

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 345  
State and Local Government Committee Substitute Adopted 5/23/23

Short Title: Alarm Systems Licensing Act Modernization.

(Public)

Sponsors:

Referred to:

March 22, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE ALARM SYSTEMS LICENSING ACT.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1.(a) Chapter 74D of the General Statutes reads as rewritten:

5 "Chapter 74D.

6 "~~Alarm~~-Security Systems.

7 "Article 1.

8 "~~Alarm~~-Security Systems Licensing Act.

9 "§ 74D-1. Title.

10 This act may be cited as the "~~Alarm~~-Security Systems Licensing Act."

11 "§ 74D-2. ~~License~~**Business and qualifying agent license requirements.**

12 (a) License Required. – No person, firm, association, corporation, or department or  
13 division of a firm, association or corporation, shall engage in or hold itself out as engaging in ~~an~~  
14 ~~alarm-a security~~ systems business without first being licensed in accordance with this Chapter.  
15 A department or division of a firm, association, or corporation may be separately licensed under  
16 this Chapter if the distinct department or division, as opposed to the firm, association, or  
17 corporation as a whole, engages in ~~an alarm-a security~~ systems business. The department or  
18 division shall ensure strict confidentiality of private security information, and the private security  
19 information of the department or division must, at a minimum, be physically separated from other  
20 premises of the firm, association, or corporation. For purposes of this Chapter ~~an "alarm-a~~  
21 ~~"security~~ systems business" is defined as any person, firm, ~~association~~-association, or corporation  
22 that does any of the following:

23 (1) ~~Sells~~-Unless otherwise exempt, ~~sells~~ or attempts to sell ~~an alarm-a security~~  
24 system ~~device~~-by engaging in ~~a-any~~ personal solicitation ~~at a residence or~~  
25 ~~business~~-to advise, design, or consult on specific types and specific locations  
26 of ~~alarm-security~~ system devices.

27 (2) ~~Installs~~-Unless otherwise exempt, ~~installs~~, services, monitors, or responds to  
28 electrical, wireless or hardwired electronic or mechanical alarm signal  
29 ~~devices~~-devices and security systems, integrated automation of a residence or  
30 business that includes a security element, burglar alarms, monitored access  
31 control, or cameras-cameras, analytic capturing devices, systems providing  
32 intelligence or other imaging devices used to detect or observe burglary,  
33 breaking or entering, intrusion, shoplifting, pilferage, theft, or other  
34 unauthorized or illegal activity. ~~This provision shall not apply to a locking~~  
35 ~~device that records entry and exit data and does not transmit the data in real~~



1 ~~time to an on-site or off-site monitoring location, provided the installer is duly~~  
2 ~~licensed by the North Carolina Locksmith Licensing Board.~~

3 ...  
4 (c) ~~Qualifying Agent. – A business entity that engages in the alarm systems business is~~  
5 ~~required to be licensed under this Chapter is~~ subject to all of the requirements listed in this  
6 subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent"  
7 is an individual who is a full-time employee in a management position who is licensed under this  
8 Chapter and whose name and address have been registered with the Board. The requirements are:

9 (1) The business entity shall employ a designated qualifying agent who meets the  
10 requirements for a license issued under and who is, in fact, licensed under the  
11 provisions of this Chapter, unless otherwise approved by the Board. Service  
12 upon the qualifying agent appointed by the business entity of any process,  
13 notice or demand required by or permitted by law to be served upon the  
14 business entity by the ~~Alarm Security Systems~~ Licensing Board shall be  
15 binding upon the licensed business entity. Nothing herein ~~contained~~ shall limit  
16 or affect the right to serve any process, notice or demand required or permitted  
17 by law to be served upon a business entity in any other manner ~~or hereafter~~  
18 permitted by law.

19 ...  
20 (3) In the event that the qualifying agent upon whom the business entity relies in  
21 order to do business ceases to perform his or her duties as qualifying agent,  
22 the business entity shall notify the board in writing by letter or using the  
23 Board's online form within 10 working days. The business entity must obtain  
24 a substitute qualifying agent within 90 days after the original qualifying agent  
25 ceases to serve as qualifying agent. The Director, in his or her discretion, may  
26 extend the 90-day period for good cause by an additional 30 days upon a  
27 written request of an officer of the company.

