

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1289
Committee Substitute Favorable 6/23/03

Short Title: Amend Private Protective Services Act/Fees.

(Public)

Sponsors:

Referred to:

May 15, 2003

A BILL TO BE ENTITLED

AN ACT AMENDING VARIOUS PROVISIONS UNDER THE PRIVATE PROTECTIVE SERVICES ACT, REDUCING THE NUMBER OF MEMBERS ON THE PRIVATE PROTECTIVE SERVICES BOARD, AUTHORIZING THE BOARD TO ESTABLISH CONTINUING EDUCATION REQUIREMENTS, AND DECREASING THE REQUIRED MINIMUM BALANCE IN THE PRIVATE PROTECTIVE SERVICES RECOVERY FUND.

The General Assembly of North Carolina enacts:

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

"...

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

...."

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

"...

(6) "Security guard and patrol profession" means any person, firm, association, or corporation that provides a security guard on a contractual basis for another person, firm, association, or corporation for a fee or other valuable consideration and performing one or more 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;

- 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.~~Upon the issuance of a
38 license, the licensee may elect a license term of two, three, or five years. A trainee
39 permit shall be issued for a term of one year. All licenses must be renewed prior to the
40 expiration of the term of the license. Following issuance, the license shall at all times be
41 posted in a conspicuous place in the licensee's principal place of business, in North
42 Carolina, unless for good cause exempted by the Director. A license issued under this
43 Chapter is not assignable. Before renewing a license, the Board may require a licensee
44 to complete continuing education courses approved by the Board."

1 **SECTION 6.** G.S. 74C-9(e) reads as rewritten:

2 "(e) The Board is authorized to charge reasonable application and license fees as
3 follows:

- 4 (1) A nonrefundable initial application fee in an amount not to exceed one
5 hundred fifty dollars (\$150.00);
- 6 (2) A new or renewal license fee in an amount not to exceed two hundred
7 fifty dollars (\$250.00) per year of the license term;
- 8 (3) A new or renewal trainee permit fee in an amount not to exceed two
9 hundred fifty dollars (\$250.00);
- 10 (4) A new or renewal fee for each license or duplicate license in addition
11 to the basic license referred to in subsection (2) in an amount not to
12 exceed fifty dollars (\$50.00);
- 13 (5) A late renewal fee to be paid in addition to the renewal fee due in an
14 amount not to exceed one hundred dollars (\$100.00), if the license has
15 not been renewed on or before the expiration date of the licensee;
- 16 (6) A new, renewal, replacement or reissuance fee for an unarmed
17 registration identification card in an amount not to exceed thirty
18 dollars (\$30.00);
- 19 (7) An application fee for ~~an armed security guard~~ a firearm registration
20 permit not to exceed fifty dollars (\$50.00);
- 21 (8) A new, renewal, replacement, or reissuance fee for ~~an armed security~~
22 ~~guard~~ a firearm registration permit not to exceed thirty dollars
23 (\$30.00);
- 24 (9) An application fee for certification as a certified trainer not to exceed
25 fifty dollars (\$50.00);
- 26 (10) A renewal or replacement fee for certified trainer certification not to
27 exceed twenty-five dollars (\$25.00);
- 28 (11) A new nonresident temporary permit fee not to exceed one hundred
29 dollars (\$100.00);
- 30 (12) An unarmed registration transfer fee not to exceed fifteen dollars
31 (\$15.00);
- 32 (13) A branch office license fee not to exceed fifty dollars (\$50.00); and
- 33 (14) A special limited guard and patrol license fee not to exceed one
34 hundred dollars (\$100.00)."

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

36 "**§ 74C-11. Registration of permanent and temporary employees; unarmed**
37 **security guard required to have registration card.**

38 (a) All licensees shall register their employees who will be engaged in providing
39 private protective services covered by this Chapter with the Board within ~~20~~30 days
40 after the employment begins, unless the Director, in his discretion, extends the time
41 period, for good cause. To register an employee, a licensee must give the Board the
42 following:

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

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

4 (b) A security guard and patrol company may not employ an unarmed security
5 guard unless the guard has a registration card issued under subsection (d) of this section.
6 A person engaged in a private protective services profession may not employ an armed
7 security guard unless the guard has a firearm registration permit issued under G.S.
8 74C-13.

