

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 854
Judiciary II (Criminal) Committee Substitute Adopted 6/25/07

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

Sponsors:

Referred to:

March 19, 2007

A BILL TO BE ENTITLED

AN ACT AMENDING THE PRIVATE PROTECTIVE SERVICES ACT AND
AMENDING THE FIREARMS LAWS EFFECTING ARMED SECURITY
GUARDS.

The General Assembly of North Carolina enacts:

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

"§ 74C-3. Private protective services profession defined.

(a) As used in this Chapter, the term "private protective services profession" means and includes all of the following:

(1) ~~"Armored car profession" means any~~ Armored car profession. – Any person, firm, association, or corporation which for a fee or other valuable consideration provides secured transportation and protection from one place or point to another place or point of money, currency, coins, bullion, securities, checks, documents, stocks, bonds, jewelry, paintings, and other ~~valuables for a fee or other valuable consideration.~~ valuables. This definition does not include a person operating an armored car business pursuant to a motor carrier certificate or permit issued by the North Carolina Utilities Commission which grants operating rights for such business; however, armed armored car service guards shall be subject to the provisions of G.S. 74C-13.

(2) Repealed by Session Laws 1983, c. 786, s. 2.

(3) ~~"Counterintelligence service profession" means any~~ Electronic countermeasures profession. – Any person, firm, association, or corporation which for a fee or other valuable consideration 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.~~ corporation.

- 1 (4) ~~"Courier service profession" means any Courier service profession. –~~
2 Any person, firm, association, or corporation which for a fee or other
3 valuable consideration transports or offers to transport from one place
4 or point to another place or point documents, papers, maps, stocks,
5 bonds, checks, or other small items of value which require expeditious
6 ~~service for a fee or other valuable consideration. services.~~ Armed
7 courier service guards shall be subject to the provisions of
8 G.S. 74C-13.
- 9 (5) ~~"Detection of deception examiner" means any Detection of deception~~
10 examiner. – Any person, firm, association, or corporation which uses
11 any device or instrument, regardless of its name or design, for the
12 purpose of the detection of deception or any person who reviews the
13 work product of an examiner including charts, tapes or other methods
14 of record keeping for the purpose of detecting deception or
15 determining accuracy.
- 16 (6) ~~"Security guard and patrol profession" means any Security guard and~~
17 patrol profession. – Any person, firm, association, or corporation that
18 provides a security guard on a contractual basis for another person,
19 firm, association, or corporation for a fee or other valuable
20 consideration and ~~performing~~ performs one or more of the following
21 functions:
22 a. Prevention or detection of intrusion, entry, larceny, vandalism,
23 abuse, fire, or trespass on private ~~property;~~ property.
24 b. Prevention, observation, or detection of any unauthorized
25 activity on private ~~property;~~ property.
26 c. Protection of patrons and persons lawfully authorized to be on
27 the premises or being escorted between premises of the person,
28 firm, association, or corporation that entered into the contract
29 for security ~~services;~~ or services.
30 d. Control, regulation, or direction of the flow or movement of the
31 public, whether by vehicle or otherwise, only to the extent and
32 for the time directly and specifically required to assure the
33 protection of properties.
- 34 (7) ~~"Guard dog service profession" means any Guard dog service~~
35 profession. – Any person, firm, association, or corporation which for a
36 fee or other valuable consideration contracts with another person, firm,
37 association, or corporation to place, lease, rent, or sell a trained dog for
38 the purpose of protecting lives or ~~property for a fee or other valuable~~
39 ~~consideration.~~ property.
- 40 (8) ~~"Private detective" or "private investigator" are synonymous and mean~~
41 ~~any Private detective or private investigator. – Any person who~~
42 engages in the profession of or accepts employment to furnish, agrees
43 to make, or makes inquiries or investigations concerning ~~the~~
44 ~~below listed topics~~ any of the following on a contractual basis:

