

By: Representatives Compretta, Scott (80th)

To: Judiciary B

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 148

1 AN ACT TO REGULATE AND LICENSE THE INSTALLATION AND SERVICING  
2 OF BURGLAR ALARM SYSTEMS; TO DEFINE CERTAIN TERMS; TO CREATE THE  
3 MISSISSIPPI ELECTRONIC SECURITY BOARD OF LICENSURE AND PRESCRIBE  
4 ITS MEMBERSHIP AND ADMINISTRATION; TO PROVIDE FOR THE POWERS OF  
5 THE BOARD; TO REQUIRE LICENSING; TO REQUIRE FEES; TO PROVIDE  
6 REQUIREMENTS FOR LICENSEE; TO PROVIDE EXEMPTIONS; TO PROVIDE  
7 PENALTIES FOR VIOLATIONS OF THIS ACT; TO PROVIDE FOR UNIFORMITY;  
8 TO CREATE A SPECIAL FUND; AND FOR RELATED PURPOSES.

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

10 SECTION 1. The following words and phrases shall have the  
11 meanings ascribed herein, unless the context clearly indicates  
12 otherwise:

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

20 (b) "Burglar alarm system installer" means a person  
21 that offers to undertake, represents himself as being able to  
22 undertake, or does undertake the installation or service, or both,  
23 of burglar alarm systems for the public for any type of  
24 compensation.

25 (c) "Installation" means the initial placement of  
26 equipment or the extension, modification, or alteration of  
27 equipment after initial placement.

28 (d) "Service" means the necessary repair in order to  
29 return the system to operational condition.

30 (e) "Intrusion alarm system" means an alarm system for  
31 signaling the entry or attempted entry of a person or an object  
32 into the area or volume protected by the system.

33 (f) "Alarm business" means the business, by an  
34 individual, partnership, corporation or other entity of selling,  
35 leasing, maintaining, servicing, repairing, altering, replacing,  
36 moving, installing or monitoring an alarm system at an alarm sign.

37 (g) "Alarm control" means the central controlling  
38 device of an electronic alarm system which monitors sensing  
39 devices and activates signaling devices in the event of an alarm.

40 (h) "Alarm system" means an assembly of equipment and  
41 devices designed and arranged to signal the presence of an alarm  
42 condition requiring urgent attention. The system may be local,  
43 police connection, central station or proprietary.

44 (i) "Certified alarm technician" means a graduate of  
45 the Certified Alarm Technician (Level 1) program sponsored by the  
46 National Burglar and Fire Alarm Association.

47 SECTION 2. (1) The Mississippi Electronic Security Board of  
48 Licensure is created.

49 (2) The board shall consist of the following members to be  
50 appointed by the Governor.

51 (3) Five (5) members, one (1) from each congressional  
52 district as such congressional districts exist on January 1, 2001,  
53 representing the burglar alarm industry shall be selected from  
54 three (3) nominees submitted by the Mississippi Alarm Association,  
55 with the advice and consent of the Senate.

56 (4) (a) The terms of the board members shall be four (4)  
57 years.

58 (b) Of these members first appointed, two (2) shall be  
59 appointed to four-year terms, two (2) for three-year terms and one  
60 (1) for a two-year term.

61 (c) Any vacancy occurring other than by expiration of  
62 terms shall be filled for the remainder of the unexpired term by

63 appointment by the Governor, subject to the nominating process  
64 specified in subsection (2).

65 (d) No member shall serve more than two (2) successive  
66 four-year terms.

67 (e) A member shall serve until a successor is appointed  
68 and assumes office.

69 (5) Members shall be paid out of the funds of the board the  
70 per diem as provided in Section 25-3-69 for state employees for  
71 each day of attendance of board business.

72 (6) Meetings shall be held at least four (4) times per year.  
73 Special meetings shall be held at the call of the chair or by a  
74 majority of the members of the board.