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

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

28 (e) Notwithstanding the provisions of this section, a licensee may employ a
29 person properly registered or licensed as an unarmed security guard in another state for
30 a period not to exceed 10 days in any given month; provided the licensee, prior to
31 employing the unarmed security guard, submits to the Director the name, address, and
32 social security number of the unarmed guard and the name of the state of current
33 registration or licensing, and the Director approves the employment of the unarmed
34 guard in this State.

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

43 **SECTION 8.** G.S. 74C-12 reads as rewritten:

1 "§ 74C-12. Denial, suspension, or revocation of license, registration, or
2 ~~permit~~permit; duty to report criminal arrests.

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

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

- 1 (18) Failed to obtain a substitute qualifying agent by a business entity
2 within 30 days after its qualifying agent has ceased to serve as the
3 business entity's qualifying agent;
- 4 (19) Been judged incompetent by a court having jurisdiction under Chapter
5 35A or former Chapter 35 of the General Statutes or committed to a
6 mental health facility for treatment of mental illness, as defined in G.S.
7 122C-3, by a court under G.S. 122C-271;
- 8 (20) Failed or refused to offer a report to a client within 30 days of the
9 client's written ~~request~~request after the client has paid for services
10 rendered;
- 11 (21) Been previously denied a license, registration, or permit under this
12 Chapter or previously had a license, registration, or permit revoked for
13 cause;
- 14 (22) Engaged in a private protective services profession under a name other
15 than the name under which the license was obtained under the
16 provisions of this Chapter;
- 17 (23) Divulged to any person, except as required by law, any information
18 acquired by him except at the direction of the employer or client for
19 whom the information was obtained. A licensee may divulge to any
20 law enforcement officer or district attorney or his representative any
21 information the law enforcement officer may require to investigate a
22 criminal offense with the prior approval and consent of the client;
- 23 (24) Fraudulently held himself out as employed by or licensed by the State
24 Bureau of Investigation or any other governmental authority;
- 25 (25) Intemperate habits or lacks good moral character. The acts that are
26 prima facie evidence of intemperate habits or lack of good moral
27 character under G.S. 74C-8(d)(2) are prima facie evidence of the same
28 under this subdivision;
- 29 (26) Advertised or solicited business using a name other than that in which
30 the license was issued;
- 31 (27) Worn, carried, or accepted any badge or shield purporting to indicate
32 that the person is a ~~private detective or private investigator~~law
33 enforcement officer while licensed under the provisions of this Chapter
34 as a private investigator.
- 35 (28) Possessed or displayed any badge or shield that was not designed and
36 approved by the Board.

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

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

- 1 (1) A sworn court official.
- 2 (2) A holder of a company police commission under Chapter 74E of the
- 3 General Statutes.
- 4 (d) A licensee shall report to the Board in writing within 30 days of any charge,
- 5 arrest for, or conviction of a misdemeanor or felony for any of the following:
- 6 (1) Crimes that have as an essential element dishonesty, deceit, fraud, or
- 7 misrepresentation.
- 8 (2) Illegal use, possession, sale, manufacture, distribution, or
- 9 transportation of a controlled substance, drug, narcotic, or alcoholic
- 10 beverage.
- 11 (3) Illegal use, carrying, or possession of a firearm.
- 12 (4) Acts involving assault.
- 13 (5) Acts involving unlawful breaking or entering, burglary, or larceny.
- 14 (6) Any offense involving moral turpitude.

15 The duty to report convictions includes findings of guilt, guilty pleas, and pleas of nolo

16 contendere. A failure to report shall be grounds for revocation of the license."