- 1 a. Crimes or wrongs done or threatened against the United States
- 2 or any state or territory of the United ~~States;~~States.
- 3 b. The identity, habits, conduct, business, occupation, honesty,
- 4 integrity, credibility, knowledge, trustworthiness, efficiency,
- 5 loyalty, activity, movement, whereabouts, affiliations,
- 6 associations, transactions, acts, reputation, or character of any
- 7 ~~person;~~person.
- 8 c. The location, disposition, or recovery of lost or stolen
- 9 ~~property;~~property.
- 10 d. The cause or responsibility for fires, libels, losses, accidents,
- 11 damages, or injuries to persons or to ~~properties;~~properties.
- 12 e. Securing evidence to be used before any court, board, officer, or
- 13 ~~investigative committee;~~committee.
- 14 f. Protection of individuals from serious bodily harm or death.
- 15 (9) ~~"Special limited guard and patrol profession" means any Special~~
- 16 ~~limited guard and patrol profession. – Any person who is licensed~~
- 17 ~~under Chapter 74D of the General Statutes of North Carolina and~~
- 18 ~~provides armed alarm responders pursuant to G.S. 74C-13. Applicants~~
- 19 ~~for this limited license shall not be required to meet the experience~~
- 20 ~~requirements for a security guard and patrol license. Any experience~~
- 21 ~~gained under this limited license shall not be counted as experience for~~
- 22 ~~a security guard and patrol license.~~
- 23 (b) ~~"Private protective services" shall not mean;~~include any of the following:
- 24 (1) Licensed insurance adjusters legally employed as such and who
- 25 engage in no other investigative activities unconnected with
- 26 adjustment or claims against an insurance ~~company;~~company.
- 27 (2) An officer or employee of the United States, this State, or any political
- 28 subdivision of either while ~~such the~~ officer or employee is engaged in
- 29 the performance of his or her official duties within the course and
- 30 scope of his or her employment with the United States, this State, or
- 31 any political subdivision of ~~either;~~either.
- 32 (3) A person engaged exclusively in the business of obtaining and
- 33 furnishing information as to the financial rating or credit worthiness of
- 34 persons; and a person who provides consumer reports in connection
- 35 with:
- 36 a. Credit transactions involving the consumer on whom the
- 37 information is to be furnished and involving the extensions of
- 38 credit to the consumer,
- 39 b. Information for employment purposes,
- 40 c. Information for the underwriting of insurance involving the
- 41 consumer,
- 42 d. Information in connection with a determination of the
- 43 consumer's eligibility for a license or other benefit granted by a

- 1 governmental instrumentality required by law to consider an
2 applicant's financial responsibility, or
- 3 e. A legitimate business need for the information in connection
4 with a business transaction involving the consumer;
- 5 (4) An attorney at law licensed to practice in North Carolina while
6 engaged in ~~such~~the practice of law and ~~his~~the attorney's agent,
7 provided ~~said~~the agent is performing duties only in connection with
8 his or her principal's practice of law;
- 9 (5) The legal owner or lien holder, and his or her agents and employees, of
10 personal property which has been sold in a transaction wherein a
11 security interest in personal property has been created to secure the
12 sales transaction, who engage in repossession of ~~said~~the personal
13 property;
- 14 (6) Repealed by Session Laws 1989, c. 759, s. 3.
- 15 (7) Repealed by Session Laws 1981, c. 807, s. 1.
- 16 (8) Employees of a licensee who are employed exclusively as undercover
17 agents; provided that for purposes of this section, undercover agent
18 means an individual hired by another person, firm, association, or
19 corporation to perform a job for that person, firm, association, or
20 corporation and, while performing ~~such~~the job, to act as an
21 undercover operative, employee, or independent contractor of a
22 licensee, but under the supervision of a licensee;
- 23 (9) A person who is engaged in an alarm systems business subject to the
24 provisions of Chapter 74D of the General Statutes;
- 25 (10) A person who obtains or verifies information regarding applicants for
26 employment, with the knowledge and consent of the applicant, and is
27 (i) engaged in business as a private personnel service as defined in
28 G.S. 95-47.1 or engaged in business as a private employer fee pay
29 personnel service, (ii) engaged in the business of obtaining or verifying
30 information regarding applicants for employment, or (iii) an employer
31 with whom the applicant has applied for employment;
- 32 (11) A person who conducts efficiency studies. An efficiency study is an
33 analysis of an employer's business, made at the request of the
34 employer, to determine one or more of the following:
- 35 a. The most efficient procedures by which an employee of the
36 business can perform the employee's assigned duties.
- 37 b. The adequacy of an employee's performance of the employee's
38 assigned duties that require interaction with a client or customer
39 of the business.
- 40 If a person making an efficiency study observes an instance of theft or
41 another illegal act committed by an employee of the business, the
42 person may report the instance to the employer without violating
43 G.S. 74C-3(a)(8).

