

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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HOUSE DRH45132-LUf-83 (4/23)

Short Title: Amend Private Protective Services Act/Fees. (Public)

(Public)

Sponsors: Representative Hackney.

Referred to:

8 The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 74C-3(a)(3) reads as rewritten:

10 "

11 (3) "Counterintelligence service profession""Electronic countermeasures  
12 profession" means any person, firm, association, or corporation which  
13 discovers, locates, or disengages by electronic, electrical, or  
14 mechanical means any listening or other monitoring equipment  
15 surreptitiously placed to gather information concerning any individual,  
16 firm, association, or corporation for a fee or other valuable  
17 consideration.

18 "

**SECTION 2.** G.S. 74C-3(a)(6) reads as rewritten:

20 "

21 (6) "Security guard and patrol profession" means any person, firm,  
22 association, or corporation that provides a security guard on a  
23 contractual basis for another person, firm, association, or corporation  
24 for a fee or other valuable consideration and performing one or more  
25 of the following functions:

a. Prevention or detection of intrusion, entry, larceny, vandalism, abuse, fire, or trespass on private property:

- b. Prevention, observation, or detection of any unauthorized activity on private property;
- c. Protection of patrons and persons lawfully authorized to be on the premises or being escorted between premises of the person, firm, association, or corporation that entered into the contract for security services; or
- d. Control, regulation, or direction of the flow or movement of the public, whether by vehicle or otherwise, only to the extent and for the time directly and specifically required to assure the protection of properties.

11

**SECTION 3.** G.S. 74C-4(b) reads as rewritten:

"(b) The Board shall consist of ~~14~~nine members: the Attorney General or his designated representative, ~~two persons~~one person appointed by the Attorney General, one person appointed by the Governor, ~~five~~three persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, and ~~five~~three persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. All appointments by the General Assembly shall be subject to the provisions of G.S. 120-121, and vacancies in the positions filled by those appointments shall be filled pursuant to G.S. 120-122. One of those persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate and all ~~five~~three persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives shall be licensees under this Chapter; all other appointees may not be licensees of the Board nor licensed by the Board while serving as Board members. All persons appointed shall serve terms of three years. With the exception of the Attorney General or his designated representative, no person shall serve more than eight consecutive years on the Board, including years of service prior and subsequent to July 1, 1983. Board members may continue to serve until their successors have been appointed."

**SECTION 4.** G.S. 74C-5 is amended by adding the following new subdivisions to read:

11

- (11) Approve training schools, instructors, and course materials for any person, firm, association, or corporation wishing to provide training described in this Chapter.
- (12) Approve a design for a badge or shield that indicates a person is licensed to engage in private protective services."

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**SECTION 5.** G.S. 74C-9(b) reads as rewritten:

"(b) The license shall be issued for a term of ~~one year, two, three, or five years without a fee discount~~. A trainee permit shall be issued for a term of one year. All licenses must be renewed prior to the expiration of the term of the license. Following issuance, the license shall at all times be posted in a conspicuous place in the licensee's principal place of business, in North Carolina, unless for good cause exempted by the Director. A license issued under this Chapter is not assignable. Before renewing a

1 license, the Board may require a licensee to complete continuing education courses  
2 approved by the Board."

3 **SECTION 6.** G.S. 74C-11 reads as rewritten:

4 **"§ 74C-11. Registration of permanent and temporary employees; unarmed  
5 security guard required to have registration card."**

6 (a) All licensees shall register their employees who will be engaged in providing  
7 private protective services covered by this Chapter with the Board within 20 days after  
8 the employment begins, unless the Director, in his discretion, extends the time period,  
9 for good cause. To register an employee, a licensee must give the Board the following:

10 (1) Set(s) of classifiable fingerprints on standard F.B.I. applicant cards;  
11 recent photograph(s) of acceptable quality for identification; and  
12 (2) Statements of any criminal records obtained from the appropriate  
13 authority in each area where the employee has resided within the  
14 immediately preceding 48 months.

15 (b) A security guard and patrol company may not employ an unarmed security  
16 guard unless the guard has a registration card issued under subsection (d) of this section.  
17 A person engaged in a private protective services profession may not employ an armed  
18 security guard unless the guard has a firearm registration permit issued under G.S.  
19 74C-13.