17 **SECTION 9.** G.S. 74C-13 reads as rewritten:

18 **"§ 74C-13. Armed ~~security guard~~licensee or registered employee required to have**

19 **firearm registration permit; ~~security guard~~firearms training.**

20 (a) It shall be unlawful for any person performing ~~the duties of an armed security~~

21 ~~guard~~private protective services duties to carry a firearm in the performance of those

22 duties without first having met the qualifications as set forth in this section and having

23 been issued a firearm registration permit by the Board. For the purposes of this section,

24 the following terms are defined:

25 (1) "Armed security guard" means an individual employed by a contract

26 security company or a proprietary security organization whose

27 principal duty is that of an armed security watchman; armed armored

28 car service guard; armed alarm system company responder; ~~private~~

29 ~~detective~~; or armed courier service guard who at any time wears,

30 carries, or possesses a firearm in the performance of duty.

31 (1a) "Armed private investigator" means a licensed private investigator

32 who, at any time, wears, carries, or possesses a firearm in the

33 performance of duty.

34 (2) "Contract security company" means any person, firm, association, or

35 corporation engaging in a private protective services profession that

36 provides services on a contractual basis for a fee or other valuable

37 consideration to any other person, firm, association, or corporation.

38 (3) "Proprietary security organization" means any person, firm,

39 association, or corporation or department thereof which employs

40 security guards, alarm responders, armored car personnel, or couriers

41 who are employed regularly and exclusively as an employee by an

42 employer in connection with the business affairs of such employer.

43 (b) It shall be unlawful for any person, firm, association, or corporation and its

44 agents and employees to employ an armed security guard or an armed private

1 investigator and knowingly authorize or permit him to carry a firearm during the course
2 of performing his duties as an armed security guard or an armed private investigator if
3 the Board has not issued him a firearm registration permit under this section or if the
4 person, firm, association, or corporation permits an armed security guard or an armed
5 private investigator to carry a firearm during the course of performing his duties whose
6 firearm registration permit has been suspended, revoked, or has otherwise expired:

7 (1) ~~An armed security guard~~ A firearm registration permit grants authority
8 to the armed security ~~guard,~~ guard or armed private investigator, while
9 in the performance of his duties or traveling directly to and from work,
10 to carry a ~~standard .38 caliber or .32 caliber revolver or any other~~
11 ~~firearm approved by the Board and not otherwise prohibited by law.~~
12 The use of any firearm not approved by the Board is prohibited.

13 (2) All firearms carried by authorized armed security guards in the
14 performance of their duties shall be owned or leased by the employer.
15 Personally owned firearms shall not be carried by an armed security
16 guard in the performance of his duties.

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

19 (d) Each ~~armed security guard~~ firearm registration permit issued under this
20 section to an armed security guard shall be in the form of a pocket card designed by the
21 Board and shall identify the contract security company or proprietary security
22 organization by whom the holder of the firearm registration permit is employed. ~~An~~
23 ~~armed security guard~~ A firearm registration permit issued to an armed security guard
24 expires one year after the date of its issuance and must be renewed annually unless the
25 permit holder's employment terminates before the expiration of the permit. Before
26 renewing a permit, the Board may require a permit holder to complete continuing
27 education courses approved by the Board.

28 (d1) Each firearm registration permit issued under this section to an armed private
29 investigator shall be in the form of a pocket card designed by the Board and shall
30 identify the name of the armed private investigator. A private investigator firearm
31 registration permit expires one year from the date of issuance and must be renewed
32 annually. Before renewing a permit, the Board may require a permit holder to complete
33 continuing education courses approved by the Board.

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

38 (f) A contract security company or proprietary security organization shall be
39 allowed to employ an individual for 30 days as an armed security guard pending
40 completion of the firearms training required by this Chapter, if the contract security
41 company or proprietary security organization obtains prior approval from the Director.
42 The Board and the Attorney General shall provide by rule the procedure by which an
43 armed private investigator, a contract security ~~company~~ company, or a proprietary
44 security organization applicant may be issued a temporary firearm registration permit by

1 the Director of the Board pending a determination by the Board of whether to grant or
2 deny an applicant a firearm registration permit.

