

**MINUTES OF THE
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD**

DATE: May 18, 2023
TIME: 1:00 P.M.
PLACE: Hampton Inn and Suites – Raleigh/Crabtree
3920 Arrow Dr.
Raleigh, NC 27609

**SUBMITTED
BY:** Paul Sherwin, Director

MEMBERS PRESENT

Stephen Wheeler
Jim Crabtree
Mack Donaldson
R. Wike Graham
Caroline Brown

MEMBERS ABSENT

Mary Wood

STAFF PRESENT

Director Paul Sherwin
Attorney Jeff Gray
Field Services Supervisor Kim Odom
ASLB Board Secretary Syconda Marrow
Deputy Secretary Caroline Valand
Gary Bullard
Karen Battle

STAFF ABSENT

VISITORS (2 in person, all others virtual)

| | | |
|------------------------|----------------|------------------|
| Aaron Hughes | Duane Cook | Ryan Jeans |
| Aaron Rusk | Eric Carrier | William Edwards |
| Andy Hull | Faisel Ahmed | Jamie Black |
| Brad Resler | Jake Dorsett | Kyle Erice |
| Canzella Candy Skinner | Jamie Thompson | Robin Thompson |
| Charles Robinson | Jim Brady | Leonardo Serrano |
| Charles Olson | Joe Tranfaglia | Nathan Shields |
| David Mulholland | Logan Black | Denice Childress |
| Randall Brown | | |

The May 18, 2023, meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chair Stephen Wheeler at 1:02 P.M.

Attorney Jeff Gray read the following statement:

"In accordance with the State Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and the appearance of conflict. If any Member has any known conflict of

interest or appearance of conflict with respect to any matter coming before this Board today, please identify the conflict or appearance of conflict and refrain from the deliberation and vote in that matter."

Chair Stephen Wheeler welcomed all guests.

FINAL AGENCY DECISION(S)

None.

MARCH 2023 MEETING MINUTES

JIM CRABTREE MADE A MOTION TO ACCEPT THE MARCH 18, 2023, BOARD MEETING MINUTES. SECONDED BY CAROLINE BROWN. MOTION CARRIED. NONE OPPOSED.

COMMITTEE REPORTS

Caroline Brown presented the Grievance Committee report. The Committee, consisting of Caroline Brown and R. Wike Graham, met on May 18, 2023, from 9:03 A.M. to 10:03 A.M. and heard a total of six cases.

See attachment for the full Grievance Committee Report.

JIM CRABTREE MADE A MOTION TO APPROVE THE GRIEVANCE COMMITTEE REPORT. SECONDED BY MACK DONALDSON. MOTION CARRIED. NONE OPPOSED.

Jim Crabtree presented the Screening Committee report. The Committee, consisting of Jim Crabtree, Caroline Brown, R. Wike Graham, Mack Donaldson and Stephen Wheeler, met on May 18, 2023, from 11:02 A.M. to 12:16 P.M. to review a total of ten license applications and one registration denial appeal.

See attachment for the full Screening Committee Report.

CAROLINE BROWN MADE A MOTION TO ACCEPT THE SCREENING COMMITTEE REPORT. SECONDED BY R. WIKE GRAHAM. MOTION CARRIED. NONE OPPOSED.

Mack Donaldson presented the Training and Education Committee report. Mr. Donaldson noted there were 12 continuing education course submissions, which included eight new courses and four renewal courses. All continuing education courses were approved.

See attachment for the full Continuing Education Committee Report.

JIM CRABTREE MADE A MOTION TO ACCEPT THE TRAINING AND EDUCATION COMMITTEE REPORT. SECONDED BY R. WIKE GRAHAM. MOTION CARRIED. NONE OPPOSED.

OLD BUSINESS

None.

NEW BUSINESS

Chair Stephen Wheeler announced Larry Proctor resigned from the Board and thanked him for his many years of service.

Director Sherwin discussed attending the N.C. Security and Low Voltage Association (NCSLVA) annual conference in Bermuda Run on May 4, 2023, where he delivered a 1-hour seminar to conference attendees about the ASLB and best practices in compliance.

Director Sherwin presented an application from the NCSLVA for the Board's Training and Education Grant. Officials from the Association were not present to answer questions about the application, so Chair Stephen Wheeler asked to defer consideration of the application to the Board's July 20, 2023, meeting.

Director Paul Sherwin, in response to a request for information from the Board in March 2023, presented a summary of his research on past and current Board meeting attendance by industry members and the public. He explained that post-COVID-19-pandemic meeting attendance is down approximately 60% from pre-pandemic numbers. The Board discussed options to encourage in-person meeting attendance and concluded that it wished to award three hours of continuing education credit for in-person meeting attendance and one hour of credit for virtual attendance. The Board instructed Attorney Jeff Gray to draft an amendment to administrative rule 14B NCAC 17 .0502 to reflect this change and bring it to the Board for review at its July 20, 2023, meeting.

