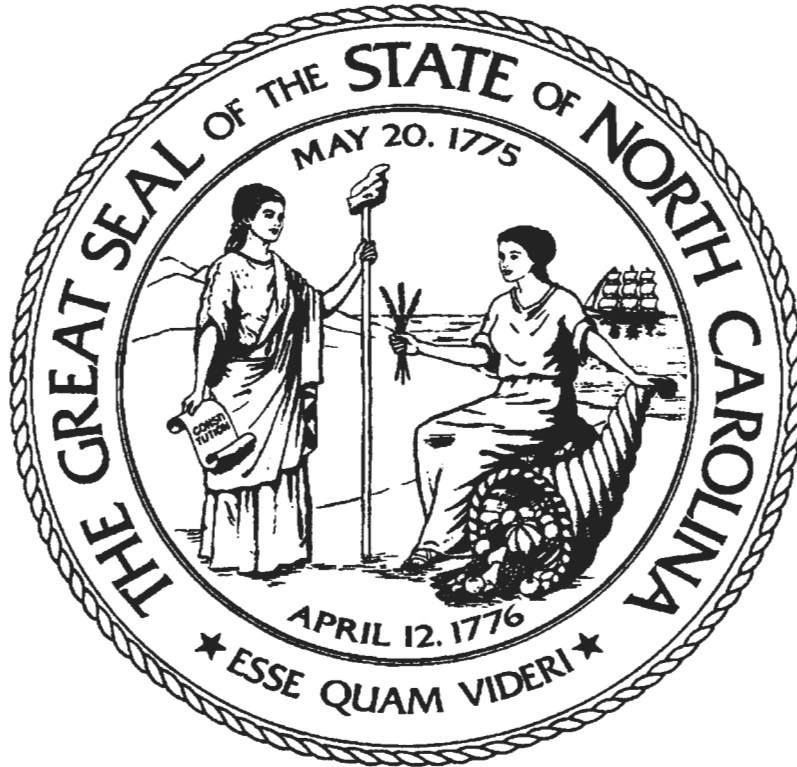


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**LEGISLATIVE COMMITTEE ON
NEW LICENSING BOARDS**

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Assessment Report
For

Locksmith Licensure

House Bill 942





LEGISLATIVE COMMITTEE ON NEW LICENSING BOARDS

June 6, 2001

The Legislative Committee on New Licensing Boards is pleased to release this assessment report on the licensing of locksmiths. This report constitutes both the preliminary and final assessment report.

A handwritten signature in cursive script, reading "Ed McMahan".

Representative Ed McMahan, Chair



TABLE OF CONTENTS

	<i>Page</i>
Joint Legislative Committee on New Licensing Boards Membership.....	1
Preface	2
Proposed Licensing of Locksmiths	3
• Current Standards	3
• Licensing Proposal: Overview of	
House Bill 942 – Locksmith Licensure. A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE LOCKSMITH LICENSING ACT.	3
Findings and Recommendations of the Committee	7
ATTACHMENT. Response to Licensing Questionnaire – HB 942	



LEGISLATIVE COMMITTEE ON NEW LICENSING BOARDS
(2000-2001)

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PREFACE

The Legislative Committee on New Licensing Boards is a joint committee of the House and Senate created and governed by statute (Article 18A of Chapter 120 of the General Statutes). The primary purpose of the Committee is to evaluate the need for a new licensing board or the proposed licensing of previously unregulated practitioners by an existing board. The Committee has been in existence since 1985.

The Committee solicits written and oral testimony on each licensing proposal in carrying out its duty to determine whether the proposal meets the following criteria:

- 1) Whether the unregulated practice of the profession can substantially endanger the public health, safety, or welfare, and whether the potential for such harm is recognizable and not remote or dependent upon tenuous argument.
- 2) Whether the profession possesses qualities that distinguish it from ordinary labor.
- 3) Whether practice of the profession requires specialized skill or training.
- 4) Whether a substantial majority of the public has the knowledge or experience to evaluate the practitioner's competence.
- 5) Whether the public can effectively be protected by other means.
- 6) Whether licensure would have a substantial adverse economic impact upon consumers of the practitioner's good or services.

