

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE BILL 18
Finance Committee Substitute Adopted 6/19/13

Short Title: Amend Locksmith License Act/Raise Fee Ceiling.

(Public)

Sponsors:

Referred to:

January 31, 2013

A BILL TO BE ENTITLED

AN ACT AMENDING THE LOCKSMITH LICENSING ACT, EXPANDING THE
AUTHORITY OF THE LOCKSMITH LICENSING BOARD TO REGULATE
INSTITUTIONAL LOCKSMITHS, AND RAISING THE CEILING ON CERTAIN FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 74F-3 reads as rewritten:

"§ 74F-3. Licenses ~~required~~; violation.

No person shall perform or offer to perform locksmith services in this State unless the person has been licensed under the provisions of this Chapter. Every person providing locksmith services as defined under G.S. 74F-4(5) to buildings containing medical records, pharmaceutical records, educational records, criminal records, voting records, tax records, legal records, or personnel records, including any person providing locksmith services who is employed by or working for a school, college, university, hospital, company, institution, or government facility shall be licensed in accordance with the provisions of this Chapter. A violation of this section is a Class 3 misdemeanor unless the conduct is covered under some other provision of law providing greater punishment."

SECTION 2. G.S. 74F-3, as amended by Section 1 of this act, reads as rewritten:

"§ 74F-3. Licenses required; violation.

(a) No person shall perform or offer to perform locksmith services in this State unless the person has been licensed under the provisions of this Chapter. Every person providing locksmith services as defined under G.S. 74F-4(5) to buildings containing medical records, pharmaceutical records, educational records, criminal records, voting records, tax records, legal records, or personnel records, including any person providing locksmith services who is employed by or working for a school, college, university, hospital, company, institution, government facility, or multi-family unit, such as an apartment or condominium, shall be licensed in accordance with the provisions of this Chapter.

(b) No person shall possess any locksmith tools as defined under G.S. 74F-4(6), unless the person is licensed as a locksmith under this Chapter or exempt from the provisions of this Chapter.

(c) A—Unless the conduct is covered under some other provision of law providing greater punishment, a violation of this section is a Class 3 misdemeanor unless the conduct is covered under some other provision of law providing greater punishment for the first offense. A second or subsequent offense is a Class I felony."

SECTION 3. G.S. 74F-4 reads as rewritten:

"§ 74F-4. Definitions.

The following definitions apply in this Chapter:



- 1 (1) Apprentice. – A person who has been issued an apprenticeship designation
- 2 by the Board.
- 3 (1a) Board. – The North Carolina Locksmith Licensing Board.
- 4 (2) Code book. – A compilation, in any form, of key codes and combinations.
- 5 (3) License. – A certificate issued by the Board recognizing the person named
- 6 therein as having met the requirements to perform locksmith services as
- 7 defined in this Chapter.
- 8 (4) Locksmith. – A person who has been issued a license by the Board.
- 9 (5) Locksmith services. – ~~Repairing~~ Services that include repairing, rebuilding,
- 10 rekeying, repinning, servicing, adjusting, or installing locks, mechanical or
- 11 electronic locking devices, access control devices, egress control devices,
- 12 safes, vaults, and safe-deposit boxes for compensation or other
- 13 consideration, including services performed by safe technicians. The
- 14 definition also includes any method of bypassing a locking mechanism of
- 15 any kind, whether in a commercial, residential, or automotive setting, for
- 16 compensation.
- 17 (6) Locksmith tools. – Any tools that are designed or used to open a mechanical
- 18 or electrical locking device in a way other than that which was intended by
- 19 the manufacturer."

20 **SECTION 4.** G.S. 74F-6 is amended by adding a new subdivision to read:

21 "**§ 74F-6. Powers of the Board.**

22 The Board shall have the power and duty to:

- 23 ...
- 24 (17) Authorize the chair, by majority vote, to issue subpoenas allowing the Board
- 25 to obtain the records of a person or company offering locksmith services,
- 26 including an employee of a company, a contractor, or subcontractor. The
- 27 records obtained shall include invoices and receipts, specifically any
- 28 invoices and receipts that pertain to locksmith tools, equipment, or parts."

