who are also State officers or employees shall receive no per diem
13 compensation for serving on the Board, and shall only receive the travel allowances set forth in
14 G.S. 138-6. All other Board members shall receive reimbursement in accordance with
15 G.S. 93B-5(b) and, notwithstanding G.S. 93B-5(a), shall receive as compensation for their
16 services per diem not to exceed one hundred dollars (\$100.00) for each day during which they
17 are engaged in the official business of the Board. The Board shall set the travel allowance and
18 per diem compensation of Board members who are not also State officers or employees.

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

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

28 **"§ 74D-5. Powers of the Board.**

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

- 31 (1) Promulgate rules necessary to carry out and administer the provisions of this
32 Chapter including the authority to require the submission of reports and
33 information by licensees under this ~~Chapter;~~ Chapter.
- 34 (2) Determine minimum qualifications and establish minimum education,
35 experience, and training standards for ~~applicants and licensees~~ applicants,
36 licensees, and registrants under this ~~Chapter;~~ Chapter.
- 37 (3) Conduct investigations regarding alleged violations and make evaluations as
38 may be necessary to determine if unlicensed individuals or entities are in
39 violation of this Chapter, and licensees and registrants under this Chapter are
40 complying with the provisions of this ~~Chapter;~~ Chapter. The Board shall issue
41 cease and desist orders, in writing, for violations of this Chapter with the
42 concurrence of the Secretary of Public Safety.
- 43 (4) Adopt and amend bylaws, consistent with law, for its internal management
44 and ~~control;~~ control.
- 45 (5) Investigate and approve individual applicants to be licensed or registered
46 according this ~~Chapter;~~ Chapter.
- 47 (6) Deny, suspend, or revoke any license issued or to be issued under this Chapter
48 to any ~~applicant or licensee~~ applicant, licensee, or registrant who fails to
49 satisfy the requirements of this Chapter or the rules established by the Board.
50 The denial, suspension, or revocation of such license or registration shall be

1 in accordance with Chapter 150B of this General Statutes of North
2 ~~Carolina; Carolina.~~

3 (7) Issue subpoenas to compel the attendance of witnesses and the production of
4 pertinent books, accounts, records, and documents. The district court shall
5 have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts
6 occurring in matters pending before the Board which would constitute civil
7 contempt if the acts occurred in an action pending in ~~court; and court.~~

8 (8) Contract for services as necessary to carry out the functions of the Board.

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

13 (b) The chairman of the Board or his representative designated to be a hearing officer
14 may conduct any hearing called by the board for the purpose of denial, suspension, or revocation
15 of a license or registration under this Chapter.

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

21 **"§ 74D-5.1. Position of Director created.**

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

30 **"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.**

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

38 **"§ 74D-6. Denial of a license or registration.**

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

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

46 (2) Conviction of a crime involving ~~fraud;~~ the illegal use, carrying, or possession
47 of a firearm, felonious assault or an act of violence, felonious sexual offense,
48 felonious larceny, or felonious fraud. For purposes of this subdivision,
49 "conviction" means and includes the entry of a plea of guilty, plea of no
50 contest, or a verdict entered in open court by a judge or jury, including a prayer
51 for judgment continued, adjudication withheld, or equivalent.

(3) Lack of good moral character or temperate habits. The following misdemeanor convictions within 10 years of the date of the application shall be prima facie evidence that the applicant does not have good moral character or temperate habits: conviction by any local, State, federal, or military court of any crime involving the illegal use, carrying, or possession of a firearm; conviction of any crime involving the illegal use, possession, sale, manufacture, distribution, or transportation of a controlled substance, drug, narcotic, or alcoholic beverages; conviction of a crime involving ~~felonious~~ assault or an act of violence; conviction of a crime involving unlawful breaking or entering, burglary or ~~larceny or of any offense involving moral turpitude~~; larceny; conviction of a crime involving a sexual offense; or a history of addiction to alcohol or a narcotic drug; provided that, for purposes of this ~~subsection~~ subdivision, "conviction" means and includes the entry of a plea of guilty, plea of no contest, or a verdict rendered in open court by a judge or ~~jury~~; jury, including a prayer for judgment continued, adjudication withheld, or equivalent.