- 1 (12) Research laboratories and consultants who analyze, test, or in any way
 2 apply their expertise to interpreting, evaluating, or analyzing facts or
 3 evidence submitted by another in order to determine the cause or effect
 4 of physical or psychological occurrences, and give their opinions and
 5 findings to the requesting source or to a designee of the requestor;
 6 (13) A person who works regularly and exclusively as an employee of an
 7 employer in connection with the business affairs of that employer. If
 8 the employee is an armed security guard and wears, carries, or
 9 possesses a firearm in the performance of ~~his~~the employee's duties,
 10 the provisions of G.S. 74C-13 apply;
 11 (14) An employee of a security department of a private business that
 12 conducts investigations exclusively on matters internal to the business
 13 affairs of the business; or
 14 (15) Representatives of nonprofit organizations funded all or in part by
 15 business improvement districts who provide information and directions
 16 to local tourists and residents, engage in street cleaning and
 17 beautification services within the business improvement districts, and
 18 notify local law enforcement of any illegal activity observed by the
 19 representatives within the business improvement districts."

20 **SECTION 2.** G.S. 74C-5 reads as rewritten:

21 **"§ 74C-5. Powers of the Board.**

22 In addition to the powers conferred upon the Board elsewhere in this Chapter, the
 23 Board shall have the power ~~to~~to do all of the following:

- 24 (1) ~~Promulgate~~Adopt rules necessary to carry out and administer the
 25 provisions of this Chapter including the authority to require the
 26 submission of reports and information by licensees under this
 27 ~~Chapter;~~Chapter.
 28 (2) Determine minimum qualifications, establish and require written or
 29 oral examinations, and establish minimum education, experience, and
 30 training standards for applicants and licensees under this
 31 ~~Chapter;~~Chapter.
 32 (3) Conduct investigations regarding alleged violations and to make
 33 evaluations as may be necessary to determine if licensees and trainees
 34 under this Chapter are complying with the provisions of this
 35 ~~Chapter;~~Chapter.
 36 (4) Adopt and amend bylaws, consistent with law, for its internal
 37 management and ~~control;~~control.
 38 (5) Approve individual applicants to be licensed or registered according to
 39 this ~~Chapter;~~Chapter.
 40 (6) Deny, suspend, or revoke any license or trainee permit issued or to be
 41 issued under this Chapter to any applicant, licensee, or permit holder
 42 who fails to satisfy the requirements of this Chapter or the rules
 43 established by the Board. The denial, suspension, or revocation shall

1 be in accordance with Chapter 150B of the General Statutes of North
 2 ~~Carolina; Carolina.~~

- 3 (7) Issue subpoenas to compel the attendance of witnesses and the
 4 production of pertinent books, accounts, records, and documents. The
 5 district court shall have the power to impose punishment pursuant to
 6 G.S. Chapter 5A, Article 2, for acts occurring in matters pending
 7 before the Private Protective Services Board which would constitute
 8 civil contempt if the acts occurred in an action pending in ~~court;~~court.
- 9 (8) Repealed by Session Laws 1989, c. 759, s. 5.
- 10 (9) ~~Establish~~Adopt rules governing detection of deception schools, and
 11 charge fees for reimbursement of costs incurred pursuant to approval
 12 of ~~such schools;~~ and the schools.
- 13 (10) Contract for services as necessary to carry out the functions of the
 14 Board.
- 15 (11) Approve training schools, instructors, and course materials for any
 16 person, firm, association, or corporation wishing to provide training
 17 described in this Chapter.
- 18 (12) Approve a design for a badge or shield that indicates a person is
 19 licensed or registered to engage in private protective services. The
 20 badge or shield shall be approved by the North Carolina Sheriffs'
 21 Association and the North Carolina Association of Chiefs of Police."

22 **SECTION 3.** G.S. 74C-9 reads as rewritten:

23 "**§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable;**
 24 **late renewal fee.**

25 (a) The license when issued shall be in such form as may be determined by the
 26 Board and shall state:

- 27 (1) The name of the licensee,
 28 (2) The name under which the licensee is to operate, and
 29 (3) The number and expiration date of the license.

30 (b) The license shall be issued for a term of ~~one year.~~two years. A trainee permit
 31 shall be issued for a term of ~~one year.~~two years. All licenses must be renewed prior to
 32 the expiration of the term of the license. Following issuance, the license shall at all
 33 times be posted in a conspicuous place in the licensee's principal place of business, in
 34 North Carolina, unless for good cause exempted by the Director. A license issued under
 35 this Chapter is not assignable. The Board may require all licensees to complete
 36 continuing education courses approved by the Board before renewal of their licenses.