75 (7) (a) The board may adopt rules of proceedings.

76 (b) A majority of the board constitutes a quorum.

77 (c) The board shall elect a chair on an annual basis.

78 SECTION 3. The board shall have all of the following powers:

79 (a) License and regulate business entities engaged in  
80 the business of installing and servicing burglar or intrusion  
81 alarm systems.

82 (b) Through regulations, establish the qualifications  
83 for licensure to ensure competency and integrity to engage in  
84 these businesses.

85 (c) Examine, or cause to be examined, the  
86 qualifications of each applicant for licensure including the  
87 preparation, administration, and grading of examinations, and  
88 requiring the applicant to supply a board approved background  
89 investigation.

90 (d) License qualified applicants regulated by the  
91 board.

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

94 (f) Levy and collect reasonable fees for licensure,  
95 including, but not limited to, the application process and testing

96 of applicants, and renewal, suspension, and reissuance of  
97 licenses, and costs of necessary hearings, that are sufficient to  
98 cover all expenses for the administration and operation of the  
99 board.

100 (g) Promulgate rules and regulations necessary to  
101 perform its duties, to ensure continued competency, to prevent  
102 deceptive, misleading, or criminal practices by its licenses and  
103 to effectively administer the regulatory system administered by  
104 the board.

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

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

111 (j) Ensure that periodic inspections are conducted  
112 relating to the operations of licensees to ensure competency and  
113 lawful compliance.

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

117 (l) Require licenses and employees of licenses have  
118 available a photo identification card at all times when providing  
119 licensed services, and must be surrendered to employer at  
120 termination of employment.

121 (m) Promulgate canons of ethics under which the  
122 regulated professional activities of persons and business entities  
123 shall be conducted.

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

127 (o) Delegate its powers and duties by resolution to a  
128 named designee.

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

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

134           (r) The board shall require all installers and service  
135 technicians to pass the NTS Level 1 within one (1) year of  
136 employment.

137           SECTION 4. No person shall be licensed under this act until  
138 he makes a satisfactory showing to the board that he or she has  
139 satisfied the qualifications prescribed in this act, by presenting  
140 proof of passing Level 1 of the National Training School (NTS) of  
141 the National Burglar and Fire Alarm Association (NBFAA).

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

145           (2) The annual license fee as set by the board shall not  
146 exceed Fifty Dollars (\$50.00) for an individual. There shall be a  
147 one-time application processing fee not to exceed One Hundred  
148 Fifty Dollars (\$150.00) per applicant.

149           (3) The license shall not be transferred or assigned and is  
150 valid only with respect to the person to whom it is issued.

151           (4) (a) No license shall be granted if the applicant has  
152 had any prior business license revoked for fraud,  
153 misrepresentation or any other cause that would constitute a  
154 violation of this act.

155           (b) The board may consult with appropriate state or  
156 federal law enforcement authorities to verify whether an applicant  
157 has a criminal record prior to granting any license and, as an aid  
158 to this duty, each applicant and his employees, including all  
159 salesmen, installers, repairmen or any other employee who performs  
160 any on-site function shall be required to provide his fingerprints  
161 and complete an affidavit of his criminal record, if any, as a

162 part of the application. The board may periodically consult with  
163 state and federal law enforcement officials to determine whether  
164 current licensees have new criminal convictions.

165 (5) Any license granted pursuant to this act shall expire  
166 December 31 of each year unless it is renewed pursuant to  
167 regulations established by the board or unless it is suspended or  
168 revoked.

169 (6) An affirmative vote of a majority of board member shall  
170 be required before any action to suspend or revoke a license, to  
171 impose a sanction on a licensee, or to levy a monetary penalty. A  
172 board member shall disqualify himself or herself and withdraw from  
173 any case in which he or she cannot accord fair and impartial  
174 consideration.