20 (c) The Director shall be notified in writing of the termination of any employee  
21 registered under subsection (a) within 10 days after said termination.

22 (d) An unarmed security guard shall make application to the Director for an  
23 unarmed registration card which the Director shall issue to said applicant after receipt of  
24 the information required to be submitted by his employer pursuant to subsection (a), and  
25 after meeting any additional requirements which the Board, in its discretion, deems to  
26 be necessary. The unarmed security guard registration card shall be in the form of a  
27 pocket card designed by the Board, shall be issued in the name of the applicant, and  
28 may have the applicant's photograph affixed thereto. The unarmed security guard  
29 registration card shall expire one year after its date of issuance and shall be renewed  
30 every year. Before renewing a registration, the Board may require a registration holder  
31 to complete continuing education courses approved by the Board. If an unarmed  
32 registered security guard is terminated by a licensee and changes employment to another  
33 security guard and patrol company, the security guard's registration card shall remain  
34 valid, provided the security guard pays the unarmed guard registration transfer fee to the  
35 Board and a new unarmed security guard registration card is issued. An unarmed  
36 security guard whose transfer registration application and transfer fee have been sent to  
37 the Board may work with a copy of the transfer application until the registration card is  
38 issued.

39 (e) Notwithstanding the provisions of this section, a licensee may employ a  
40 person properly registered or licensed as an unarmed security guard in another state for  
41 a period not to exceed 10 days in any given month; provided the licensee, prior to  
42 employing the unarmed security guard, submits to the Director the name, address, and  
43 social security number of the unarmed guard and the name of the state of current

1 registration or licensing, and the Director approves the employment of the unarmed  
2 guard in this State.

3 (f) Notwithstanding the provisions of this section, a licensee may employ a  
4 person as an unarmed security guard for a period not to exceed 30 days in any given  
5 calendar year without registering that employee in accordance with this section;  
6 provided that the licensee submits to the Director a quarterly report, within 30 days after  
7 the end of the quarter in which the temporary employee worked, which provides the  
8 Director with the name, address, social security number, and dates of employment of  
9 ~~such employee~~the employee, along with evidence of completion of any training  
10 requirements imposed by the Board."

11 SECTION 7. G.S. 74C-12 reads as rewritten:

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

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

- 17 (1) Made any false statement or given any false information in connection  
18 with any application for a license, registration, or permit or for the  
19 renewal or reinstatement of a license, registration, or permit;
- 20 (2) Violated any provision of this Chapter;
- 21 (3) Violated any rule promulgated by the Board pursuant to the authority  
22 contained in this Chapter;
- 23 (4) Repealed by Session Laws 1989, c. 759, s. 10.
- 24 (5) Impersonated or permitted or aided and abetted any other person to  
25 impersonate a law enforcement officer of the United States, this State,  
26 any other state, or any political subdivision of a state;
- 27 (6) Engaged in or permitted any employee to engage in a private  
28 protective services profession when not lawfully in possession of a  
29 valid license issued under the provisions of this Chapter;
- 30 (7) Willfully failed or refused to render to a client service as agreed  
31 between the parties and for which compensation has been paid or  
32 tendered in accordance with the agreement of the parties;
- 33 (8) Knowingly made any false report to the employer or client for whom  
34 information is being obtained;
- 35 (9) Committed an unlawful breaking or entering, assault, battery, or  
36 kidnapping;
- 37 (10) Knowingly violated or advised, encouraged, or assisted the violation of  
38 any court order or injunction in the course of business as a licensee;
- 39 (11) Repealed by Session Laws 1989, c. 759, s. 10.
- 40 (12) Undertaken to give legal advice or counsel or to in any way falsely  
41 represent that he is representing any attorney or he is appearing or will  
42 appear as an attorney in any legal proceeding;
- 43 (13) Issued, delivered, or uttered any simulation of process of any nature  
44 which might lead a person or persons to believe that such simulation –

written, printed, or typed – may be a summons, warrant, writ or court process, or any pleading in any court proceeding;

(14) Failed to make the required contribution to the Private Protective Services Recovery Fund or failed to maintain the certificate of liability insurance required by this Chapter;

(15) Violated the firearm provisions set forth in this Chapter;

(16) Repealed by Session Laws 1989, c. 759, s. 10.

