

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 345  
State and Local Government Committee Substitute Adopted 5/23/23  
Finance Committee Substitute Adopted 6/26/23

Short Title: Alarm Systems Licensing/Machinery Act Changes.

(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 AND TO MODIFY THE MACHINERY ACT OF NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5  
6 **PART I. ALARM SYSTEMS LICENSING ACT MODERNIZATION**

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

8 **"Chapter 74D.**

9 **"~~Alarm~~ Security Systems.**

10 **"Article 1.**

11 **"~~Alarm~~ Security Systems Licensing Act.**

12 **"§ 74D-1. Title.**

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

14 **"§ 74D-2. License-Business and qualifying agent license requirements.**

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

- 26 (1) ~~Sells-Unless otherwise exempt, sells~~ or attempts to sell ~~an-alarm-a security~~  
27 system ~~device~~ by engaging in ~~a-any~~ personal solicitation ~~at a residence or~~  
28 ~~business~~ to advise, design, or consult on specific types and specific locations  
29 of ~~alarm-security~~ system devices.
- 30 (2) ~~Installs-Unless otherwise exempt, installs,~~ services, monitors, or responds to  
31 electrical, wireless, or hardwired electronic or mechanical alarm signal  
32 ~~devices,~~ devices and security systems, integrated automation of a residence or  
33 business that includes a security element, burglar alarms, monitored access  
34 control, or ~~cameras~~ cameras, analytic capturing devices, systems providing  
35 intelligence, or other imaging devices used to detect or observe burglary,



1 breaking or entering, intrusion, shoplifting, pilferage, theft, or other  
2 unauthorized or illegal activity. ~~This provision shall not apply to a locking~~  
3 ~~device that records entry and exit data and does not transmit the data in real~~  
4 ~~time to an on-site or off-site monitoring location, provided the installer is duly~~  
5 ~~licensed by the North Carolina Locksmith Licensing Board.~~

6 ...

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

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

22 ...

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

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

34 ...

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

37 (d) ~~Criminal Record Check.~~ Minimum Qualifications for Security Systems License. – An  
38 applicant ~~must for qualifying agent shall~~ meet all of the following requirements and ~~qualifications~~  
39 ~~determined by a background investigation conducted by the Board in accordance with~~  
40 ~~G.S. 74D 2.1 and upon receipt of an application:~~ qualifications:

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

42 (2) The applicant is of good moral character and temperate habits. The following  
43 shall be prima facie evidence that the applicant does not have good moral  
44 character or temperate habits: conviction by any local, State, federal, or  
45 military court of any crime involving the illegal use, carrying, or possession  
46 of a firearm; conviction of any crime involving the illegal use, possession,  
47 sale, manufacture, distribution or transportation of a controlled substance,  
48 drug, narcotic, or alcoholic beverages; conviction of a crime involving  
49 felonious assault or an act of violence; conviction of a crime involving  
50 unlawful breaking or entering, burglary, larceny, or of any offense involving  
51 moral turpitude; or a history of addiction to alcohol or a narcotic drug;

1 provided that, for purposes of this subsection, "conviction" means and  
2 includes the entry of a plea of guilty, plea of no contest, or a verdict rendered  
3 in open court by a judge or ~~jury-jury, including a prayer for judgment~~  
4 continued, adjudication withheld, or equivalent.

5 (3) The applicant has the necessary training, qualifications and experience to be  
6 licensed, licensed, or the applicant has successfully completed or kept current  
7 a Certified Alarm Technician Level I course offered by the Electronic Security  
8 Association or equivalent course approved by the Board.

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

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

16 ...

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

25 **"§ 74D-2.1. Criminal background checks.**

26 (a) Authorization. – Upon receipt of an application for a license or registration, the Board  
27 shall conduct a background investigation to determine whether the applicant meets the  
28 requirements for a license or registration as set out in G.S. 74D-2(d). ~~The Department of Public~~  
29 ~~Safety State Bureau of Investigation~~ may provide a criminal record check to the Board for a  
30 person who has applied for a new or renewal license or registration through the Board. The Board  
31 shall provide to the ~~Department of Public Safety, State Bureau of Investigation,~~ along with the  
32 request, the fingerprints of a new applicant, and the ~~Department of Public Safety State Bureau of~~  
33 ~~Investigation~~ shall provide a criminal record check based upon the applicant's fingerprints. The  
34 Board may request a criminal record check from the ~~Department of Public Safety State Bureau~~  
35 ~~of Investigation~~ for a renewal applicant based upon the applicant's fingerprints in accordance  
36 with policy adopted by the Board. The Board shall provide any additional information required  
37 by the ~~Department of Public Safety State Bureau of Investigation~~ and a form signed by the  
38 applicant consenting to the check of the criminal record and to the use of the fingerprints and  
39 other identifying information required by the State or national repositories. The applicant's  
40 fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's  
41 criminal history record file, and the State Bureau of Investigation shall forward a set of the  
42 fingerprints to the Federal Bureau of Investigation for a national criminal history check. The  
43 ~~Department of Public Safety State Bureau of Investigation~~ may charge each applicant a fee to be  
44 collected by the Board and transmitted to the State Bureau of Investigation for conducting the  
45 checks of criminal history records authorized by this 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 security systems, unless the person, firm, association or corporation makes  
7 personal solicitations at a residence or business to advise, design, or consult  
8 on specific types and specific locations of ~~alarm-security~~ system devices,  
9 installs, services, monitors, or responds to ~~alarm-security~~ systems at or from a  
10 protected premises or a premises to be protected and thereby obtains  
11 knowledge of specific application or location of the ~~alarm-security~~ system. ~~A~~  
12 ~~person licensed under this Chapter may hire a consultant to troubleshoot a~~  
13 ~~location or installation for a period of time not to exceed 48 hours in a~~  
14 ~~one month period if the licensee submits a report to the Board within 30 days~~  
15 ~~from the date of the consultation designating the consultant as a temporary~~  
16 ~~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 a security system.

