

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30299-NN-58

Short Title: Locksmith Licensing Act Modernization. (Public)

Sponsors: Representative Schietzelt.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE LICENSURE FOR LOCKSMITH BUSINESSES, TO MODIFY
REQUIREMENTS FOR LOCKSMITH APPRENTICES, TO CLARIFY LOCKSMITH
LICENSING REQUIREMENTS AND EXEMPTIONS, AND TO STRENGTHEN
ENFORCEMENT OF THE LOCKSMITH LICENSING ACT.

The General Assembly of North Carolina enacts:

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

"§ 74F-3. Licenses required; violation.

(a) No person shall perform or offer to perform locksmith services in this State unless the person has been licensed under the provisions of this Chapter. Every person providing locksmith services as defined under ~~G.S. 74F-4(5) to buildings containing medical records, pharmaceutical records, educational records, criminal records, voting records, tax records, legal records, or personnel records,~~ G.S. 74F-4(5), including any person providing locksmith services who is employed by or working for a school, college, university, hospital, ~~company,~~ institution, or government facility shall be licensed in accordance with the provisions of this Chapter.

(a1) The provisions of this Chapter shall apply to corporations, companies, firms, associations, or sole proprietorships that provide locksmith services to the public. A licensed locksmith who owns and operates a corporation, company, firm, association, or sole proprietorship that provides locksmith services shall obtain a locksmith business license from the Board. The locksmith business license shall be renewed annually.

(b) Unless the conduct is covered under some other provision of law providing greater punishment, a violation of this section is a Class 1 misdemeanor for the first offense. A second or subsequent offense is a Class I felony."

SECTION 1.(b) G.S. 74F-4 reads as rewritten:

"§ 74F-4. Definitions.

The following definitions apply in this Chapter:

- (1) Apprentice. – A person who has been issued an apprenticeship designation by the Board.
- (1a) Board. – The North Carolina Locksmith Licensing Board.
- (2) Code book. – A compilation, in any form, of key codes and combinations.
- (3) License. – A certificate issued by the Board recognizing the person named therein as having met the requirements to perform locksmith services as defined in this Chapter.
- (4) Locksmith. – A person who has been issued a license by the Board. In order to engage in the practice of locksmith services, a locksmith must own, be employed by, or otherwise be an agent of a locksmith business.



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- (4a) Locksmith business. – A corporation, company, firm, association, or sole proprietorship that provides locksmith services to the public.
- (5) Locksmith services. – Services that include repairing, rebuilding, rekeying, repinning, servicing, adjusting, or installing locks, mechanical or electronic locking devices, access control devices, egress control devices, safes, vaults, and safe-deposit boxes for compensation or other consideration, including services performed by safe technicians. The definition also includes any method of bypassing a locking mechanism of any kind, whether in a commercial, residential, or automotive setting, for compensation.
- (6) Locksmith tools. – Any tools that are designed or used to open a mechanical or electrical locking device in a way other than that which was intended by the manufacturer."

SECTION 1.(c) G.S. 74F-7 reads as rewritten:

"§ 74F-7. Qualifications for license.

(a) An applicant shall be licensed as a locksmith if the applicant meets all of the following qualifications:

- (1) Is of good moral and ethical character, as evidenced in part by a criminal history record check conducted in accordance with G.S. 74F-18.
- (2) Is at least 18 years of age.
- (3) Successfully completes an examination administered by the Board that measures the knowledge and skill of the applicant in locksmith services and the laws applicable to licensed locksmiths.
- (4) Pays the required fee under G.S. 74F-9.

Applications for locksmith license shall be made on forms provided by the Board and shall be accompanied by the application fee under G.S. 74F-9.

(b) An applicant for locksmith business license shall submit all of the requirements to the Board:

- (1) If the applicant is a corporation or company, articles of incorporation or organization with the North Carolina Secretary of State.
- (2) An Employer Identification Number (EIN) from the Internal Revenue Service.
- (3) Mailing address in the State of North Carolina.
- (4) Required locksmith business license fee as established in G.S. 74F-9.
- (5) The names and contact information for all individuals performing locksmith services on behalf of the locksmith business or working under the direct control or supervision of a locksmith working for the locksmith business.

Applications for locksmith business license shall be made on forms provided by the Board and filed with the Board by the owner, a partner, a member of the limited liability company, or an officer of the corporation and shall be accompanied by the application fee under G.S. 74F-9.

