

By: Hewes

To: Business and  
Financial  
Institutions

## SENATE BILL NO. 2718

1 AN ACT TO PROVIDE FOR THE LICENSURE AND REGULATION OF BURGLAR  
2 OR INTRUSION ALARM SYSTEM INSTALLERS; TO DEFINE CERTAIN TERMS USED  
3 IN THE ACT; TO CREATE THE MISSISSIPPI ELECTRONIC SECURITY BOARD OF  
4 LICENSURE AND PROVIDE FOR ITS POWERS AND DUTIES; TO PROVIDE FOR AN  
5 ANNUAL LICENSE FEE; TO EXCLUDE CERTAIN PERSONS FROM THE  
6 APPLICATION OF THE ACT; TO PROVIDE FOR CIVIL AND CRIMINAL  
7 PENALTIES FOR VIOLATIONS OF THE ACT; TO CREATE A SPECIAL FUND IN  
8 THE STATE TREASURY, TO BE KNOWN AS THE "MISSISSIPPI ELECTRONIC  
9 SECURITY BOARD OF LICENSURE FUND," FOR THE DEPOSIT OF FUNDS  
10 COLLECTED PURSUANT TO THE ACT; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 SECTION 1. For the purpose of regulating burglar or  
13 intrusion alarm system installers, the following terms shall have  
14 the following meanings unless the context clearly indicates  
15 otherwise:

16 (a) "Board" means the Mississippi Electronic Security  
17 Board of Licensure.

18 (b) "Burglar alarm" means a security system comprised  
19 of an interconnected series of alarm devices or components,  
20 including systems interconnected with radio frequency signals,  
21 which emits an audible, visual or electronic signal indicating an  
22 alarm condition and providing a warning of intrusion which is sent  
23 to a central station and requires a response by an emergency team  
24 such as police or fire personnel.

25 (c) "Burglar alarm system installer" means a person  
26 that offers to undertake, represents itself as being able to  
27 undertake, or does undertake the installation or service, or both,  
28 of burglar alarm systems for the public for any type of  
29 compensation.

30 (d) "Installation" means the initial placement of

31 equipment or the extension, modification or alteration of  
32 equipment after initial placement.

33 (e) "Service" means the necessary repair in order to  
34 return the system to operational condition.

35 (f) "Intrusion alarm system" means an alarm system for  
36 signaling the entry or attempted entry of a person or an object  
37 into the area or volume protected by the system.

38 (g) "Alarm business" means the business, by an  
39 individual, partnership, corporation or other entity of selling,  
40 leasing, maintaining, servicing, repairing, altering, replacing,  
41 moving, installing or monitoring an alarm system at an alarm site.

42 (h) "Alarm control" means the central controlling  
43 device of an electronic alarm system which monitors sensing  
44 devices and activates signaling devices in the event of an alarm.

45 (i) "Alarm system" means an assembly of equipment and  
46 devices designed and arranged to signal the presence of an alarm  
47 condition requiring urgent attention, such as unauthorized entry,  
48 fire, temperature rise, etc. The system may be local, police  
49 connection, central station or proprietary.

50 (j) "Certified alarm technician" means a graduate of the  
51 Certified Alarm Technician (Level 1) program sponsored by the  
52 National Burglar and Fire Alarm Association.

53 SECTION 2. (1) The Mississippi Electronic Security Board of  
54 Licensure is hereby created.

55 (2) The board, which shall reflect the racial, gender,  
56 geographic, urban and rural, and economic diversity of the state,  
57 shall consist of the following members to be appointed by the  
58 Governor:

59 (a) Two (2) members representing the burglar alarm  
60 industry shall be selected from three (3) nominees submitted by  
61 the Mississippi Alarm Association.

62 (b) Two (2) members of the Mississippi Department of  
63 Public Safety (Mississippi Highway Patrol) selected from three (3)

64 nominees submitted by that association.

65 (c) A person who is a representative of the consumers  
66 of the state to be appointed by the Lieutenant Governor.

67 (3) (a) The terms of the board members shall be four (4)  
68 years.

69 (b) Any vacancy occurring other than by expiration of  
70 terms shall be filled for the remainder of the unexpired term by  
71 appointment of the Governor, subject to the nominating process  
72 specified in subsection (2).

73 (c) No member shall serve more than two (2) successive  
74 four-year terms.

75 (d) A member shall serve until a successor is appointed  
76 and assumes office.

77 (e) Members shall be paid out of the funds of the board  
78 the same per diem as prescribed by law for state employees for  
79 each day of attendance of board business.

80 (f) Meetings shall be held at least four (4) times per  
81 year. Special meetings shall be held at the call of the chair or  
82 by a majority of the members of the board.