The Board also discussed whether occasionally moving meeting locations around the state would encourage in-person attendance. The Board asked Director Sherwin to research possible alternative meeting locations and the cost associated with holding meetings outside of Raleigh and bring information back to the Board in the near future.

In response to an inquiry from the industry, Director Sherwin asked the Board if it would like to continue approving individually named Level 1 courses, pursuant to administrative rule 14B NCAC 17 .0202, or amend the rule to allow Level 1 courses "approved by the Board," so the existing rule does not have to be amended each time the Board wishes to add a Level 1 course. Attorney Jeff Gray explained to the Board that if it does amend the rule, it will need to clearly state the specific minimum criteria a Level 1 course must meet in order to qualify for Board approval. He said using vague language such as "a Level 1 course approved by the Board" is likely to be rejected by the N.C. Rules Review Commission. Chair Stephen Wheeler volunteered to work with Director Sherwin and Attorney Gray on a possible amendment to the rule.

DIRECTOR'S REPORT

Director Paul Sherwin presented the Director's Report. The report included information about personnel changes, the status of the Board's active licensees and registrants, and a Board finances update.

Chair Wheeler asked Director Sherwin to provide an in-depth analysis of the Board's licensees and registrants and present his findings at the July 20, 2023, meeting. Specifically, Chair Wheeler said he is interested in knowing how many individual license holders there are, compared to how many companies may have more than one license holder within the company.

See attachment for the full Director's Report.

JIM CRABTREE MADE A MOTION TO ACCEPT THE DIRECTOR'S REPORT. SECONDED BY R. WIKE GRAHAM. MOTION CARRIED. NONE OPPOSED.

ATTORNEY'S REPORT

Attorney Jeff Gray delivered his Attorney's Report, which included updates about the status of consent agreements, pending administrative rules changes, and legislative updates.

See attachment for the full Attorney's Report.

JIM CRABTREE MADE A MOTION TO ACCEPT THE ATTORNEY'S REPORT. SECONDED BY CAROLINE BROWN. MOTION CARRIED. NONE OPPOSED.

GOOD OF THE ORDER

None.

JIM CRABTREE MADE A MOTION TO GO INTO CLOSED SESSION TO DISCUSS PENDING LITIGATION. SECONDED BY CAROLINE BROWN. MOTION CARRIED. NONE OPPOSED.

Closed session 2:08 p.m. to 3:24 p.m.

R. WIKE GRAHAM MADE A MOTION TO END THE CLOSED SESSION. SECONDED BY CAROLINE BROWN. MOTION CARRIED. NONE OPPOSED.

JIM CRABTREE MADE A MOTION TO ADJOURN THE MEETING. SECONDED BY MACK DONALDSON. MOTION CARRIED. NONE OPPOSED.

Meeting Adjourned: 3:25 P.M.

Paul Sherwin, Director

Syconda Marrow, Board Secretary

ASLB Grievance After Report for May 18, 2023 9:00 am

| Case Number | Complaint Against | Allegation(s) | Grievance Committee Recommendation | Board Action |
|--------------------|---|----------------------|---|---------------------|
| 1. 2022-ASLB-027 | Zaccary Whitworth Brinks 495 W University Pkwy Orem, UT 84058 | NCGS 74D-2 | Continue the cease and desist order previously issued to Zaccary Whitworth and Denovo Holdings, LLC. Consolidated with 2022-ASLB-028. | Accepted |
| 2. 2022-ASLB-028 | Zaccary Whitworth Denovo Holdings, LLC 495 W University Parkway Orem, UT 84058 | NCGS 74D-2 | Continue the cease and desist order previously issued to Zaccary Whitworth and Denovo Holdings, LLC. Consolidated with 2022-ASLB-027. | Accepted |
| 3. 2023-ASLB-001 | Jeffrey Dean Martin Leonard's Alarm Service P O Box 367 Maiden, NC 286500000 | NCGS 74D-10(a)(9) | Defer until pending criminal charges are adjudicated. | Accepted |
| 4. 2023-ASLB-004 | Steven Philip Klein Fedora Intertech LLC 1330 Sharon Rd W Charlotte , NC 28210 | NCGS 74D-8 | Find violation of 74D-8. Enter into a consent agreement with Steven Philip Klein and Fedora Intertech LLC in the amount of \$204.00 for one registration violation. | Accepted |

| | Case Number | Complaint Against | Allegation(s) | Grievance Committee Recommendation | Board Action |
|----|--------------------|---|---|---|---------------------|
| 5. | 2023-ASLB-007 | Jody Fisher LINX SMART HOME 7585 NC Hwy 73 Suite 103-C Denver, NC 28037 | NCGS 74D-2 | Find violation of 74D-2(a). Continue the cease and desist order previously issued to Joseph "Jody" Fisher and Linx Smart Home. Refer this matter to the Screening Committee should Joseph Fisher apply for a license. | Accepted |
| 6. | 2023-ASLB-008 | Seth Brewer Beddes Alder Holdings, LLC 450 N 1500 W Orem, UT 84057-2829 | NCGS 74D-10(a)(5) NCGS 74D-10(a)(12) NCGS 74D-10(a)(19) | Find violation of NCGS 74D-10(a)(12) and NCGS 74D-10(a)(19). Issue a non-disciplinary letter of caution to Seth Brewer Beddes and Alder Holdings, LLC. | Accepted |