28 (4) The license certificate shall list the name of the qualifying agent. No ~~licensee~~  
29 person shall serve as the qualifying agent for more than one business entity  
30 without the prior approval of the Board.

31 ...  
32 (6) The qualifying agent shall be responsible for maintaining a current address  
33 and other contact information with the Board.

34 (d) ~~Criminal Record Check. Minimum Qualifications for Security Systems License. – An~~  
35 ~~applicant must for qualifying agent shall meet all of the following requirements and qualifications~~  
36 ~~determined by a background investigation conducted by the Board in accordance with~~  
37 ~~G.S. 74D 2.1 and upon receipt of an application: qualifications:~~

38 (1) The applicant is at least 18 years of age.

39 (2) The applicant is of good moral character and temperate habits. The following  
40 shall be prima facie evidence that the applicant does not have good moral  
41 character or temperate habits: conviction by any local, State, federal, or  
42 military court of any crime involving the illegal use, carrying, or possession  
43 of a firearm; conviction of any crime involving the illegal use, possession,  
44 sale, manufacture, distribution or transportation of a controlled substance,  
45 drug, narcotic, or alcoholic beverages; conviction of a crime involving  
46 felonious assault or an act of violence; conviction of a crime involving  
47 unlawful breaking or entering, burglary, larceny, or of any offense involving  
48 moral turpitude; or a history of addiction to alcohol or a narcotic drug;  
49 provided that, for purposes of this subsection, "conviction" means and  
50 includes the entry of a plea of guilty, plea of no contest, or a verdict rendered

1 in open court by a judge or ~~jury-jury~~, including a prayer for judgment  
2 continued, adjudication withheld, or equivalent.

3 (3) The applicant has the necessary training, qualifications and experience to be  
4 ~~licensed-licensed~~, or the applicant has successfully completed or kept current  
5 a Certified Alarm Technician Level I course offered by the Electronic Security  
6 Association or equivalent course approved by the Board.

7 (4) The applicant proves how in-State activities of the licensee are to be  
8 monitored, including a business plan setting forth the type of activities to be  
9 performed in this State, such as telephone solicitation, residential and  
10 commercial installation, or monitoring. The applicant must update the plan  
11 promptly as activities change.

12 (e) ~~Examination.—The Board may require the applicant to demonstrate the applicant's~~  
13 ~~qualifications by examination.~~

14 ...

15 (g) An alarm monitoring company located in another state and licensed by that state  
16 which demonstrates to the Board's satisfaction that it does not conduct any business through a  
17 personal representative present in this State, but which solicits and conducts business solely  
18 through interstate communication facilities, such as telephone, the internet, and the United States  
19 Postal Service, upon receipt by the Board of a certificate of good standing from the state of  
20 licensure is not required to register employees pursuant to G.S. 74D-8. Out-of-state monitoring  
21 companies not licensed in any state must be licensed by the Board and must register employees  
22 pursuant to G.S. 74D-8.

23 **"§ 74D-2.1. Criminal background checks.**

24 (a) Authorization. – Upon receipt of an application for a license or registration, the Board  
25 shall conduct a background investigation to determine whether the applicant meets the  
26 requirements for a license or registration as set out in G.S. 74D-2(d). The ~~Department of Public~~  
27 ~~Safety-State Bureau of Investigation~~ may provide a criminal record check to the Board for a  
28 person who has applied for a new or renewal license or registration through the Board. The Board  
29 shall provide to the ~~Department of Public Safety-State Bureau of Investigation~~, along with the  
30 request, the fingerprints of a new applicant, and the ~~Department of Public Safety-State Bureau of~~  
31 ~~Investigation~~ shall provide a criminal record check based upon the applicant's fingerprints. The  
32 Board may request a criminal record check from the ~~Department of Public Safety-State Bureau~~  
33 ~~of Investigation~~ for a renewal applicant based upon the applicant's fingerprints in accordance  
34 with policy adopted by the Board. The Board shall provide any additional information required  
35 by the ~~Department of Public Safety-State Bureau of Investigation~~ and a form signed by the  
36 applicant consenting to the check of the criminal record and to the use of the fingerprints and  
37 other identifying information required by the State or national repositories. The applicant's  
38 fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's  
39 criminal history record file, and the State Bureau of Investigation shall forward a set of the  
40 fingerprints to the Federal Bureau of Investigation for a national criminal history check. The  
41 ~~Department of Public Safety-State Bureau of Investigation~~ may charge each applicant a fee to be  
42 collected by the Board and transmitted to the State Bureau of Investigation for conducting the  
43 checks of criminal history records authorized by this subsection.