37 (c) Repealed by Session Laws 1989, c. 759, s. 7.

38 (d) The operator or manager of any branch office shall be properly licensed or
 39 registered. The license shall be posted at all times in a conspicuous place in the branch
 40 office. This license shall be issued for a term of one year. Every business covered under
 41 the provisions of this Chapter shall file in writing with the Board the addresses of each
 42 of its branch offices, if any, within 10 working days after the establishment, closing, or
 43 changing of the location of any branch office. The Director may, upon the successful

1 completion of an investigation of the application, issue a temporary branch office
2 license pending approval of the application by the Board.

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

- 5 (1) A nonrefundable initial application fee in an amount not to exceed one
6 hundred fifty dollars (\$150.00);
- 7 (2) A new or renewal license fee in an amount not to exceed two hundred
8 fifty dollars ~~(\$250.00);~~ (\$250.00) per year of the license term;
- 9 (3) A new or renewal trainee permit fee in an amount not to exceed two
10 hundred fifty dollars ~~(\$250.00);~~ (\$250.00) per year of the license term;
- 11 (4) A new or renewal fee for each license or duplicate license in addition
12 to the basic license referred to in subsection (2) in an amount not to
13 exceed fifty dollars (\$50.00);
- 14 (5) A late renewal fee to be paid in addition to the renewal fee due in an
15 amount not to exceed one hundred dollars (\$100.00), if the license has
16 not been renewed on or before the expiration date of the licensee;
- 17 (6) A new, renewal, replacement or reissuance fee for an unarmed
18 registration identification card in an amount not to exceed thirty
19 dollars (\$30.00);
- 20 (7) An application fee for ~~an armed security guard~~ a firearm registration
21 permit not to exceed fifty dollars (\$50.00);
- 22 (8) A new, renewal, replacement, or reissuance fee for ~~an armed security~~
23 ~~guard~~ a firearm registration permit not to exceed thirty dollars (\$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 Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be
36 expended, under the direction of the Board, for the purpose of defraying the expenses of
37 administering this Chapter.

38 (f) A license or trainee permit granted under the provisions of this Chapter may
39 be renewed by the Private Protective Services Board upon notification by the licensee or
40 permit holder to the Director of intended renewal, the payment of the proper fee, and
41 evidence of a policy of liability insurance as prescribed in G.S. 74C-10(e).

42 The renewal shall be finalized before the expiration date of the license. In no event
43 will renewal be granted more than three months after the date of expiration of a license
44 or trainee permit.

1 (g) Upon notification of approval of ~~his~~the application by the Board, an
2 applicant must furnish evidence that ~~he~~the applicant has obtained the necessary liability
3 insurance required by G.S. 74C-10 and obtain the license applied for or ~~his~~the
4 application shall lapse.

5 (h) Trainee permits shall not be issued to applicants that qualify for a private
6 detective license. A licensed private detective may supervise no more than five trainees
7 at any given time."

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

9 "(e) No security guard and patrol, armored car, or special limited guard and patrol
10 license shall be issued under this Chapter unless the applicant files with the Board
11 evidence of a policy of liability insurance. The policy must provide for the following
12 minimum coverage: fifty thousand dollars (\$50,000) because of bodily injury or death
13 of one person as a result of the negligent act or acts of the principal insured or his agents
14 operating in the course and scope of his employment; subject to said limit for one
15 person, one hundred thousand dollars (\$100,000) because of bodily injury or death of
16 two or more persons as the result of the negligent act or acts of the principal insured or
17 his agents operating in the course and scope of his or her agency; twenty thousand
18 dollars (\$20,000) because of injury to or destruction of property of others as the result of
19 the negligent act or acts of the principal insured or his agents operating in the course and
20 scope of his or her agency. If the licensee, other than a security guard and patrol,
21 armored car, or special limited guard and patrol licensee, carries a firearm while
22 engaged in private protective services activities, the licensee shall obtain a policy of
23 liability insurance with a minimum coverage as specified above. A licensee is deemed
24 to be 'carrying a firearm' for purposes of this section while engaged in private protective
25 services if the licensee has a firearm on the licensee's person or in the automobile the
26 licensee is using to perform private protective services."