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

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

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

16 (c) The regulation of security system businesses shall be exclusive to the Board; however,  
17 any city or county shall be permitted to require a security systems business operating within its  
18 jurisdiction to register and to supply information regarding its license and may adopt an ordinance  
19 to require users of electronic security systems to obtain revocable permits when alarm usage  
20 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-Security~~ Systems Licensing Board is hereby created  
23 within the Department of Public Safety. The Secretary of Public Safety shall appoint a person to  
24 fill this full-time position. The Director's duties shall be to administer the directives contained in  
25 this Chapter and the rules ~~promulgated~~ adopted by the Board to implement this Chapter and to  
26 carry out the administrative duties incident to the functioning of the Board in order to actively  
27 police the ~~alarm systems~~ security systems industry to insure compliance with the law in all  
28 aspects. The Director may issue a temporary grant or denial of a request for registration subject  
29 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 licensure or registration under this Chapter, G.S. 74D-8, the Board shall determine  
41 whether 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 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-8. Registration of persons employed.**

- (a) (1) A licensee of ~~an alarm~~ a 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 a security system in a commercial business establishment or a personal residence.
- (1b) Employees engaged only in sales or marketing that does and not involve involved in any of the above activities described in subdivision (1a) of this subsection are not required to be registered.
- (1c) 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~~ 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 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.~~ 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.

- 1 (10) Failed to maintain the certificate of liability insurance required by this  
 2 Chapter.  
 3 ...  
 4 (15) Engaged in the ~~alarm~~-security systems profession under a name other than the  
 5 name under which the license was obtained under the provisions of this  
 6 Chapter.  
 7 ...  
 8 (19) Engaged in conduct that constitutes dereliction of duty or otherwise deceives,  
 9 defrauds, or harms the public in the course of professional activities or  
 10 ~~services~~-services, including fraudulently claiming a change in business  
 11 ownership, fraudulently claiming dissolution of a competing business,  
 12 fraudulently claiming to be a representative of the consumer's current service  
 13 provider, misrepresentation of employer, or misrepresenting an upgrade of  
 14 equipment as a sales tactic.  
 15 (20) Demonstrated a lack of financial responsibility.  
 16 ...

17 **"§ 74D-11. Enforcement.**

18 ...  
 19 (b) Any person, firm, association, corporation, or department or division of a firm,  
 20 association or corporation, or their agents and employees violating any of the provisions of this  
 21 Chapter or knowingly violating any rule promulgated to implement this Chapter shall be guilty  
 22 of a Class 1 misdemeanor. The Attorney General, or his or her representative, shall have  
 23 concurrent jurisdiction with the district attorneys of this State to prosecute violations of this  
 24 Chapter.

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

30 ...  
 31 (e) Proceedings for the assessment of civil penalties shall be governed by Chapter 150B  
 32 of the General Statutes. If the person assessed a penalty fails to pay the penalty to the Board, the  
 33 Board may institute an action in the superior court of the county in which the person resides or  
 34 has his or her principal place of business to recover the unpaid amount of the penalty. An action  
 35 to recover a civil penalty under this section shall not relieve any party from any other penalty  
 36 prescribed by law.

37 (f) The sale, installation, or service of ~~an alarm~~-a security system by an unlicensed or  
 38 unregistered person shall constitute a threat to the public safety, and any contract for the sale,  
 39 installation, or service of ~~an alarm~~-a security system shall be deemed void and unenforceable.  
 40 ...

41 **~~"§ 74D-13. Transfer of funds.~~**

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

46 **"§ 74D-14. Proof of licensure to maintain or commence action.**

47 ~~An alarm~~-A security systems business may not maintain any action in any court of the State  
 48 for the collection of compensation for performing an act for which a license or registration is  
 49 required by this Chapter without alleging and proving that the ~~alarm~~-security systems business is  
 50 appropriately licensed and the employee or agent of the ~~alarm~~-security systems business is  
 51 appropriately registered upon entering into a contract with the consumer. ~~An alarm~~-A security

1 systems installation, maintenance, or monitoring contract entered into with a consumer shall be  
 2 void if the consumer confirms through records maintained by the Board that the ~~alarm-security~~  
 3 systems business is not properly licensed or the consumer establishes through records maintained  
 4 by the Board that the person enticing the consumer to enter into the contract is not properly  
 5 registered by the Board. The sale, installation, or service of ~~an alarm-~~A security system by an  
 6 unlicensed entity or unregistered employee shall be deemed an unfair and deceptive trade practice  
 7 and shall be actionable under Chapter 75 of the General Statutes.