44 The Board may require a new or renewal applicant to obtain a criminal record report from  
45 one or more reporting services designated by the Board to provide criminal record reports.  
46 Applicants are required to pay the designated reporting service for the cost of these reports.

47 (b) Confidentiality. – ~~The~~ Except as necessary to support the denial of an application or  
48 a disciplinary matter in a contested case, the Board shall keep all information obtained pursuant  
49 to this section confidential in accordance with applicable State law and federal guidelines, and  
50 the information shall not be a public record under Chapter 132 of the General Statutes.

51 **"§ 74D-3. Exemptions.**

1 The provisions of this Chapter shall not apply ~~to~~ to the following:

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

35 (b) A person licensed under this Chapter may utilize a consultant or manufacturer's  
36 representative to troubleshoot a location or installation if accompanied by the licensee and the  
37 licensee submits a report to the Board within 30 days from the date of the consultation designating  
38 the consultant as a temporary consultant.

39 **"§ 74D-4. ~~Alarm-Security~~ Security Systems Licensing Board.**

40 (a) The ~~Alarm-Security~~ Security Systems Licensing Board is hereby established.

41 (b) The Board shall consist of seven members: the Secretary of Public Safety or his or  
42 her designee; two persons appointed by the Governor, one of whom shall be licensed under this  
43 Chapter and one of whom shall be a public member; two persons appointed by the General  
44 Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance  
45 with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be  
46 a public member; and two persons appointed by the General Assembly upon the recommendation  
47 of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom  
48 shall be licensed under this Chapter and one of whom shall be a public member.

49 (c) Each member shall be appointed for a term of three years and shall serve until a  
50 successor is installed. ~~No~~ With the exception of the Secretary or his or her designee, no member  
51 shall serve more than two complete three-year consecutive terms. ~~The term of each member,~~

1 other than the Attorney General or his designee, who is serving on August 7, 1989, shall terminate  
2 on June 30, 1989. Of the appointments made by the General Assembly upon the recommendation  
3 of the President of the Senate to begin on July 1, 1989, one member shall be for a term of one  
4 year and one member shall be for a term of three years. Of the appointments made by the General  
5 Assembly upon the recommendation of the Speaker of the House of Representatives, one member  
6 shall be appointed for a term of two years and one member shall be appointed for a term of three  
7 years. Thereafter all terms shall be for three years.

8 ...

9 (e) Board members who are also State officers or employees shall receive no per diem  
10 compensation for serving on the Board, and shall only receive the travel allowances set forth in  
11 G.S. 138-6. All other Board members shall receive reimbursement in accordance with  
12 G.S. 93B-5(b) and, notwithstanding G.S. 93B-5(a), shall receive as compensation for their  
13 services per diem not to exceed one hundred dollars (\$100.00) for each day during which they  
14 are engaged in the official business of the Board. The Board shall set the travel allowance and  
15 per diem compensation of Board members who are not also State officers or employees.

16 (f) The Board shall elect a ~~chairman~~chair and a ~~vice chairman~~vice-chair from its  
17 membership by majority vote at the first meeting of its fiscal year. The ~~vice chairman~~vice-chair  
18 shall serve as ~~chairman~~chair of the screening committee and shall also serve as ~~chairman~~chair  
19 in the ~~chairman's~~chair's absence. At no time shall both the positions of ~~chairman~~chair and  
20 ~~vice chairman~~vice-chair be held by either an industry representative or a nonindustry  
21 representative.

22 (g) The Board shall meet at the call of the ~~chairman~~chair or a majority of the members  
23 of the Board. The Board shall adopt rules governing the call and conduct of its meetings. A  
24 majority of the current Board membership constitutes a quorum.