ASLB Screening BEFORE Report for May 18, 2023

Addendum

| Name Company Name Address | License/Registration | Recommendation | Action |
|--|-----------------------------|---------------------------------------|---------------|
| Logan Whatley Alltech Wiring & Controls, Inc. | Alarm Registration | Deny pursuant to N.C.G.S. 74D-6(3) | Approve |
| Julianna Mills Carolina Alarm, Inc. | Alarm Registration | Deny pursuant to N.C.G.S. 74D-6(3) | Deny |

Board Meeting Report

Board Date 05/18/2023

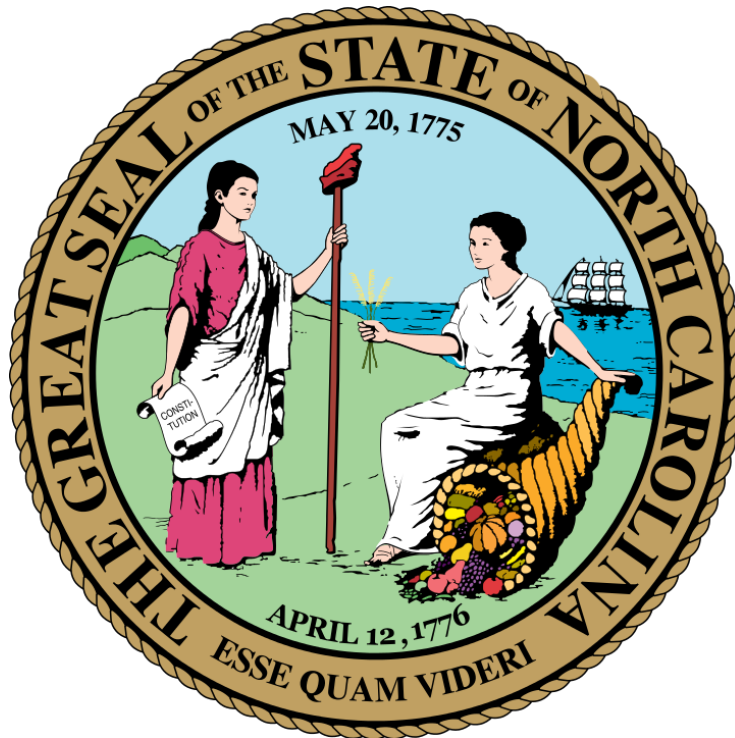
| | Name Company Address | License | Committee Recommendation | Board Action |
|----|--|----------------|---------------------------------|---------------------|
| 1. | Elmer Leroy Barnes III QCC 616 Main St Reisterstown, MD 21136 | Alarm | Approve | Accepted |
| 2. | Jonathan Earl Baxter JR Nltor E LLC 3630 Clemmons Road Clemmons, NC 27012 | Alarm | Approve | Accepted |
| 3. | James Thomas Black Flashpoint Fire LLC 6725-D Amsterdam Way Wilmington, NC 28405 | Alarm | Approve | Accepted |
| 4. | Arthur Kent Gibson Amteck 1387 E New Circle Rd Lexington, KY 40505 | Alarm | Approve | Accepted |
| 5. | Ryan Jeans ISO Network, LLC 2100 Barrett Park Drive Kennesaw, GA 30144 | Alarm | Approve | Accepted |
| 6. | Te Rangī Rawiri Meihana Mcghie E & E Sound and Security 1400 Battleground Ave, Suite 100-M Greensboro, NC 27408 | Alarm | Approve | Accepted |

| | Name Company Address | License | Committee Recommendation | Board Action |
|-----|---|----------------|---------------------------------|---------------------|
| 7. | Jeffery Kyle McNeely Orion Security Solutions 16232 Muirfield PI Edmond, OK 73013 | Alarm | Approve | Accepted |
| 8. | Grady Medcalf Comcast Business SmartOffice 1701 JFK Blvd Philadelphia, PA 19103 | Alarm | Approve | Accepted |
| 9. | Eric Matthew Roberts Savvy Tech LLC 175 Bath Creek Drive Mooresville, NC 28117 | Alarm | Approve | Accepted |
| 10. | Matthew Kelly Shook Universal Voice Data 3401 Woodpark Boulevard Charlotte, NC 28206 | Alarm | Approve | Accepted |

NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

May 18, 2023

DIRECTOR'S REPORT



Paul Sherwin, Director

DIRECTOR'S REPORT

- I. PPS information and updates, page 3**
- II. Registration and licensing summary, page 5**
- III. FY23 budget summary, page 6**
- IV. FY23 budget graphics, page 7**

PPS INFORMATION AND UPDATES

Personnel

Private Protective Services currently has one vacant position:

- Investigator I (Registration)

Karen Battle started with Private Protective Services as an investigator and PPSB training officer on May 1, 2023. She retired in 2022 after 26 years of service with the Wake County Sheriff's Office, where she achieved the rank of major. Karen worked in several positions within the sheriff's office, including patrol, criminal investigations, and training. She holds a bachelor's degree in sociology and criminal justice from N.C. State University and a master's degree in criminal justice education from East Carolina University. She is also certified by the N.C. Criminal Justice Education and Training Standards Commission as a general instructor.

Operations

Registration Unit

- Registration applications received year-to-date: 1,592
 - Same period in 2022: 1,431
 - Same period in 2021: 1,562
 - Same period in 2020: 1,426
 - Same period in 2019: 1,898

Licensing Unit

- Licensing applications received year-to-date: 183
 - Same period in 2022: 154
 - Same period in 2021: 195
 - Same period in 2020: 167
 - Same period in 2019: 213

Investigations Unit

- License applicant background investigations completed year-to-date: 25
 - Same period in 2022: 25
 - Same period in 2021: 24
 - Same period in 2020: 42
 - Same period in 2019: 44
- Complaint investigations completed year-to-date: 15
 - Same period in 2022: 11
 - Same period in 2021: 13
 - Same period in 2020: 4
 - Same period in 2019: 11

Other

Director Sherwin on May 4, 2023, delivered a 1-hour presentation about the ASLB and best-practices in compliance at the 2023 N.C. Security and Low Voltage Association Annual Convention. In addition, he had the opportunity to speak one-on-one with numerous license holders and other industry professionals about the Board's various laws and rules, continuing education, unlicensed activity, and more. Director Sherwin is also scheduled to provide a 1-hour seminar at the ADI Expo on July 13 in Raleigh.

REGISTRATION AND LICENSING SUMMARY

Total active in Permitium: 7,492
(-6% from March 2023 meeting)

| | | |
|---------------------------|------------------------|-------------|
| Registration | | |
| | Alarm Registrant | 6445 |
| Registration Total | | 6445 |
| License | | |
| | Burglar Alarm Business | 1047 |
| License Total | | 1047 |

Alarm Systems Licensing Board Financial Report
Fiscal Year-to-Date 2023
July 1, 2022 - March 31, 2023

ASLB Operating Fund Revenue and Expenditures

| | |
|---------------------------------------|------------------------|
| FY23 Revenue | \$ 399,300.72 |
| FY23 Expenditures | \$ (286,576.31) |
| <hr/> | |
| FY23 Fund Balance Increase/(Decrease) | \$ 112,724.41 |

ASLB Operating Fund Cash Flow

| | |
|----------------------------------|------------------------|
| Beginning Balance (July 1, 2022) | \$ 835,930.70 |
| FY23 Revenue | \$ 399,300.72 |
| FY23 Expenditures | \$ (286,576.31) |
| <hr/> | |
| Current Fund Balance | \$ 948,655.11 |