8 ...."

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

10 "Article 2.

11 "~~Alarm-Security~~ Systems Education Fund.

12 **"§ 74D-30. ~~Alarm-Security~~ Systems Education Fund created; payment to Fund;**  
 13 **management; use of funds.**

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

18 ...

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

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

23 (2) The Board shall charge each new applicant for a license ~~fifty dollars (\$50.00),~~  
 24 ~~provided that for purposes of this Article a new applicant is hereby defined as~~  
 25 ~~an applicant who did not possess a license on July 1, 1985; and~~fifty dollars  
 26 (\$50.00).

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

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

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

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

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

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

41 **"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

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

44 (1) The name of the licensee.

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

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

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

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

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

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

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

39 **SECTION 3.** This Part becomes effective October 1, 2023.

## 40 **PART II. MACHINERY ACT CHANGES**

41 **SECTION 4.** G.S. 105-275 reads as rewritten:

### 42 **"§ 105-275. Property classified and excluded from the tax base.**

43 The following classes of property are designated special classes under Article V, Sec. 2(2),  
44 of the North Carolina Constitution and are excluded from tax:

45 ...

- 46 (16) Non-business Property. —As used in this subdivision, the term "non-business  
47 property" means personal property that is used by the owner of the property  
48 for a purpose other than the production of income and is not used in connection  
49 with a business. The term includes household furnishings, clothing, pets, lawn  
50

1 tools, and lawn equipment. The term does not include motor vehicles, mobile  
2 homes, aircraft, watercraft, or engines for watercraft.

3 (16a) Qualified Business Property. – As used in this subdivision, the term "qualified  
4 business property" means personal property (i) suitable when fully functional  
5 to be used by the owner of the property for the production of income or in  
6 connection with a business or both and (ii) due to malfunction or nonfunction  
7 has a value not greater than scrap value.

8 ...."

9 **SECTION 5.** G.S. 105-307 reads as rewritten:

10 "**§ 105-307. Length of listing period; extension; preliminary work.**

11 (a) Listing Period. – Unless extended as provided in this section, the period during which  
12 property is to be listed for taxation each year begins on the first business day of January and ends  
13 on ~~January 31.~~April 15.

14 (b) ~~General Extensions.~~ – ~~The board of county commissioners may, by resolution, extend~~  
15 ~~the time during which property is to be listed for taxation as provided in this subsection. Any~~  
16 ~~action by the board of county commissioners extending the listing period must be recorded in the~~  
17 ~~minutes of the board, and notice of the extensions must be published as required by G.S.~~  
18 ~~105-296(e).~~ The entire period for listing, including any extension of time granted, is considered  
19 the regular listing period for the particular year within the meaning of this Subchapter.

20 (1) ~~In nonrevaluation years, the listing period may be extended for up to 30~~  
21 ~~additional days.~~

22 (2) ~~In years of octennial appraisal of real property, the listing period may be~~  
23 ~~extended for up to 60 additional days.~~

24 (3) ~~If the county has provided for electronic listing of personal property under~~  
25 ~~G.S. 105-310.1, the period for electronic listing of personal property may be~~  
26 ~~extended up to June 1. A resolution that provides a general extension of time~~  
27 ~~for the electronic listing of personal property shall continue in effect until~~  
28 ~~revised or rescinded unless otherwise stated in the resolution.~~

29 (c) Individual Extensions. – ~~The~~If the county has provided for electronic listing of  
30 personal property under G.S. 105-310.1, the board of county commissioners shall~~may~~ grant  
31 individual extensions of time for the listing of real and personal property upon written request  
32 and for good cause shown. The request must be filed with the assessor no later than the ending  
33 date of the regular listing period. The board may delegate the authority to grant extensions to the  
34 assessor. Extensions granted under this subsection shall not extend beyond ~~April 15.~~  
35 ~~Notwithstanding the individual extension time limitation in this subsection, if the county has~~  
36 ~~provided for electronic listing of personal property under G.S. 105-310.1, extensions granted for~~  
37 ~~electronic listing of personal property shall not extend beyond June 1.~~

38 (d) Preliminary Work. – The assessor may conduct preparatory work before the listing  
39 period begins, but may not make a final appraisal of property before the day as of which the value  
40 of the property is to be determined under G.S. 105-285."

41 **SECTION 6.** This Part is effective for taxes imposed for taxable years beginning on  
42 or after July 1, 2024.

43  
44 **PART III. EFFECTIVE DATE**

45 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes  
46 law.