

By: Senator(s) Hewes, Gollott

To: Business and Financial
Institutions

SENATE BILL NO. 2482

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 (a) Four (4) members, one (1) from each congressional
52 district, representing the burglar alarm industry shall be
53 selected from three (3) nominees from each congressional district
54 submitted by the Mississippi Alarm Association, with the advice
55 and consent of the Senate.

56 (b) One (1) member from the State-at-large,
57 representing the burglar alarm industry shall be selected from
58 three (3) nominees submitted by the Mississippi Alarm Association
59 with the advise and consent of the Senate.

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



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

65 (c) Any vacancy occurring other than by expiration of
66 terms shall be filled for the remainder of the unexpired term by
67 appointment by the Governor, subject to the nominating process
68 specified in subsection (2).

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

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

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

76 (5) Meetings shall be held at least four (4) times per year.
77 Special meetings shall be held at the call of the chair or by a
78 majority of the members of the board.

79 (6) (a) The board may adopt rules of proceedings.

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

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

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

83 (a) License and regulate business entities engaged in
84 the business of installing and servicing burglar or intrusion
85 alarm systems.

86 (b) Through regulations, establish the qualifications
87 for licensure to ensure competency and integrity to engage in
88 these businesses.

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



94 (d) License qualified applicants regulated by the
95 board.

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

98 (f) Levy and collect reasonable fees for licensure,
99 including, but not limited to, the application process and testing
100 of applicants, and renewal, suspension, and reissuance of
101 licenses, and costs of necessary hearings, that are sufficient to
102 cover all expenses for the administration and operation of the
103 board.

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

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

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

115 (j) Ensure that periodic inspections are conducted
116 relating to the operations of licensees to ensure competency and
117 lawful compliance.

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

121 (l) Require licenses and employees of licenses have
122 available a photo identification card at all times when providing
123 licensed services, and must be surrendered to employer at
124 termination of employment.



125 (m) Promulgate canons of ethics under which the
126 regulated professional activities of persons and business entities
127 shall be conducted.

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

131 (o) Delegate its powers and duties by resolution to a
132 named designee.

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

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

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

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

146 **SECTION 5.** (1) The board shall issue licenses authorized by
147 this act to all qualified individuals in accordance with rules or
148 regulations established by the board.

149 (2) The annual license fee as set by the board shall not
150 exceed Fifty Dollars (\$50.00) for an individual and Two Hundred
151 Dollars (\$200.00) for a business entity. There shall be an
152 application processing fee not to exceed Two Hundred Fifty Dollars
153 (\$250.00) per business.

154 (3) A business license shall license all employees during
155 their time of employment including sales, service and installation
156 during their time of employment with said business.



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

159 (5) (a) No license shall be granted if the applicant has
160 had any prior business license revoked for fraud,
161 misrepresentation or any other cause that would constitute a
162 violation of this act.

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

171 (6) Any license granted pursuant to this act shall expire
172 December 31 of each year unless it is renewed pursuant to
173 regulations established by the board or unless it is suspended or
174 revoked.

175 (7) An affirmative vote of a majority of board member shall
176 be required before any action to suspend or revoke a license, to
177 impose a sanction on a licensee, or to levy a monetary penalty. A
178 board member shall disqualify himself or herself and withdraw from
179 any case in which he or she cannot accord fair and impartial
180 consideration.

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

183 (a) Conforming to the provisions of this act and the
184 regulation of this board.

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



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

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

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

199 (12) The board shall prepare information of consumer
200 interest describing the regulatory functions and describing the
201 procedures of the board by which consumer complaints shall be
202 filed with and resolved by the board. The board shall make the
203 information available to the general public and appropriate state
204 agencies. The board shall provide upon request a listing of all
205 licenses. The board may collect a fee for the cost of duplicating
206 and mailing materials.

207 (13) Each written contract for services in the state of a
208 licensee shall contain the name, mailing address and telephone
209 number of the board and a statement informing consumers that
210 complaints against licensees may be directed to the board.