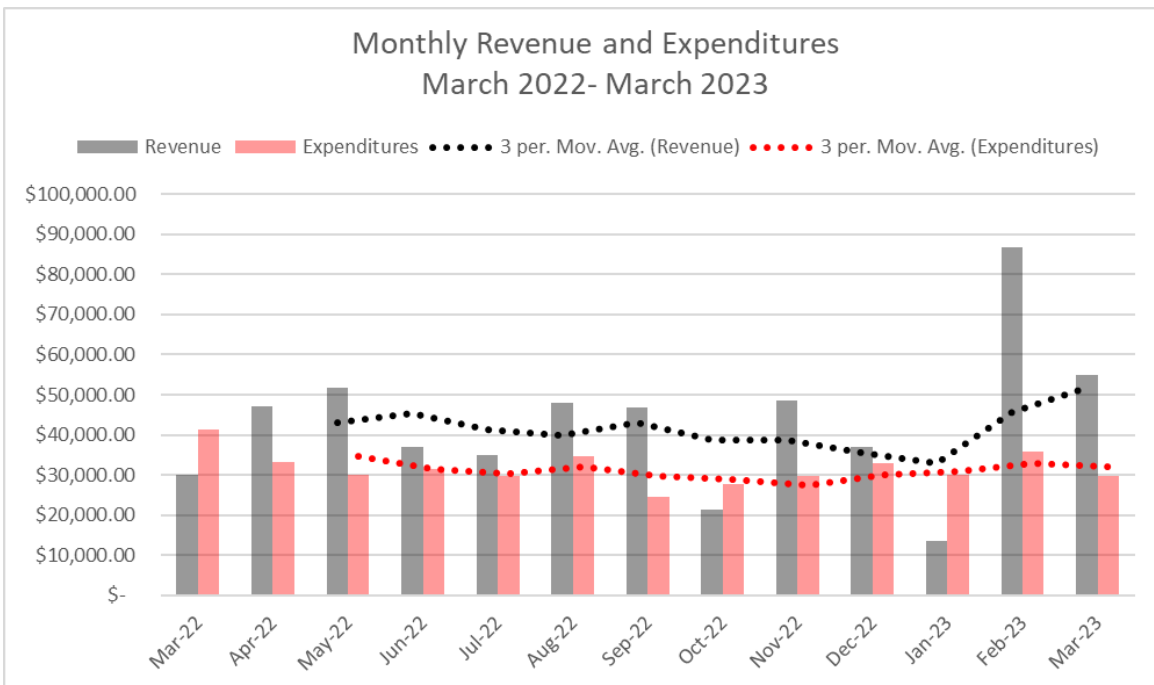
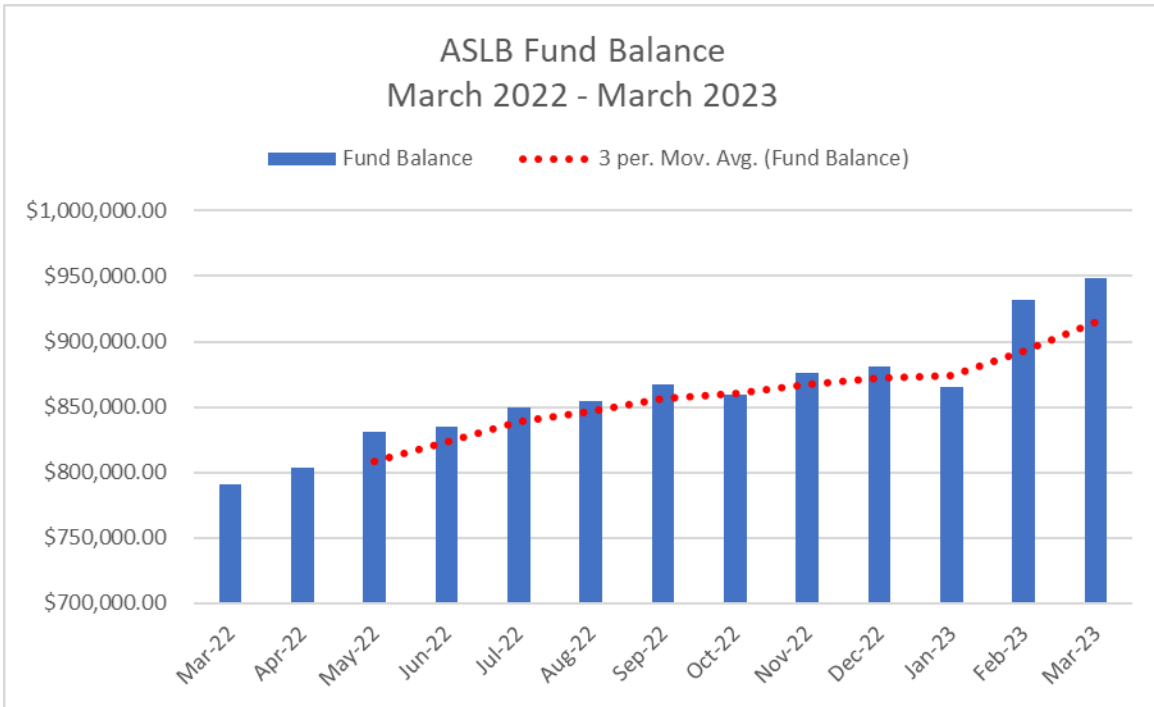
ASLB Education Fund Revenue and Expenditures