(17) Failed to notify the Director by a business entity other than a sole proprietorship licensed pursuant to this Chapter of the cessation of employment of the business entity's qualifying agent within the time set forth in this Chapter;

(18) Failed to obtain a substitute qualifying agent by a business entity within 30 days after its qualifying agent has ceased to serve as the business entity's qualifying agent;

(19) Been judged incompetent by a court having jurisdiction under Chapter 35A or former Chapter 35 of the General Statutes or committed to a mental health facility for treatment of mental illness, as defined in G.S. 122C-3, by a court under G.S. 122C-271;

(20) Failed or refused to offer a report to a client within 30 days of the client's written request;request after the client has paid for services rendered;

(21) Been previously denied a license, registration, or permit under this Chapter or previously had a license, registration, or permit revoked for cause;

(22) Engaged in a private protective services profession under a name other than the name under which the license was obtained under the provisions of this Chapter;

(23) Divulged to any person, except as required by law, any information acquired by him except at the direction of the employer or client for whom the information was obtained. A licensee may divulge to any law enforcement officer or district attorney or his representative any information the law enforcement officer may require to investigate a criminal offense with the prior approval and consent of the client;

(24) Fraudulently held himself out as employed by or licensed by the State Bureau of Investigation or any other governmental authority;

(25) Intemperate habits or lacks good moral character. The acts that are prima facie evidence of intemperate habits or lack of good moral character under G.S. 74C-8(d)(2) are prima facie evidence of the same under this subdivision;

(26) Advertised or solicited business using a name other than that in which the license was issued;

(27) Worn, carried, or accepted any badge or shield purporting to indicate that the person is a private detective or private investigatorlaw

enforcement officer while licensed under the provisions of this Chapter as a private investigator.

(b) The denial, revocation, or suspension of a license, registration, or permit by the Board shall be in writing, be signed by the Director of the Board, and state the grounds upon which the Board decision is based. The aggrieved person shall have the right to appeal from this decision as provided in Chapter 150B of the General Statutes. The aggrieved person must file the appeal within 60 days of receipt of the Board's decision.

(c) The following persons may not be issued a license, registration, or permit under this Chapter:

- (1) A sworn court official.
- (2) A holder of a company police commission under Chapter 74E of the General Statutes.

(d) All licensees are required to report to the Board any criminal arrests for or charges or convictions of a misdemeanor or felony for any of the following:

- (1) Crimes that have as an essential element dishonesty, deceit, fraud, or misrepresentation.
- (2) Illegal use, possession, sale, manufacture, distribution, or transportation of a controlled substance, drug, narcotic, or alcoholic beverage.
- (3) Illegal use, carrying, or possession of a firearm.
- (4) Acts involving assault.
- (5) Acts involving unlawful breaking or entering, burglary, or larceny.
- (6) Any offense involving moral turpitude.

The duty to report convictions includes findings of guilt, guilty pleas, and pleas of nolo contendere. The Board must receive written notice of any arrest, charge, or criminal conviction within 30 days from the date of occurrence of any of these events. A failure to report shall be grounds for revocation of the license."

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**SECTION 8.** G.S. 74C-13 reads as rewritten:

**"§ 74C-13. Armed security guardlicensee or registered employee required to have firearm registration permit; security guardfirearms training.**

(a) It shall be unlawful for any person performing ~~the duties of an armed security guard~~private protective services duties to carry a firearm in the performance of those duties without first having met the qualifications as set forth in this section and having been issued a firearm registration permit by the Board. For the purposes of this section, the following terms are defined:

(1) "Armed security guard" means an individual employed by a contract security company or a proprietary security organization whose principal duty is that of an armed security watchman; armed armored car service guard; armed alarm system company responder; ~~private detective~~; or armed courier service guard who at any time wears, carries, or possesses a firearm in the performance of duty.

1                   (1a) "Armed private investigator" means a licensed private investigator  
2                   who, at any time, wears, carries, or possesses a firearm in the  
3                   performance of duty.

4                   (2) "Contract security company" means any person, firm, association, or  
5                   corporation engaging in a private protective services profession that  
6                   provides services on a contractual basis for a fee or other valuable  
7                   consideration to any other person, firm, association, or corporation.

