

By: Senator(s) Jackson (15th)

To: Business and Financial
Institutions

SENATE BILL NO. 2484

1 AN ACT TO CREATE THE "MISSISSIPPI ALARM CONTRACTORS LICENSING
2 ACT"; TO REQUIRE A LICENSE TO ACT AS AN ALARM CONTRACTOR; TO
3 PRESCRIBE QUALIFICATIONS OF APPLICANTS FOR LICENSE; TO REQUIRE
4 REGISTRATION CARDS FOR ALARM CONTRACTORS; TO ESTABLISH A
5 REGISTRATION FEE; TO PROVIDE THAT THE COMMISSIONER OF INSURANCE
6 SHALL BE RESPONSIBLE FOR ADMINISTERING AND ENFORCING THE
7 PROVISIONS OF THIS ACT; TO PROVIDE CRIMINAL PENALTIES FOR
8 VIOLATIONS; TO PREEMPT LOCAL REGULATIONS; TO PROVIDE CONTINUING
9 EDUCATION REQUIREMENTS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1. Short title.** This act may be known and may be
12 cited as the "Mississippi Alarm Contractors Licensing Act."

13 **SECTION 2. Purpose.** The purpose of this act is to provide
14 uniform procedures and qualifications throughout Mississippi for
15 the certifying, licensing and regulation of alarm systems
16 contractors and to protect the safety and security of persons and
17 property by assuring the competence of individuals or companies
18 offering alarm systems and services to the general public.

19 **SECTION 3. Definitions.** As used in this act, unless the
20 context otherwise requires:

21 (a) "Alarm system" means any mechanical, electrical
22 and/or electronic system designed to:

23 (i) Record, view, monitor, protect against, avoid
24 or reduce the probability of personal or property loss or injury
25 resulting from fire, smoke, heat, burglary, theft, shoplifting,
26 pilferage or other losses of that type;

27 (ii) Monitor, detect or prevent intrusion; or

28 (iii) Detect and summon aid for other emergencies;

29 (b) "Alarm systems contractor" means any person, firm,
30 association or corporation which sells, or attempts to sell,

31 installs, services or monitors alarm systems, signal devices, fire
32 alarms, burglar alarms, television cameras or still cameras used
33 to detect fire, burglary, breaking and/or entering, intrusion,
34 shoplifting, pilferage or theft;

35 (c) "Board" means the State Board for Licensing Alarm
36 Systems Contractors created by Section 6 of this act;

37 (d) "Burglar alarm system" means an alarm or monitoring
38 system which has the primary function of detecting and/or
39 responding to emergencies other than fire;

40 (e) "Business entity" means each location from which
41 alarm systems are sold, installed or serviced;

42 (f) "Certification" means the authority granted by the
43 board to do business as an alarm systems contractor;

44 (g) "Fire alarm system" means an alarm or monitoring
45 system that is intended to respond to or detect fire, heat, smoke
46 or other by-products of combustion;

47 (h) (i) "Good moral character" means an individual
48 with high legal, moral and ethical values;

49 (ii) The following shall be prima facie evidence
50 that an individual does not have good moral character:

51 1. Conviction by any local, state, federal or
52 military court of any crime involving the illegal use, possession,
53 sale, manufacture, distribution or transportation of a controlled
54 substance, drug or narcotic;

55 2. Conviction of a crime involving felonious
56 assault;

57 3. Conviction of a crime involving unlawful
58 breaking or entering, burglary, larceny or arson;

59 4. Conviction as a habitual criminal; or

60 5. An addiction to alcohol or a narcotic
61 drug.

62 For purposes of this subsection, "conviction" means and
63 includes the entry of a plea of guilty, plea of no contest or a
64 verdict rendered in open court by a judge or jury;

65 (i) "Installation" means the installation, maintenance,
66 service and repair of alarm systems;

67 (j) "Monitoring" means any off-site central monitoring
68 station or location which receives electronic burglar alarm,
69 closed circuit television and/or fire alarm signals from multiple
70 locations and notifies and/or dispatches other persons to
71 emergency burglaries, hold-ups, thefts, vandalism, civil unrest,
72 personal emergencies and/or fire alarm conditions; and

73 (k) "Qualifying agent" means any individual licensed by
74 the board whose qualifications have been demonstrated to the board
75 for overseeing and supervising alarm systems contractor operations
76 of any classification or combination of classifications.

77 **SECTION 4. Prohibited activities; requirements.** (1) No
78 person shall engage in or hold out as engaging in the business of
79 an alarm systems contractor without first being certified in
80 accordance with this act.