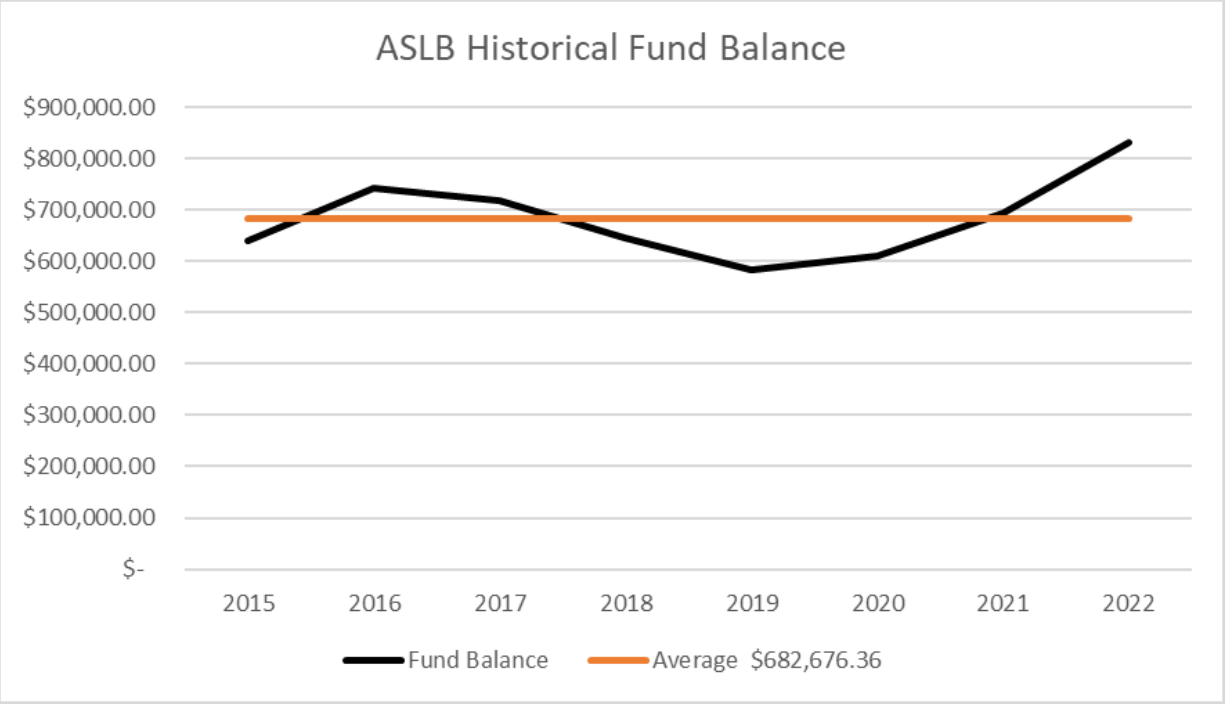
| | |
|---------------------------------------|-------------|
| FY23 Revenue | \$ 2,517.27 |
| FY23 Expenditures | \$ - |
| <hr/> | |
| FY23 Fund Balance Increase/(Decrease) | \$ 2,517.27 |

ASLB Education Fund Cash Flow

| | |
|----------------------------------|--------------|
| Beginning Balance (July 1, 2022) | \$ 94,767.41 |
| FY23 Revenue | \$ 2,517.27 |
| FY23 Expenditures | \$ - |
| <hr/> | |
| Current Fund Balance | \$ 97,284.68 |

BUDGET GRAPHICS





ALARM SYSTEMS LICENSING BOARD

Raleigh, North Carolina

May 18, 2023

ATTORNEY'S REPORT



ALARM SYSTEMS LICENSING BOARD

Raleigh, North Carolina

May 18, 2023

I. CONSENT AGREEMENTS & CIVIL PENALTIES

On March 20, 2023 Lee Johnson and Brooks Network Services, LLC entered into a Consent Agreement in the amount of \$3,281.00 for registration violations. Payment has been received. (PAID IN FULL)

On February 21, 2023 Donald Rosa and TRM, Inc. entered into a Consent Agreement in the amount of \$1,632.00 for registration violations. Payment has been received. (PAID IN FULL)

On December 16, 2022, Timothy Alan Smith and Wittenback Business Systems, Inc. entered into a Consent Agreement in the amount of \$612.00 for registration violations. Payment has been received. (PAID IN FULL)

On March 16, 2023, Avner Pecker and Top Security, Inc. entered into a Consent Agreement in the amount of \$204.00 for registration violations. Payment has been received. (PAID IN FULL)

On March 27, 2023 Karen Kay Woodard and Monitronics International, Inc. entered into a Consent Agreement in the amount of \$816.00 for registration violations. Payment has been received. (PAID IN FULL)

II. OFFICE OF ADMINISTRATIVE HEARINGS

See, Hearings List (attachment 1.)

III. PENDING LITIGATION

After numerous attempts to resolve a licensure issue informally, the Board instructed me at its February 2023 meeting to file a Complaint for Injunctive Relief against Flock Group d/b/a Flock Safety for unlicensed activity. It was filed on March 3, 2023. Defendant Flock Group filed its Answer on May 2, 2023.

Representatives of Flock Group, and its North Carolina attorney, will be meeting with the Board today.

IV. LEGISLATION

a. The Board's bill, the "Alarm Systems Licensing Act Modernization," was introduced on March 2nd by Senator Warren Daniel. It is Senate Bill 345. A copy is attached as Attachment 2.

It was referred to the Senate State and Local Government Committee with a sequential referral to the Senate Finance Committee.

