

By: Senator(s) Mettetal

To: Business and Financial
Institutions

SENATE BILL NO. 2356

1 AN ACT TO REGULATE AND LICENSE THE INSTALLATION AND SERVICING
2 OF BURGLAR ALARM SYSTEMS; TO DEFINE CERTAIN TERMS; TO PROVIDE FOR
3 THE POWERS OF THE BOARD OF CONTRACTORS; TO REQUIRE LICENSING; TO
4 PROVIDE REQUIREMENTS FOR LICENSEE; TO PROVIDE EXEMPTIONS; TO
5 PROVIDE PENALTIES FOR VIOLATIONS OF THIS ACT; TO PROVIDE FOR
6 UNIFORMITY; AND FOR RELATED PURPOSES.

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

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

11 (a) "Board" means the State Board of Contractors
12 created in Section 31-3-3.

13 (b) "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 (c) "Burglar alarm system installer" means a person who
21 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 (d) "Installation" means the initial placement of
26 equipment or the extension, modification or alteration of
27 equipment after initial placement.

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

30 (f) "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 (g) "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 (h) "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 (i) "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 (j) "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.** The board shall have all of the following powers:

48 (a) License and regulate business entities engaged in
49 the business of installing and servicing burglar or intrusion
50 alarm systems;

51 (b) Through regulations, establish the qualifications
52 for licensure to ensure competency and integrity to engage in
53 these businesses;

54 (c) Examine, or cause to be examined, the
55 qualifications of each applicant for licensure including the
56 preparation, administration and grading of examinations, and
57 requiring the applicant to supply a board approved background
58 investigation;

59 (d) License qualified applicants regulated by the
60 board;

61 (e) Revoke, suspend or fail to renew a license for just
62 cause as enumerated in the regulations of the board;

63 (f) Levy and collect reasonable fees for licensure,
64 including, but not limited to, the application process and testing
65 of applicants, and renewal, suspension and reissuance of licenses,
66 and costs of necessary hearings that are sufficient to cover all
67 expenses for the administration and operation of the board;

68 (g) Promulgate rules and regulations necessary to
69 perform its duties, to ensure continued competency, to prevent
70 deceptive, misleading or criminal practices by its licenses and to
71 effectively administer the regulatory system administered by the
72 board;

73 (h) Register or by other means monitor employees of a
74 licensee to ensure such employees do not impair the ability of the
75 licensee to satisfy the requirements of this act; and

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

79 **SECTION 3.** Any person who can demonstrate to the board that
80 he has installed at least five (5) burglar alarm systems within
81 the last twelve (12) months preceding the effective date of this
82 act shall be licensed without taking the examination required by
83 this act.

84 **SECTION 4.** The licensing and regulatory provisions of this
85 act shall not apply to any of the following persons, entities or
86 activities:

87 (a) A person or business entity which sells burglar
88 alarm systems at the premises of the customer and does not
89 install, service or respond to the burglar alarm system at the
90 premises of the customer.

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

94 (c) A locksmith who does not install burglar alarm
95 systems.

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

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

103 (i) The person or business entity who is a party
104 to a contract which provides for the installation to be performed
105 under the direct supervision of, inspected and certified by a
106 person or business entity licensed to install a burglar alarm
107 system and that the licensee assumes full responsibility for the
108 installation and service of the burglar alarm system.

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

111 (f) The response to a burglar alarm system by a law
112 enforcement agency or by a law enforcement officer acting in an
113 official capacity.

114 (g) A business that engages in the installation or
115 operation of telecommunications facilities or equipment which are
116 used for the transport of any signal, data or information outside
117 the continuous premises on which any burglar alarm system is
118 installed or maintained.

119 (h) Any business entity, business owner or person, or
120 the agent or employee of such business entity, business owner or
121 person engaging in the routine visual inspection or manufacturer's
122 or installer's recommended testing of a burglar alarm system
123 subject to this act owned by the business entity, business owner,
124 or person and installed on property under the control of the
125 business entity, business owner or person.

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

129 routine inspection, service or replacement of such burglar alarm
130 systems, or subject to this act, on or in property owned or under
131 the control of such business entity, or person or property
132 manager.

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

136 (k) An electrician who is licensed by the state as an
137 electrical contractor or an electrician who is licensed by the
138 city or county as a master electrician.

139 **SECTION 5.** (1) Effective July 1, 2006, it shall be unlawful
140 for any person or business entity to engage in a business
141 regulated by this act in this state without a current valid
142 license or in violation of this act and applicable rules and
143 regulations of the board.

144 (2) Effective July 1, 2006, it shall be unlawful for a
145 person or business entity not licensed under this act to advertise
146 or hold out to the public that he or she is a licensee of the
147 board.

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

152 (4) Effective July 1, 2006, it shall also constitute a
153 misdemeanor to willfully or intentionally do any of the following:

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

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

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

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

162 (5) The board may institute proceedings in equity to enjoin
163 any person or business entity from engaging in any unlawful act
164 enumerated in this act. Such proceedings shall be brought in the
165 name of this state by the board in the circuit court of the county
166 in which the unlawful act occurred or in which the defendant
167 resides.

168 (6) In addition to any other disciplinary action taken by
169 the board, any person or business entity licensed by the board who
170 violates this act or rule or regulation promulgated pursuant to
171 this act shall be subject to a monetary penalty. If the board
172 determines that the person is in fact guilty of the violation, the
173 board shall determine the amount of the monetary penalty for the
174 violation, which shall not exceed One Thousand Dollars (\$1,000.00)
175 for each violation. The board may file a civil action to collect
176 the penalty.

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

179 **SECTION 6.** (1) This act and the rules and regulations
180 promulgated pursuant to this act shall have uniform force and
181 effect throughout the state. A municipality or county shall not
182 enact an order, ordinance, rule or regulation requiring a person
183 or business entity to obtain a certification from the municipality
184 or county, other than proof of a valid license issued by the
185 board.

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

189 (3) Nothing in this act shall limit the power of a
190 municipality, a county or the state to require the submission and
191 approval of plans and specifications or to regulate the quality
192 and character of work performed by contractors through a system of
193 licenses, fees and inspections otherwise authorized by law for the
194 protection of the public health and safety.

195 **SECTION 7.** All fees collected under this act shall be
196 deposited into the special fund in the State Treasury known as the
197 "State Board of Contractor's Fund" and shall be used only for the
198 administration and enforcement of this act. If any funds remain
199 in the fund at the end of the fiscal year, such funds shall not
200 lapse into the General Fund but shall remain in the fund, and any
201 interest accruing to the fund shall remain in the fund.

202 **SECTION 8.** This act shall take effect and be in force from
203 and after July 1, 2005.