#### 25 **"§ 74D-5. Powers of the Board.**

26 (a) In addition to the powers conferred upon the Board elsewhere in this Chapter, the  
27 Board shall have the power ~~to~~to do the following:

- 28 (1) Promulgate rules necessary to carry out and administer the provisions of this  
29 Chapter including the authority to require the submission of reports and  
30 information by licensees under this ~~Chapter;~~Chapter.
- 31 (2) Determine minimum qualifications and establish minimum education,  
32 experience, and training standards for ~~applicants and licensees~~applicants,  
33 licensees, and registrants under this ~~Chapter;~~Chapter.
- 34 (3) Conduct investigations regarding alleged violations and make evaluations as  
35 may be necessary to determine if unlicensed individuals or entities are in  
36 violation of this Chapter and licensees and registrants under this Chapter are  
37 complying with the provisions of this ~~Chapter;~~Chapter. The Board shall issue  
38 cease and desist orders, in writing, for violations of this Chapter with the  
39 concurrence of the Secretary of Public Safety.
- 40 (4) Adopt and amend bylaws, consistent with law, for its internal management  
41 and ~~control;~~control.
- 42 (5) Investigate and approve individual applicants to be licensed or registered  
43 according to this Chapter;Chapter.
- 44 (6) Deny, suspend, or revoke any license issued or to be issued under this Chapter  
45 to any ~~applicant or licensee~~applicant, licensee, or registrant who fails to  
46 satisfy the requirements of this Chapter or the rules established by the Board.  
47 The denial, suspension, or revocation of such license or registration shall be  
48 in accordance with Chapter 150B of this General Statutes of North  
49 ~~Carolina;~~Carolina.
- 50 (7) Issue subpoenas to compel the attendance of witnesses and the production of  
51 pertinent books, accounts, records, and documents. The district court shall

1 have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts  
2 occurring in matters pending before the Board which would constitute civil  
3 contempt if the acts occurred in an action pending in ~~court~~; ~~and court~~.

4 (8) Contract for services as necessary to carry out the functions of the Board.

5 (9) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property  
6 in the same manner as a private person or corporation, subject only to approval  
7 of the Governor and the Council of State. Collateral pledged by the Board for  
8 an encumbrance is limited to the assets, income, and revenues of the Board.

9 (b) The ~~chairman~~ chair of the Board or his or her representative designated to be a hearing  
10 officer may conduct any hearing called by the ~~board~~ Board for the purpose of denial, suspension,  
11 or revocation of a license or registration under this Chapter.

12 (c) The regulation of security system businesses shall be exclusive to the Board; however,  
13 any city or county shall be permitted to require a security systems business operating within its  
14 jurisdiction to register and to supply information regarding its license and may adopt an ordinance  
15 to require users of electronic security systems to obtain revocable permits when alarm usage  
16 involves automatic signal transmission to a law enforcement agency.

17 **"§ 74D-5.1. Position of Director created.**

18 The position of Director of the ~~Alarm-Security~~ Systems Licensing Board is hereby created  
19 within the Department of Public Safety. The Secretary of Public Safety shall appoint a person to  
20 fill this full-time position. The Director's duties shall be to administer the directives contained in  
21 this Chapter and the rules ~~promulgated~~ adopted by the Board to implement this Chapter and to  
22 carry out the administrative duties incident to the functioning of the Board in order to actively  
23 police the ~~alarm systems~~ security systems industry to insure compliance with the law in all  
24 aspects. The Director may issue a temporary grant or denial of a request for registration subject  
25 to final action by the Board at its next regularly scheduled meeting.

26 **"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.**

27 The Secretary of Public Safety shall have the power to investigate or cause to be investigated  
28 any complaints, allegations, or suspicions of wrongdoing or violations of this Chapter involving  
29 individuals unlicensed, licensed, or to be licensed, under this Chapter. Any investigation  
30 conducted pursuant to this section is deemed confidential and is not subject to review under  
31 G.S. 132-1 until the investigation is complete and a report is presented to the Board. However,  
32 the report may be released to the licensee after the investigation is complete but before the report  
33 is presented to the Board.

34 **"§ 74D-6. Denial of a license or registration.**

35 Upon a ~~finding that the applicant meets the requirements for licensure or receipt of an~~  
36 application for licensure or registration under this Chapter, G.S. 74D-8, the Board shall determine  
37 whether the applicant shall receive the license or registration applied for. The grounds for denial  
38 ~~include~~ include all of the following:

39 (1) Commission of some act which, if committed by a registrant or licensee,  
40 would be grounds for the suspension or revocation of a registration or license  
41 under this ~~Chapter~~ Chapter.