81 (2) No person shall do business under this act unless the
82 business entity has in its employ a qualifying agent who meets the
83 requirements for licensing by the board and who is, in fact,
84 licensed under the provisions of this act. The qualifying agent,
85 who is licensed under this act, shall be a management position and
86 be responsible for overseeing the quality of operations of the
87 alarm systems contractor.

88 (3) In the event that the qualifying agent upon whom the
89 business entity relies in order to do business ceases to perform
90 such agent's duties as qualifying agent, the business entity shall
91 notify the board within ten (10) working days. The business
92 entity must obtain a substitute qualifying agent within thirty
93 (30) days after the original qualifying agent ceases to serve as

94 qualifying agent unless the board, in its discretion, extends this
95 period for good cause for a period not to exceed three (3) months.

96 (4) The certification application shall designate at least
97 one (1) qualifying agent who is or shall be licensed for each
98 classification of service to be performed by the certified
99 business entity. No qualifying agent who has been so designated
100 may serve on behalf of or be employed by any other business
101 entity. The certification application shall designate for which
102 classification(s) the applicant is seeking certification.

103 (5) No alarm systems contractor may participate in a joint
104 venture to provide equipment or services which require
105 certification under this act unless all parties to the joint
106 venture are certified in accordance with this act.

107 (6) No contractor may subcontract the provision of equipment
108 or services requiring a certification under this act to any
109 uncertified person, firm, association or corporation except as
110 provided in paragraph (g) of Section 5 of this act.

111 (7) No alarm systems contractor shall retain as an employee
112 any person known not to be of good moral character.

113 (8) No person shall act as an alarm systems contractor under
114 a certification without having a licensed qualified agent who
115 holds a valid license in the category for which business is sought
116 or work is to be done.

117 (9) No person shall act as a qualified agent without a valid
118 license issued by the board.

119 (10) No person shall sell and install, service, monitor or
120 respond to alarm signals, signal devices, fire alarms, burglar
121 alarms, television or still cameras used to detect fire, burglary,
122 breaking and/or entering, intrusion, shoplifting, pilferage or
123 theft in violation of this act or the rules adopted hereunder.

124 (11) No person shall advise anyone as to the need, quantity
125 or quality of alarm systems and sell such systems unless
126 certified, licensed or registered under this act.

127 **SECTION 5. Exclusions from requirements of part.** The
128 following persons, firms, associations or corporations are
129 specifically excluded from the requirements of this act:

130 (a) Equipment manufacturers not providing direct sales,
131 monitoring and/or installation of service to system end users;

132 (b) Telephone installers/dealers not providing direct
133 sales, monitoring, installation and/or maintenance service of
134 alarm systems;

135 (c) Equipment distributors or suppliers not offering
136 sales, monitoring or installation services directly to the system
137 user;

138 (d) Retail stores or catalog sales not offering
139 installation or consulting services to the system user;

140 (e) Utility companies not installing, selling,
141 servicing or monitoring alarm systems;

142 (f) Sprinkler contractors not providing direct sales,
143 monitoring, installation and/or maintenance service of alarm
144 systems;

145 (g) Electrical, mechanical or HVAC contractors who do
146 provide direct sales, monitoring, installation and/or maintenance
147 service of alarm systems, but who derive less than fifty percent
148 (50%) of their gross annual revenues from such business;

149 (h) Architects and engineers not providing direct
150 sales, monitoring, installation and/or maintenance service of
151 alarm systems;

152 (i) Individual property owners personally installing an
153 alarm system within the owner's residence or other building not
154 open to the general public;

155 (j) Direct sellers and installers dealing exclusively
156 with alarm systems for motor vehicles;

157 (k) Locksmiths not providing direct sales, monitoring,
158 installation and/or maintenance service of alarm systems.

159 Locksmiths who install only mechanical locks or mechanical locks

160 that have an integral alarm as part of their design without
161 electrical components and electro-mechanical locks such as
162 self-contained, low voltage exit alarm devices that secure a
163 single entry point, which are not part of an integrated system,
164 are also exempt from the requirements of this part;

165 (l) A company which does not provide monitoring
166 services and which has Fifty Million Dollars (\$50,000,000.00) or
167 more in annual sales and whose product requires no internal
168 building wiring to install;

169 (m) Medical alert or medical monitoring services to
170 individuals made available by a hospital or an affiliate of a
171 hospital;

172 (n) The monitoring and minor maintenance of alarm
173 systems by a hospital or an affiliate of a hospital solely for its
174 own use; and

175 (o) The sale or installation of delayed egress locks by
176 a company when such locks are used to detect and monitor the
177 wandering of residents of a nursing home.