The Committee issues an assessment report on its findings and recommendations. The recommendation in the report is not binding on other committees considering the proposal.



HOUSE BILL 942
LOCKSMITH LICENSURE

CURRENT STANDARDS

Locksmiths. Currently, there are no standards governing locksmiths in North Carolina. The locksmith profession is represented by the Associated Locksmiths of America (ALOA). This organization sets ethical and certification standards for its members; however, membership in the organization is strictly voluntary. It is estimated that there are currently between 1400 and 1500 locksmiths in the State.*

PROPOSED LICENSURE

HB 942
Locksmith Licensure

Regulatory Board.

Composition of the Board. House Bill 942 establishes the North Carolina Locksmith Licensing Board whose membership is as follows:

- Three locksmiths appointed by the President Pro Tempore of the Senate. At least one of the members must represent a recognized locksmith organization in the State.
- Three locksmiths appointed by the Speaker of the House. At least one of the members must represent a recognized locksmith organization in the State.
- Three public members appointed by the Governor. Public members cannot be trained or experienced in locksmith services, have a financial interest in a locksmith business, or be the spouse of a person who is trained as a locksmith or has a financial interest in a locksmith business.

* Source. *Response to Questionnaire for the Legislative Committee on New Licensing Boards.*

All locksmith members must have at least five years experience in locksmith services and must be engaged in locksmith services during their term on the Board. The terms are for three years.

Powers and Duties. The Board will have the following powers and duties:

- Examine and determine qualifications of applicants.
- Issue, deny, suspend, or revoke licenses, and conduct any disciplinary actions.
- Set fees within the statutory maximums.
- Establish continuing education requirements.
- Investigate complaints.
- Maintain a list of the names and addresses of licensees.
- Adopt a code of ethics.
- Issue photo identification cards to licensees.

Disciplinary Authority. The Board may deny, refuse to renew, suspend, or revoke a license if the applicant or licensee:

- Gives false information or fails to disclose information in obtaining a license.
- Has been convicted of or pled guilty or no contest to a crime that indicates that the person:
 - Is unfit or incompetent to perform locksmith services.
 - Has deceived or defrauded the public.
- Has demonstrated gross negligence, incompetency, or misconduct in performing locksmith services.
- Has willfully violated licensure law.

Injunctions. The Board may seek an injunction against any person who violates the licensure law.

Criminal Penalty. It is unlawful for any person who is not licensed to possess locksmith tools, safe opening tools, or codebooks for the purpose of violating the law. A violation is a Class 3 misdemeanor.

Licensure. Any person who performs locksmith services will be required to hold a license granted by the Board. The bill defines "locksmith services" as repairing, rebuilding, rekeying, repining, servicing, adjusting, or installing locks, mechanical or electronic locking devices, access control devices, egress control devices, safes, vaults, and safe deposit boxes.

Qualifications. An applicant for licensure as a locksmith must:

- Be of good moral and ethical character.
- Be at least 18 years old.
- Successfully complete an examination administered by the Board.

Exemptions. The following persons are exempt from licensure:

- Employees of licensed locksmiths.
- Persons working as apprentices under the supervision of a licensed locksmith.
- Licensees of the Alarm System Licensing Board.
- Employees of a:
 - Towing service.
 - Repossessor.
 - Motor club.
- Property owners, or the owner's employee who provides services for the maintenance of the property. Property includes, but is not limited to, hotels, motels, apartments, condominiums, commercial rental property, and residential rental property.
- Merchants or retail hardware store employees who lawfully duplicate keys or who install, service, repair, rebuild, reprogram, or maintain locks.
- Law enforcement.
- Salespersons demonstrating the use of locksmith tools to licensees.

Reciprocity. The Board is authorized to grant a license to a person who resides in North Carolina and has at least three years experience as a licensed locksmith in another state whose competency standards are substantially equivalent to those in North Carolina. The Board is also authorized to grant a license to a nonresident if the person meets North Carolina's licensing requirements, or if the person resides in a state that recognizes licenses issued by the Board.

