



SENATE BILL 424: Private Protective Srvs. Licensing Mods.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	June 28, 2022
Introduced by:	Sen. Daniel	Prepared by:	Bill Patterson Staff Attorney
Analysis of:	PCS to Second Edition S424-CSTG-54		

OVERVIEW: *The Proposed Committee Substitute for Senate Bill 424 would make a number of changes to the law regulating the private protective services profession. The PCS conforms the bill to changes made by Section 3 of Session Law 2021-84, and makes technical corrections to the effective dates.*

CURRENT LAW: Under current law persons engaged in the private protective services profession are regulated under Chapter 74C of the General Statutes, and must be licensed by the Private Protective Services Board ("Board").

The Board currently regulates the following categories of private protective services professions:

- Armored car profession
- Courier service profession
- Detection of deception examiner
- Electronic countermeasures profession
- Security guard and patrol profession
- Guard dog service profession
- Private detective or private investigator
- Special limited guard and patrol profession

Persons employed to protect individuals from serious bodily harm or death currently are included in the "private detective or private investigator" category.

The term "private protective services" currently does not include persons engaged in computer or digital forensic services or the acquisition, review, or analysis of digital or computer based information.

Persons who carry a firearm while providing private protective services duties must apply for and receive a registration permit issued upon the Board receiving satisfactory evidence that the applicant has met all statutory requirements, including completion of a Board-approved training course, and is mentally and physically capable of handling a firearm within the guidelines set forth by the Board and the Secretary of Public Safety.

BILL ANALYSIS:

Section 1 of the bill would:

- Remove persons employed to protect individuals from serious bodily harm or death from the definition of "private detective or private investigator"

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- Expand the categories of private protective services professions to include "close personal protection" and "digital forensics examination"
- Amend the definition of "electronic countermeasures profession" to include persons who for a fee discover, locate, or disengage by electronic, electrical, or mechanical means any device intended to block the transmission of an electronic signal
- Provide that persons who contract with an occupational licensing board, while performing an investigation solely for that board, are not considered to be providing "private protective services"
- Authorize the Board to:
 - Investigate unlicensed activity and issue cease and desist letters, with the concurrence of the Secretary of Public Safety
 - Deal with real property in the same manner as a private person or corporation, subject to the approval of the Governor and Council of State
 - Adopt rules for the use of firearms or other weapons
- Provide that the Secretary of Public Safety retains disciplinary authority over a person under investigation or charged for violations of Chapter 74C even if the person's license or registration has lapsed or has been surrendered
- Extend to 90 days (currently 30 days) the time a business has to appoint a substitute qualifying agent
- Reduce the additional time the Board may give a business to appoint a substitute qualifying agent to 30 days (currently up to three months)
- Require an applicant to pay the initial license fee and required contribution to the Private Protective Services Education Fund ("Fund") within 90 days from receipt of notice of pending licensure approval, unless the Board allows an additional 30 days for good cause upon the applicant's petition after a hearing
- Modify the list of criminal convictions that are prima facie evidence that the applicant lacks good moral character or temperate habits to include conviction of a crime involving the illegal use, carrying, or possession of a deadly weapon or conviction of a crime involving "assault" (currently "felonious assault")
- Authorize the Board to impose a registration permit application fee or renewal fee on all applicants and licensees subject to G.S. 74C-13, and to impose a late fee of up to \$100 for untimely appointment by a business of a substitute qualifying agent, or for untimely payment of an applicant's licensing fee and Fund contribution
- Extend the liability insurance requirement to include a trainee supervised by a licensee
- Provide that for the duration of a declared disaster or state of emergency, a licensee may employ a person properly registered or licensed in another state as an armed security guard, provided that the person has completed the approved basic training course administered by a certified trainer and has been qualified by a Board-certified firearms instructor based on the firearm the person intends to carry
- Extend the Board's denial, suspension, and revocation powers to include trainees, and make violation of any State or federal firearms law grounds for denial, suspension, or revocation

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- Modify provisions relating to firearm registration permits to:
 - Require any proprietary security organization to register any employee carrying a firearm within 30 days of employment
 - Require any proprietary security organization that employs an armed security guard to apply to the Board for a license and to renew the license every two years
 - Define the term "armed armor car guard" as an employee of a contract armored car company whose principal duty is as an armored car service guard and who at any possesses a firearm in the performance of duty
 - Authorize the Board to 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)
 - Authorize the Director of the Board to summarily suspend a firearm registration permit, pending resolution, if the holder is charged with any offense set forth in G.S. 74C-12 or any crime set forth in G.S. 74C-8(d)
 - Provide that the Board shall not knowingly issue a firearm registration permit to an individual prohibited by federal or State law from possessing a firearm
- Exempt the following persons from firearms training requirements:
 - Basic Law Enforcement Training (BLET) graduates who have completed one year of employment
 - Sworn law enforcement officers who are retired or separated in good standing within three years prior to application if their duty included firearm use and qualification
 - Honorably discharged military personnel whose military occupational specialty included Military Police or Criminal Investigative Division within three years of applying for licensure
 - Nuclear power plant security personnel required to comply with federal weapons training and qualification
- Provide that the civil penalty of up to \$2,000 that the Board is authorized to impose for violation of Chapter 74C is "per violation"
- Require the transferee of ownership or control of a business licensed under this Chapter to provide the Director of the Board with a list of all registrants and licensees affected by the transfer within 10 calendar days prior to the effective date of the transfer (currently "within 60 calendar days from the date of the transaction")
- Modify existing statutory language to make it gender-neutral

Section 2 would exempt private investigators licensed on or before December 31, 2021, and private investigator trainees permitted on or before December 31, 2021, from provisions governing the "close personal protection" category of private personal protective professions, and would permit these persons to continue to provide services for the protection of individuals from serious bodily harm, provided that this exemption is indicated by an endorsement on their existing license or permit.

Section 3 would expand the exemption of armed security guards from the prohibition against carrying carry weapons into assemblies and establishments where alcoholic beverages are sold and consumed.

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EFFECTIVE DATE: Section 1 of the Act would become effective October 1, 2022. Section 2 of the Act would become effective January 1, 2023, and would apply to licenses and permits granted on or after that date. Section 3 would become effective December 1, 2022, and would apply to offenses committed on or after that date.

Nicholas Giddings, Staff Attorney with the Legislative Analysis Division, substantially contributed to this summary.