178 **SECTION 6. Board for licensing alarm systems contractors.**

179 (1) There is created a State Board for Licensing Alarm Systems
180 Contractors, hereinafter called the "board." The board shall be
181 composed of five (5) members, at least one (1) of whom shall be a
182 person who is not engaged in the contracting business in any
183 county of this state. The remaining members of the board shall be
184 alarm systems contractors as defined in paragraph (b) of Section 3
185 of this act; all of whom shall have been actively engaged in the
186 business for a period of not less than four (4) years next
187 preceding their appointment, and may be appointed from a list of
188 qualified applicants submitted by the Mississippi Burglar and Fire
189 Alarm Association. Not more than two (2) members of the board
190 shall be residents of the same grand division of the state. In
191 making appointments to the board, the Governor shall strive to
192 ensure that at least one (1) person serving on the board is sixty

193 (60) years of age or older and that at least one (1) person
194 serving on the board is a member of a racial minority.

195 (2) Appointments to the board shall be by the Governor.
196 Initial appointments to the board shall be made within ninety (90)
197 days of July 1, 2006, and shall list the expiration date of each
198 appointment. All subsequent appointments of successor members
199 shall be made by the Governor at the expiration of the respective
200 terms of the members.

201 (3) In the event of a vacancy on the board for any reason
202 and the Governor failing to appoint a successor within ninety (90)
203 days after the vacancy occurs, the board is empowered to fill that
204 vacancy from the list of nominees submitted by the Mississippi
205 Burglar and Fire Alarm Association, until the Governor makes an
206 appointment.

207 **SECTION 7. Powers and duties of board; registration of**
208 **persons employed by alarm systems contractors; reciprocal**

209 **agreements.** (1) In accordance with the provisions of the
210 Administrative Procedures Act, the board shall promulgate such
211 rules as may be reasonably necessary to implement and administer
212 the provisions of this act in an efficient and effective manner,
213 including rules to require submission of reports and information
214 by certified companies, licensees and registrants under this act.

215 (2) The board has the power to establish fees under Section
216 18 of this act sufficient to pay the annual expenses of the board.

217 (3) The board shall determine minimum qualifications and/or
218 establish minimum education, experience and training standards for
219 applicants for certifications and licenses under this act,
220 including those required for renewal.

221 (4) All persons employed by an alarm systems contractor
222 shall apply for registration with the board within thirty (30)
223 days after employment and shall submit to a background check
224 conducted by the board, including investigation by the Department
225 of Public Safety and the Federal Bureau of Investigation.

226 (5) The board shall conduct investigations regarding alleged
227 violations and make evaluations as may be necessary to determine
228 if certified companies, licensees and registrants under this act
229 are complying with the provisions of this act. The board may also
230 investigate allegations regarding possible violations of this act
231 by unregistered persons and shall seek enforcement under Section
232 20 of this act.

233 (6) The board may investigate allegations regarding
234 improper, inadequate and/or ineffective alarm system installations
235 and seek enforcement under Section 20 of this act.

236 (7) The board has the power to promulgate such rules and
237 regulations, not inconsistent with the laws of Mississippi, as it
238 shall deem necessary for internal management and control.

239 (8) The board shall investigate and approve applicants to be
240 certified, licensed or registered according to this act.

241 (9) The board may deny, suspend or revoke any certification,
242 license or registration issued or to be issued under this act to
243 any applicant or licensee who fails to satisfy the requirements of
244 this act or the rules and bylaws established by the board.

245 (10) The board may issue subpoenas to compel the attendance
246 of witnesses and the production of pertinent books, accounts,
247 records and documents.

248 (11) The board may enter into reciprocal agreements with
249 other states whose laws are similar to this act; provided, that
250 such other state's law provides for liability insurance coverage,
251 background checks, educational or experience requirements equal to
252 or greater than those contained in this act. The board through
253 regulations shall establish registration and fee requirements for
254 such reciprocity. Such fees shall be equal to or less than those
255 fees paid by Mississippi alarm contractors.

256 (12) The board shall provide a procedure for the renewal of
257 registrations issued under this act no later than June 30, 2008.

258 **SECTION 8. Board members; qualifications, terms, vacancies,**

259 **removal.** (1) (a) Each member of the board shall be at least
260 twenty-five (25) years of age and of good moral character.

261 (b) Each member shall be of recognized standing in the
262 alarm contracting business; provided, that the provisions of this
263 subsection shall not apply to the member who is not engaged in the
264 business of alarm contracting.

265 (2) The terms of members shall be for five-year periods and
266 shall be staggered so that the term of at least one (1) member
267 shall expire each December 31.

