

GENERAL ASSEMBLY OF NORTH CAROLINA  
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Short Title: Occ.Lic./Private Protective Svcs. Act Changes-AB

(Public)

Sponsors:

Referred to:

March 19, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE VARIOUS CHANGES TO THE PRIVATE PROTECTIVE SERVICES  
ACT AND THE ALARM SYSTEMS LICENSING ACT AND TO CREATE CERTAIN  
FEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 74C-5 reads as rewritten:

"§ 74C-5. Powers of the Board.

In addition to the powers conferred upon the Board elsewhere in this Chapter, the Board ~~shall~~  
~~have~~has the power to do all of the following:

- ...
- (13) Conduct investigations regarding unlicensed activity and, with the concurrence of the Secretary of Public Safety, issue cease and desist letters.
  - (14) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to approval of the Governor and the Council of State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.
  - (15) Adopt rules establishing standards for the use of any firearm or other weapon approved by the Board.
  - (16) Acquire, maintain, store, dispose of, and replace motor vehicles for the use of staff and investigators.
  - (17) Adopt and publish a code of professional conduct for licensees, registrants, or permit holders, the violation of which is grounds to suspend or revoke a license, registration, or permit pursuant to G.S. 74C-12."

**SECTION 2.** G.S. 74C-7 reads as rewritten:

"§ 74C-7. Investigative powers of the Secretary of Public Safety.

The Secretary of Public Safety for the State of North Carolina ~~shall have~~has the power to investigate or cause to be investigated any complaints, allegations, or suspicions of wrongdoing or violations of this Chapter involving unlicensed individuals or individuals who are licensed, or to be licensed, under this Chapter. Any investigation conducted pursuant to this section is confidential and is not subject to review under G.S. 132-1 until the investigation is complete and a report is presented to the Board. However, the report may be released to the licensee after the investigation is complete but before the report is presented to the Board."

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

"§ 74C-8. License requirements.



\* H 2 9 9 - V - 4 \*

1 ...  
 2 (c) Qualifying Agent. – A business entity, other than a sole proprietorship, that engages in  
 3 private protective services is subject to all of the requirements listed in this subsection with respect  
 4 to a qualifying agent. For purposes of this Chapter, a "qualifying agent" is an individual in a  
 5 management position who is licensed under this Chapter and whose name and address have been  
 6 registered with the Director. The requirements are:

- 7 ...  
 8 (3) In the event that the qualifying agent upon whom the business entity relies in  
 9 order to do business ceases to perform his duties as qualifying agent, the  
 10 business entity shall notify the Director within 10 working days. The business  
 11 entity must obtain a substitute qualifying agent within ~~30~~90 days after the  
 12 original qualifying agent ceases to serve as qualifying agent unless the Board,  
 13 in its discretion, extends ~~this the 90-day period~~, for good cause, for ~~a period of~~  
 14 ~~time not to exceed three months~~an additional 30 days upon the filing of a  
 15 petition by the business entity and upon a hearing by the Board. The Board may  
 16 require the payment of a late fee for a business entity failing to obtain a  
 17 substitute qualifying agent pursuant to the requirements of this subdivision.  
 18 (4) The certificate authorizing the business entity to engage in a private protective  
 19 services profession shall list the name of at least one designated qualifying  
 20 agent. No licensee shall serve as the qualifying agent for more than one  
 21 business entity without prior approval of the Director, subject to the approval of  
 22 the Board.  
 23 (5) Repealed by Session Laws 2009-328, s. 3, effective October 1, 2009.