Additional Responsibilities of Licensees.

Responsibilities of Employers. Licensees must provide the names of each person employed by the licensee who either performs locksmith services, or has access to locksmith tools.

Customer Identification. When opening a locked door to any vehicle or residential or commercial property, a licensee must make a reasonable effort to verify that the customer is the legal owner.

Maximum Licensure Fees. The bills impose the following fees on all persons applying for or renewing licenses as locksmiths:

Fee Type	Maximum Fee Amount
Issuance of License	\$100.00
Renewal of License (renewable every 3 years)	\$100.00
Examination	\$200.00
Reinstatement	\$150.00
Late fees	\$150.00

FINDINGS AND RECOMMENDATIONS

Findings and Recommendations. The Committee found that House Bill 942 is substantially the same as House Bill 1177 and Senate Bill 477, introduced and given a favorable assessment report by the Committee on June 15, 1999. Therefore, the Joint Legislative Committee on New Licensing Boards again recommends the licensing of locksmiths. This assessment report constitutes both the preliminary and final assessment report for locksmith licensure. The report is based on the proposed licensing of locksmiths as set out in House Bill 942 and the response to the Committee's questionnaire (Attachment).



ATTACHMENT

Response to Questionnaire for

HB 1014/SB 498

LOCKSMITH LICENSURE





**QUESTIONS FOR THE
LEGISLATIVE COMMITTEE ON
NEW LICENSING BOARDS**

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- 1. In what ways has the marketplace failed to regulate adequately the profession or occupation?** RESEARCH DIVISION

Currently in North Carolina, virtually anyone can hold him or herself out to be a locksmith. Consumers are usually unaware that locksmiths are NOT licensed or bonded in this state. They believe that the locksmith coming to their aid has had a background check. Consumers are not aware of the education of the locksmith that they have called and assume that they are fully trained.

- 2. Have there been any complaints about the unregulated profession or occupation? Please give specific examples including (unless confidentiality must be maintained) complainants' names and addresses.**

Most complaints are made to local law enforcement officials. The Consumer Protection Division in the Attorney General's office also receives complaints. A local Raleigh television station recently featured a story showing how vulnerable the public is to unregulated locksmiths.

- 3. In what ways has the public health, safety, or welfare sustained harm or is in imminent danger of harm because of the lack of state regulation? Please give specific examples.**

Security concerns are the largest issue with the public when considering a locksmith. Currently, the public does not know who does or does not have a record of crimes against property or does not know if persons with criminal backgrounds might be coming to their homes, places of business or vehicles. The public is entrusting the safety of their home, automobile or business to someone who may not be trustworthy. Also, the damage that an uneducated non-professional can do could be of harm to the public. A non-professional may use a "slim-jim" to open the car, and damage a side air bag or the door's electrical system. They may open the lock to a door improperly to allow the customer entry, but may do damage to the lock so that it no longer functions. Electronic access control installed improperly can render an entryway useless and cause it not to open at all. Many safety and life security features may be compromised or destroyed by non-professional unregulated locksmiths.

- 4. Is there potential for substantial harm or danger by the profession or occupation to the public health, safety, or welfare? How can this potential for substantial harm or danger be recognized?**

As noted in question three, unregulated professionals have the tools that allow access to homes, businesses and vehicles. As such, consumers are vulnerable to unethical and even criminal acts at the hands of persons who they believe they can trust. For example, in Illinois the unthinkable happened: a rape/murder. A locksmith who had a long criminal history of aggravated assault changed a lock for a female customer. He later went back that evening and raped and murdered her. That is the ultimate harm to the public.

- 5. Has this potential harm or danger to the public been recognized by other states or the federal government through the licensing or certification process? Please list the other states and any applicable federal law (including citations).**

The benefit of licensing and regulating locksmiths has been recognized in many states. Other states that have locksmith licensing laws are California; Illinois; New Jersey; Louisiana; Nevada; Nebraska and Dade County, Florida (greater Miami). Bills introduced in current legislative sessions around the country, in addition to North Carolina, are South Carolina and Texas.