268 (3) In the event of death, resignation or failure of a
269 member to serve such member's full term, such member's successor
270 shall be appointed to serve the balance of the unexpired term.
271 Each member shall hold over after the expiration of such member's
272 term until such member's successor shall have been duly appointed
273 and qualified. If vacancies shall occur on the board for any
274 cause, the same shall be filled by appointment of the Governor
275 within ninety (90) days.

276 (4) Except for appointments to the initial board, no person
277 shall be eligible for appointment on the board who is not a
278 qualifying agent under this act; provided, that the provisions of
279 this subsection shall not apply to the member who is not engaged
280 in the business of alarm contracting. At least two (2) of the
281 members of the board shall be qualifying agents employed by a
282 certified contractor who has fewer than seven (7) employees.

283 (5) The Governor may remove any member of the board for
284 official misconduct, incompetency, willful neglect of duty or
285 demonstrated lack of good moral character by conduct that would
286 disqualify an applicant from being registered under this act.

287 **SECTION 9. Executive director.** The director of the Division
288 of Regulatory Board in the Department of Insurance, or the
289 director's designee, shall serve as executive director and shall
290 provide all administrative functions for the board.

291 **SECTION 10. Meetings; officers; quorum.** (1) The board
292 shall establish in its bylaws a regular meeting schedule for the
293 purpose of transacting business.

294 (2) At the first meeting of each calendar year, the board
295 shall elect officers, including a chairman, vice chairman and
296 secretary.

297 (3) Special meetings of the board shall be held at such
298 times as the board may require. Special meetings shall be at the
299 call of the chairman or by a majority of the board members.

300 (4) Three (3) members shall constitute a quorum for
301 transaction of board business.

302 (5) Due notice of each meeting and the time and place
303 thereof shall be given each member in such manner as the bylaws
304 may provide.

305 (6) Board members shall serve without compensation but shall
306 be entitled to reimbursement for travel expenses, to be paid in
307 accordance with the comprehensive travel regulations promulgated
308 by the Department of Finance and Administration.

309 **SECTION 11. Register of applications.** (1) The board shall
310 keep a register of all applications for certification, license
311 and/or registration, showing on each the date of application,
312 name, qualifications, place of business, place of residence and
313 whether a license or registration was granted or refused.

314 (2) The books and register of the board shall be prima facie
315 evidence of all matters recorded therein.

316 **SECTION 12. Employee registration; procedure.** (1) All
317 alarm systems contractor employees with access to records,
318 diagrams, plans or other sensitive information pertaining to
319 monitored, installed or proposed alarm systems shall be registered
320 with the board.

321 (2) In accordance with the provisions of the Administrative
322 Procedures Act, the board shall promulgate rules to establish an
323 appropriate system of employee classifications and registration.

324 (3) An alarm systems contractor may not employ any employee
325 required to be registered with the board unless the employee is
326 properly registered with the board in compliance with subsection
327 (4).

328 (4) All alarm systems contractors, within thirty (30)
329 working days of the beginning of employment of any employee, shall
330 furnish the board with the following:

331 (a) Set(s) of classifiable fingerprints;

332 (b) Recent color photograph(s) of acceptable quality
333 for identification; and

334 (c) Statements of any criminal records in each area
335 where the employee has resided within the immediately preceding
336 forty-eight (48) months.

337 (5) Upon receipt of any application, the board shall cause a
338 background investigation to be made, during which the applicant
339 shall be required to show that such applicant meets all the
340 following requirements and qualifications, prerequisite to
341 registration or licensure:

342 (a) Such applicant is at least eighteen (18) years of
343 age;

344 (b) Such applicant is of good moral character; and

345 (c) Registration of an employee shall be for one (1)
346 year and shall be subject to renewal.

347 (6) Employment registration pursuant to this section shall
348 be renewed annually.

349 **SECTION 13. Qualifying agents; application for license;**

350 **requirements; examination; term of license; renewal.** (1) Anyone
351 desiring to be licensed as a qualifying agent shall make written
352 application to the board on such forms as are prescribed by the
353 board. The application shall be accompanied by an application fee
354 as set by the board.

355 (2) An applicant shall meet all of the requirements for a
356 registered employee as indicated in subsection (5) of Section 12

357 of this act. Application shall be accompanied by the documents
358 required for employee registration as detailed in subsection (4)
359 of Section 12 of this act.

360 (3) An applicant for a qualifying agent shall meet the
361 following combination experience and educational requirements:

362 (a) The applicant must hold a four-year baccalaureate
363 degree in electrical engineering from an accredited university or
364 college acceptable to the board with at least two (2) years actual
365 experience in the alarm industry; or

366 (b) The applicant must hold an associates degree in
367 engineering technology from an accredited two-year technical
368 college acceptable to the board with at least four (4) years
369 actual experience in the alarm industry; or

370 (c) The applicant must hold current certification by a
371 national training program approved by the board in the field of
372 work to be installed, serviced or monitored and have at least five
373 (5) years of working experience in the alarm industry covering the
374 actual installation of alarms.

