



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 630: Protective Services/Alarm Systems Law Changes.

2019-2020 General Assembly

Committee:	House Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 29, 2019
Introduced by:	Reps. McNeill, Hardister, Faircloth	Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	PCS to Second Edition H630-CSBAf-17		

OVERVIEW: House Bill 630 would make various changes to the laws regulating the private protective services profession, including authorizing a \$100 late fee and creating a firearms training exemption.

The PCS would make various changes to the Alarm Systems Licensing Act.

CURRENT LAW: Under Chapter 74C, the Private Protective Services Board ("PPS Board") regulates professions of security guards, private investigators, guard dog service, electronic countermeasures, detection of deception examiners, courier service, armored car, and special limited guards.

Under Chapter 74D, and the administrative rules promulgated under Chapter 74D, the Alarm System Licensing Board administers the licensing, education and training requirements for persons, firms, associations and corporations engaged in the alarm systems business in North Carolina.

BILL ANALYSIS:

PART I: PRIVATE PROTECTIVE SERVICES ACT CHANGES

Section 1.1 would do the following:

- Include "any device intended to block the transmission of any electronic signal" in the definition of "electronic countermeasure profession."
- Remove "protection of individuals from serious bodily harm or death" from the definition of "private detective or private investigator."
- Expand the defined private protective services professions to include "close personal protection" and "digital forensics examination."
- Include "anyone under contract with an occupational licensing board while performing an investigation solely for that board" as a service that is not considered a private protective service.
- Authorize a licensed State private investigator that has provided services to protect individuals from serious bodily harm or death within 5 years of July 1, 2020 to receive a close personal protection license.

Sections 1.2, 1.12, 1.14, and 1.15 would make technical changes to make the statutory language gender neutral.

Section 1.3 would empower the PPS Board to:

- Conduct investigations regarding unlicensed activity.
- Issue cease and desist letters (with the concurrence of the Secretary of Public Safety).

Karen Cochrane-Brown
Director



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- Deal with real property in the same manner as a private person (subject to approval of Governor and the Council of State).
- Adopt rules for the use of firearms or other weapons.
- Adopt and publish a code of professional conduct, the violation of which would be grounds to suspend or revoke a license, registration, or permit.

Section 1.4 would expand the power of the Secretary of Public Safety with regard to investigation and enforcement to include individuals and firms that are not yet licensed or have lapsed or surrendered licenses.

Section 1.5 would do the following:

- Extend the time a business has to replace a qualifying agent to 90 days (currently 30 days).
- Reduce the additional time that the PPS Board may grant a business that has not found a qualifying agent, to 30 days (currently up to an additional 3 months).
- Add a 90 day period, with a possible 30 day extension, to pay the initial license fee and post the required contribution to the Private Protective Services Education Fund for all licensees.
- Authorize the PPS Board to impose a late fee for (i) failure to obtain a new qualifying agent; (ii) failure to pay the initial license fee; or (iii) failing to contribute to the Private Protective Services Education Fund.
- Add conviction of any crime involving the illegal use, carrying, or possession of a deadly weapon as prima facie evidence that the applicant is not of good moral character.

Section 1.6 would expand the firearm registration permit fee to include all applicants and licensees under G.S. 74C-13 and authorize a late fee for certain applicants and businesses (not to exceed \$100).

Section 1.7 would extend the liability insurance requirement to include a trainee supervised by a licensee.

Section 1.8 would authorize a licensee to employ certain out-of-state armed security guards during times of declared State of Emergencies or Disasters.

Section 1.9 would extend the PPS Board's denial, suspension, and revocation powers to include trainees seeking certification and make a violation of any State or federal firearms law grounds for denial, suspension, or revocation.

Section 1.10 would do the following with regard to firearm registration permits:

- Require a proprietary security organization that employs an armed security guard to be licensed and renew the license every two years.
- Provide that the PPS Board may suspend, revoke, or deny a firearm registration permit if the holder or applicant has been convicted of any crime set forth in G.S. 74C-8(d).
- Provide that the Director of the PPS Board may summarily suspend a firearm registration permit, pending resolution, if the holder is charged with any crime involving moral turpitude, any offense set forth in G.S. 74C-12, or any crime set forth in G.S. 74C-8(d).
- Provide that the PPS Board shall not knowingly issue a firearm registration permit to an individual prohibited by federal or State law from possessing a firearm.

Section 1.11 would provide a firearms training exemption for:

- Basic Law Enforcement Training (BLET) graduates who have completed one year of employment.
- Retired sworn law enforcement officers who have retired within three years of the application.
- Certain honorably discharged Military Police, and military Criminal Investigations' personnel.

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- Specific nuclear power plant employees.

Section 1.13 would authorize the PPS Board to charge costs and attorney fees for any proceedings governed by Chapter 150B of the General Statutes (Administrative Procedure Act) or authorized by this section.

Section 1.16 would limit the time that a new owner of a transferred business licensed under this Chapter has to provide a list of registrants and licensees affected by the transfer to the Director of the PPS Board.

Section 1.17 would expand the exception for armed security guards to carry weapons into assemblies and establishments where alcohol is sold and consumed.

PART II: ALARM SYSTEM LICENSING ACT CHANGES

Section 2 of the PCS would make the following changes to Chapter 74D:

- Change "alarm system" to "electronic security system" throughout the Chapter.
- Remove outdated and unnecessary language.
- Move certain statutory language to more appropriate locations in the Chapter.
- Update the definition of electronic security system business to include wireless alarm devices and security systems, and integrated automation of a property that includes a security element.
- Authorize the Director of the Electronic Security Systems Licensing Board (ESS Board) to extend the time for a business to find a substitute qualifying agent by 30 days.
- Codify additional requirements an applicant must meet to become a qualifying agent.
- Provide an exception to the confidentiality of background checks if needed to support the denial of an application or a disciplinary matter in a contested case.
- Provide that the ESS Board may conduct investigations regarding unlicensed activity, and issue cease and desist letters (with the concurrence of the Secretary of Public Safety).
- Provide that the ESS Board may deal with real property in the same manner as a private person (subject to approval of Governor and the Council of State).
- Expand the grounds for which the ESS Board may deny an application for registration, and the grounds for which the ESS Board may suspend or revoke a license or registration.
- Authorize licensees to employ an applicant for registration as a probationary employee.
- Increase liability insurance requirements for licensees.

EFFECTIVE DATE: Section 1.1 would become effective July 1, 2020. The remainder of this act would become effective July 1, 2019.