



# HOUSE BILL 299: Occ.Lic./Private Protective Svcs. Act Changes.

2016-2017 General Assembly

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<b>Committee:</b>	House Finance	<b>Date:</b>	June 9, 2016
<b>Introduced by:</b>	Reps. Burr, McNeill	<b>Prepared by:</b>	Nicholas Giddings
<b>Analysis of:</b>	PCS to Second Edition H299-CSBAf-3		Committee Co-Counsel

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**SUMMARY:** *The PCS for House Bill 299 would make various changes to the Private Protective Services Board ("PPS Board") and Alarm Systems Licensing Board including the following:*

- *Authorize the PPS Board and the Alarm Systems Licensing Board to acquire, rent, or otherwise deal with real property with the approval of the Governor and the Council of State.*
- *Authorize the PPS Board and the Secretary of Public Safety to investigate activities by persons who are not licensed under Chapter 74C and to issue cease and desist letters.*
- *Modify the time within which a business entity licensed by the PPS Board must replace its qualifying agent after the agent's departure.*
- *Require certain organizations employing an armed guard to be licensed by the PPS Board.*

*The bill has been referred to House Finance because it authorizes two new late fees of up to \$100.00 for the following:*

- *A business entity licensee's failure to replace the qualifying agent within the time required.*
- *An applicant's failure to make required payments within 90 days of being notified of pending licensure approval.*

**CURRENT LAW:** The PPS Board administers the licensing, education and training regiments for persons and corporations engaged in PPS. PPS includes the following professions: security guards, private investigators, guard dog service, electronic countermeasures, detection of deception examiners, courier service, armored car, and special limited guards.

Similarly, the Alarm Systems Licensing Board regulates persons and corporations engaged in the alarm system business. Effective October 1, 2014, the PPS Board and Alarm Systems Licensing Board were transferred to the Department of Public Safety.

## **BILL ANALYSIS:**

**Expansion of the PPS Board's Powers.** – The bill would expand the powers of the PPS Board by authorizing it to do the following:

- Conduct investigations of unlicensed activity and issue cease and desist letters if concurred in by the Secretary of Public Safety. (Sec. 1)
- Acquire, hold, rent, encumber, alienate, and deal with real property in the same manner as a private person or corporation, with the approval of the Governor and the Council of State. Property pledged as collateral for an encumbrance would be limited to the assets, income and revenues of the PPS Board. (Sec. 1)
- Empower the Secretary of Public Safety to investigate complaints regarding individuals who are not licensed by the PPS Board under Chapter 74C. (Sec. 2)

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**Qualifying Agent.** – In regard to qualifying agents, the bill would do the following:

- Require a licensee that is a business entity to fill any vacancy in the position of its qualifying agent within 90 days (currently, within 30 days), unless extended by the PPS Board by an additional 30 days (currently, by up to an additional three months). The PPS Board would also be authorized to assess a late fee against a business entity not meeting these requirements. (Sec. 3)
- Authorize the Board to assess a late fee of up to \$100.00 against any licensed business entity that failed to obtain a substitute qualifying agent within the time required. (Sec. 4)
- Require the qualifying agents of a business entity with a physical presence in North Carolina to be a resident of North Carolina. (Sec. 8)

**Licensing, Permits, Renewal and Revocation.** – In regard to licensing, permits, renewal and revocation the bill would do the following:

- Authorize the PPS Board to extend the time for a licensee, trainee or registrant to complete the renewal application requirements by up to 90 days if supported by documentation that the extension is needed because of a physical disability or medical condition. Such information provided to the PPS Board to document the applicant's physical disability or medical record would not be a public record. (Sec. 4)
- Require a proprietary security organization that employs an armed security guard to apply to the PPS Board for a license and to renew its license every two years. (Sec. 7)
- Authorize the PPS Board to assess a late fee against any applicant that fails to pay the required initial license fee and make the required payment to the Private Protective Services Education Fund within 90 days after receiving notice of pending licensure approval. The PPS Board would have discretion to grant an additional 30 days to make these payments for good cause upon petition by the applicant. (Sec. 3)
- Authorize the PPS Board to suspend or revoke a trainee's certification if it determines that the trainee made a false statement in connection with the application for certification or for renewal or reinstatement of certification. (Sec. 6)
- Require the PPS Board not knowingly issue a firearm registration permit to anyone prohibited from possessing a firearm by State law. (Sec. 7)

**Liability Insurance.** –The bill would do the following with regard to liability insurance:

- Require a trainee that is deemed to be carrying a firearm to obtain a liability insurance policy with specific minimum coverages. The licensee may provide this coverage for the trainee under the licensee's supervision. (Sec. 5)
- Authorize the PPS Board to approve the liability insurance policy. (Sec. 5)
- Authorize the insurance carrier to cancel the liability insurance policy with 30-day notice to the PPS Board as long as cancellation does not affect prior coverage. (Sec. 5)

**Alarm Systems Licensing Board.** – The bill would make the following changes with regard to the Alarm Systems Licensing Board:

- Repeal G.S. 74D-3(4) which provided an exemption to the requirements of Chapter 74D for alarm monitoring companies located in other states that do not conduct business in North Carolina through any personal representatives, but rather solicit business through interstate commerce. (Sec. 9)
- Authorize the Alarm Systems Licensing Board to acquire, hold, rent, encumber, alienate, and deal with real property in the same manner as a private person or corporation with the approval other Governor and the Council of State. Property pledged as collateral for an encumbrance would be limited to the assets, income and revenues of the Alarm System Licensing Board. (Sec. 11)

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**Exceptions.** – The bill would provide the following exceptions:

- For a person licensed under the PPS Board who is hired by the owner or lessee of an establishment or sponsor of an event, an exception to the restriction on carrying weapons into assemblies and establishments where alcohol is provided. (Sec. 10)
- For both boards, an exception from the requirement to transfer vehicles owned or controlled by them to the Department of Administration if the vehicle is primarily used for law-enforcement or investigative purposes. (Sec. 12)

**EFFECTIVE DATE:** This act would become effective August 1, 2016.