375 (4) If the application is satisfactory to the board, the
376 qualifying agent shall be entitled to an examination to determine
377 such agent's qualifications. This examination may be written
378 and/or oral. The board shall be entitled to charge each applicant
379 an examination fee as set by the board for each written and/or
380 oral examination.

381 (5) If the results of the examination of any applicant shall
382 be satisfactory to the board, then it shall issue to the applicant
383 a license as a qualified agent in this state. The board shall
384 state the classifications in which the applicant is qualified to
385 engage.

386 (6) Licenses as a qualifying agent shall expire on the last
387 day of the twelfth month following its issuance or renewal, and
388 shall become invalid on that date unless renewed.

389 (7) Renewal notices shall be mailed to the last known
390 address of the qualified agent ninety (90) days prior to the
391 expiration date of the license. Such renewal must be received in
392 the office of the board prior to the expiration of the license.

393 (8) It is the duty of the board to notify every person
394 registered hereunder by mail to the last known address of the date
395 of expiration of such person's certificate of license and the
396 amount of fee required for its renewal for one (1) year; such
397 notice shall be mailed in accordance with this section.

398 (9) The fee to be paid for the renewal of a certificate of
399 license after the expiration date shall be increased ten percent
400 (10%) for each month or fraction of a month that payment for
401 renewal is delayed; provided, that the maximum fee for a delayed
402 renewal shall not exceed twice the normal fee.

403 (10) No qualifying agent shall be qualified to receive a
404 renewal license when such agent has been in default in complying
405 with any provision of this act for a period of one (1) year, and
406 in such event, the qualifying agent, in order to qualify under the
407 law, shall make a new application as in the case of the issuance
408 of the original license.

409 (11) The board shall not grant renewal of a qualifying agent
410 license until it has received satisfactory evidence of continuing
411 education during the previous year. The board shall promulgate
412 rules to establish minimum satisfactory standards of continuing
413 education.

414 (12) The board may, after notice and an opportunity for
415 hearing, suspend, revoke or deny renewal of a license to a
416 qualifying agent who is a qualifying agent for a person, firm,
417 association or corporation which has had its certification
418 suspended or revoked under Section 19 of this act. The board
419 shall in all cases before hearing any charges against any
420 registrant furnish a written copy of the charges against the
421 accused, including notice of the time and place where the charges

422 will be heard, and give reasonable opportunity for the accused to
423 be present and offer any evidence the accused may wish. The
424 accused shall have the right to an attorney if the accused so
425 desires. The revocation or suspension of license shall be in
426 writing, stating the grounds upon which the board decision is
427 based. The aggrieved person shall have the right to appeal from
428 such decision.

429 (13) No qualifying agent may be the qualifying agent for
430 more than one (1) business location.

431 **SECTION 14. Certification as alarm systems contractor;**
432 **application; requirements.** (1) Anyone desiring to be certified
433 as an alarm systems contractor shall make written application to
434 the board on such forms as are prescribed by the board. The
435 application shall be accompanied by an application fee as set by
436 the board. The alarm systems contractor shall:

437 (a) Have a regular place of business at a permanent
438 fixed location;

439 (b) Have a business license or licenses for the city
440 and county in which the business is located;

441 (c) Provide proof of insurance as required by
442 subsection (1) of Section 15 of this act;

443 (d) Submit an application for certification with the
444 notarized signature of a qualified agent licensed by the board for
445 the classifications of alarm systems being applied for; and

446 (e) Submit applications for registration of all
447 employees on forms provided by the board as required by subsection
448 (4) of Section 12 of this act and accompanied by registration fees
449 as required by subsection (1)(e) of Section 18 of this act.

450 (2) Applications for certification shall be on forms as
451 prescribed by the board. The application shall disclose any and
452 all persons, firms, associations, corporations or other entities
453 that own or control a ten percent (10%) or greater interest in the
454 applicant. The board may require background checks and other

455 information as deemed necessary by the board from any individual,
456 firm or business owning or controlling ten percent (10%) or
457 greater interest in the applicant and may at the board's
458 discretion withhold certification until such information is
459 satisfactorily produced and verified.

460 (3) In accordance with the Administrative Procedures Act,
461 the board shall promulgate rules which establish uniform criteria
462 to govern issuance by the board of the classifications required by
463 subsection (5) of Section 13 and subsection (2) of Section 16 of
464 this act.