83 (g) (i) The board may adopt rules of proceedings.

84 (ii) A majority of the board constitutes a quorum.

85 (iii) The board shall elect a chair on an annual  
86 basis.

87 SECTION 3. (1) The board shall have all of the following  
88 powers:

89 (a) License and regulate business entities engaged in  
90 the business of installing and servicing burglar or intrusion  
91 alarm systems.

92 (b) Through regulations, establish the qualifications  
93 for licensure to ensure competency and integrity to engage in  
94 these businesses.

95 (c) Examine, or cause to be examined, the  
96 qualifications of each applicant for licensure including the

97 preparation, administration and grading of examinations, and  
98 requiring the applicant to supply a board approved background  
99 investigation.

100 (d) License qualified applicants regulated by the  
101 board.

102 (e) Revoke, suspend or fail to renew a license for just  
103 cause as enumerated in the regulations of the board.

104 (f) Levy and collect reasonable fees for licensure,  
105 including, but not limited to, the application process and testing  
106 of applicants, and renewal, suspension and reissuance of licenses,  
107 and costs of necessary hearings, that are sufficient to cover all  
108 expenses for the administration and operation of the board.

109 (g) Promulgate rules and regulations necessary to  
110 perform its duties, to ensure continued competency, to prevent  
111 deceptive, misleading or criminal practices by its licensees, and  
112 to effectively administer the regulatory system administered by  
113 the board.

114 (h) Register or by other means monitor employees of a  
115 licensee to ensure such employees do not impair the ability of the  
116 licensee to satisfy the requirements of this act.

117 (i) Receive complaints concerning the conduct of any  
118 person or business entity whose activities are regulated by the  
119 board and to take appropriate disciplinary action if warranted.

120 (j) Ensure that periodic inspections are conducted  
121 relating to the operations of licensees to ensure competency and  
122 lawful compliance.

123 (k) Require the purchase of comprehensive liability  
124 insurance related to business activities in the amount of at least  
125 Two Hundred Fifty Thousand Dollars (\$250,000.00).

126 (l) Require licensees and employees of licensees to  
127 have available a photo identification card at all times when  
128 providing licensed services, and to surrender the card to employer  
129 at termination of employment.

130 (m) Promulgate canons of ethics under which the  
131 regulated professional activities of persons and business entities  
132 shall be conducted.

133 (n) Employ or contract for necessary personnel,  
134 including a director, and provide necessary offices, supplies and  
135 equipment to fulfill the requirements of this act.

136 (o) Delegate its powers and duties by resolution to a  
137 named designee.

138 (p) Enter into contracts and expend funds of the board  
139 to fulfill the requirements of this act.

140 (q) Borrow money for the initial start-up operation of  
141 the board until sufficient receipts are paid into the special  
142 revenue trust fund specified in Section 9 of this act.

143 (2) The board shall require all installers and service  
144 technicians to pass the National Training School Level 1 within  
145 one (1) year of employment.

146 SECTION 4. No person who is a burglar alarm systems company  
147 shall be licensed until he or she has made a satisfactory showing  
148 to the authority that he or she has satisfied the qualifications  
149 prescribed in this act, by presenting proof of passing Level 1 of  
150 the National Training School of the National Burglar and Fire  
151 Alarm Association.

152 SECTION 5. (1) The board shall issue licenses authorized by  
153 this act to all qualified individuals in accordance with rules or  
154 regulations established by the board.

155 (2) The annual license fee as set by the board shall not  
156 exceed Fifty Dollars (\$50.00) for an individual and Two Hundred  
157 Dollars (\$200.00) for a business entity. After the passage of the  
158 law, there shall be an application processing fee not to exceed  
159 Two Hundred Fifty Dollars (\$250.00) per business.

160 (3) A business license shall license all employees during  
161 their time of employment including sales, service and installation  
162 during their time of employment with the business.

163           (4) The license shall not be transferred or assigned and is  
164 valid only with respect to the person to whom it is issued.

165           (5) (a) No license shall be granted if the applicant has  
166 had any prior business license revoked for fraud,  
167 misrepresentation or any other act that would constitute a  
168 violation of this act.

169           (b) The board may consult with appropriate state or  
170 federal law enforcement authorities to verify whether an applicant  
171 has a criminal record prior to granting any license and, as an aid  
172 to this duty, each applicant shall be required to provide his or  
173 her fingerprints and complete an affidavit of his or her criminal  
174 record, if any, as a part of the application. The board may  
175 periodically consult with state and federal law enforcement  
176 officials to determine whether current licensees have new criminal  
177 convictions.