175 (7) A nonresident company must be licensed in the State of  
176 Mississippi by meeting the following requirements:

177 (a) Conforming to the provisions of this act and the  
178 regulation of this board.

179 (b) By having a qualifying agent from their company  
180 residing in the State of Mississippi and meeting the above  
181 requirements or holding a valid alarm systems contractor's license  
182 in another state with which reciprocity has been established by  
183 the board.

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

186 (9) A notice shall be displayed prominently in the place of  
187 business of each licensee regulated pursuant to this act  
188 containing the name, mailing address, and telephone number of the  
189 board, and a statement informing consumers that complaints against  
190 licensees may be directed to the board.

191 (10) The license number of a licensee shall be displayed in  
192 all advertising.

193 (11) The board shall prepare information of consumer  
194 interest describing the regulatory functions and describing the

195 procedures of the board by which consumer complaints shall be  
196 filed with and resolved by the board. The board shall make the  
197 information available to the general public and appropriate state  
198 agencies. The board shall provide upon request a listing of all  
199 licenses. The board may collect a fee for the cost of duplicating  
200 and mailing materials.

201 (12) Each written contract for services in the state of a  
202 licensee shall contain the name, mailing address and telephone  
203 number of the board and a statement informing consumers that  
204 complaints against licensees may be directed to the board.

205 (13) Notice of the issuance, revocation, reinstatement, or  
206 expiration of every license issued by the board shall be furnished  
207 to the sheriff of the county and the chief of police, as  
208 appropriate, and the inspection department of the city where the  
209 principal place of business of a licensee is located.

210 (14) Any person who can demonstrate to the board that he has  
211 installed at least five (5) burglar alarm systems within the last  
212 twelve (12) months preceding the effective date of this act shall  
213 be licensed without taking the examination required by this act.

214 SECTION 6. The licensing and regulatory provisions of this  
215 act shall not apply to any of the following persons, entities or  
216 activities:

217 (a) A person or business entity which sells burglar  
218 alarm systems at the premises of the customer and does not  
219 install, service or respond to the burglar alarm system at the  
220 premises of the customer.

221 (b) The installation, servicing, or responding to an  
222 alarm device which is installed in a motor vehicle, aircraft or  
223 boat that is a nonmonitored account.

224 (c) A locksmith who does not install burglar alarm  
225 systems.

226           (d) A person or business entity whose sale of a burglar  
227 alarm system is exclusively over the counter or by mail order of  
228 nonmonitored systems.

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

233                 (i) The person or business entity who is a party  
234 to a contract which provides for the installation to be performed  
235 under the direct supervision of, inspected, and certified by a  
236 person or business entity licensed to install a burglar alarm  
237 system and that the licensee assumes full responsibility for the  
238 installation and service of the burglar alarm system.

239                 (ii) The person or business entity does not  
240 service or maintain the burglar alarm system.

241           (f) The response to a burglar alarm system by a law  
242 enforcement agency or by a law enforcement officer acting in an  
243 official capacity.

244           (g) A business that engages in the installation or  
245 operation of telecommunications facilities or equipment which are  
246 used for the transport of any signal, data, or information outside  
247 the continuous premises on which any burglar alarm system is  
248 installed or maintained.

249           (h) Any business entity, business owner, or person, or  
250 the agent or employee of such business entity, business owner, or  
251 person engaging in the routine visual inspection or manufacturer's  
252 or installer's recommended testing of a burglar alarm system  
253 subject to this act owned by the business entity, business owner,  
254 or person and installed on property under the control of the  
255 business entity, business owner or person.

256           (i) Any business entity, or person, or those engaged in  
257 property management, or agent or subcontractors or employees  
258 thereof, who, in the normal course of business, engage in the



259 routine inspection, service, or replacement of such burglar alarm  
260 systems, or subject to this act, on or in property owned or under  
261 the control of such business entity, or person or property  
262 manager.

263 (j) Consulting engineers who design, develop, modify or  
264 offer other services within the scope of their profession  
265 regarding burglar alarm systems.