465 (4) An alarm systems contractor may bid on a contract
466 requiring work in some classification(s) other than the one(s) in
467 which such alarm systems contractor is licensed, if and only if
468 such work is incidental or supplemental to the performance of work
469 in which such alarm systems contractor is licensed to engage.

470 **SECTION 15. Insurance.** (1) No certification shall be
471 issued under this act unless the applicant files with the board
472 evidence of a policy of liability insurance providing for the
473 following minimum coverage:

474 (a) One Hundred Thousand Dollars (\$100,000.00) because
475 of bodily injury or death of one (1) person as a result of the
476 negligent act or acts of the principal insured or the principal
477 insured's agents, operating in the course and scope of such
478 agent's agency;

479 (b) Subject to such limit for one (1) person, Three
480 Hundred Thousand Dollars (\$300,000.00) because of bodily injury or
481 death of two (2) or more persons as the result of the negligent
482 act or acts of the principal insured or the principal insured's
483 agent operating in the course and scope of such agent's agency;
484 and

485 (c) One Hundred Thousand Dollars (\$100,000.00) because
486 of injury to or destruction of property in the course and scope of
487 such agent's agency.

488 (2) Every certified company shall provide proof of insurance
489 to the board upon the request from the board. Failure to provide
490 such proof of insurance shall be grounds for suspension or
491 revocation of a certified company's certification.

492 **SECTION 16. Alarm systems contractors; certification; branch**

493 **offices.** (1) The certification, when issued, shall be in such
494 form as may be determined by the board and shall state:

495 (a) The name of the certified company;

496 (b) The name under which the certified company is to
497 operate;

498 (c) The qualifying agent; and

499 (d) The number and expiration date of the
500 certification.

501 (2) There shall be four (4) classifications of alarm systems
502 contractors: "burglar alarm systems," "fire alarm systems,"
503 "monitoring" and "closed circuit television." Alarm systems
504 contractors may be certified in one or more classifications.

505 (3) Following issuance, the certification shall at all times
506 be posted in a conspicuous place in the place of business of the
507 certified company. A certification issued under this act is not
508 assignable.

509 (4) All alarm systems contractors shall permanently display
510 their certification number on all advertising, service vehicles,
511 correspondence, business cards, letterheads and the like.

512 (5) No certified company shall engage in any business
513 regulated by this act under a name other than the certification
514 name or names which appear on the certificate issued by the board.

515 (6) Any branch office of an alarm systems contractor shall
516 be properly certified. A separate certification, stating the
517 location and qualifying agent, shall be posted at all times in a
518 conspicuous place in each branch office. Every business covered
519 under the provisions of this act shall file in writing with the
520 board the address of each of its branch offices. All certified

521 branch offices shall notify the board in writing, within thirty
522 (30) working days after the establishment, closing or changing of
523 the location of any branch office. A qualifying agent may not be
524 responsible for more than one (1) branch office of an alarm
525 systems contracting business. Each business location must be
526 certified.

527 **SECTION 17. Term of certification; renewal.** (1) Each
528 company certification, qualifying agent license and employee
529 registration shall expire on the last day of the twelfth month
530 following its issuance or renewal, and shall become invalid on
531 such date unless renewed.

532 (2) Renewal notices shall be mailed ninety (90) days prior
533 to the expiration date of the certification. Such renewal must be
534 received in the office of the board prior to the expiration of
535 such certification.

536 (3) It is the duty of the board to notify by mail every
537 person certified hereunder of the date of expiration of such
538 person's certificate of certification and the amount of fee
539 required for its renewal for one (1) year; such notice shall be
540 mailed in accordance with this section.

541 (4) Applications for certification and renewal of
542 certification shall list all persons required to be licensed in
543 accordance with subsection (1) of Section 12 of this act.

544 (5) The fee to be paid for the renewal of a certification
545 after the expiration date shall be increased ten percent (10%) for
546 each month or fraction of a month that payment for renewal is
547 delayed; provided, that the maximum fee for a delayed renewal
548 shall not exceed twice the normal fee.

549 (6) No alarm systems contractor shall be qualified to
550 receive a renewal certification when such alarm systems contractor
551 has been in default in complying with the provisions of this act
552 for a period of one (1) year, and, in such event, the alarm
553 systems contractor, in order to qualify under the law, shall make

554 a new application as in the case of the issuance of the original
555 license.