211 (14) Notice of the issuance, revocation, reinstatement, or
212 expiration of every license issued by the board shall be furnished
213 to the sheriff of the county and the chief of police, as
214 appropriate, and the inspection department of the city where the
215 principal place of business of a licensee is located.

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

220 **SECTION 6.** The licensing and regulatory provisions of this
221 act shall not apply to any of the following persons, entities or
222 activities:



223 (a) A person or business entity which sells burglar
224 alarm systems at the premises of the customer and does not
225 install, service or respond to the burglar alarm system at the
226 premises of the customer.

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

230 (c) A locksmith who does not install burglar alarm
231 systems.

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

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

239 (i) The person or business entity who is a party
240 to a contract which provides for the installation to be performed
241 under the direct supervision of, inspected, and certified by a
242 person or business entity licensed to install a burglar alarm
243 system and that the licensee assumes full responsibility for the
244 installation and service of the burglar alarm system.

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

247 (f) The response to a burglar alarm system by a law
248 enforcement agency or by a law enforcement officer acting in an
249 official capacity.

250 (g) A business that engages in the installation or
251 operation of telecommunications facilities or equipment which are
252 used for the transport of any signal, data, or information outside
253 the continuous premises on which any burglar alarm system is
254 installed or maintained.



255 (h) Any business entity, business owner, or person, or
256 the agent or employee of such business entity, business owner, or
257 person engaging in the routine visual inspection or manufacturer's
258 or installer's recommended testing of a burglar alarm system
259 subject to this act owned by the business entity, business owner,
260 or person and installed on property under the control of the
261 business entity, business owner or person.

262 (i) Any business entity, or person, or those engaged in
263 property management, or agent or subcontractors or employees
264 thereof, who, in the normal course of business, engage in the
265 routine inspection, service, or replacement of such burglar alarm
266 systems, or subject to this act, on or in property owned or under
267 the control of such business entity, or person or property
268 manager.

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

272 (k) An electrician who is licensed by the state as an
273 electrical contractor or an electrician who is licensed by the
274 city or county as a master electrician.

275 **SECTION 7.** (1) Effective July 1, 2003, it shall be unlawful
276 for any person or business entity to engage in a business
277 regulated by this act in this state without a current valid
278 license or in violation of this act and applicable rules and
279 regulations of the board.

280 (2) Effective July 1, 2003, it shall be unlawful for a
281 person or business entity not licensed under this act to advertise
282 or hold out to the public that he or she is a licensee of the
283 board.

284 (3) Any person who violates any provision of this act or any
285 rule or regulation of the board shall be guilty of a misdemeanor
286 and, upon conviction, shall be fined not more than One Thousand
287 Dollars (\$1,000.00).



288 (4) Effective July 1, 2003, it shall also constitute a
289 misdemeanor to willfully or intentionally do any of the following:

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

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

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

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

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

304 (6) In addition to any other disciplinary action taken by
305 the board, any person or business entity licensed by the board who
306 violates this act or rule or regulation promulgated pursuant to
307 this act shall be subject to a monetary penalty. If the board
308 determines that the person is in fact guilty of the violation, the
309 board shall determine the amount of the monetary penalty for the
310 violation, which shall not exceed One Thousand Dollars (\$1,000.00)
311 for each violation. The board may file a civil action to collect
312 the penalty.

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

315 **SECTION 8.** (1) This act and the rules and regulations
316 promulgated pursuant to this act shall have uniform force and
317 effect throughout the state. A municipality or county shall not
318 enact an order, ordinance, rule, or regulation requiring a person
319 or business entity to obtain a certification from the municipality



320 or county, other than proof of a valid license issued by the
321 board.

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

325 (3) Nothing in this act shall limit the power of a
326 municipality, a county, or the state to require the submission and
327 approval of plans and specifications or to regulate the quality
328 and character of work performed by contractors through a system of
329 licenses, fees and inspections otherwise authorized by law for the
330 protection of the public health and safety.

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

345 **SECTION 10.** The provisions of this act are severable. If
346 any part of this act is declared invalid or unconstitutional, that
347 declaration shall not affect the remaining part.

348 **SECTION 11.** This act shall take effect and be in force from
349 and after July 1, 2002.