29 **SECTION 5.** G.S. 74F-9 reads as rewritten:

30 "**§ 74F-9. Fees.**

31 The Board shall establish fees not exceeding the following amounts:

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|--------------------------------------|------------------|
| 32 (1) Issuance of a license | \$100.00\$300.00 |
| 33 (2) Renewal of a license | \$100.00\$300.00 |
| 34 (3) Examination | \$200.00 |
| 35 (4) Reinstatement | \$150.00\$250.00 |
| 36 (5) Late fees | \$150.00\$300.00 |
| 37 (6) Apprentice <u>license</u> fee | \$100.00\$300.00 |
| 38 (7) Apprentice transfer fee | \$25.00." |

39 **SECTION 6.** G.S. 74F-10(b) reads as rewritten:

40 "(b) All licenses shall expire three years after the date they were issued unless renewed.

41 All applications for renewal shall be filed with the Board and shall be accompanied by the

42 renewal fee as required by G.S. 74F-9. A license that has expired for failure to renew may be

43 reinstated after the applicant pays the late and reinstatement fees as required by G.S. 74F-9. If

44 an applicant whose license has expired can show good cause to the Board the reason for

45 allowing the license to expire, the Board, in its discretion, may adjust the renewal and

46 reinstatement fees accordingly."

47 **SECTION 7.** G.S. 74F-12(b) reads as rewritten:

48 "(b) ~~Every person advertising locksmith services performed by the person shall include~~

49 ~~in the advertisement the identification number that is printed on the license issued by the~~

50 ~~Board.~~ All advertisements for locksmith services shall include a valid license number issued by

1 the Board. The license number of the owner of the locksmith company shall satisfy the
2 requirements of this subsection."

3 **SECTION 8.** G.S. 74F-15 reads as rewritten:

4 **"§ 74F-15. Disciplinary procedures.**

5 (a) The Board may deny or refuse to renew, suspend, or revoke a license or
6 apprenticeship designation if the licensee, apprentice, or applicant:

- 7 (1) Gives false information to or withholds information from the Board in
8 procuring or attempting to procure a license.
- 9 (2) Has been convicted of or pled guilty or no contest to any of the crimes listed
10 in G.S. 74F-18(a)(2).
- 11 (3) Has demonstrated gross negligence, incompetency, or misconduct in
12 performing locksmith services.
- 13 (4) Has willfully violated any of the provisions of this Chapter.

14 (b) The Board may assess the costs of disciplinary action, including attorneys' fees,
15 against an applicant or licensee found to be in violation of this Chapter or rules adopted by the
16 Board."

17 **SECTION 9.** G.S. 74F-16 reads as rewritten:

18 **"§ 74F-16. Exemptions.**

19 The provisions of this Chapter do not apply to:

- 20 (1) An employee of a licensed locksmith when acting under the direct control
21 and supervision of the licensed locksmith. For purposes of this subdivision,
22 "direct control and supervision" means that a licensed locksmith is required
23 to physically accompany the employee to the premises where locksmith
24 services are to be performed.
 - 25 (1a) An employee of a locksmith company performing administrative duties only.
26 For purposes of this section, "administrative duties" means managing the
27 daily operations of an office in a locksmith company, including performing
28 clerical tasks, answering telephones, and greeting customers.
 - 29 (2) A person working as an apprentice pursuant to G.S. 74F-7.1.
 - 30 (3) A person or business required to be licensed or registered by the North
31 Carolina Alarm Systems Licensing Board pursuant to Chapter 74D of the
32 General Statutes, when acting within the scope and course of the alarm
33 systems license or registration.
 - 34 (4) ~~An employee of a towing service or an automotive repair business providing~~
35 ~~services in the normal course of its business, a reposessor, a taxi cab~~
36 ~~service, a~~ A person or business providing any of the following services so
37 long as the person or business does not represent himself, herself, or itself as
38 a locksmith:
 - 39 a. A towing service, or its employee, when providing services in the
40 normal course of its business.
 - 41 b. An automotive repair business, or its employee, when opening a
42 vehicle to perform service on the vehicle.
 - 43 c. A repossessing company, or its employee, while repossessing a
44 vehicle.
 - 45 d. A motor vehicle dealer as defined in G.S. 20-286(11), or a motor
46 club as defined in G.S. 58-69-1 when opening automotive locks in
47 the normal course of their duties, so long as the employee does not
48 represent himself or herself as a locksmith. ~~the dealer or club's~~
49 business duties.
 - 50 (5) A property owner, or the owner's employee, when providing locksmith
51 services on the property owner's property, so long as the owner or employee