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

10 (h) The Board and the Attorney General shall establish a firearms training
11 program for ~~armed security guards~~ licensees and registered employees to be conducted
12 by agencies and institutions approved by the Board and the Attorney General. The
13 Board and the Attorney General may approve training programs conducted by a contract
14 security company and the security department of a proprietary security organization, if
15 the contract security company or security department of a proprietary security
16 organization offers the courses listed in subdivision (1) of this subsection and if the
17 instructors of the training program are certified trainers approved by the Board and the
18 Attorney General:

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

- 22 a. Legal limitations on the use of hand guns and on the powers
23 and authority of an armed security guard,
24 b. Familiarity with this section,
25 c. Range firing and procedure and hand gun safety and
26 maintenance, and
27 d. Any other topics of armed security guard training curriculum
28 which the Board deems necessary.

29 (2) An applicant for ~~an armed security guard~~ a firearm registration permit
30 must fire a minimum qualifying score to be determined by the Board
31 and the Attorney General on any approved target course approved by
32 the Board and the Attorney General.

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

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

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

- 42 (1) Has satisfactorily completed an approved training course.
43 (2) Meets all the qualifications established by this section and by the rules
44 promulgated to implement this section.

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

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

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

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

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

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

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

27 (n) A private investigator shall be permitted to carry a concealed weapon during
28 the performance of his duties as a private investigator upon: (i) obtaining a concealed
29 weapon's permit issued pursuant to G.S. 14-415.11; (ii) successfully completing the
30 firearms training course approved by the Board and the Attorney General; and (iii)
31 having a notation affixed to the face of the firearms registration card designating that the
32 armed private investigator is allowed to carry a concealed weapon. A private
33 investigator who does not carry a weapon during the course of his duties as a private
34 investigator but who wishes to carry a concealed weapon while not engaged in private
35 investigative duties shall be permitted to do so upon completion of the requirements set
36 forth in Article 54B of Chapter 14 of the General Statutes."

37 **SECTION 10.** Article 1 of Chapter 74C of the General Statutes is amended
38 by adding a new section to read:

39 **"§ 74C-22. Continuing education.**

40 Before renewing a license, registration, certificate, or permit issued pursuant to this
41 Chapter, the Board may, as it deems necessary, require a licensee or registration,
42 certificate, or permit holder to complete continuing education courses approved by the
43 Board. The Board shall establish, by rule, the number of hours of continuing education
44 necessary for renewal and any other requirements for completion of continuing

1 education courses. The Board shall have the authority to approve continuing education
2 courses and shall consider the continuing education course criteria, including the course
3 curriculum, the qualifications of the instructor, the potential benefit to the industry, and
4 any other criteria the Board deems appropriate."

5 **SECTION 11.** G.S. 74C-30 reads as rewritten:

6 **"§ 74C-30. Private Protective Services Recovery Fund created; payments to Fund;**
7 **management; use of funds.**

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

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

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

20 (1) ~~On July 1, 1983, the Board shall charge every licensee and trainee~~
21 ~~possessing a license or trainee permit on that date a fee of fifty dollars~~
22 ~~(\$50.00);~~

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

27 (3) The Board is authorized to charge each licensee and trainee an
28 additional amount, not to exceed fifty dollars (\$50.00), on July 1 of
29 any year in which the balance of the Fund is less than ~~one hundred~~
30 ~~thousand dollars (\$100,000),~~twenty-five thousand dollars (\$25,000),
31 provided that any amount so assessed will be only so much as is
32 needed to raise the level of the Fund to ~~one hundred thousand dollars~~
33 ~~(\$100,000),~~twenty-five thousand dollars (\$25,000).

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

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

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

4 (3) To sponsor, contract for and to underwrite any and all additional
5 educational training and research projects of a similar nature having to
6 do with the advancement of the private protective services field in
7 North Carolina. The Board shall have the authority to sponsor courses
8 given by private individuals, associations, or corporations. However,
9 the Board shall only grant funds as necessary to offset the actual cost
10 of the educational course. Any individual, association, or corporation
11 receiving grant money from the Board shall make the course available
12 to the industry at large. Any individual, association, or corporation
13 receiving grant money from the Board and advertising the course to
14 the industry is required to include in its advertising the following
15 statement: 'The course is being given in whole or in part by a grant
16 from the Private Protective Services Board.'

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

21 **SECTION 12.** This act is effective when it becomes law.