42 (2) Conviction of a crime involving ~~fraud~~; the illegal use, carrying, or possession  
43 of a firearm, felonious assault or an act of violence, felonious sexual offense,  
44 felonious larceny, or felonious fraud. For purposes of this subdivision,  
45 "conviction" means and includes the entry of a plea of guilty, plea of no  
46 contest, or a verdict entered in open court by a judge or jury, including a prayer  
47 for judgment continued, adjudication withheld, or equivalent.

48 (3) Lack of good moral character or temperate habits. The following  
49 misdemeanor convictions shall be prima facie evidence that the applicant does  
50 not have good moral character or temperate habits: conviction by any local,  
51 State, federal, or military court of any crime involving the illegal use, carrying,

1 or possession of a firearm; conviction of any crime involving the illegal use,  
 2 possession, sale, manufacture, distribution, or transportation of a controlled  
 3 substance, drug, narcotic, or alcoholic beverages; conviction of a crime  
 4 involving ~~felonious~~ assault or an act of violence; conviction of a crime  
 5 involving unlawful breaking or entering, burglary or ~~larceny or of any offense~~  
 6 ~~involving moral turpitude; larceny;~~ conviction of a crime involving a sexual  
 7 offense; or a history of addiction to alcohol or a narcotic drug; provided that,  
 8 for purposes of this ~~subsection~~ subdivision, "conviction" means and includes  
 9 the entry of a plea of guilty, plea of no contest, or a verdict rendered in open  
 10 court by a judge or ~~jury;~~ jury, including a prayer for judgment continued,  
 11 adjudication withheld, or equivalent.

- 12 (4) Previous denial under this Chapter or previous revocation for ~~cause;~~ cause.  
 13 (5) Knowingly making any false statement or misrepresentation in an application  
 14 made to the Board for a license or registration.  
 15 (6) Being a registered sex offender in this State or any other state.

16 ...

17 **"§ 74D-8. Registration of persons employed.**

- 18 (a) (1) A licensee of ~~an alarm~~ a security systems business shall register with the  
 19 Board within 30 days after the employment begins, all of the ~~following~~  
 20 licensee's employees described in subdivision (1a) of this subsection that are  
 21 within the State, unless in the discretion of the Director, the time period is  
 22 extended for good ~~cause;~~ cause.

23 (1a) The following employees shall be registered with the Board:

- 24 a. Any employee that has access to ~~confidential~~ any information  
 25 detailing the design, installation, or application of any ~~location specific~~  
 26 ~~electronic~~ security system or ~~that~~ has access to any code, number, or  
 27 program that would allow the system to be modified, altered, or  
 28 circumvented.  
 29 b. Any employee who conducts personal sales in a private residence or  
 30 who installs or services an electronic a security system in a commercial  
 31 business establishment or a personal residence.

- 32 (1b) Employees engaged only in sales or marketing that does and not involve  
 33 involved in any of the above activities described in subdivision (1a) of this  
 34 subsection are not required to be registered.

- 35 (1c) ~~(1a)~~ To register an employee, a licensee shall submit to the Board as to the  
 36 employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards;  
 37 recent color photograph(s) of acceptable quality for identification; and  
 38 statements of any criminal records as deemed appropriate by the Board.

- 39 (2) Except during the period allowed for registration in subdivision (a)(1) of this  
 40 section, no ~~alarm~~ security systems business may employ any employee  
 41 required to be registered by this Chapter unless the employee's registration has  
 42 been approved by the Board as set forth in this section.

- 43 (3) A licensee may employ an applicant for registration as a probationary  
 44 employee for 20 consecutive days. Upon completion of the probationary  
 45 period and the desire of the licensee to hire the registration applicant as a  
 46 regular employee, the licensee shall register the employee, as described in this  
 47 subsection, with the Board within 30 days after the probationary employment  
 48 period ends unless the Director, in the Director's discretion, extends the time  
 49 period for good cause. Before a probationary employee engages in systems  
 50 services, the employee shall complete any training requirements and the  
 51 licensee shall conduct a criminal record check on the employee, as the Board

1 deems appropriate. The licensee shall submit a list of the probationary  
 2 employees to the Director on a monthly basis. The list shall include the name,  
 3 address, social security number, and dates of employment of the employees.  
 4 ...