(c) If a locksmith business is solely owned by a natural person, that person must be licensed by the Board as a locksmith. If it is owned by a partnership, at least one partner must be licensed by the Board as a locksmith. If it is owned by a corporation, the president, vice-president, or the chairman of the board of directors must be licensed by the Board as a locksmith. If it is owned by a limited liability company, at least one member must be licensed by the Board as a locksmith. The licensee required by this subsection must be actively engaged in the operation of the locksmith business."

SECTION 1.(d) G.S. 74F-7.1 reads as rewritten:

"§ 74F-7.1. Apprentices.

(a) An applicant may receive an apprentice designation if the applicant meets all of the following requirements:

- (1) Is of good moral and ethical character, as evidenced in part by a criminal history record check conducted in accordance with G.S. 74F-18.

- (2) Is at least 18 years of age.
- (3) Pays the required fee under G.S. 74F-9.
- (4) Completes 16 hours of Board-approved technical locksmith training.
- Applications for an apprentice license shall be made on forms provided by the Board.

(b) After an applicant has satisfied the requirements in subsection (a) of this section, the apprentice may practice as an apprentice locksmith under the supervision of a licensed locksmith. The Board shall issue each apprentice a ~~colored~~ badge card that identifies the individual as an apprentice and includes the apprentice ~~designation~~ designation, which apprentices must display prominently when engaging in locksmith services. The Board shall establish requirements for apprentice supervision.

(c) An apprentice ~~may have the apprentice designation for no longer than~~ license shall be valid for three years. On or before the three-year period expires, the apprentice ~~shall~~ may take the locksmith licensure examination administered by the Board. If the apprentice fails to take the examination within the three-year period or fails the examination and does not retake the examination on or before the three-year period expires, the apprentice ~~shall not receive licensure and shall not be granted another apprenticeship.~~ shall be eligible to renew their apprentice license for one additional three-year term by completing a renewal application and submitting it to the Board.

(d) If an apprentice terminates employment with a licensed locksmith under which the apprentice originally received his or her apprenticeship, the apprentice shall find employment with another licensed locksmith to maintain the apprentice designation and shall pay a transfer fee pursuant to G.S. 74F-9. Apprentices must notify the Board in writing within 15 days following their termination of employment with their supervising licensed locksmith.

Each licensed locksmith shall have no more than ~~two~~ three apprentices at one time. However, a licensed locksmith shall have a 90-day grace period within which to accommodate more than ~~two~~ three apprentices if the apprentice is newly hired as a result of a previous termination of employment or the inability of a licensed locksmith to supervise the apprentice. The licensed locksmith shall contact the Board ~~once~~ within 15 days after the locksmith terminates ~~the~~ additional supervision of an apprentice, and the licensed locksmith shall be legally responsible for the apprentice's work until the Board is notified otherwise."

SECTION 1.(e) G.S. 74F-9 reads as rewritten:
"§ 74F-9. Fees.

The Board shall establish fees not exceeding the following amounts:

(1)	Issuance of a license	\$300.00
(2)	Renewal of a license	\$300.00
(3)	Examination	\$200.00
(4)	Reinstatement	\$250.00
(5)	Late fees	\$300.00
(6)	Apprentice license fee	\$300.00
(7)	Apprentice transfer fee	\$25.00. <u>\$25.00</u>
(8)	<u>Business license fee</u>	<u>\$100.00."</u>

SECTION 1.(f) G.S. 74F-15 reads as rewritten:
"§ 74F-15. Disciplinary procedures.

(a) The Board may deny or refuse to issue or renew, suspend, or revoke a license or apprenticeship designation if the licensee, apprentice, or applicant:

- (1) Gives false information to or withholds information from the Board in procuring or attempting to procure a license.
- (2) Has been convicted of or pled guilty or no contest to any of the crimes listed in G.S. 74F-18(a)(2).
- (3) Has demonstrated gross negligence, incompetency, or misconduct in performing locksmith services.

(4) Has ~~willfully~~ violated any of the provisions of this ~~Chapter~~. Chapter or any rules promulgated by the Board.

(b) The Board may assess the costs of disciplinary action, including attorneys' fees, against an applicant or licensee found to be in violation of this Chapter or rules adopted by the Board.

(c) The Board may place on probation, refuse to issue or renew, suspend, or revoke a locksmith business license when an owner, partner, manager, member, operator, officer, licensee, apprentice, or other individual under the direct control and supervision of a licensed locksmith working for the locksmith business violates any provision of this Article or any rule of the Board.