27 **SECTION 5.** G.S. 74C-10(h) reads as rewritten:

28 "(h) Every security guard and patrol licensee, armored car licensee, special limited
29 guard and patrol licensee, or licensee carrying a firearm while engaged in private
30 protective services ~~licensee~~ shall at all times maintain on file with the Board the
31 certificate of insurance required by this Chapter in full force and effect and upon failure
32 to do so, the license of such licensee shall be automatically suspended and shall not be
33 reinstated until an application therefor, in the form prescribed by the Board, is filed
34 together with a proper insurance certificate.

35 No cancellation or refusal to renew by an insurer of a licensee under this Chapter
36 shall be effective unless the insurer has given the insured licensee notice of the
37 cancellation or refusal to renew. Upon termination of insurance coverage for said
38 licensee, the insurer shall give notice to the Director of the Board."

39 **SECTION 6.** G.S. 74C-11(d) reads as rewritten:

40 "(d) An unarmed security guard shall make application to the Director for an
41 unarmed registration card which the Director shall issue to ~~said~~the applicant after
42 receipt of the information required to be submitted by ~~his~~the applicant's employer
43 pursuant to subsection ~~(a)~~(a) of this section, and after meeting any additional
44 requirements which the Board, in its discretion, deems to be necessary. The unarmed

1 security guard registration card shall be in the form of a pocket card designed by the
2 Board, shall be issued in the name of the applicant, and may have the applicant's
3 photograph affixed ~~thereto.~~ to the card. The unarmed security guard registration card
4 shall expire one year after its date of issuance and shall be renewed every year. The
5 Board may require all registration holders to complete continuing education courses
6 approved by the Board before renewal of their registrations. If an unarmed registered
7 security guard is terminated by a licensee and changes employment to another security
8 guard and patrol company, the security guard's ~~registration card~~ shall remain valid,
9 provided the security guard pays the unarmed guard ~~registration~~ transfer fee to the
10 Board and a new unarmed security guard registration card is issued. An unarmed
11 security guard whose transfer registration application and transfer fee have been sent to
12 the Board may work with a copy of the transfer application until the registration card is
13 issued."

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

15 "**§ 74C-12. Denial, suspension, or revocation of license, registration, or**
16 **permit; permit; duty to report criminal arrests.**

17 (a) The Board may, after compliance with Chapter 150B of the General Statutes,
18 deny, suspend or revoke a license, registration, or permit issued under this Chapter if it
19 is determined that the applicant, licensee, registrant, or permit holder ~~has~~ has done any
20 of the following acts:

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

- 1 (12) Undertaken to give legal advice or counsel or to in any way falsely
2 represent that he or she is representing any attorney or he or she is
3 appearing or will appear as an attorney in any legal
4 ~~proceeding~~; proceeding.
- 5 (13) Issued, delivered, or uttered any simulation of process of any nature
6 which might lead a person or persons to believe that such simulation –
7 written, printed, or typed – may be a summons, warrant, writ or court
8 process, or any pleading in any court ~~proceeding~~; proceeding.
- 9 (14) Failed to make the required contribution to the Private Protective
10 Services Recovery Fund or failed to maintain the certificate of liability
11 insurance required by this ~~Chapter~~; Chapter.
- 12 (15) Violated the firearm provisions set forth in this ~~Chapter~~; Chapter.
- 13 (16) Repealed by Session Laws 1989, c. 759, s. 10.
- 14 (17) Failed to notify the Director by a business entity other than a sole
15 proprietorship licensed pursuant to this Chapter of the cessation of
16 employment of the business entity's qualifying agent within the time
17 set forth in this ~~Chapter~~; Chapter.
- 18 (18) Failed to obtain a substitute qualifying agent by a business entity
19 within 30 days after its qualifying agent has ceased to serve as the
20 business entity's qualifying ~~agent~~; agent.
- 21 (19) Been judged incompetent by a court having jurisdiction under Chapter
22 35A or former Chapter 35 of the General Statutes or committed to a
23 mental health facility for treatment of mental illness, as defined in
24 G.S. 122C-3, by a court under ~~G.S. 122C-271~~; G.S. 122C-271.
- 25 (20) Failed or refused to offer a report to a client within 30 days of the
26 client's written ~~request~~; request after the client has paid for services
27 rendered.
- 28 (21) Been previously denied a license, registration, or permit under this
29 Chapter or previously had a license, registration, or permit revoked for
30 ~~cause~~; cause.
- 31 (22) Engaged in a private protective services profession under a name other
32 than the name under which the license was obtained under the
33 provisions of this ~~Chapter~~; Chapter.
- 34 (23) Divulged to any person, except as required by law, any information
35 acquired by ~~him~~ the license holder except at the direction of the
36 employer or client for whom the information was obtained. A license
37 may divulge to any law enforcement officer or district attorney or ~~his~~
38 district attorney's representative any information the law enforcement
39 officer may require to investigate a criminal offense with the prior
40 approval and consent of the ~~client~~; client.
- 41 (24) Fraudulently held himself or herself out as employed by or licensed by
42 the State Bureau of Investigation or any other governmental
43 ~~authority~~; authority.