Since this bill has a (small) fee increase it is exempt from the legislative crossover deadline, which has passed.

b. House Bill 385, Regulation of Battery-Charged Security Fences, would prohibit counties and cities from adopting certain ordinances, rules, and regulations related to battery-charged security fences and defines and establishes requirements for those fences. A copy is attached as Attachment 3.

This bill passed the House on April 25th and was referred to the Senate Committee on Rules.

V. FINAL AGENCY DECISIONS

None.

ASLB
MASTER HEARINGS LIST
as of **October 24, 2022**

1.

| OAH HEARING DATE | PETITIONER | TYPE OF APPLICATION | FAD HEARING DATE |
|-------------------|---|---|--|
| November 28, 2017 | Daniel Carl Hagerty / Guardian Eagle Security, LLC d/b/a AVSX Technologies 17 DOJ 06331 | Letter of Reprimand (business license) | FAD served April 12, 2018. Petition for Judicial Review filed in Wake County Superior Court May 25, 2018. |

2.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

S

1

SENATE BILL 345

Short Title: Alarm Systems Licensing Act Modernization. (Public)

Sponsors: Senator Daniel (Primary Sponsor).

Referred to: Rules and Operations of the Senate

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 or corporation that does
22 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 duties as qualifying agent, the
22 business entity shall notify the board in writing by letter or using the Board's
23 online form within 10 working days. The business entity must obtain a
24 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: G.S. 74D-2.1:~~

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 has proof of 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 State~~
27 ~~Bureau of Public Safety Investigation, Division of Criminal Information Network,~~ may provide
28 a criminal record check to the Board for a person who has applied for a new or renewal license
29 or registration through the Board. The Board shall provide to the ~~Department of Public Safety,~~
30 ~~State Bureau of Investigation,~~ along with the request, the fingerprints of a new applicant, and the
31 ~~Department of Public Safety State Bureau of Investigation~~ shall provide a criminal record check
32 based upon the applicant's fingerprints. The Board may request a criminal record check from the
33 ~~Department of Public Safety State Bureau of Investigation~~ for a renewal applicant based upon
34 the applicant's fingerprints in accordance with policy adopted by the Board. The Board shall
35 provide any additional information required by the ~~Department of Public Safety State Bureau of~~
36 ~~Investigation~~ and a form signed by the applicant consenting to the check of the criminal record
37 and to the use of the fingerprints and other identifying information required by the State or
38 national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of
39 Investigation for a search of the State's criminal history record file, and the State Bureau of
40 Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a
41 national criminal history check. ~~The Department of Public Safety State Bureau of Investigation~~
42 may charge each applicant a fee to be collected by the Board and transmitted to the State Bureau
43 of Investigation for conducting the checks of criminal history records authorized by this
44 subsection.

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

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

"§ 74D-3. Exemptions.

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

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

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

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

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

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

(c) Each member shall be appointed for a term of three years and shall serve until a successor is installed. ~~No~~ With the exception of the Secretary or his or her designee, no member

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

9 ...

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

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

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

26 **"§ 74D-5. Powers of the Board.**

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

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

1 (7) Issue subpoenas to compel the attendance of witnesses and the production of
 2 pertinent books, accounts, records, and documents. The district court shall
 3 have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts
 4 occurring in matters pending before the Board which would constitute civil
 5 contempt if the acts occurred in an action pending in ~~court~~; and court.

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

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

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

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

19 **"§ 74D-5.1. Position of Director created.**

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

28 **"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.**

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

36 **"§ 74D-6. Denial of a license or registration.**

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

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

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

50 (3) Lack of good moral character or temperate habits. The ~~following~~
 51 misdemeanor convictions shall be prima facie evidence that the applicant does

not have good moral character or temperate habits: conviction by any local, State, federal, or military court of any crime involving the illegal use, carrying, or possession of a firearm; conviction of any crime involving the illegal use, possession, sale, manufacture, distribution, or transportation of a controlled substance, drug, narcotic, or alcoholic beverages; conviction of a crime involving ~~felonious~~ assault or an act of violence; conviction of a crime involving unlawful breaking or entering, burglary or ~~larceny or of any offense involving moral turpitude~~; larceny; conviction of a crime involving a sexual offense; or a history of addiction to alcohol or a narcotic drug; provided that, for purposes of this ~~subsection-subdivision~~, "conviction" means and includes the entry of a plea of guilty, plea of no contest, or a verdict rendered in open court by a judge or ~~jury~~; jury, including a prayer for judgment continued, adjudication withheld, or equivalent.

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

...

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

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

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

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

Employees engaged only in sales or marketing that does not involve any of the above are not required to be registered.

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

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

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

licensee shall conduct a criminal record check on the employee, as the Board deems appropriate. The licensee shall submit a list of the probationary employees to the Director on a monthly basis. The list shall include the name, address, social security number, and dates of employment of the employees.

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

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

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

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

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

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

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

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);~~ (\$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 July 1, 1985.

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

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

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

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

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

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

37 "**§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.**

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

40 (1) The name of the licensee.