6. What will be the economic advantage of licensing to the public?

Costs to the consumer for damaged property (car doors and locks, home doors and locks, business entrances and locks) can amount to hundreds of dollars. Regulating those locksmiths and requiring a certain level of education and demonstrated expertise in this field can hold those costs the consumer must bear if personal property is damaged to a minimum.

7. What will be the economic disadvantage of licensing to the public?

None as the costs of employing the services of a locksmith are already borne by the public.

8. What will be the economic advantages of licensing to the practitioners?

Passage of this bill will raise the standards of professionalism within the industry, will increase public confidence in the profession and, therefore, the public will be more likely to employ a locksmith when circumstances require such services. When utilizing the services of a trained professional, damage to homes, cars and security systems will be less likely to occur and repair to personal property will be held to a minimum. This will also eliminate from the profession those persons who hold themselves out to be locksmiths but are untrained and unregulated.

9. What will be the economic disadvantages of licensing to the practitioners?

The licensing fees and the costs of continuing education.

10. Please give other potential benefits to the public of licensing that outweigh the potential harmful effects of licensure such as a decrease in the availability of practitioners and higher cost to the public.

With a regulated profession, licensed locksmiths would be able to possess lockpicks and other locksmith tools that the general public would not be able to own. In addition, the testing, mandatory competency requirements and the continuing education requirements will ensure that locksmiths are kept up-to-date on new techniques within the industry.

11. Please detail the specific specialized skills or training that distinguish the occupation or profession from ordinary labor.

The locksmithing profession is recognized by the federal government under SIC 709.281-010. The profession's Apprenticeship Program is recognized by the U.S. Department of Labor and includes 750 hours of suggested training, basic locksmithing, along with a 24 hour training class.

12. What are other qualities of the profession or occupation that distinguish it from ordinary labor?

In general, locksmithing is a highly skilled craft. However, the qualities that distinguish locksmiths from others in the workforce are not ones of a physical nature but are the knowledge of those skills taught by the profession which encompasses locks and specialized tools and the complex nature of locks, safes and specialized security systems.

13. Will licensing requirements cover all practicing members of the occupation or profession? If any practitioners will be exempt, what is the rationale for the exemption?

Yes, it will cover all locksmiths. Certain exemptions are listed in the bill and include such categories as individuals attempting to open their own home, business or car doors, individuals already covered by existing licensing boards, merchants who in the course of their business lawfully duplicate keys or install and service locks, to name a few (see Section 74F-16 for list of all exemptions).

14. What is the approximate number of persons who will be regulated and the number of persons who are likely to utilize the services of the occupation or profession?

There are approximately 1400 to 1500 locksmiths in North Carolina at this time. It is difficult to determine how many members of the public currently use the services of a professional locksmith as no comprehensive records are kept in this unregulated profession.

15. What kind of knowledge or experience does the public need to evaluate the services offered by the practitioner?

If a locksmith is required to use their license number in all advertisements, promotions and signage, then the public will know that the person has had a background check and specialized training in this profession.

16. Does the occupational group have an established code of ethics, a voluntary certification program, or other measures to ensure a minimum quality of service?

Yes. See attached documents.



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ALOA POSITIVE ID POLICY

- ALOA locksmiths are instructed to use the following positive identification policy when servicing lockouts:
- Notify Caller. When a call comes in to request lockout services, ask the caller if he/she has identification and authority to open the lock.
- Complete Form. Upon arrival at the job site, the locksmith should complete an Authorization Form that asks for the name, address, phone number, identification number and property description from the customer.
- Verify I.D. Verify the customer's photo-identification card and compare it to the information provided by the customer. If no photo-ID card is available, ask for some other reasonable form of ID.
- Verify Authority. The locksmith should inquire as to what authority the customer has to open the lock, and request to see any reasonable and appropriate evidence that could verify the authority. This may be impossible in some cases.
- Ask for Signature. Ask the customer to sign the Authorization Form, which should contain a statement that (a) the information given by the customer is correct, (b) the customer has the authority to open the lock, and (c) the customer shall identify and hold harmless the locksmith against liability.
- Optional Last Resort. If you have any suspicions that the customer is giving false information or does not have authority to open the lock, say that you will be happy to open the lock provided a law enforcement officer is present. If the customer agrees, call the police; if not, leave.
- File the Form. Keep the Authorization Form on file for a reasonable period of time.