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

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

7 (27) Worn, carried, or accepted any badge or shield purporting to indicate
8 that the person is a ~~private detective or private investigator~~law
9 enforcement officer while licensed under the provisions of this Chapter
10 as a private investigator.

11 (28) Possessed or displayed a badge or shield while providing private
12 protective services that was not designed and approved by the Board
13 pursuant to G.S. 74C-5C(12).

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

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

22 (1) A sworn court official.

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

25 (d) A licensee shall report to the Board in writing within 30 days any charge,
26 arrest for, or conviction of a misdemeanor or felony for any of the following:

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

29 (2) Illegal use, possession, sale, manufacture, distribution, or
30 transportation of a controlled substance, drug, narcotic, or alcoholic
31 beverage.

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

33 (4) Acts involving assault.

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

35 (6) Any offense involving moral turpitude.

36 For purposes of this section, the term 'conviction' includes the entry of a plea of guilty, a
37 plea of nolo contendere, prayer for judgment continued, or a finding of guilt by a court
38 of competent jurisdiction. The licensee's failure to report a charge, arrest for, or
39 conviction of a misdemeanor or felony is grounds for revocation of the license."

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

41 "**§ 74C-13. Armed ~~security guard~~licensee or registered employee required to have**
42 **firearm registration permit; ~~security guard~~firearms training.**

43 (a) It shall be unlawful for any person performing ~~the duties of an armed security~~
44 ~~guard~~private protective services duties to carry a firearm in the performance of those

1 duties without first having met the qualifications as ~~set forth in~~ of this section and
2 having been issued a firearm registration permit by the Board. ~~For the purposes of this~~
3 ~~section, the following terms are defined:~~

4 (a1) The following definitions apply in this section.

5 (1) Armed private investigator. – A licensed private investigator who, at
6 any time, wears, carries, or possesses a firearm in the performance of
7 duty.

8 ~~(1)(1a)~~ "Armed security guard" means ~~an~~ Armed security guard. – An
9 individual employed by a contract security company or a proprietary
10 security organization whose principal duty is that of an armed security
11 watchman; armed armored car service guard; armed alarm system
12 company responder; ~~private detective~~; or armed courier service who at
13 any time wears, carries, or possesses a firearm in the performance of
14 duty.

15 (2) "Contract security company" means ~~any~~ Contract security company. –
16 Any person, firm, association, or corporation engaging in a private
17 protective services profession that provides services on a contractual
18 basis for a fee or other valuable consideration to any other person,
19 firm, association, or corporation.

20 (3) "Proprietary security organization" means ~~any~~ Proprietary security
21 organization. – Any person, firm, association, or corporation or
22 department thereof which employs security guards, alarm responders,
23 armored car personnel, or couriers who are employed regularly and
24 exclusively as an employee by an employer in connection with the
25 business affairs of ~~such~~ the employer.

26 (b) It shall be unlawful for any person, firm, association, or corporation and its
27 agents and employees to employ an armed security guard or an armed private
28 investigator and knowingly authorize or permit ~~him~~ the armed security guard or armed
29 private investigator to carry a firearm during the course of performing his or her duties
30 as an armed security guard or an armed private investigator if the Board has not issued
31 him or her a firearm registration permit under this section or if the person, firm,
32 association, or corporation permits an armed security guard or an armed private
33 investigator to carry a firearm during the course of performing his or her duties whose
34 firearm registration permit has been suspended, revoked, or has otherwise expired:

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

41 (2) All firearms carried by authorized armed security guards in the
42 performance of their duties shall be owned or leased by the employer.
43 Personally owned firearms shall not be carried by an armed security
44 guard in the performance of his or her duties.