SECTION 1.(g) G.S. 74F-16 reads as rewritten:

"§ 74F-16. Exemptions.

The provisions of this Chapter do not apply to:

- (1) An employee of a licensed locksmith when acting under the direct control and supervision of the licensed locksmith. For purposes of this subdivision, "direct control and supervision" means that a licensed locksmith is required to physically accompany the employee to the premises where locksmith services are to be ~~performed~~. performed and remain present at all times that the employee is engaged in the practice of locksmith services.
- (1a) An employee of a locksmith company performing administrative duties only. For purposes of this section, "administrative duties" means managing the daily operations of an office in a locksmith company, including performing clerical tasks, answering telephones, and greeting customers.
- (2) A person working as an apprentice pursuant to G.S. 74F-7.1.
- (3) A person or business required to be licensed or registered by the North Carolina Alarm Systems Licensing Board pursuant to Chapter 74D of the General Statutes, when acting within the scope and course of the alarm systems license or registration.
- (4) A person or business providing any of the following services so long as the person or business does not represent himself, herself, or itself as a locksmith:
 - a. A towing service, or its employee, when providing services in the normal course of its business.
 - b. An automotive repair business, or its employee, when opening a vehicle to perform service on the vehicle.
 - c. A repossessing company, or its employee, while repossessing a vehicle.
 - d. A motor vehicle dealer as defined in G.S. 20-286(11), or a motor club as defined in G.S. 58-69-1 when opening automotive locks in the normal course of the dealer or club's business duties.
 - e. An emergency roadside assistance company, when providing services in the normal course of its business, not to include the production of new or duplicate keys for customers.
- (5) A property owner, or the owner's employee, when providing locksmith services on the property owner's property, so long as the owner or employee does not represent himself or herself as a locksmith. For purposes of this section, "property" means, but is not limited to, a hotel, motel, apartment, condominium, commercial rental property, and residential rental property.
- (6) A merchant, ~~or retail or hardware store,~~ retail store, hardware store, or auto parts store, so long as all of the following apply:

- 1 a. It is lawfully duplicating keys or installing, servicing, repairing,
2 rebuilding, reprogramming, rekeying, or maintaining locks in the normal
3 course of its business.
4 b. It maintains a physical location in this State.
5 c. It maintains a sales and use tax permit in accordance with
6 G.S. 105-164.16.
7 d. It does not represent itself as a locksmith.
8 (7) A member of a law enforcement agency, fire department, or other government
9 agency who, when acting within the scope and course of the member's
10 employment with the agency or department, opens locked doors to vehicles,
11 homes, or businesses.
12 (8) A salesperson while demonstrating the use of locksmith tools to persons
13 licensed under this Chapter.
14 (9) A general contractor licensed under Article 1 of Chapter 87 of the General
15 Statutes when acting within the scope and course of the general contractor
16 license, or an agent or subcontractor of a licensed general contractor when
17 acting within the ordinary course of business.
18 (10) A person or business when lawfully installing or maintaining a safety lock
19 device on a wastewater system when the safety lock device is required by
20 permit or requested by the owner of the wastewater system, provided the
21 person or business does not represent itself as a locksmith. For purposes of
22 this subdivision, "wastewater system" has the same meaning as in
23 G.S. 130A-334.
24 (11) Any person or firm that sells gun safes or locking devices for firearms during
25 the course of the sale of gun safes or locking devices for firearms, so long as
26 the person or firm, or the firm's employee, does not represent himself, herself,
27 or itself as a locksmith.
28 (12) A person while performing a locksmith service in an emergency situation
29 without receiving any compensation for this service and who does not
30 advertise those services."

31 **SECTION 1.(h)** G.S. 74F-17 reads as rewritten:

32 **"§ 74F-17. Injunctions.**

33 The Board may apply to the superior court for an order enjoining violations of this Chapter.
34 Upon a showing by the Board that any person has violated this Chapter, the court may grant
35 injunctive relief. relief, relief and may award attorneys' fees and costs to the Board."

36 **SECTION 2.** The North Carolina Locksmith Licensing Board may adopt rules to
37 implement the provisions of Section 1 of this act.

38 **SECTION 3.** Section 1 of this act becomes effective October 1, 2025. The remainder
39 of this act is effective when it becomes law.