

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 345
PROPOSED COMMITTEE SUBSTITUTE S345-PCS15346-CKf-20

Short Title: Alarm Systems Licensing Act Modernization.

(Public)

Sponsors:

Referred to:

March 22, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALARM SYSTEMS LICENSING ACT.
3 The General Assembly of North Carolina enacts:

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

5 "Chapter 74D.

6 "~~Alarm~~Security Systems.

7 "Article 1.

8 "~~Alarm~~Security Systems Licensing Act.

9 "§ 74D-1. Title.

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

11 "§ 74D-2. ~~License~~Business and qualifying agent license requirements.

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

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

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



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1 ~~time to an on-site or off-site monitoring location, provided the installer is duly~~
2 ~~licensed by the North 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 Security Systems~~ Licensing Board shall be
15 binding upon the licensed business entity. Nothing herein ~~contained~~ shall limit
16 or affect the right to serve any process, notice or demand required or permitted
17 by law to be served upon a business entity in any other manner ~~or hereafter~~
18 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 or her duties as qualifying agent,
22 the business entity shall notify the board in writing by letter or using the
23 Board's online form within 10 working days. The business entity must obtain
24 a 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 Security Systems License. – 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:~~ qualifications:

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~~licensed, or the applicant has successfully completed or kept current
5 a Certified Alarm Technician Level I course offered by the Electronic Security
6 Association or equivalent course approved by the Board.

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

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

14 ...

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

23 **"§ 74D-2.1. Criminal background checks.**

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

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

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

51 **"§ 74D-3. Exemptions.**

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

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

35 (b) A person licensed under this Chapter may utilize a consultant or manufacturer's
36 representative to troubleshoot a location or installation if accompanied by the licensee and the
37 licensee submits a report to the Board within 30 days from the date of the consultation designating
38 the consultant as a temporary consultant.

39 **"§ 74D-4. ~~Alarm-Security~~ Systems Licensing Board.**

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

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

49 (c) Each member shall be appointed for a term of three years and shall serve until a
50 successor is installed. ~~No~~ With the exception of the Secretary or his or her designee, no member
51 shall serve more than two complete three-year consecutive terms.~~The term of each member,~~

1 other than the Attorney General or his designee, who is serving on August 7, 1989, shall terminate
2 on June 30, 1989. Of the appointments made by the General Assembly upon the recommendation
3 of the President of the Senate to begin on July 1, 1989, one member shall be for a term of one
4 year and one member shall be for a term of three years. Of the appointments made by the General
5 Assembly upon the recommendation of the Speaker of the House of Representatives, one member
6 shall be appointed for a term of two years and one member shall be appointed for a term of three
7 years. Thereafter all terms shall be for three years.

8 ...

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

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

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

25 "§ 74D-5. Powers of the Board.

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

- 28 (1) Promulgate rules necessary to carry out and administer the provisions of this
29 Chapter including the authority to require the submission of reports and
30 information by licensees under this ~~Chapter;~~Chapter.
- 31 (2) Determine minimum qualifications and establish minimum education,
32 experience, and training standards for ~~applicants and licensees~~ applicants,
33 licensees, and registrants under this ~~Chapter;~~Chapter.
- 34 (3) Conduct investigations regarding alleged violations and make evaluations as
35 may be necessary to determine if unlicensed individuals or entities are in
36 violation of this Chapter and licensees and registrants under this Chapter are
37 complying with the provisions of this ~~Chapter;~~Chapter. The Board shall issue
38 cease and desist orders, in writing, for violations of this Chapter with the
39 concurrence of the Secretary of Public Safety.
- 40 (4) Adopt and amend bylaws, consistent with law, for its internal management
41 and ~~control;~~control.
- 42 (5) Investigate and approve individual applicants to be licensed or registered
43 according to this Chapter;Chapter.
- 44 (6) Deny, suspend, or revoke any license issued or to be issued under this Chapter
45 to any ~~applicant or licensee~~ applicant, licensee, or registrant who fails to
46 satisfy the requirements of this Chapter or the rules established by the Board.
47 The denial, suspension, or revocation of such license or registration shall be
48 in accordance with Chapter 150B of this General Statutes of North
49 ~~Carolina;~~Carolina.
- 50 (7) Issue subpoenas to compel the attendance of witnesses and the production of
51 pertinent books, accounts, records, and documents. The district court shall

1 have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts
 2 occurring in matters pending before the Board which would constitute civil
 3 contempt if the acts occurred in an action pending in ~~court~~; and court.