(4) Previous denial under this Chapter or previous revocation for ~~cause~~; cause.

(5) Knowingly making any false statement or misrepresentation in an application made to the Board for a license or registration.

(6) Being a registered sex offender in this State or any other state.

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

...

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

...

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

(a) (1) A licensee of an ~~alarm-electronic security systems business~~ shall register with the Board within 30 days after the employment begins, all of the ~~following licensee's employees described in subdivision (1a) of this subsection~~ that are within the State, unless in the discretion of the Director, the time period is extended for good ~~cause~~; cause.

(1a) The following employees shall be registered with the Board:

a. Any employee that has access to ~~confidential~~ any information detailing the design, installation, or application of any ~~location-specific~~ electronic security system or ~~that~~ has access to any code, number, or program that would allow the system to be modified, altered, or circumvented.

b. Any employee who conducts personal sales in a private residence or 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)(1b) To register an employee, a licensee shall submit to the Board as to the employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards; recent color photograph(s) of acceptable quality for identification; and statements of any criminal records as deemed appropriate by the Board.

(2) Except during the period 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.

(3) 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, as described in this subsection, with the Board within 30 days after the probationary employment period ends unless the Director, in the Director's discretion, extends the time period for good cause. Before a probationary employee engages in electronic 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.

...
"§ 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: ~~fifty 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 agents operating in the course and scope of his 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 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 agents operating in the course and scope of his or her agency.

...
"§ 74D-10. Suspension or revocation of licenses and registrations; appeal.

(a) The Board may, after notice and an opportunity for hearing, suspend or revoke a license or registration issued under this Chapter if it is determined that the licensee or registrant has:

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

31 **"§ 74D-11. Enforcement.**

32 ...

33 (b) Any person, firm, association, corporation, or department or division of a firm,

34 association or corporation, or their agents and employees violating any of the provisions of this

35 Chapter or knowingly violating any rule promulgated to implement this Chapter shall be guilty

36 of a Class 1 misdemeanor. The Attorney General, or his or her representative, shall have

37 concurrent jurisdiction with the district attorneys of this State to prosecute violations of this

38 Chapter.

39 ~~(e) The regulation of alarm systems businesses shall be exclusive to the Board; however,~~

40 ~~any city or county shall be permitted to require an alarm systems business operating within its~~

41 ~~jurisdiction to register and to supply information regarding its license, and may adopt an~~

42 ~~ordinance to require users of alarm systems to obtain revocable permits when alarm usage~~

43 ~~involves automatic signal transmission to a law enforcement agency.~~

44 ...

45 (e) Proceedings for the assessment of civil penalties shall be governed by Chapter 150B

46 of the General Statutes. If the person assessed a penalty fails to pay the penalty to the Board, the

47 Board may institute an action in the superior court of the county in which the person resides or

48 has his or her principal place of business to recover the unpaid amount of the penalty. An action

49 to recover a civil penalty under this section shall not relieve any party from any other penalty

50 prescribed by law.

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

5 ...

6 **~~§ 74D-13. Transfer of funds.~~**

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

11 **"§ 74D-14. Proof of licensure to maintain or commence action.**

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

25 **SECTION 1.(b)** Article 2 of Chapter 74D of the General Statutes reads as rewritten:

26 "Article 2.

27 "~~Alarm~~Electronic Security Systems Education Fund.

28 **"§ 74D-30. ~~Alarm~~Electronic Security Systems Education Fund created; payment to Fund;**
29 **management; use of funds.**

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

34 ...