8                   (3) "Proprietary security organization" means any person, firm,  
9                   association, or corporation or department thereof which employs  
10                  security guards, alarm responders, armored car personnel, or couriers  
11                  who are employed regularly and exclusively as an employee by an  
12                  employer in connection with the business affairs of such employer.

13                  (b) It shall be unlawful for any person, firm, association, or corporation and its  
14                  agents and employees to employ an armed security guard or a private investigator and  
15                  knowingly authorize or permit him to carry a firearm during the course of performing  
16                  his duties as an armed security guard or a private investigator if the Board has not issued  
17                  him a firearm registration permit under this section or if the person, firm, association, or  
18                  corporation permits an armed security guard or a private investigator to carry a firearm  
19                  during the course of performing his duties whose firearm registration permit has been  
20                  suspended, revoked, or has otherwise expired:

21                  (1) An armed security guard firearm registration permit or private  
22                  investigator firearm registration permit grants authority to the armed  
23                  security guardguard or private investigator, while in the performance  
24                  of his duties or traveling directly to and from work, to carry a standard  
25                  .38 caliber or .32 caliber revolver or any other firearm approved by  
26                  the Board and not otherwise prohibited by law. The use of any firearm  
27                  not approved by the Board is prohibited.

28                  (2) All firearms carried by authorized armed security guards in the  
29                  performance of their duties shall be owned or leased by the employer.  
30                  Personally owned firearms shall not be carried by an armed security  
31                  guard in the performance of his duties.

32                  (c) The applicant for an armed security guard a firearm registration permit shall  
33                  submit an application to the Board on a form provided by the Board.

34                  (d) Each armed security guard firearm registration permit issued under this  
35                  section shall be in the form of a pocket card designed by the Board and shall identify the  
36                  contract security company or proprietary security organization by whom the holder of  
37                  the firearm registration permit is employed. An armed security guard firearm  
38                  registration permit expires one year after the date of its issuance and must be renewed  
39                  annually unless the permit holder's employment terminates before the expiration of the  
40                  permit. Before renewing a permit, the Board may require a permit holder to complete  
41                  continuing education courses approved by the Board.

42                  (d1) Each private investigator firearm registration permit issued under this section  
43                  shall be in the form of a pocket card designed by the Board and shall identify the name  
44                  of the private investigator. A private investigator firearm registration permit expires one

1 year from the date of issuance and must be renewed annually. Before renewing a permit,  
2 the Board may require a permit holder to complete continuing education courses  
3 approved by the Board.

4 (e) If the holder of an armed security guard firearm registration permit terminates  
5 his employment with the contract security company or proprietary security organization,  
6 the firearm registration permit expires and must be returned to the Board within 15  
7 working days of the date of termination of the employee.

8 (f) A contract security company or proprietary security organization shall be  
9 allowed to employ an individual for 30 days as an armed security guard pending  
10 completion of the firearms training required by this Chapter, if the contract security  
11 company or proprietary security organization obtains prior approval from the Director.  
12 The Board and the Attorney General shall provide by rule the procedure by which a  
13 private investigator, a contract security ~~company~~ company, or a proprietary security  
14 organization applicant may be issued a temporary firearm registration permit by the  
15 Director of the Board pending a determination by the Board of whether to grant or deny  
16 an applicant a firearm registration permit.

17 (g) The Board may suspend, revoke, or deny ~~an armed security guard~~ a firearm  
18 registration permit if the holder or applicant has been convicted of any crime involving  
19 moral turpitude or any crime involving the illegal use, carrying, or possession of a  
20 deadly weapon or for violation of this section or rules promulgated by the Board to  
21 implement this section. The Director may summarily suspend ~~an armed security guard~~ a  
22 firearm registration permit pending resolution of charges involving the illegal use,  
23 carrying, or possession of a firearm lodged against the holder of the permit.