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

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

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

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

17 **"§ 74D-5.1. Position of Director created.**

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

26 **"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.**

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

34 **"§ 74D-6. Denial of a license or registration.**

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

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

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

48 (3) Lack of good moral character or temperate habits. The following
 49 misdemeanor convictions shall be prima facie evidence that the applicant does
 50 not have good moral character or temperate habits: conviction by any local,
 51 State, federal, or military court of any crime involving the illegal use, carrying,

1 or possession of a firearm; conviction of any crime involving the illegal use,
 2 possession, sale, manufacture, distribution, or transportation of a controlled
 3 substance, drug, narcotic, or alcoholic beverages; conviction of a crime
 4 involving ~~felonious~~ assault or an act of violence; conviction of a crime
 5 involving unlawful breaking or entering, burglary or ~~larceny or of any offense~~
 6 ~~involving moral turpitude; larceny; conviction of a crime involving a sexual~~
 7 ~~offense; or a history of addiction to alcohol or a narcotic drug; provided that,~~
 8 for purposes of this ~~subsection~~ subdivision, "conviction" means and includes
 9 the entry of a plea of guilty, plea of no contest, or a verdict rendered in open
 10 court by a judge or ~~jury~~ jury, including a prayer for judgment continued,
 11 adjudication withheld, or equivalent.

- 12 (4) Previous denial under this Chapter or previous revocation for ~~cause~~ cause.
- 13 (5) Knowingly making any false statement or misrepresentation in an application
 14 made to the Board for a license or registration.
- 15 (6) Being a registered sex offender in this State or any other state.

16 ...
 17 **"§ 74D-8. Registration of persons employed.**

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

23 (1a) The following employees shall be registered with the Board:

- 24 a. Any employee that has access to ~~confidential~~ any information
 25 detailing the design, installation, or application of any ~~location specific~~
 26 ~~electronic~~ security system or ~~that~~ has access to any code, number, or
 27 program that would allow the system to be modified, altered, or
 28 circumvented.
- 29 b. Any employee who conducts personal sales in a private residence or
 30 who installs or services an electronic a security system in a commercial
 31 business establishment or a personal residence.

32 (1b) Employees engaged only in sales or marketing that does and not involve
 33 involved in any of the above activities described in subdivision (1a) of this
 34 subsection are not required to be registered.

35 ~~(1a)~~ (1c) To register an employee, a licensee shall submit to the Board as to the
 36 employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards;
 37 recent color photograph(s) of acceptable quality for identification; and
 38 statements of any criminal records as deemed appropriate by the Board.

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

43 (3) A licensee may employ an applicant for registration as a probationary
 44 employee for 20 consecutive days. Upon completion of the probationary
 45 period and the desire of the licensee to hire the registration applicant as a
 46 regular employee, the licensee shall register the employee, as described in this
 47 subsection, with the Board within 30 days after the probationary employment
 48 period ends unless the Director, in the Director's discretion, extends the time
 49 period for good cause. Before a probationary employee engages in systems
 50 services, the employee shall complete any training requirements and the
 51 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.~~ applicant.

...
"§ 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:

- ...
 (3) Violated any rule ~~promulgated~~ adopted by the Board pursuant to the authority contained in this Chapter.
- (4) Been convicted of any ~~crime involving moral turpitude or any other crime involving violence or the illegal use, carrying, or possession of a dangerous weapon-felony~~ as set forth in G.S. 74D-6(2) or any crime as set forth in G.S. 74D-6(3).
- ...
 (7) Engaged in or permitted any employee to engage in any ~~alarm~~ security systems business when not lawfully in possession of a valid ~~license~~ registration issued under the provisions of this Chapter.
- (8) Committed an unlawful breaking or entering, burglary, larceny, sexual offense, trespass, fraud, assault, battery, or kidnapping.
- (9) Committed any other act which is a ground for the denial of an application for a license or registration under this Chapter.
- (10) Failed to maintain the certificate of liability insurance required by this Chapter.

(15) Engaged in the ~~alarm-security~~ systems profession under a name other than the name under which the license was obtained under the provisions of this Chapter.

(19) Engaged in conduct that constitutes dereliction of duty or otherwise deceives, defrauds, or harms the public in the course of professional activities or ~~services-services~~, including fraudulently claiming a change in business ownership, fraudulently claiming dissolution of a competing business, fraudulently claiming to be a representative of the consumer's current service provider, misrepresentation of employer, or misrepresenting an upgrade of equipment as a sales tactic.

(20) Demonstrated a lack of financial responsibility.

"§ 74D-11. Enforcement.