5 **"§ 74D-8.1. Apprenticeship registration permit.**

6 (a) The Board may issue an apprenticeship registration permit to an applicant who is 16  
 7 or 17 years old ~~and currently enrolled in high school~~ if the applicant ~~holds a valid drivers license~~  
 8 ~~and~~ submits at least three letters of recommendation stating that the applicant is of good moral  
 9 character as provided in G.S. 74D-2(d)(2). The letters of recommendation shall be from persons  
 10 who are not related to the ~~individual, and at least one of the letters shall be from an official at the~~  
 11 ~~school where the applicant is currently enrolled.~~ applicant.

12 ...  
 13 **"§ 74D-9. Certificate of liability insurance required; form and approval; suspension for**  
 14 **noncompliance.**

15 ...  
 16 (d) No license shall be issued under this act unless the applicant files with the Board  
 17 evidence of a policy of liability insurance which policy must provide for the following minimum  
 18 coverage: ~~fifty-two hundred fifty thousand dollars (\$50,000)~~ (\$250,000) because of bodily injury  
 19 or death of one person as a result of the negligent act or acts of the principal insured or his agents  
 20 operating in the course and scope of his employment; subject to said limit for one person, ~~one~~  
 21 ~~five hundred thousand dollars (\$100,000)~~ (\$500,000) because of bodily injury or death of two or  
 22 more persons as the result of the negligent act or acts of the principal insured or his agent  
 23 operating in the course and scope of his or her agency; ~~twenty-one hundred thousand dollars~~  
 24 ~~(\$20,000)~~ (\$100,000) because of injury to or destruction of property of others as the result of the  
 25 negligent act or acts of the principal insured or his agents operating in the course and scope of  
 26 his or her agency.

27 ...  
 28 **"§ 74D-10. Suspension or revocation of licenses and registrations; appeal.**

29 (a) The Board may, after notice and an opportunity for hearing, suspend or revoke a  
 30 license or registration issued under this Chapter if it is determined that the licensee or registrant  
 31 has:

- 32 ...  
 33 (3) Violated any rule ~~promulgated~~ adopted by the Board pursuant to the authority  
 34 contained in this Chapter.  
 35 (4) Been convicted of any ~~crime involving moral turpitude or any other crime~~  
 36 ~~involving violence or the illegal use, carrying, or possession of a dangerous~~  
 37 ~~weapon.~~ felony as set forth in G.S. 74D-6(2) or any crime as set forth in  
 38 G.S. 74D-6(3).  
 39 ...  
 40 (7) Engaged in or permitted any employee to engage in any ~~alarm~~ security  
 41 systems business when not lawfully in possession of a valid ~~license~~  
 42 registration issued under the provisions of this Chapter.  
 43 (8) Committed an unlawful breaking or entering, burglary, larceny, sexual  
 44 offense, trespass, fraud, assault, battery, or kidnapping.  
 45 (9) Committed any other act which is a ground for the denial of an application for  
 46 a license or registration under this Chapter.  
 47 (10) Failed to maintain the certificate of liability insurance required by this  
 48 Chapter.  
 49 ...



1 (15) Engaged in the alarm-security systems profession under a name other than the  
 2 name under which the license was obtained under the provisions of this  
 3 Chapter.

4 ...  
 5 (19) Engaged in conduct that constitutes dereliction of duty or otherwise deceives,  
 6 defrauds, or harms the public in the course of professional activities or  
 7 services-services, including fraudulently claiming a change in business  
 8 ownership, fraudulently claiming dissolution of a competing business,  
 9 fraudulently claiming to be a representative of the consumer's current service  
 10 provider, misrepresentation of employer, or misrepresenting an upgrade of  
 11 equipment as a sales tactic.

12 (20) Demonstrated a lack of financial responsibility.

13 ...  
 14 **"§ 74D-11. Enforcement.**

15 ...  
 16 (b) Any person, firm, association, corporation, or department or division of a firm,  
 17 association or corporation, or their agents and employees violating any of the provisions of this  
 18 Chapter or knowingly violating any rule promulgated to implement this Chapter shall be guilty  
 19 of a Class 1 misdemeanor. The Attorney General, or his or her representative, shall have  
 20 concurrent jurisdiction with the district attorneys of this State to prosecute violations of this  
 21 Chapter.

