

- 1 c. Protection of patrons and persons lawfully authorized to be on
2 the premises or being escorted between premises of the person,
3 firm, association, or corporation that entered into the contract
4 for security services; or
5 d. Control, regulation, or direction of the flow or movement of the
6 public, whether by vehicle or otherwise, only to the extent and
7 for the time directly and specifically required to assure the
8 protection of properties.

9"

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

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

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

30 "...

31 (11) Approve training schools, instructors, and course materials for any
32 person, firm, association, or corporation wishing to provide training
33 described in this Chapter.

34 (12) Approve a design for a badge or shield that indicates a person is
35 licensed to engage in private protective services."

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

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

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

2 "**§ 74C-11. Registration of permanent and temporary employees; unarmed**
3 **security guard required to have registration card.**

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

8 (1) Set(s) of classifiable fingerprints on standard F.B.I. applicant cards;
9 recent photograph(s) of acceptable quality for identification; and

10 (2) Statements of any criminal records obtained from the appropriate
11 authority in each area where the employee has resided within the
12 immediately preceding 48 months.

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

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

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

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

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

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

10 "**§ 74C-12. Denial, suspension, or revocation of license, registration, or**
11 **permit; permit; duty to report criminal arrests.**

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

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

- 1 (14) Failed to make the required contribution to the Private Protective
2 Services Recovery Fund or failed to maintain the certificate of liability
3 insurance required by this Chapter;
- 4 (15) Violated the firearm provisions set forth in this Chapter;
- 5 (16) Repealed by Session Laws 1989, c. 759, s. 10.
- 6 (17) Failed to notify the Director by a business entity other than a sole
7 proprietorship licensed pursuant to this Chapter of the cessation of
8 employment of the business entity's qualifying agent within the time
9 set forth in this Chapter;
- 10 (18) Failed to obtain a substitute qualifying agent by a business entity
11 within 30 days after its qualifying agent has ceased to serve as the
12 business entity's qualifying agent;
- 13 (19) Been judged incompetent by a court having jurisdiction under Chapter
14 35A or former Chapter 35 of the General Statutes or committed to a
15 mental health facility for treatment of mental illness, as defined in G.S.
16 122C-3, by a court under G.S. 122C-271;
- 17 (20) Failed or refused to offer a report to a client within 30 days of the
18 client's written ~~request~~request after the client has paid for services
19 rendered;
- 20 (21) Been previously denied a license, registration, or permit under this
21 Chapter or previously had a license, registration, or permit revoked for
22 cause;
- 23 (22) Engaged in a private protective services profession under a name other
24 than the name under which the license was obtained under the
25 provisions of this Chapter;
- 26 (23) Divulged to any person, except as required by law, any information
27 acquired by him except at the direction of the employer or client for
28 whom the information was obtained. A licensee may divulge to any
29 law enforcement officer or district attorney or his representative any
30 information the law enforcement officer may require to investigate a
31 criminal offense with the prior approval and consent of the client;
- 32 (24) Fraudulently held himself out as employed by or licensed by the State
33 Bureau of Investigation or any other governmental authority;
- 34 (25) Intemperate habits or lacks good moral character. The acts that are
35 prima facie evidence of intemperate habits or lack of good moral
36 character under G.S. 74C-8(d)(2) are prima facie evidence of the same
37 under this subdivision;
- 38 (26) Advertised or solicited business using a name other than that in which
39 the license was issued;
- 40 (27) Worn, carried, or accepted any badge or shield purporting to indicate
41 that the person is a ~~private detective or private investigator~~law
42 enforcement officer while licensed under the provisions of this Chapter
43 as a private investigator.

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

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

9 (1) A sworn court official.

10 (2) A holder of a company police commission under Chapter 74E of the
11 General Statutes.

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

14 (1) Crimes that have as an essential element dishonesty, deceit, fraud, or
15 misrepresentation.

16 (2) Illegal use, possession, sale, manufacture, distribution, or
17 transportation of a controlled substance, drug, narcotic, or alcoholic
18 beverage.

19 (3) Illegal use, carrying, or possession of a firearm.

20 (4) Acts involving assault.

21 (5) Acts involving unlawful breaking or entering, burglary, or larceny.