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

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

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

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

~~**"§ 74D-13. Transfer of funds.**~~

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

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

~~An alarm-~~ A security systems business may not maintain any action in any court of the State for the collection of compensation for performing an act for which a license or registration is required by this Chapter without alleging and proving that the ~~alarm-security~~ systems business is appropriately licensed and the employee or agent of the ~~alarm-security~~ systems business is appropriately registered upon entering into a contract with the consumer. ~~An alarm-~~ A security systems installation, maintenance, or monitoring contract entered into with a consumer shall be void if the consumer confirms through records maintained by the Board that the ~~alarm-security~~ systems business is not properly licensed or the consumer establishes through records maintained

1 by the Board that the person enticing the consumer to enter into the contract is not properly
 2 registered by the Board. The sale, installation, or service of ~~an alarm~~ A security system by an
 3 unlicensed entity or unregistered employee shall be deemed an unfair and deceptive trade practice
 4 and shall be actionable under Chapter 75 of the General Statutes.

5"

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

7 "Article 2.

8 "~~Alarm~~ Security Systems Education Fund.

9 **"§ 74D-30. ~~Alarm~~ Security Systems Education Fund created; payment to Fund;
 10 management; use of funds.**

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

15 ...

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

18 (1) ~~On July 1, 1985, the Board shall charge every licensee on that date a fee of~~
 19 ~~fifty dollars (\$50.00);~~

20 (2) The Board shall charge each new applicant for a license ~~fifty dollars (\$50.00),~~
 21 ~~provided that for purposes of this Article a new applicant is hereby defined as~~
 22 ~~an applicant who did not possess a license on July 1, 1985; and~~ fifty dollars
 23 (\$50.00).

24 (3) The Board is authorized to charge each licensee an additional amount, not to
 25 exceed fifty dollars (\$50.00), on July 1 of any year in which the balance of the
 26 Fund is less than twenty-five thousand dollars (\$25,000).

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

29 (1) To advance education and research in the ~~alarm~~ security systems field for the
 30 benefit of those licensed under the provisions of this Chapter and for the
 31 improvement of the ~~industry,~~ industry.

32 (2) To underwrite educational seminars, training centers and other educational
 33 projects for the use and benefit generally of ~~licensees, and~~ licensees.

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

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

38 **"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

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

41 (1) The name of the licensee.

42 (2) The name under which the licensee is to operate.

43 (3) The number and expiration date of the license.

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

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

50 (d) Any security systems business with a branch office of an alarm systems business in
 51 this State shall obtain a branch office certificate. A separate certificate stating the location and

1 licensed qualifying agent shall be posted at all times in a conspicuous place in each branch office.
2 Every business covered under the provisions of this Chapter shall file in writing with the Board
3 the addresses of each of its branch ~~offices.~~ offices in this State. All licensees ~~of with~~ a branch
4 office shall notify the Board in writing before the establishment, closing, or changing of the
5 location of any branch office. ~~A licensed qualifying agent may be responsible for more than one~~
6 ~~branch office of an alarm systems business with the prior approval of the Board.~~ office in this
7 State. Temporary approval may be granted by the Director, upon application of the qualifying
8 agent, for a period of time not to exceed ~~10 working~~ 45 days after the adjournment of the next
9 regularly scheduled meeting of the Board unless the Board determines that the application should
10 be denied.

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

- 13 (1) A nonrefundable initial license application fee in an amount not to exceed ~~one~~
14 five hundred fifty dollars ~~(\$150.00).~~ (\$500.00).
- 15 (2) A new or renewal license fee in an amount not to exceed ~~five hundred one~~
16 thousand dollars ~~(\$500.00).~~ (\$1,000).
- 17 (3) A late license renewal fee to be paid in addition to the renewal fee due in an
18 amount not to exceed ~~one five hundred~~ dollars ~~(\$100.00).~~ (\$500.00) if the
19 license has not been renewed on or before the expiration date of the license.
- 20 (4) A new or renewal registration fee in an amount not to exceed ~~fifty one hundred~~
21 dollars ~~(\$50.00).~~ (\$100.00) plus any fees charged to the ~~board~~ Board for
22 background checks by the State Bureau of Investigation.
- 23 (5) A fee for reregistration of an employee who changes employment to another
24 licensee, not to exceed ~~ten twenty-five~~ dollars ~~(\$10.00).~~ (\$25.00).
- 25 (6) A branch office certificate fee not to exceed ~~one three hundred fifty~~ dollars
26 ~~(\$150.00).~~ (\$300.00).
- 27 (7) ~~A fee not to exceed fifty dollars (\$50.00) for each reconsideration of a license~~
28 ~~or registration permit that has been filed or returned to the applicant for~~
29 ~~correctable errors.~~
- 30 (8) A late registration fee, to be paid in addition to the registration renewal fee,
31 not to exceed ~~twenty forty~~ dollars ~~(\$20.00).~~ (\$40.00) for an application
32 submitted no more than 30 days after the expiration of the registration permit.
33 A registration application submitted more than 30 days after the registration
34 has expired shall be registered as a new applicant."

35 **SECTION 3.** This act becomes effective October 1, 2023.