24 ...  
 25 (f) Issuance. – Upon a finding that the application is in proper form, the completion of the  
 26 background investigation, and the completion of an examination required by the Board, the  
 27 Director shall submit to the Board the application and the Director's recommendations. Upon  
 28 completion of the background investigation, the Director may issue a temporary license pending  
 29 approval of the application by the Board at the next regularly scheduled meeting. The Board shall  
 30 determine whether to approve or deny the application for a license. Upon approval by the Board, a  
 31 license will be issued to the applicant upon payment by the applicant of the initial license fee and  
 32 the required contribution to the Private Protective Services Education Fund, and filing of a  
 33 certificate of liability insurance~~insurance with the Board. The applicant must pay the initial~~  
 34 license fee and make the required contribution to the Fund within 90 days from the date the  
 35 applicant receives notice of pending licensure approval unless the Board, in its discretion, extends  
 36 the 90-day period, for good cause, for an additional 30 days upon the filing of a petition by the  
 37 applicant and upon a hearing by the Board. The Board may require the payment of a late fee for an  
 38 applicant failing to pay the initial license fee or failing to make the contribution to the Fund  
 39 pursuant to the requirements of this subsection.

40 (1) through (5) Repealed by Session Laws 1989, c. 759, s. 6.

41 ...."  
 42 **SECTION 4.** G.S. 74C-9 reads as rewritten:  
 43 **"§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable; late**  
 44 **renewal fee.**

- 45 ...  
 46 (e) The Board is authorized to charge reasonable application and license fees as follows:  
 47 ...  
 48 (7) An application fee for a firearm registration permit for all applicants and  
 49 licensees subject to G.S. 74C-13 not to exceed fifty dollars (\$50.00).

1 (8) A new, renewal, replacement, or reissuance fee for a firearm registration permit  
2 for all applicants and licensees subject to G.S. 74C-13 not to exceed thirty  
3 dollars (\$30.00).

4 ...

5 (16) A late fee for a business entity subject to G.S. 74C-8(c)(3) or an applicant for  
6 licensure under G.S. 74C-8(f) not to exceed one hundred dollars (\$100.00).

7 Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be expended,  
8 under the direction of the Board, for the purpose of defraying the expenses of administering this  
9 Chapter.

10 (f) A license or trainee permit granted under the provisions of this Chapter may be  
11 renewed by the Private Protective Services Board upon notification by the licensee or permit  
12 holder to the Director of intended renewal, the payment of the proper fee, and evidence of a ~~policy~~  
13 ~~of~~ liability insurance policy as prescribed in G.S. 74C-10(e).

14 The renewal shall be finalized before the expiration date of the license. In no event will  
15 renewal be granted more than three months after the date of expiration of a license or trainee  
16 permit.

17 (f1) If a licensee, trainee, or registrant provides documentation to the Director that the  
18 licensee, trainee, or registrant is temporarily unable to complete the renewal application  
19 requirements because of a physical disability or medical condition, the Board may grant a 90-day  
20 extension to complete the renewal requirements. To satisfy any requirements of the Board, the  
21 Director shall request documentation of the condition upon which the request is based. The  
22 documentation shall be submitted from a licensed medical practitioner and shall state that a  
23 condition exists that prevents the licensee, trainee, or registrant from completing the application or  
24 training requirements. Information provided pursuant to this subsection shall not be considered a  
25 public record under Chapter 132 of the General Statutes.

26 ...."

27 **SECTION 5.** G.S. 74C-10 reads as rewritten:

28 "**§ 74C-10. Certificate of liability insurance required; form and approval; suspension for**  
29 **noncompliance.**

30 ...

31 (e) No security guard and patrol, armored car, or special limited guard and patrol license  
32 shall be issued under this Chapter unless the applicant files with the Board evidence of a ~~policy of~~  
33 ~~liability insurance.~~ liability insurance policy. The policy must provide for the following minimum  
34 coverage: fifty thousand dollars (\$50,000) because of bodily injury or death of one person as a  
35 result of the negligent act or acts of the principal insured or his agents operating in the course and  
36 scope of his employment; subject to said limit for one person, one hundred thousand dollars  
37 (\$100,000) because of bodily injury or death of two or more persons as the result of the negligent  
38 act or acts of the principal insured or his agents operating in the course and scope of his or her  
39 agency; twenty thousand dollars (\$20,000) because of injury to or destruction of property of others  
40 as the result of the negligent act or acts of the principal insured or his agents operating in the  
41 course and scope of his or her agency. If the licensee, a licensee or a trainee supervised by a  
42 licensee, other than a security guard and patrol, armored car, or special limited guard and patrol  
43 licensee, carries a firearm while engaged in private protective services activities, the licensee or  
44 trainee shall obtain a ~~policy of~~ liability insurance policy with a minimum coverage as specified  
45 above. A licensee or trainee is deemed to be "carrying a firearm" for purposes of this section while  
46 engaged in private protective services if the licensee or trainee has a firearm on the licensee's or  
47 trainee's person or in the automobile the licensee or trainee is using to perform private protective  
48 services. A licensee may provide coverage for a trainee under the licensee's supervision; however,  
49 failure of the licensee to provide coverage does not exempt the trainee from the requirements of  
50 this section.