178           (6) Any license granted pursuant to this act shall expire  
179 December 31 of each year unless it is renewed pursuant to  
180 regulations established by the board or unless it is suspended or  
181 revoked.

182           (7) An affirmative vote of a majority of board members shall  
183 be required before any action to suspend or revoke a license, to  
184 impose a sanction on a licensee, or to levy a monetary penalty. A  
185 board member shall disqualify himself or herself and withdraw from  
186 any case in which he or she cannot accord fair and impartial  
187 consideration.

188           (8) A nonresident company must be licensed in the State of  
189 Mississippi by meeting the following requirements:

190           (a) Conforming to the provisions of this act and the  
191 regulation of this board; and

192           (b) Must have qualifying agent from their company  
193 residing in the State of Mississippi and meeting the above  
194 requirements or holding a valid alarm systems contractor's license  
195 in another state with which reciprocity has been established by

196 the board;

197 (9) A licensee shall display the license at its normal place  
198 of business and in a manner easily readable by the general public.

199 (10) A notice shall be displayed prominently in the place of  
200 business of each licensee regulated pursuant to this act  
201 containing the name, mailing address and telephone number of the  
202 board, and a statement informing consumers that complaints against  
203 licensees may be directed to the board.

204 (11) The license number of a licensee shall be displayed in  
205 all advertising.

206 (12) The board shall prepare information of consumer  
207 interest describing the regulatory functions and describing the  
208 procedures of the board by which consumer complaints shall be  
209 filed with and resolved by the board. The board shall make the  
210 information available to the general public and appropriate state  
211 agencies. The board shall provide upon request a listing of all  
212 licensees. The board may collect a fee for the cost of  
213 duplicating and mailing materials.

214 (13) Each written contract for services in the state of a  
215 licensee shall contain the name, mailing address and telephone  
216 number of the board, and a statement informing consumers that  
217 complaints against licensees may be directed to the board. The  
218 term of each service contract shall not exceed thirty (30) days,  
219 unless the monitoring/servicing company has a monetary investment  
220 in the alarm system being used by the owner or lessor in which  
221 case the term of such contract shall not exceed two (2) years.  
222 Each service contract shall contain a provision providing that the  
223 contract shall terminate upon the sale or transfer of ownership of  
224 the alarm system.

225 (14) Notice of the issuance, revocation, reinstatement or  
226 expiration of every license issued by the board shall be furnished  
227 to the sheriff of the county and the chief of police, as  
228 appropriate, and the inspection department of the city where the

229 principal place of business of a licensee is located.

230       SECTION 6. The licensing and regulatory provision of this  
231 act shall not apply to any of the following persons, entities or  
232 activities:

233           (a) A person or business entity which sells burglar  
234 alarm systems at the premises of the customer and does not  
235 install, service or respond to the burglar alarm system at the  
236 premises of the customer;

237           (b) The installation, servicing or responding to an  
238 alarm device which is installed in a motor vehicle, aircraft or  
239 boat, that is a nonmonitored account;

240           (c) A locksmith who does not install or service burglar  
241 alarm systems;

242           (d) A person or business entity whose sale of a burglar  
243 alarm system is exclusively over-the-counter or by mail order of  
244 nonmonitored systems;

245           (e) A person or business entity in the business of  
246 building construction that installs electrical wiring and devices  
247 that may include in part the installation of a burglar alarm  
248 system if both of the following apply:

249               (i) The person or business entity who is a party  
250 to a contract which provides for the installation shall be  
251 performed under the direct supervision of, inspected, and  
252 certified by a person or business entity licensed to install a  
253 burglar alarm system and that the licensee assumes full  
254 responsibility for the installation and service of the burglar  
255 alarm system; and

256               (ii) The person or business entity does not  
257 service or maintain the burglar alarm system;

258           (f) The response to a burglar alarm system by a law  
259 enforcement agency or by a law enforcement officer acting in an  
260 official capacity;

261           (g) A business that engages in the installation or



262 operation of telecommunications facilities or equipment which are  
263 used for the transport of any signal, data or information outside  
264 the continuous premises on which any burglar alarm system is  
265 installed or maintained;

266 (h) Any business entity, business owner, or person, or  
267 the agent or employee of such business entity, business owner, or  
268 person engaging in the routine visual inspection or manufacturer's  
269 or installer's recommended testing of a burglar alarm system  
270 subject to this act owned by the business entity, business owner,  
271 or person and installed on property under the control of the  
272 business entity, business owner or person;

273 (i) Any business entity, or person, or those engaged in  
274 property management, or agent or subcontractors or employees  
275 thereof, who, in the normal course of business, engage in the  
276 routine inspection, service or replacement of such burglar alarm  
277 systems, or subject to this act, on or in property owned or under  
278 the control of such business entity, or person, or property  
279 manager;

280 (j) Consulting engineers who design, develop, modify or  
281 offer other services within the scope of their profession  
282 regarding burglar alarm systems; and

283 (k) An electrician who is licensed by the state as an  
284 electrical contractor or an electrician who is licensed by the  
285 city or county as a master electrician.