556 **SECTION 18. Fees.** (1) The board is authorized to establish
557 and charge reasonable application, certification, registration and
558 license fees as follows:

559 (a) A nonrefundable application fee for a certification
560 as alarm systems contractor;

561 (b) Upon approval of application, a certification fee;

562 (c) An annual renewal certification fee;

563 (d) A nonrefundable application fee to include the cost
564 of a background check for a qualifying agent's license;

565 (e) Upon approval of the board of a qualifying agent's
566 license, an annual license fee;

567 (f) A nonrefundable application fee to include the cost
568 of a background check for an employee registration; and

569 (g) A nonrefundable annual registration fee set by the
570 board.

571 (2) The total amount of fees annually established by the
572 board shall equal the direct and indirect anticipated expenses of
573 the board for such year.

574 **SECTION 19. Suspension or revocation of certificate or**

575 **license; grounds.** (1) Any person may prefer charges in writing
576 to the board against any certificate holder, licensee, registrant
577 or other person, firm or business offering alarm systems and/or
578 services in violation of this act.

579 (2) The board may, after notice and an opportunity for
580 hearing, suspend or revoke a certification or license issued under
581 this act if it is determined that the licensee or certified person
582 has:

583 (a) Made any false statement or given any false
584 information in connection with any application for a license or
585 for the renewal or reinstatement of a license;

586 (b) Violated any provision of this act;

587 (c) Violated any rule promulgated by the board pursuant
588 to the authority contained in this act;

589 (d) Been convicted of any crime indicating lack of good
590 moral character;

591 (e) Failed to correct business practices or procedures
592 that have resulted in a prior reprimand by the board;

593 (f) Impersonated, or permitted or aided and abetted any
594 other person to impersonate, a law enforcement officer of the
595 United States, this state, or any of its political subdivisions;

596 (g) Engaged in, or permitted any employee to engage in,
597 any alarm contracting business when not lawfully in possession of
598 valid certification and/or license issued under the provisions of
599 this act;

600 (h) Been convicted on an unlawful breaking or entering,
601 assault, battery or kidnapping;

602 (i) Been found guilty by the board of misconduct, gross
603 negligence and/or incompetence or committed any other act which is
604 a ground for the denial of an application for certification or a
605 license under this act; or

606 (j) Failed to maintain insurance and bond as required
607 by this act.

608 (3) The board has the power to revoke or suspend any
609 certification or license or renewal granted by it for any of the
610 reasons stated in this section, or for a failure to observe the
611 terms and conditions of any certification, license or renewal.

612 (4) The board may refuse to issue or renew a certification
613 or license to any person, firm or corporation for lack of
614 financial stability, misconduct, gross negligence, lack of
615 expertise, submission of false evidence with regard to application
616 of license or renewal, conviction of a felony, and any other
617 conduct which constitutes improper, fraudulent or dishonest
618 dealing or violation of this act.

619 (5) The provisions of the Administrative Procedures Act
620 shall govern all matters and procedures regarding the hearing and
621 judicial review of any contested case, as defined therein, arising
622 under this act.

623 **SECTION 20. Penalties.** (1) The board may, when it deems
624 appropriate, seek such civil remedies at law or equity to restrain
625 or enjoin any unauthorized practice or other violation of this
626 act.

627 (2) Any person, firm or corporation which engages or offers
628 to engage in contracting without a certification as required by
629 Section 4 of this act, or who violates the terms and conditions of
630 any certification, license or renewal thereof granted by the board
631 pursuant to this act, shall be subject to a civil penalty of not
632 less than One Thousand Dollars (\$1,000.00) and not more than Five
633 Thousand Dollars (\$5,000.00) per occurrence. Any person, firm or
634 corporation which engages or offers to engage in contracting
635 without a certification as required by Section 4 of this act shall
636 be ineligible to apply for such certification until six (6) months
637 after such violation has occurred.

638 (3) In addition to revocation or suspension of a
639 certification or license under Section 19 of this act, a civil
640 penalty of not more than Five Thousand Dollars (\$5,000.00) may be
641 assessed by the board against any person who violates any
642 provision of this act, or any rule of the board adopted pursuant
643 to this act. In determining the amount of any penalty, the board
644 shall consider the degree and extent of harm caused by the
645 violation.

646 (4) A violation of this act, or any rule lawfully
647 promulgated hereunder, shall be a misdemeanor punishable by a fine
648 not to exceed Five Hundred Dollars (\$500.00) and imprisonment not
649 to exceed six (6) months, or both fine and imprisonment.