1 (e1) The Board shall approve the form, execution, and terms of the liability insurance  
2 policy.

3 (f) An insurance carrier ~~shall have~~ has the right to cancel ~~such policy of liability insurance~~  
4 a liability insurance policy upon giving a 30-day notice to the Board. Provided, however, that ~~such~~  
5 the cancellation shall does not affect any liability on the policy ~~which that~~ accrued prior thereto.  
6 ~~The policy of liability shall be approved by the Board as to form, execution, and terms thereon.~~

7 (g) ~~The holder of any trainee permit and persons~~ Persons registered pursuant to  
8 G.S. 74C-11 ~~shall not be~~ are not required to obtain a certificate of liability insurance.

9 ...."

10 **SECTION 6.** G.S. 74C-12 reads as rewritten:

11 "**§ 74C-12. Denial, suspension, or revocation of license, registration, or permit; duty to**  
12 **report criminal arrests.**

13 (a) The Board may, after compliance with Chapter 150B of the General Statutes, deny,  
14 suspend or revoke a license, certification, registration, or permit issued under this Chapter if it is  
15 determined that the applicant, licensee, trainee, registrant, or permit holder has done any of the  
16 following acts:

17 (1) Made any false statement or given any false information in connection with any  
18 application for a license, certification, registration, or permit or for the renewal  
19 or reinstatement of a license, certification, registration, or permit.

20 ...."

21 **SECTION 7.** G.S. 74C-13 is amended by adding two new subsections to read:

22 "**§ 74C-13. Armed licensee or registered employee required to have firearm registration**  
23 **permit; firearms training.**

24 ...

25 (d2) A proprietary security organization that employs an armed security guard shall submit  
26 to the Board an application for a license on a form provided by the Board for that purpose. A  
27 proprietary security organization shall renew its license every two years.

28 ...

29 (o) The Board shall not knowingly issue a firearm registration permit to an individual who  
30 is prohibited by State law from possessing a firearm."

31 **SECTION 8.** G.S. 74D-2(c)(1) reads as rewritten:

32 "**§ 74D-2. License requirements.**

33 ...

34 (c) Qualifying Agent. – A business entity that engages in the alarm systems business is  
35 subject to all of the requirements listed in this subsection with respect to a qualifying agent. For  
36 purposes of this Chapter, a "qualifying agent" is an individual in a management position who is  
37 licensed under this Chapter and whose name and address have been registered with the Board. The  
38 requirements are:

39 (1) The business entity shall employ a designated resident qualifying agent who  
40 meets the requirements for a license issued under and who is, in fact, licensed  
41 under the provisions of this Chapter, unless otherwise approved by the Board.  
42 Provided, however, that the Board shall not give this approval shall not be  
43 given unless the business entity has and continuously maintains in this State a  
44 registered agent who ~~shall be~~ is an individual resident in this State. Service  
45 upon the registered agent appointed by the business entity of any process,  
46 notice or demand required by or permitted by law to be served upon the  
47 business entity by the Alarm Systems Licensing Board ~~shall be~~ is binding upon  
48 the business entity and the licensee. Nothing herein contained shall limit or  
49 affect the right to serve any process, notice or demand required or permitted by  
50 law to be served upon a business entity in any other manner or hereafter  
51 permitted by law.

1 ...."

