



HOUSE BILL 553: Licensing Certain Fire Safety Equip. Work.

2019-2020 General Assembly

Committee:	House Insurance. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 11, 2019
Introduced by:	Reps. Strickland, Barnes, Corbin, Hardister	Prepared by:	Jeremy Ray Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *House Bill 553 would authorize the North Carolina Commissioner of Insurance (Commissioner), to license and regulate the installation of portable fire extinguishers and fire suppression systems.*

[As introduced, this bill was identical to S519, as introduced by Sens. Burgin, Ford, Sawyer, which is currently in Senate Rules and Operations of the Senate.]

BILL ANALYSIS: House Bill 553 would create a new Article 82B in Chapter 58 of the General Statutes which would authorize the Commissioner of Insurance, through the Office of the State Fire Marshall, to license and regulate the installation, inspection, recharging, repairing, servicing, or testing of portable fire extinguishers and fire suppression systems. Under this Article, a firm or individual would not be permitted to install, inspect, repair, service or test a portable fire extinguisher or fire suppression system unless the firm or individual is first licensed, or permitted, or is specifically exempted to do so. No unit of local government could impose additional requirements for licenses or permits to prove competency, or conduct activity related to the installation of portable fire extinguishers and fire suppression systems.

For purposes of the Article, a fire extinguisher is defined as a portable device containing an extinguishing agent that can be expelled under pressure for the purpose of suppressing or extinguishing a fire. A fire suppression system is generally defined as a fire-fighting system employing a suppression agent with the purpose of controlling, suppressing, or extinguishing a fire in a specific hazard.

This bill would establish, or authorize the Commissioner to do the following:

- Adopt rules under Chapter 150B of the General Statutes to administer the provisions of the Article related to:
 - Proper installation, inspection, recharging, repairing, servicing, or testing
 - Specifications as to the number, type, size, shape, color and information found on service tags attached to fire extinguishers and fire suppression systems
 - Adoption of applicable standards from the National Fire Protection Association or another national recognized organization
 - Rules for the examination of an applicant for a license or permit, if required
- Enforce compliance with license and permit requirements:
 - Require that certain tags be attached to devices meeting certain specifications

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

House Bill 553

Page 2

- Would not apply to firms or government entities engaging in prohibited activity related to portable fire extinguishers or fire suppression systems owned by the firm and installed on property under control of the firm
- Fire chiefs, fire marshals, fire inspectors, or insurance company inspectors would not be subject to the prohibitions in the Article for routine visual inspections
- Would not limit the power of the State or a unit of local government to regulate the quality and character of work performed by contractors for the protection of public health and safety
- License fees:
 - Nonrefundable fee of two hundred fifty dollars (\$250.00) for each license application
 - Nonrefundable fee of one hundred dollars (\$100.00) for each permit application
 - Fees do not apply to federal, state, or local governments or fire departments
- Requirements for issuance of licenses or permits:
 - Completed application on a form prescribed by the Commissioner
 - Evidence of registration as a North Carolina corporation
 - Not committed any act that is ground for denial, suspension, probation, revocation, or renewal
 - Possesses requisite equipment
 - Proof of liability insurance
 - Successfully passed examination, if so required
- Terms of licenses and permits
 - Valid January 1 through December 31. Failure to renew would render license or permit inoperative, and after 90 days a new application would be required
- License or permit sanctions
 - A license or permit holder who is sanctioned or denied under the Article would be done so in accordance with the provisions set forth in Chapter 150B of the General Statutes
 - Commissioner would be required to notify the applicant of the reasons for denial
 - Applicant would have 30 days to request a review and a response must be given as to the outcome
 - Applicant who disagrees with outcome would have 30 days to request a hearing pursuant to the provisions found in Chapter 150B of the General Statutes
 - Applicant has 30 days to surrender license after suspension, revocation, or non-renewal
- Enumerated list of grounds for denial, suspension, probation, revocation, or nonrenewal which include, but are not limited to:
 - Performing actions for which a license or permit is required without first obtaining one
 - Improper installation
 - Material misstatements or misrepresentations in obtaining a license or permit

House Bill 553

Page 3

- Failure to maintain liability insurance
- Cheating on examination
- Failure to pay state income taxes
- Failure to comply with cease and desist order
- Aiding or abetting others to evade provisions of the Article
- Conviction of certain crimes involving dishonesty, a breach of trust, or moral turpitude
- Cease and desist orders
 - Commissioner may order that a firm or individual cease and desist from committing a violation under the Article
 - Cease and desist orders would be accompanied by opportunity for hearing within 30 days
 - Failure to comply with cease and desist order would be cause for revocation or refusal of an application
- Civil and Criminal Penalties
 - Violations of the Article resulting in civil penalties:
 - First offense – not more than one thousand dollars (\$1,000)
 - Second offense – not less than one thousand dollars (\$1,000) or greater than two thousand dollars (\$2,000)
 - Third and subsequent offense – not less than two thousand dollars (\$2,000) or greater than five thousand dollars (\$5,000)
 - Willful or intentional violation of certain provisions of the Article, or rules promulgated by the Commissioner would be charged as a Class 1 misdemeanor

EFFECTIVE DATE: This act becomes effective January 1, 2020.