24 (h) The Board and the Attorney General shall establish a firearms training  
25 program for ~~armed security guards~~ licensees and registered employees to be conducted  
26 by agencies and institutions approved by the Board and the Attorney General. The  
27 Board and the Attorney General may approve training programs conducted by a contract  
28 security company and the security department of a proprietary security organization, if  
29 the contract security company or security department of a proprietary security  
30 organization offers the courses listed in subdivision (1) of this subsection and if the  
31 instructors of the training program are certified trainers approved by the Board and the  
32 Attorney General:

33 (1) The basic training course approved by the Board and the Attorney  
34 General shall consist of a minimum of four hours of classroom training  
35 which shall include:

- 36 a. Legal limitations on the use of hand guns and on the powers  
37 and authority of an armed security guard,
- 38 b. Familiarity with this section,
- 39 c. Range firing and procedure and hand gun safety and  
40 maintenance, and
- 41 d. Any other topics of armed security guard training curriculum  
42 which the Board deems necessary.

43 (2) An applicant for ~~an armed security guard~~ a firearm registration permit  
44 must fire a minimum qualifying score to be determined by the Board

1 and the Attorney General on any approved target course approved by  
2 the Board and the Attorney General.

3 (3) ~~An armed security guard~~ A firearms registrant must complete a  
4 refresher course and shall requalify on the prescribed target course  
5 prior to the renewal of his firearm registration permit.

6 (4) The Board and the Attorney General shall have the authority to  
7 promulgate all rules necessary to administer the provisions of this  
8 section concerning the training requirements of this section.

9 (i) The Board may not issue ~~an armed security guard~~ a firearm registration  
10 permit to an applicant until the applicant's employer submits evidence satisfactory to the  
11 Board that the applicant:

12 (1) Has satisfactorily completed an approved training course.  
13 (2) Meets all the qualifications established by this section and by the rules  
14 promulgated to implement this section.  
15 (3) Is mentally and physically capable of handling a firearm within the  
16 guidelines set forth by the Board and the Attorney General.

17 (j) The Board and the Attorney General are authorized to prescribe reasonable  
18 rules to implement this section, including rules for periodic requalification with the  
19 firearm and for the maintenance of records relating to persons issued ~~an armed security~~  
20 ~~guard~~ a firearm registration permit by the Board.

21 (k) All fees collected pursuant to G.S. 74C-9(e)(7) and (8) shall be expended,  
22 under the direction of the Board, for the purpose of defraying the expense of  
23 administering the firearms provisions of this Chapter.

24 (l) The Board and the Attorney General shall establish a training program for  
25 certified trainers to be conducted by agencies and institutions approved by the Board  
26 and the Attorney General. The Board or the Attorney General shall have the authority to  
27 promulgate all rules necessary to administer the provisions of this subsection.

28 (1) The Board and the Attorney General shall also establish renewal  
29 requirements for certified trainers. Before renewing a certification, the  
30 Board may require a certified trainer to complete continuing education  
31 courses approved by the Board.

32 (2) No certified firearms trainer shall certify ~~an armed security guard~~ a  
33 ~~licensee or registrant~~ unless the ~~armed security guard~~ licensee or  
34 registrant has successfully completed the firearms training  
35 requirements set out above in subsection (h) of this section.

36 (m) The Board and the Attorney General shall establish a training program for  
37 unarmed security guards to be conducted by agencies and institutions approved by the  
38 Board and the Attorney General. The Board and the Attorney General shall have the  
39 authority to promulgate all rules necessary to administer the provisions of this  
40 subsection.

41 (n) A private investigator shall be permitted to carry a concealed weapon during  
42 the performance of his duties as a private investigator upon: (i) obtaining a concealed  
43 weapon's permit issued pursuant to G.S. 14-415.11; (ii) successfully completing the  
44 firearms training course approved by the Board and the Attorney General; and (iii)

1 having a notation affixed to the face of the firearms registration card designating that the  
2 armed private investigator is allowed to carry a concealed weapon. A private  
3 investigator who does not carry a weapon during the course of his duties as a private  
4 investigator but who wishes to carry a concealed weapon while not engaged in private  
5 investigative duties shall be permitted to do so upon completion of the requirements set  
6 forth in Article 54B of Chapter 14 of the General Statutes."