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

3 (d) Each ~~armed security guard~~ firearm registration permit issued under this
4 section to an armed security guard shall be in the form of a pocket card designed by the
5 Board and shall identify the contract security company or proprietary security
6 organization by whom the holder of the firearm registration permit is employed. ~~An~~
7 ~~armed security guard~~ A firearm registration permit issued to an armed security guard
8 expires one year after the date of its issuance and must be renewed annually unless the
9 permit holder's employment terminates before the expiration of the permit. The Board
10 may require all permit holders to complete continuing education courses approved by
11 the Board before renewal of their permits.

12 (d1) Each firearm registration permit issued under this section to an armed private
13 investigator shall be in the form of a pocket card designed by the Board and shall
14 identify the name of the armed private investigator. While carrying a firearm and
15 engaged in private protective services, the armed private investigator shall carry the
16 firearms registration permit issued by the Board, together with valid identification, and
17 shall disclose to any law enforcement officer that the person holds a valid permit and is
18 carrying a firearm, whether concealed or in plain view, when approached or addressed
19 by the law enforcement officer, and shall display both the permit and the proper
20 identification upon the request of a law enforcement officer. A private investigator
21 firearm registration permit expires one year from the date of issuance and shall be
22 renewed annually. The Board may require all permit holders to complete continuing
23 education courses approved by the Board before renewal of their permits.

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

28 (f) A contract security company or proprietary security organization shall be
29 allowed to employ an individual for 30 days as an armed security guard pending
30 completion of the firearms training required by this Chapter, if the contract security
31 company or proprietary security organization obtains prior approval from the Director.
32 The Board and the Attorney General shall provide by rule the procedure by which an
33 armed private investigator, a contract security company, or a proprietary
34 security organization applicant may be issued a temporary firearm registration permit by
35 the Director of the Board pending a determination by the Board of whether to grant or
36 deny an applicant a firearm registration permit.

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

1 (h) The Board and the Attorney General shall establish a firearms training
2 program for ~~armed security guards~~licenseses and registered employees to be conducted
3 by agencies and institutions approved by the Board and the Attorney General. The
4 Board and the Attorney General may approve training programs conducted by a contract
5 security company and the security department of a proprietary security organization, if
6 the contract security company or security department of a proprietary security
7 organization offers the courses listed in subdivision (1) of this subsection and if the
8 instructors of the training program are certified trainers approved by the Board and the
9 Attorney General:

- 10 (1) The basic training course approved by the Board and the Attorney
11 General shall consist of a minimum of four hours of classroom training
12 which shall include:
13 a. Legal limitations on the use of hand guns and on the powers
14 and authority of an armed security guard,
15 b. Familiarity with this ~~section,~~section;
16 c. Range firing and procedure and hand gun safety and
17 ~~maintenance,~~maintenance; and
18 d. Any other topics of armed security guard training curriculum
19 which the Board deems necessary.
20 (2) An applicant for ~~an armed security guard~~a firearm registration permit
21 must fire a minimum qualifying score to be determined by the Board
22 and the Attorney General on any approved target course approved by
23 the Board and the Attorney General.
24 (3) ~~An armed security guard~~A firearms registrant must complete a
25 refresher course and shall requalify on the prescribed target course
26 prior to the renewal of his or her firearm registration permit.
27 (4) The Board and the Attorney General shall have the authority to
28 promulgate all rules necessary to administer the provisions of this
29 section concerning the training requirements of this section.

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

- 33 (1) Has satisfactorily completed an approved training course.
34 (2) Meets all the qualifications established by this section and by the rules
35 promulgated to implement this section.
36 (3) Is mentally and physically capable of handling a firearm within the
37 guidelines set forth by the Board and the Attorney General.

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

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

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

5 (1) The Board and the Attorney General shall also establish renewal
6 requirements for certified trainers. The Board may require all certified
7 trainers to complete continuing education courses approved by the
8 Board before renewal of their certifications.

9 (2) No certified firearms trainer shall certify ~~an armed security guarda~~
10 licensee or registrant unless the ~~armed security guarda~~
11 licensee or registrant has successfully completed the firearms training
12 requirements set out above in subsection (h) of this section.

13 (m) The Board and the Attorney General shall establish a training program for
14 unarmed security guards to be conducted by agencies and institutions approved by the
15 Board and the Attorney General. The Board and the Attorney General shall have the
16 authority to promulgate all rules necessary to administer the provisions of this
17 subsection.