22 ~~(e) The regulation of alarm systems businesses shall be exclusive to the Board; however,~~  
 23 ~~any city or county shall be permitted to require an alarm systems business operating within its~~  
 24 ~~jurisdiction to register and to supply information regarding its license, and may adopt an~~  
 25 ~~ordinance to require users of alarm systems to obtain revocable permits when alarm usage~~  
 26 ~~involves automatic signal transmission to a law enforcement agency.~~

27 ...  
 28 (e) Proceedings for the assessment of civil penalties shall be governed by Chapter 150B  
 29 of the General Statutes. If the person assessed a penalty fails to pay the penalty to the Board, the  
 30 Board may institute an action in the superior court of the county in which the person resides or  
 31 has his or her principal place of business to recover the unpaid amount of the penalty. An action  
 32 to recover a civil penalty under this section shall not relieve any party from any other penalty  
 33 prescribed by law.

34 (f) The sale, installation, or service of ~~an alarm-a security~~ system by an unlicensed or  
 35 unregistered person shall constitute a threat to the public safety, and any contract for the sale,  
 36 installation, or service of ~~an alarm-a security~~ system shall be deemed void and unenforceable.

37 ...  
 38 **~~"§ 74D-13. Transfer of funds.~~**

39 ~~All fees collected pursuant to Chapter 74C of the General Statutes from alarm systems~~  
 40 ~~businesses which have not been expended upon January 1, 1984, shall be transferred to the Board~~  
 41 ~~by the Private Protective Services Board for the purpose of defraying the expenses of~~  
 42 ~~administering this act.~~

43 **"§ 74D-14. Proof of licensure to maintain or commence action.**

44 ~~An alarm-A security~~ systems business may not maintain any action in any court of the State  
 45 for the collection of compensation for performing an act for which a license or registration is  
 46 required by this Chapter without alleging and proving that the alarm-security systems business is  
 47 appropriately licensed and the employee or agent of the alarm-security systems business is  
 48 appropriately registered upon entering into a contract with the consumer. ~~An alarm-A security~~  
 49 systems installation, maintenance, or monitoring contract entered into with a consumer shall be  
 50 void if the consumer confirms through records maintained by the Board that the alarm-security  
 51 systems business is not properly licensed or the consumer establishes through records maintained

1 by the Board that the person enticing the consumer to enter into the contract is not properly  
 2 registered by the Board. The sale, installation, or service of ~~an alarm~~ A security system by an  
 3 unlicensed entity or unregistered employee shall be deemed an unfair and deceptive trade practice  
 4 and shall be actionable under Chapter 75 of the General Statutes.

5 ...."

6 **SECTION 1.(b)** Article 2 of Chapter 74D of the General Statutes reads as rewritten:

7 "Article 2.

8 "~~Alarm Security~~ Systems Education Fund.

9 **"§ 74D-30. ~~Alarm Security~~ Systems Education Fund created; payment to Fund;  
 10 management; use of funds.**

11 (a) There is hereby created and established a special fund to be known as the "~~Alarm~~  
 12 Security Systems Education Fund" (hereinafter Fund) which shall be set aside and maintained  
 13 in the office of the State Treasurer. The Fund shall be used in the manner provided in this Article  
 14 for the education of licensees and registrants.

15 ...

16 (c) In addition to the fees provided for elsewhere in this Chapter, the Board shall charge  
 17 the following fees which shall be deposited into the Fund:

18 (1) ~~On July 1, 1985, the Board shall charge every licensee on that date a fee of~~  
 19 ~~fifty dollars (\$50.00);~~

20 (2) The Board shall charge each new applicant for a license ~~fifty dollars (\$50.00),~~  
 21 ~~provided that for purposes of this Article a new applicant is hereby defined as~~  
 22 ~~an applicant who did not possess a license on July 1, 1985; and~~ fifty dollars  
 23 (\$50.00).

24 (3) The Board is authorized to charge each licensee an additional amount, not to  
 25 exceed fifty dollars (\$50.00), on July 1 of any year in which the balance of the  
 26 Fund is less than twenty-five thousand dollars (\$25,000).

