



SENATE BILL 345: Alarm Systems Licensing/Machinery Act Changes.

2023-2024 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 27, 2023
Introduced by:	Sen. Daniel	Prepared by:	Trina Griffin
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *Senate Bill 345 would do the following:*

- *Make various changes to the Alarm Systems Licensing Act.*
- *Exclude from property taxation certain nonfunctional business personal property and extend the listing period until April 15.*

PART I. ALARM SYSTEMS LICENSING ACT MODERNIZATION

CURRENT LAW: The Alarm Systems Licensing Act (ASLA), Chapter 74D of the General Statutes, establishes the Alarm Systems Licensing Board (Board) and requires any person, firm, association, and corporation, or any department or division of those entities, to obtain a license prior to engaging in the alarm systems business in North Carolina. The seven member Board, under the Department of Public Safety (DPS), enforces the ASLA and administers the licensing, education, and training requirements for those engaged in the alarm systems business. Alarm system business is defined as selling or attempting to sell an alarm system device through personal solicitation at a residence or business or installing, servicing, monitoring, or responding to electrical or mechanical alarm signal devices, burglar alarms, monitored access control, or cameras used to detect unlawful entry or illegal activity. Certain alarm system activities are exempt from the licensing requirements including the sale of alarm systems not involving personal solicitation at residential or business locations, fire alarm system installation, monitoring activity located in another state not involving personal solicitation, and the provision of alarm system services provided to a State or local government.

BILL ANALYSIS: Part I of Senate Bill 345 would do all of the following:

- Rename Article 1 of Chapter 74D the "Security Systems Licensing Act" and change "alarm system" to "security system" throughout the Chapter.
- Update the definition of "security systems business" to include:
 - Any solicitation for the sale of a security system.
 - Wireless or hardwired alarm devices and security systems.
 - Integrated automation of a residence or business that includes a security element.
 - Analytic capturing devices, systems providing intelligence, or other imaging devices used to detect various illegal activities.
- Add additional requirements an applicant must meet to become a qualifying agent and grant the Director of the Board additional discretionary authority related to the extension of time to find substitute qualifying agents.

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

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- Give the Board additional powers related to investigating unlicensed activity, engaging in real property transactions, and denying, suspending, or revoking a license or registration.
- Update the various requirements and conditions for issuing licenses, registrations, and permits.
- Increase the following statutory maximum fee amounts that may be charged by the Board:
 - Initial license application fee: \$150 to \$500
 - New or renewal license fee: \$500 to \$1,000
 - Late license renewal fee: \$100 to \$500
 - New or renewal registration fee: \$50 to \$100
 - Reregistration for change of employment to another licensee: \$10 to \$25
 - Branch office certificate fee: \$150 to \$300
 - Late registration fee: \$20 to \$40
- Remove outdated and unnecessary language and move certain statutory language to more appropriate locations in the Chapter.

EFFECTIVE DATE: This Part would become effective October 1, 2023.

PART II. MACHINERY ACT CHANGES

CURRENT LAW: All personal property used to produce income is considered business personal property and is taxable. Any individual or business owning or possessing personal property used or connected with a business or other income producing purpose on January 1 must list the property for taxation during the annual listing period (January 1 – January 31).

BILL ANALYSIS: Part II of the bill would exclude from property taxation personal property that was suitable when fully functional to be used by the owner for the production of income or in connection with a business, or both, but due to malfunction or nonfunction has a value not greater than scrap value.

Part II of the bill would also extend the end of the regular listing period from January 31 to April 15 and eliminate the ability of individuals to request an extension to that same date for good cause shown. It would maintain the current ability of an individual to request an extension to June 1 in those counties that have provided for electronic listing of personal property.

EFFECTIVE DATE: This Part would become effective for taxes imposed for taxable years beginning on or after July 1, 2024.

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**Billy Godwin and Anna Parsons, Legislative Analysis Division, substantially contributed to this summary.*