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

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

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

- 47 (1) To advance education and research in the ~~alarm~~electronic security systems
48 field for the benefit of those licensed under the provisions of this Chapter and
49 for the improvement of the ~~industry;~~industry.
- 50 (2) To underwrite educational seminars, training centers and other educational
51 projects for the use and benefit generally of ~~licensees, and~~licensees.

- 1 (3) To sponsor, contract for and to underwrite any and all additional educational
2 training and research projects of a similar nature having to do with the
3 advancement of the ~~alarm-electronic security~~ systems field in North Carolina."

4 **SECTION 2.** G.S. 74D-7 reads as rewritten:

5 **"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

6 (a) The license when issued shall be in a form determined by the Board and shall state all
7 of the following:

- 8 (1) The name of the licensee.
9 (2) The name under which the licensee is to operate.
10 (3) The number and expiration date of the license.

11 (b) The license shall be issued for a term of two years. Each license must be renewed
12 before expiration of the term of the license. Following issuance, the license shall at all times be
13 posted in a conspicuous place in the principal place of business of the licensee. A license issued
14 under this Chapter is not assignable.

15 (c) No licensee shall engage in any business regulated by this Chapter under a name other
16 than the licensee name or names which appear on the certificate issued by the Board.

17 (d) Any branch office ~~of with an alarm-electronic security systems~~ business shall obtain
18 a branch office certificate. A separate certificate stating the location and licensed qualifying agent
19 shall be posted at all times in a conspicuous place in each branch office. Every business covered
20 under the provisions of this Chapter shall file in writing with the Board the addresses of each of
21 its branch offices. All licensees ~~of with a~~ branch office shall notify the Board in writing before
22 the establishment, closing, or changing of the location of any branch office. ~~A licensed qualifying~~
23 ~~agent may be responsible for more than one branch office of an alarm systems business with the~~
24 ~~prior approval of the Board.~~ Temporary approval may be granted by the Director, upon
25 application of the qualifying agent, for a period of time not to exceed ~~10 working~~ 45 days after
26 the adjournment of the next regularly scheduled meeting of the Board unless the Board
27 determines that the application should be denied.

28 (e) The Board may charge the following fees, which must be expended, under the
29 direction of the Board, to defray the expense of administering this Chapter:

- 30 (1) A nonrefundable initial license application fee in an amount not to exceed ~~one~~
31 ~~five hundred fifty~~ dollars (\$150.00)-(\$500.00).
32 (2) A new or renewal license fee in an amount not to exceed ~~five hundred one~~
33 ~~thousand~~ dollars (\$500.00)-(\$1,000).
34 (3) A late license renewal fee to be paid in addition to the renewal fee due in an
35 amount not to exceed ~~one five hundred~~ dollars (\$100.00)-(\$500.00), if the
36 license has not been renewed on or before the expiration date of the license.
37 (4) A new or renewal registration fee in an amount not to exceed ~~fifty one hundred~~
38 ~~dollars (\$50.00)-(\$100.00)~~ plus any fees charged to the board-Board for
39 background checks by the State Bureau of Investigation.
40 (5) A fee for reregistration of an employee who changes employment to another
41 licensee, not to exceed ~~ten twenty-five~~ dollars (\$10.00)-(\$25.00).
42 (6) A branch office certificate fee not to exceed ~~one three hundred fifty~~
43 ~~dollars (\$150.00)-(\$300.00)~~.
44 ~~(7) A fee not to exceed fifty dollars (\$50.00) for each reconsideration of a license~~
45 ~~or registration permit that has been filed or returned to the applicant for~~
46 ~~correctable errors.~~
47 (8) A late registration fee, to be paid in addition to the registration renewal fee,
48 not to exceed ~~twenty forty~~ dollars (\$20.00)-(\$40.00) for an application
49 submitted no more than 30 days after the expiration of the registration permit.
50 A registration application submitted more than 30 days after the registration
51 has expired shall be registered as a new applicant."

1

SECTION 3. This act becomes effective October 1, 2021.