650 **SECTION 21. Counties and municipalities.** (1) Counties and
651 municipalities are hereby prohibited from offering services as
652 alarm systems contractors to the general public except as follows:

653 (a) Counties and municipalities may provide those
654 services that would normally be provided by an alarm systems
655 contractor for facilities that are wholly owned and occupied by
656 that county or municipality; and

657 (b) Counties and municipalities may provide monitoring
658 and/or response services to alarm systems when deemed in the best
659 public interest; provided, that:

660 (i) No charge is made by the county or
661 municipality for such service unless the county or municipality
662 was charging for the service on or before July 1, 2006;

663 (ii) Use of local governmental services shall not
664 be mandatory; and

665 (iii) Response by local law enforcement,
666 firefighters and/or other emergency personnel may not be
667 conditional upon use of such services.

668 Notwithstanding any language of subsection (1)(b)(i) to the
669 contrary, no county or municipality shall impose or collect any
670 charge for responding to a false alarm occasioned exclusively by a
671 violent act of nature.

672 (2) Effective July 1, 2006, no county or municipality shall
673 enact any legislation or promulgate any rules or regulations
674 relating to the licensing of alarm businesses or alarm systems
675 contractors required to be licensed under this act.

676 (3) On July 1, 2008, any provision of any legislation or
677 rules or regulations of any county or municipality requiring the
678 certifying and/or licensing of an alarm business or its employees
679 shall be superseded by this act and no longer be effective.

680 (4) The provisions of this act are not, however, intended to
681 and do not prevent the legally constituted authority of any county
682 or municipality by legislation, rules or regulations, and within

683 the police power of such county or municipality, from requiring
684 alarm businesses and/or alarm agents to register their names,
685 addresses and license certificate numbers with the county or
686 municipality within which they operate. Such county or
687 municipality may also require that alarm businesses give
688 reasonable notice of termination of licenses and/or agents. No
689 fee may be charged nor may any application be required by any
690 county or municipality for such registration.

691 (5) Nothing in this act shall be construed to prohibit
692 counties or municipalities from enacting and imposing penalties
693 for false alarms; provided, that such penalties shall not exceed
694 Twenty-five Dollars (\$25.00) for each false alarm.

695 **SECTION 22. Initial implementation of act.** (1) To allow
696 initial implementation of this act without interruption of
697 existing services by alarm systems contractors, no certifications,
698 licenses, nor registration shall be required under this act prior
699 to July 1, 2008. During this initial period, the board shall:

700 (a) Provide the necessary forms and procedures for
701 registration and licenses;

702 (b) Receive and process all applications for initial
703 registration and licenses; and

704 (c) Issue certificates of registration and licenses to
705 initial applicants meeting the requirements of this act.

706 (2) Alarm systems contractors making application prior to
707 July 1, 2008, shall demonstrate to the satisfaction of the board
708 the following requirements for issuance of certification. The
709 alarm systems contractor shall:

710 (a) Have a regular place of business at a permanent
711 fixed location;

712 (b) Have a business license(s) for the city and county
713 in which the business is located;

714 (c) Have been in the business of alarm systems
715 contracting prior to July 1, 2008;

716 (d) Provide proof of insurance as required by
717 subsection (1) of Section 15 of this act;

718 (e) Submit applications for licensing of qualifying
719 agents meeting the requirements of subsection (5) of Section 12 of
720 this act on forms provided by the board with license fees as
721 required by subsection (1)(d) and (e) of Section 18 of this act;

722 (f) Submit applications for registration of all
723 employees on forms provided by the board as required by subsection
724 (4) of Section 12 of this act, with registration fees as required
725 by subsection (1)(f) of Section 18 of this act; and

726 (g) Submit a notarized application for certification on
727 forms provided by the board along with the certification fee as
728 required by subsection (1)(b) of Section 18 of this act.

729 (3) A qualifying agent making application prior to July 1,
730 2008, shall meet the requirements of subsection (5) of Section 12
731 of this act and demonstrate to the satisfaction of the board the
732 following experience qualifications:

733 (a) Not less than one (1) year's actual experience in
734 the alarm systems contracting business of the classification for
735 which application is made; and

736 (b) That the applicant is a graduate of a nationally
737 recognized training program approved by the board.

738 **SECTION 23. Fund of the State Board of Alarm Contractors.**

739 (1) Notwithstanding any other provision of law to the contrary,
740 all monies collected pursuant to this act shall be deposited in
741 the State Treasury in a separate fund to be known as the "Fund of
742 the State Board of Alarm Contractors."

743 (2) Disbursements from such fund shall be made solely for
744 the purpose of defraying expenses incurred in the implementation
745 and enforcement of this act.

746 (3) Any part of the Fund of the State Board of Alarm
747 Contractors remaining at the end of a fiscal year shall not revert

748 to the General fund, but shall be carried forward until expended
749 in accordance with the provisions of this act.

750 **SECTION 24.** This act shall take effect and be in force from
751 and after July 1, 2006.