22 (6) Any offense involving moral turpitude.

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

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

28 "**§ 74C-13. Armed ~~security guard~~licensee or registered employee required to have**
29 **firearm registration permit; ~~security guard~~firearms training.**

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

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

41 (1a) "Armed private investigator" means a licensed private investigator
42 who, at any time, wears, carries, or possesses a firearm in the
43 performance of duty.

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

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

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

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

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

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

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

39 (d1) Each private investigator firearm registration permit issued under this section
40 shall be in the form of a pocket card designed by the Board and shall identify the name
41 of the private investigator. A private investigator firearm registration permit expires one
42 year from the date of issuance and must be renewed annually. Before renewing a permit,
43 the Board may require a permit holder to complete continuing education courses
44 approved by the Board.

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

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

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

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

- 30 (1) The basic training course approved by the Board and the Attorney
31 General shall consist of a minimum of four hours of classroom training
32 which shall include:
33 a. Legal limitations on the use of hand guns and on the powers
34 and authority of an armed security guard,
35 b. Familiarity with this section,
36 c. Range firing and procedure and hand gun safety and
37 maintenance, and
38 d. Any other topics of armed security guard training curriculum
39 which the Board deems necessary.
- 40 (2) An applicant for ~~an armed security guard~~ a firearm registration permit
41 must fire a minimum qualifying score to be determined by the Board
42 and the Attorney General on any approved target course approved by
43 the Board and the Attorney General.

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

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

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

10 (1) Has satisfactorily completed an approved training course.

11 (2) Meets all the qualifications established by this section and by the rules
12 promulgated to implement this section.

13 (3) Is mentally and physically capable of handling a firearm within the
14 guidelines set forth by the Board and the Attorney General.

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

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

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

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

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

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

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

1 investigator who does not carry a weapon during the course of his duties as a private
2 investigator but who wishes to carry a concealed weapon while not engaged in private
3 investigative duties shall be permitted to do so upon completion of the requirements set
4 forth in Article 54B of Chapter 14 of the General Statutes."

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

7 **"§ 74C-22. Continuing education.**

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

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

18 **"§ 74C-30. Private Protective Services Recovery Fund created; payments to Fund;**
19 **management; use of funds.**

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

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

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

- 32 (1) On July 1, 1983, the Board shall charge every licensee and trainee
33 possessing a license or trainee permit on that date a fee of fifty dollars
34 (\$50.00);
- 35 (2) The Board shall charge each new applicant for a licensee or trainee
36 permit fifty dollars (\$50.00), provided that for purposes of this Article
37 a new applicant is hereby defined as an applicant who did not possess
38 a license or trainee permit on July 1, 1983; and
- 39 (3) The Board is authorized to charge each licensee and trainee an
40 additional amount, not to exceed fifty dollars (\$50.00), on July 1 of
41 any year in which the balance of the Fund is less than ~~one hundred~~
42 ~~thousand dollars (\$100,000),~~ twenty-five thousand dollars (\$25,000),
43 provided that any amount so assessed will be only so much as is

1 needed to raise the level of the Fund to ~~one hundred thousand dollars~~
2 ~~(\$100,000)~~; twenty-five thousand dollars (\$25,000).

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

9 (1) To advance education and research in the private protective services
10 field for the benefit of those licensed under the provisions of this
11 Chapter and for the improvement of the industry;

12 (2) To underwrite educational seminars, training centers and other
13 educational projects for the use and benefit generally of licensees and
14 trainees; and

15 (3) To sponsor, contract for and to underwrite any and all additional
16 educational training and research projects of a similar nature having to
17 do with the advancement of the private protective services field in
18 North Carolina. The Board shall have the authority to sponsor courses
19 given by private individuals, associations, or corporations. However,
20 the Board shall only grant funds as necessary to offset the actual cost
21 of the educational course. Any individual, association, or corporation
22 receiving grant money from the Board shall make the course available
23 to the industry at large. Any individual, association, or corporation
24 receiving grant money from the Board and advertising the course to
25 the industry is required to include in its advertising the following
26 statement: "The course is being given in whole or in part by a grant
27 from the Private Protective Services Board."

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

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