286 SECTION 7. (1) Effective July 1, 2000, it shall be unlawful  
287 for any person or business entity to engage in a business  
288 regulated by this act in this state without a current valid  
289 license or in violation of this act and applicable rules and  
290 regulations of the board.

291 (2) Effective July 1, 2000, it shall be unlawful for a  
292 person or business entity not licensed under this act to advertise  
293 or hold out to the public that he or she is a licensee of the  
294 board.

295 (3) Any person or business entity who violates this act or  
296 any order, rule or regulation of the board shall be guilty of a  
297 misdemeanor.

298 (4) Effective July 1, 2000, it shall also constitute a  
299 misdemeanor to willfully or intentionally do any of the following:

300 (a) Obliterate the serial number on a burglar alarm  
301 system for the purpose of falsifying service reports;

302 (b) Knowingly and deliberately install or service a  
303 burglar alarm system improperly;

304 (c) While holding a license, allow another person or  
305 business entity to use the license or license number;

306 (d) Use, or permit the use of, any license by a person  
307 or business entity other than the one to whom the license is  
308 issued;

309 (e) Use any credential, method, means or practice to  
310 impersonate a representative of the board;

311 (f) Make use of any designation provided by statute or  
312 regulation to denote a standard of professional or occupational  
313 competence without being duly licensed;

314 (g) Make use of any title, words, letters or  
315 abbreviations which may reasonably be confused with a designation  
316 provided by statute or regulation to denote a standard of  
317 professional or occupational competence without being duly  
318 licensed;

319 (h) Provide material misrepresenting facts in an  
320 application for licensure or in other communications with the  
321 board; or

322 (i) Refuse to furnish the board information or records  
323 required or requested pursuant to statute or regulation.

324 (5) The board may institute proceedings in equity to enjoin  
325 any person or business entity from engaging in any unlawful act  
326 enumerated in this act. Such proceedings shall be brought in the  
327 name of this state by the board in the circuit court of the city

328 or county in which the unlawful act occurred or in which the  
329 defendant resides.

330 (6) In addition to any other disciplinary action taken by  
331 the board, any person or business entity licensed by the board who  
332 violates this act or rule or regulation promulgated pursuant to  
333 this act shall be subject to a civil penalty. If the board  
334 determines that the person is in fact guilty of the violation, the  
335 board shall determine the amount of the civil penalty for the  
336 violation, which shall not exceed One Thousand Dollars (\$1,000.00)  
337 for each violation. The board may file a civil action to collect  
338 the penalty.

339 (7) The board is entitled to costs and reasonable attorney  
340 fees in any civil action in which it prevails.

341 SECTION 8. (1) This act and the rules and regulations  
342 promulgated pursuant to this act shall have uniform force and  
343 effect throughout the state. A municipality or county shall not  
344 enact an order, ordinance, rule or regulation requiring a person  
345 or business entity to obtain a certification from the municipality  
346 or county, other than proof of a valid license issued by the  
347 board.

348 (2) This act shall not affect any general statute or  
349 municipal ordinance requiring a business license for a burglar  
350 alarm system installer.

351 (3) Nothing in this act limits the power of a municipality,  
352 a county or the state to require the submission and approval of  
353 plans and specifications or to regulate the quality and character  
354 of work performed by contractors through a system of licenses,  
355 fees and inspections otherwise authorized by law for the  
356 protection of the public health and safety.

357 SECTION 9. A separate special fund is created in the State  
358 Treasury to be known as the Mississippi Electronic Security Board  
359 of Licensure Fund. All receipts collected by the board under this  
360 act are to be deposited into this fund and shall be used only to

361 carry out the provisions of this act. The receipts shall be  
362 disbursed only by warrant of the Executive Director of the  
363 Department of Finance and Administration upon the State Treasury,  
364 upon itemized vouchers approved by the chair of the board. No  
365 funds shall be withdrawn or expended except as budgeted, and only  
366 in amounts as stipulated in the general appropriations bill or  
367 other appropriations bills.

368       SECTION 10. The provisions of this act are severable. If  
369 any part of this act is declared invalid or unconstitutional, that  
370 declaration shall not affect the remaining part.

371       SECTION 11. This act shall take effect and be in force from  
372 and after July 1, 2000.