2 SECTION 9. G.S. 74D-3 reads as rewritten:

3 **"§ 74D-3. Exemptions.**

4 The provisions of this Chapter ~~shall do not apply to~~ to any of the following:

- 5 (1) A person, firm, association or corporation that sells or manufactures alarm  
6 systems, unless the person, firm, association or corporation makes personal  
7 solicitations at a residence or business to advise, design, or consult on specific  
8 types and specific locations of alarm system devices, installs, services,  
9 monitors, or responds to alarm systems at or from a protected premises or a  
10 premises to be protected and thereby obtains knowledge of specific application  
11 or location of the alarm system. A person licensed under this Chapter may hire  
12 a consultant to troubleshoot a location or installation for a period of time not to  
13 exceed 48 hours in a one-month period if the licensee submits a report to the  
14 Board within 30 days from the date of the consultation designating the  
15 consultant as a temporary ~~consultant;~~ consultant.
- 16 (2) Installation, servicing or responding to fire alarm systems or any alarm device  
17 ~~which that~~ is installed in a motor vehicle, aircraft or boat; boat.
- 18 (3) Installation of an alarm system on property owned by or leased to the ~~installer;~~  
19 installer.
- 20 (4) An alarm monitoring company located in another state which demonstrates to  
21 the Board's satisfaction that it does not conduct any business through a personal  
22 representative present in this State but which solicits and conducts business  
23 solely through interstate communication facilities such as telephone messages,  
24 earth satellite relay stations and the United States postal ~~service; and~~ service.
- 25 (5) A person or business providing alarm systems services to a State agency or  
26 local government if that person or business has been providing those services to  
27 the State agency or local government for more than five years prior to the  
28 effective date of this Chapter, and the State agency or local government joins  
29 with the person or business in requesting the application of this exemption."

30 SECTION 10. G.S. 14-269.3 reads as rewritten:

31 **"§ 14-269.3. Carrying weapons into assemblies and establishments where alcoholic  
32 beverages are sold and consumed.**

33 (a) It ~~shall be~~ is unlawful for any person to carry any gun, rifle, or pistol into any assembly  
34 where a fee has been charged for admission thereto, or into any establishment in which alcoholic  
35 beverages are sold and consumed. Any person violating the provisions of this section shall be  
36 guilty of a Class 1 misdemeanor.

37 (b) This section ~~shall~~ does not apply to any of the following:

38 ...

- 39 (4) A person registered ~~or hired~~ as a security guard as defined in G.S. 74C-3(b)(13)  
40 who is hired by the owner, lessee, or person or organization sponsoring the  
41 ~~event.~~ event or a person employed by a business licensed pursuant to G.S. 74C-2  
42 who is hired by the owner, lessee, or person or organization sponsoring the  
43 event.

44 ...."

45 SECTION 11. G.S. 74D-5(a) reads as rewritten:

46 **"§ 74D-5. Powers of the Board.**

47 (a) In addition to the powers conferred upon the Board elsewhere in this Chapter, the  
48 Board ~~shall have~~ has the power to:

49 ...

- 50 (9) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property in  
51 the same manner as a private person or corporation, subject only to approval of

1                   the Governor and the Council of State. Collateral pledged by the Board for an  
2                   encumbrance is limited to the assets, income, and revenues of the Board.

3                   ...."

4                   **SECTION 12.** G.S. 143-341(8) reads as rewritten:

5                   **"§ 143-341. Powers and duties of Department.**

6                   The Department of Administration has the following powers and duties:

7                   ...

8                   (8)    General Services:

9                   ...

10                  i.        To establish and operate a central motor pool and such subsidiary  
11                  related facilities as the Secretary may deem necessary, and to that end:

12                  ...

13                  3.        To require on a schedule determined by the Department all State  
14                  agencies to transfer ownership, custody or control of any or all  
15                  passenger motor vehicles within the ownership, custody or  
16                  control of that agency to the Department, except those motor  
17                  vehicles under the ownership, custody or control of the Highway  
18                  Patrol, the State Bureau of Investigation, the Private Protective  
19                  Services Board and the Alarm Systems Licensing Board, or the  
20                  constituent institutions of The University of North Carolina  
21                  ~~which~~that are used primarily for law-enforcement or  
22                  investigative purposes.

23                  ...."

24                  **SECTION 13.** This act becomes effective August 1, 2016.