18 (n) A private investigator shall be permitted to carry a concealed weapon during
19 the performance of his or her duties as a private investigator upon: (i) obtaining a
20 concealed weapon permit issued pursuant to G.S. 14-415.11; (ii) successfully
21 completing the firearms training course approved by the Board and the Attorney
22 General; and (iii) having a notation affixed to the face of the firearms registration card
23 designating that the armed private investigator is allowed to carry a concealed weapon.
24 A private investigator who does not carry a weapon during the course of his or her
25 duties as a private investigator but who wishes to carry a concealed weapon while not
26 engaged in private investigative duties shall be permitted to do so upon completion of
27 the requirements set forth in Article 54B of Chapter 14 of the General Statutes."

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

30 **"§ 74C-22. Continuing education.**

31 The Board may require individuals holding a license, registration, certificate, or
32 permit to complete continuing education courses approved by the Board before renewal.
33 The Board shall establish, by rule, the number of hours of continuing education
34 necessary for renewal and any other requirements for completion of continuing
35 education courses. The Board shall have the authority to approve continuing education
36 courses and shall consider the continuing education course criteria, including the course
37 curriculum, the qualifications of the instructor, the potential benefit to the industry, and
38 any other criteria the Board deems appropriate."

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

40 **"§ 74C-30. Private Protective Services Recovery Fund created; payments to Fund;**
41 **management; use of funds.**

42 (a) There is hereby created and established a special fund to be known as the
43 "Private Protective Services Recovery Fund" (hereinafter Fund) which shall be set aside
44 and maintained in the Office of the State Treasurer. Said Fund shall be used in the

1 manner provided in this Article for the payment of claims where the aggrieved person
2 has suffered a direct monetary loss by reason of certain acts committed by any person
3 licensed under this Chapter.

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

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

10 (1) ~~On July 1, 1983, the Board shall charge every licensee and trainee~~
11 ~~possessing a license or trainee permit on that date a fee of fifty dollars~~
12 ~~(\$50.00);~~

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

17 (3) The Board is authorized to charge each licensee and trainee an
18 additional amount, not to exceed fifty dollars (\$50.00), on July 1 of
19 any year in which the balance of the Fund is less than ~~one hundred~~
20 ~~thousand dollars (\$100,000),~~twenty-five thousand dollars (\$25,000),
21 provided that any amount so assessed will be only so much as is
22 needed to raise the level of the Fund to ~~one hundred thousand dollars~~
23 ~~(\$100,000),~~twenty-five thousand dollars (\$25,000).

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

30 (1) To advance education and research in the private protective services
31 field for the benefit of those licensed under the provisions of this
32 Chapter and for the improvement of the ~~industry;~~industry.

33 (2) To underwrite educational seminars, training centers and other
34 educational projects for the use and benefit generally of licensees and
35 ~~trainees;~~and trainees.

36 (3) To sponsor, contract for and to underwrite any and all additional
37 educational training and research projects of a similar nature having to
38 do with the advancement of the private protective services field in
39 North Carolina. The Board shall have the authority to sponsor courses
40 given by private individuals, associations, or corporations. However,
41 the Board shall only grant funds as necessary to offset the actual cost
42 of the educational course. Any individual, association, or corporation
43 receiving grant money from the Board shall make the course available
44 to the industry at large. Any individual, association, or corporation

1 receiving grant money from the Board and advertising the course to
2 the industry is required to include in its advertising the following
3 statement: 'The course is being given in whole or in part by a grant
4 from the Private Protective Services Board.'

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

9 **SECTION 11.** G.S. 74C-31(d) reads as rewritten:

10 "(d) ~~Until such time as the Fund reaches one hundred thousand dollars~~
11 ~~(\$100,000),~~twenty-five thousand dollars (\$25,000), or at any time the Fund has
12 insufficient assets in excess of ~~one hundred thousand dollars (\$100,000)~~twenty-five
13 thousand dollars (\$25,000) to pay outstanding claims, the State Treasurer shall not
14 disburse any payments to an aggrieved party. However, any party aggrieved and
15 awarded payment as ordered by the Board which order is dated after July 1, 1983, shall
16 hold a vested right for payment plus interest as provided in G.S. 24-1 once the Fund
17 reaches a sufficient level for payments. Authorized payments which cannot be made due
18 to the lack of funds will be paid as funds become available, beginning with those
19 payments which have been unsatisfied for the longest period of time."

20 **SECTION 12.** This act becomes effective October 1, 2007.