1 does not represent himself or herself as a locksmith. For purposes of this
2 section, "property" means, but is not limited to, a hotel, motel, apartment,
3 condominium, commercial rental property, and residential rental property.

- 4 (6) A merchant, or retail or hardware store, when ~~it lawfully the merchant or~~
5 ~~store lawfully~~ (i) rekeys a lock at the time of sale of the lock or (ii)
6 ~~duplicates keys or installs, services, repairs, rebuilds, reprograms, rekeys, or~~
7 ~~maintains locks in the normal course of its business,~~ a key, except for
8 duplicating a transponder-type key that requires programming, so long as the
9 merchant or store does not represent himself, herself, or itself as a locksmith.
- 10 (7) A member of a law enforcement agency, fire department, or other
11 government agency who, when acting within the scope and course of the
12 member's employment with the agency or department, opens locked doors to
13 vehicles, homes, or businesses.
- 14 (8) A salesperson while demonstrating the use of locksmith tools to persons
15 licensed under this Chapter.
- 16 (9) A general contractor licensed under Article 1 of Chapter 87 of the General
17 Statutes when acting within the scope and course of the general contractor
18 license, or an agent or subcontractor of a licensed general contractor when
19 acting within the ordinary course of business.
- 20 (10) A person or business when lawfully installing or maintaining a safety lock
21 device on a wastewater system when the safety lock device is required by
22 permit or requested by the owner of the wastewater system, provided the
23 person or business does not represent itself as a locksmith. For purposes of
24 this subdivision, "wastewater system" has the same meaning as in
25 G.S. 130A-334.
- 26 (11) Any person or firm that sells gun safes or locking devices for firearms ~~when~~
27 ~~acting within the scope and~~ during the course of the sale of gun safes or
28 locking devices for ~~firearms~~ firearms, so long as the person or firm, or the
29 firm's employee, does not represent himself, herself, or itself as a locksmith.
- 30 (12) A person while performing a locksmith service in an emergency situation
31 without receiving any compensation for this service and who does not
32 advertise those services."

33 **SECTION 10.** For the purposes of this section, an "institutional locksmith" is a
34 person who is employed by or working for a school, college, university, hospital, company,
35 institution, or government facility and who provides locksmith services as defined under
36 G.S. 74F-4(5) as part of the person's employment. Any person who submits proof to the Board
37 that the person has been actively engaged as an institutional locksmith in this State for at least
38 two consecutive years prior to October 1, 2013, and pays the required fee for the issuance of a
39 license under G.S. 74F-9 shall be licensed without having to satisfy the requirements of
40 G.S. 74F-7(3). All institutional locksmiths who do not apply to the Board by October 1, 2014,
41 shall be required to complete all requirements prescribed by the Board and to otherwise comply
42 with the provisions of Chapter 74F of the General Statutes.

43 **SECTION 11.** Section 2 of this act becomes effective December 1, 2013, and
44 applies to offenses committed on or after that date. Sections 5 and 11 of this act are effective
45 when it becomes law. The remainder of this act becomes effective October 1, 2013.