266 (k) An electrician who is licensed by the state as an  
267 electrical contractor or an electrician who is licensed by the  
268 city or county as a master electrician.

269 (l) Any person who installs a burglar alarm system on  
270 his own personal or real property.

271 SECTION 7. (1) Effective July 1, 2002, it shall be unlawful  
272 for any person or business entity to engage in a business  
273 regulated by this act in this state without a current valid  
274 license or in violation of this act and applicable rules and  
275 regulations of the board.

276 (2) Effective July 1, 2002, it shall be unlawful for a  
277 person or business entity not licensed under this act to advertise  
278 or hold out to the public that he or she is a licensee of the  
279 board.

280 (3) Any person who violates any provision of this act or any  
281 rule or regulation of the board shall be guilty of a misdemeanor  
282 and, upon conviction, shall be fined not more than Five Hundred  
283 Dollars (\$500.00).

284 (4) Effective July 1, 2002, it shall also constitute a  
285 misdemeanor to willfully or intentionally do any of the following:

286 (a) Obliterate the serial number on a burglar alarm  
287 system for the purpose of falsifying service reports.

288 (b) While holding a license, allow another person or  
289 business entity to use the license or license number.

290 (c) Use any credential, method, means or practice to  
291 impersonate a representative of the board.

292 (d) Refuse to furnish the board information or records  
293 required or requested pursuant to statute or regulation.

294 (5) The board may institute proceedings in equity to enjoin  
295 any person or business entity from engaging in any unlawful act  
296 enumerated in this act. Such proceedings shall be brought in the  
297 name of this state by the board in the circuit court of the county  
298 in which the unlawful act occurred or in which the defendant  
299 resides.

300 (6) In addition to any other disciplinary action taken by  
301 the board, any person or business entity licensed by the board who  
302 violates this act or rule or regulation promulgated pursuant to  
303 this act shall be subject to a monetary penalty. If the board  
304 determines that the person is in fact guilty of the violation, the  
305 board shall determine the amount of the monetary penalty for the  
306 violation, which shall not exceed Five Hundred Dollars (\$500.00)  
307 for each violation. The board may file a civil action to collect  
308 the penalty.

309 (7) The board is entitled to costs and reasonable attorney's  
310 fees in any civil action in which it prevails.

311 SECTION 8. (1) This act and the rules and regulations  
312 promulgated pursuant to this act shall have uniform force and  
313 effect throughout the state. A municipality or county shall not  
314 enact an order, ordinance, rule, or regulation requiring a person  
315 or business entity to obtain a certification from the municipality  
316 or county, other than proof of a valid license issued by the  
317 board.

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

321 (3) Nothing in this act shall limit the power of a  
322 municipality, a county, or the state to require the submission and  
323 approval of plans and specifications or to regulate the quality  
324 and character of work performed by contractors through a system of

325 licenses, fees and inspections otherwise authorized by law for the  
326 protection of the public health and safety.

327       SECTION 9. A separate special revenue trust fund in the  
328 State Treasury to be known as the Mississippi Electronic Security  
329 Board of Licensure Fund is established. All receipts collected by  
330 the board under this act are to be deposited into this fund and  
331 shall be used only to carry out the provisions of this act. The  
332 receipts shall be disbursed only by warrant of the State Fiscal  
333 Officer upon the State Treasury, upon itemized vouchers approved  
334 by the chair of the board. No funds shall be withdrawn or  
335 expended except as budgeted, and only in amounts as stipulated in  
336 the general appropriations bill or other appropriations bills. If  
337 any funds remain in the fund at the end of the fiscal year such  
338 funds shall not lapse into the General Fund but shall remain in  
339 the fund and any interest accruing to the fund shall remain in the  
340 fund.

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

344       SECTION 11. This act shall take effect and be in force from  
345 and after July 1, 2001.