27 (d) The State Treasurer shall invest and reinvest the moneys in the Fund in a manner  
 28 provided by law. The Board in its discretion, may use the Fund for any of the following purposes:

29 (1) To advance education and research in the ~~alarm security~~ systems field for the  
 30 benefit of those licensed under the provisions of this Chapter and for the  
 31 improvement of the ~~industry, industry.~~

32 (2) To underwrite educational seminars, training centers and other educational  
 33 projects for the use and benefit generally of ~~licensees, and licensees.~~

34 (3) To sponsor, contract ~~for~~ for, and ~~to~~ underwrite any and all additional  
 35 educational training and research projects of a similar nature having to do with  
 36 the advancement of the ~~alarm security~~ systems field in North Carolina."

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

38 **"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

39 (a) The license when issued shall be in a form determined by the Board and shall state all  
 40 of the following:

41 (1) The name of the licensee.

42 (2) The name under which the licensee is to operate.

43 (3) The number and expiration date of the license.

44 (b) The license shall be issued for a term of two years. Each license must be renewed  
 45 before expiration of the term of the license. Following issuance, the license shall at all times be  
 46 posted in a conspicuous place in the principal place of business of the licensee. A license issued  
 47 under this Chapter is not assignable.

48 (c) No licensee shall engage in any business regulated by this Chapter under a name other  
 49 than the licensee name or names which appear on the certificate issued by the Board.

50 (d) Any security systems business with a branch office ~~of an alarm systems business in~~  
 51 this State shall obtain a branch office certificate. A separate certificate stating the location and

1 licensed qualifying agent shall be posted at all times in a conspicuous place in each branch office.  
 2 Every business covered under the provisions of this Chapter shall file in writing with the Board  
 3 the addresses of each of its branch ~~offices.~~offices in this State. All licensees ~~of with~~ a branch  
 4 office shall notify the Board in writing before the establishment, closing, or changing of the  
 5 location of any branch ~~office.~~ ~~A licensed qualifying agent may be responsible for more than one~~  
 6 ~~branch office of an alarm systems business with the prior approval of the Board.~~office in this  
 7 State. Temporary approval may be granted by the Director, upon application of the qualifying  
 8 agent, for a period of time not to exceed ~~10 working~~45 days after the adjournment of the next  
 9 regularly scheduled meeting of the Board unless the Board determines that the application should  
 10 be denied.

11 (e) The Board may charge the following fees, which must be expended, under the  
 12 direction of the Board, to defray the expense of administering this Chapter:

- 13 (1) A nonrefundable initial license application fee in an amount not to exceed ~~one~~  
 14 five hundred fifty dollars ~~(\$150.00).~~(\$500.00).
- 15 (2) A new or renewal license fee in an amount not to exceed ~~five hundred one~~  
 16 thousand dollars ~~(\$500.00).~~(\$1,000).
- 17 (3) A late license renewal fee to be paid in addition to the renewal fee due in an  
 18 amount not to exceed ~~one five hundred~~ dollars ~~(\$100.00).~~(\$500.00) if the  
 19 license has not been renewed on or before the expiration date of the license.
- 20 (4) A new or renewal registration fee in an amount not to exceed ~~fifty one hundred~~  
 21 dollars ~~(\$50.00).~~(\$100.00) plus any fees charged to the ~~board~~Board for  
 22 background checks by the State Bureau of Investigation.
- 23 (5) A fee for reregistration of an employee who changes employment to another  
 24 licensee, not to exceed ~~ten twenty-five~~ dollars ~~(\$10.00).~~(\$25.00).
- 25 (6) A branch office certificate fee not to exceed ~~one three hundred fifty~~ dollars  
 26 ~~(\$150.00).~~(\$300.00).
- 27 ~~(7) A fee not to exceed fifty dollars (\$50.00) for each reconsideration of a license~~  
 28 ~~or registration permit that has been filed or returned to the applicant for~~  
 29 ~~correctable errors.~~
- 30 (8) A late registration fee, to be paid in addition to the registration renewal fee,  
 31 not to exceed ~~twenty forty~~ dollars ~~(\$20.00).~~(\$40.00) for an application  
 32 submitted no more than 30 days after the expiration of the registration permit.  
 33 A registration application submitted more than 30 days after the registration  
 34 has expired shall be registered as a new applicant."

35 **SECTION 3.** This act becomes effective October 1, 2023.