**Code of Ethics
of
The Associated Locksmiths Of America, Inc**

The members of ALOA by acceptance and continuance therein, shall be deemed to have subscribed to the following Code of Ethics:

That the dignity of our chosen profession may be perpetuated, it is the duty of all members of the ALOA:

To practice their profession in the spirit of fairness to their clients, with fidelity to security in conformance with appropriateness, and with high ideas of personal honor;

To properly and impartially analyze security problems, and to advance the best possible solution for the protection of their clients;

To conduct themselves in a dignified manner;

To abide by applicable licensing and business regulations;

To abstain from using improper or questionable methods of soliciting patronage, and to decline to accept such incompatible patronage;

To refrain from associating themselves with or allowing the use of their names by any enterprise of questionable character, or in any manner countenancing misrepresentation;

To cooperate in advancing the best interest of the locksmithing industry by interchange of general information and experience with fellow locksmiths;

To encourage and promote loyalty to the profession, always ready to apply their special knowledge, skill and training for the use and betterment of our industry.

ALOA Certification Program

Professional excellence is encouraged through ALOA's Proficiency Registration Program (PRP). The PRP evaluates the educational and technical competence of dedicated individuals, tested in 36 categories, ten mandatory and twenty-six elective. The following designations then apply, the differences lying in the number of elective categories selected and mastered in addition to the mandatory categories: Registered Locksmith (RL), Certified Registered Locksmith (CRL), Certified Professional Locksmith (CPL), and the highest level, Certified Master Locksmith (CML).

- RL is the designation for Registered Locksmith. J. Doe, RL, has demonstrated proficiency in the security profession by means other than a written exam. An RL has a good working knowledge of general locksmithing.
- CRL is the designation for Certified Registered Locksmith. J. Doe, CRL, has demonstrated proficiency in the security profession by passing 10 mandatory categories of the PRP plus two electives of his choice. The locksmith has a good working knowledge of general locksmithing.
- CPL stands for Certified Professional Locksmith. J. Doe, CPL, has earned the RL or CRL and has gone on to select and successfully demonstrate proficiency in an additional 12 electives categories. The locksmith has advanced knowledge of general locksmithing and of specialized areas.
- CML is the highest level of ALOA's Proficiency Registration Program. Certified Master Locksmith designates an individual who has successfully completed 90 percent of the available categories of the Proficiency Registration Program. This locksmith had advanced knowledge of most areas of locksmithing, physical and electronic security.

MANDATORY CATEGORIES

Codes & Code Equipment
Cylinder Servicing, Pin & Disc Tumbler
Keys, Blank Identification
Keys, Duplication
Keys, Impressioning
Locks, Professional Opening Techniques
Locksets, Functions
Masterkeying, Basic
Locks, Cabinet, Furniture & Mail Box

ELECTIVE CATEGORIES

Domestic Auto	Locks, Safe Deposit
Foreign Auto	Locks, Time
Door Closers	Lockset Installation
Life Safety Codes	Masterkeying, Advanced
Cylinder, High Security	Safes, Installation
Cylinder Servicing, Special Applications	Safes, Opening & Servicing
Cylinder, Tubular Key	Vault, Installation & Servicing
Basic Electricity	Interchangeable Core, Best Style
Exit Hardware & Alarms	Interchangeable Core, other than Best Style
Locks, Keyless Mechanical	Electro-Mechanical Access Control
Locks, Lever Tumbler (Non-Safety Deposit)	Door Hardware, related Locks
Locks, Motorcycle	Alarms
Locks, Safe Combination	Locks Detention