7 **SECTION 9.** Article 1 of Chapter 74C of the General Statutes is amended  
8 by adding a new section to read:

9 **"§ 74C-22. Continuing education.**

10 Before renewing a license, registration, certificate, or permit issued pursuant to this  
11 Chapter, the Board may, as it deems necessary, require a licensee or registration,  
12 certificate, or permit holder to complete continuing education courses approved by the  
13 Board. The Board shall establish, by rule, the number of hours of continuing education  
14 necessary for renewal and any other requirements for completion of continuing  
15 education courses. The Board shall have the authority to approve continuing education  
16 courses and shall consider the continuing education course criteria, including the course  
17 curriculum, the qualifications of the instructor, the potential benefit to the industry, and  
18 any other criteria the Board deems appropriate."

19 **SECTION 10.** G.S. 74C-30 reads as rewritten:

20 **"§ 74C-30. Private Protective Services Recovery Fund created; payments to Fund;**  
21 **management; use of funds.**

22 (a) There is hereby created and established a special fund to be known as the  
23 "Private Protective Services Recovery Fund" (hereinafter Fund) which shall be set aside  
24 and maintained in the Office of the State Treasurer. Said Fund shall be used in the  
25 manner provided in this Article for the payment of claims where the aggrieved person  
26 has suffered a direct monetary loss by reason of certain acts committed by any person  
27 licensed under this Chapter.

28 (b) Nothing contained in this Article shall limit the authority of the Board to take  
29 disciplinary action against any licensee or trainee under this Chapter, nor shall the  
30 repayment in full or all obligations to the Fund by any licensee or trainee nullify or  
31 modify the effect of any other disciplinary proceeding brought under this Chapter.

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

34 (1) On July 1, 1983, the Board shall charge every licensee and trainee  
35 possessing a license or trainee permit on that date a fee of fifty dollars  
36 (\$50.00);

37 (2) The Board shall charge each new applicant for a licensee or trainee  
38 permit fifty dollars (\$50.00), provided that for purposes of this Article  
39 a new applicant is hereby defined as an applicant who did not possess  
40 a license or trainee permit on July 1, 1983; and

41 (3) The Board is authorized to charge each licensee and trainee an  
42 additional amount, not to exceed fifty dollars (\$50.00), on July 1 of  
43 any year in which the balance of the Fund is less than ~~one hundred~~  
44 ~~thousand dollars (\$100,000), twenty-five thousand dollars (\$25,000),~~

1 provided that any amount so assessed will be only so much as is  
2 needed to raise the level of the Fund to ~~one hundred thousand dollars~~  
3 ~~(\$100,000).~~twenty-five thousand dollars (\$25,000).

4 (d) The State Treasurer shall invest and reinvest the moneys in the Fund in a  
5 manner provided by law, provided that sufficient liquidity shall be maintained to satisfy  
6 claims authorized by the Board. The proceeds from ~~such the~~ investments shall be  
7 deposited to the credit of the Fund. The Board in its discretion, may use any and all of  
8 the proceeds from ~~such the~~ investments or funds that exceed twenty-five thousand  
9 dollars (\$25,000) for any of the following purposes:

- 10 (1) To advance education and research in the private protective services  
11 field for the benefit of those licensed under the provisions of this  
12 Chapter and for the improvement of the industry;
- 13 (2) To underwrite educational seminars, training centers and other  
14 educational projects for the use and benefit generally of licensees and  
15 trainees; and
- 16 (3) To sponsor, contract for and to underwrite any and all additional  
17 educational training and research projects of a similar nature having to  
18 do with the advancement of the private protective services field in  
19 North Carolina. The Board shall have the authority to sponsor courses  
20 given by private individuals, associations, or corporations. However,  
21 the Board shall only grant funds as necessary to offset the actual cost  
22 of the educational course. Any individual, association, or corporation  
23 receiving grant money from the Board shall make the course available  
24 to the industry at large. Any individual, association, or corporation  
25 receiving grant money from the Board and advertising the course to  
26 the industry is required to include in its advertising the following  
27 statement: 'The course is being given in whole or in part by a grant  
28 from the Private Protective Services Board.'

29 (e) By a unanimous vote of the Board, funds in the Fund in excess of fifty  
30 thousand dollars (\$50,000) may be converted to offset the operating expenses of the  
31 Board. However, in converting the funds, the Board shall make findings of fact by a  
32 written order or resolution supporting the need to make the conversion."

33 **SECTION 11.** This act is effective when it becomes law.