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

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

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

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

49 (d) Any branch office ~~of an alarm~~ in this State with a security systems business shall
50 obtain a branch office certificate. A separate certificate stating the location and licensed
51 qualifying agent shall be posted at all times in a conspicuous place in each branch office. Every

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

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

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

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

3.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H

1

HOUSE BILL 385

Short Title: Regulation of Battery-Charged Security Fences. (Public)

Sponsors: Representatives McNeely and Moss (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Regulatory Reform, if favorable, Rules, Calendar, and Operations of the House

March 16, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO PROHIBIT COUNTIES AND CITIES FROM ADOPTING CERTAIN
3 ORDINANCES, RULES, AND REGULATIONS RELATED TO BATTERY-CHARGED
4 SECURITY FENCES AND TO DEFINE AND ESTABLISH REQUIREMENTS FOR
5 THOSE BATTERY-CHARGED SECURITY FENCES.

6 The General Assembly of North Carolina enacts:

7 SECTION 1. Article 6 of Chapter 153A of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 153A-134.1. Regulation of battery-charged security fences.**

10 (a) No county may adopt an ordinance, rule, or regulation that does any of the following:
11 (1) Requires any type of permit, fee, review, or approval for the installation or use
12 of a battery-charged security fence in addition to a permit that may be required
13 by an ordinance adopted by the governing board as authorized by
14 G.S. 74D-11(c).

15 (2) Imposes installation or operational requirements for battery-charged security
16 fences that are inconsistent with the requirements and standards described in
17 subsection (b) of this section.

18 (3) Prohibits the installation or use of a battery-charged security fence on property
19 that has been zoned for nonresidential use.

20 (b) For purposes of this section, the term "battery-charged security fence" means an alarm
21 system and ancillary components, or equipment attached to that system, including a fence, a
22 battery-operated energizer that is intended to periodically deliver voltage impulses to the fence,
23 and a battery charging device used exclusively to charge the battery. A battery-charged security
24 fence shall meet the following requirements:

25 (1) Interfaces with a monitored alarm device enabling the alarm system to
26 transmit a signal intended to summon the business or law enforcement in
27 response to an intrusion or burglary.

28 (2) Is located on property that is not designated by a county or city exclusively
29 for residential use.

30 (3) Has an energizer that is powered by a commercial storage battery that is not
31 more than 12 volts of direct current.

32 (4) Has an energizer that meets the standards established by the most current
33 version of the International Electrotechnical Commission Standard
34 60335-2-76.



- 1 (5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5
2 feet in height.
3 (6) Does not exceed 10 feet in height or 2 feet higher than the non-electric
4 perimeter fence or wall, whichever is higher.
5 (7) Is marked with conspicuous warning signs that are located on the
6 battery-charged security fence at not more than 30-foot intervals and read:
7 "WARNING—ELECTRIC FENCE".

8 SECTION 2. Article 8 of Chapter 160A of the General Statutes is amended by
9 adding a new section to read:

10 **"§ 160A-194.1. Regulation of battery-charged security fences.**

11 (a) No city may adopt an ordinance, rule, or regulation that does any of the following:

- 12 (1) Requires any type of permit, fee, review, or approval for the installation or use
13 of a battery-charged security fence in addition to a permit that may be required
14 by an ordinance adopted by the governing board as authorized by
15 G.S. 74D-11(c).
16 (2) Imposes installation or operational requirements for battery-charged security
17 fences that are inconsistent with the requirements and standards described in
18 subsection (b) of this section.
19 (3) Prohibits the installation or use of a battery-charged security fence on property
20 that has been zoned for nonresidential use.

21 (b) For purposes of this section, the term "battery-charged security fence" means an alarm
22 system and ancillary components, or equipment attached to that system, including a fence, a
23 battery-operated energizer that is intended to periodically deliver voltage impulses to the fence,
24 and a battery charging device used exclusively to charge the battery. A battery-charged security
25 fence shall meet the following requirements:

- 26 (1) Interfaces with a monitored alarm device enabling the alarm system to
27 transmit a signal intended to summon the business or law enforcement in
28 response to an intrusion or burglary.
29 (2) Is located on property that is not designated by a county or city exclusively
30 for residential use.
31 (3) Has an energizer that is powered by a commercial storage battery that is not
32 more than 12 volts of direct current.
33 (4) Has an energizer that meets the standards established by the most current
34 version of the International Electrotechnical Commission Standard
35 60335-2-76.
36 (5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5
37 feet in height.
38 (6) Does not exceed 10 feet in height or 2 feet higher than the non-electric
39 perimeter fence or wall, whichever is higher.
40 (7) Is marked with conspicuous warning signs that are located on the
41 battery-charged security fence at not more than 30-foot intervals and read:
42 "WARNING—ELECTRIC FENCE".

43 SECTION 3. This act is effective when it becomes law.