

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 605
Judiciary I Committee Substitute Adopted 5/2/89
House Committee Substitute Favorable 8/3/89

Short Title: Amend Protective Services.

(Public)

Sponsors:

Referred to:

March 22, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAWS CONCERNING THE PRIVATE PROTECTIVE SERVICES BOARD AND THE PRIVATE PROTECTIVE SERVICES RECOVERY FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 74C-1 reads as rewritten:

"§ 74C-1. Title.

This Chapter may be cited as the Private Protective Services Act. The purpose of this act is to increase the level of integrity, competency, and performance of Private Protective Service Professions in order to safeguard the public health, safety, and welfare."

Sec. 2. G.S. 74C-2 reads as rewritten:

"§ 74C-2. Licenses required.

(a) No private person, firm, association, or corporation shall engage in, perform any services as, or in any way represent or hold itself out as engaging in a private protective ~~service-services~~ business-profession or activity in this State without having first complied with the provisions of this Chapter. Compliance with the licensing requirements of this Chapter shall not relieve any person, firm, association or corporation from compliance with any other licensing law.

(b) An individual in possession of a valid private protective services license or private detective trainee permit issued prior to ~~July 1, 1973~~ October 1, 1989, shall not be subject to forfeiture of such license by virtue of this Chapter. Such license shall,

1 however, remain subject to suspension, denial, or revocation in the same manner in
2 which all other licenses issued pursuant to this Chapter are subject to suspension, denial,
3 or revocation.

4 (c) In its discretion, the Private Protective Services Board may issue a trainee
5 permit in lieu of a private investigator license provided that the applicant works under
6 the direct supervision of a licensee."

7 Sec. 3. G.S. 74C-3 reads as rewritten:

8 **"§ 74C-3. Private protective services ~~business~~ profession defined.**

9 (a) As used in this Chapter, the term 'private protective services ~~business~~
10 profession' means and includes the following:

11 (1) 'Armored car ~~business~~ profession' means any person, firm, association,
12 or corporation which provides secured transportation and protection
13 from one place or point to another place or point of money, currency,
14 coins, bullion, securities, checks, documents, stocks, bonds, jewelry,
15 paintings, and other valuables for a fee or other valuable consideration.
16 ~~This definition does not include a person employed regularly and exclusively~~
17 ~~as an employee by one employer in connection with the business affairs of~~
18 ~~such employer.~~ This definition does not include a person operating an
19 armored car business pursuant to a motor carrier certificate or permit
20 issued by the North Carolina Utilities Commission which grants
21 operating rights for such business; however, armed armored car
22 service guards shall be subject to the provisions of G.S. 74C-13.

23 (2) Repealed by Session Laws 1983, c. 786, s. 2, effective January 1,
24 1984.

25 (3) 'Counterintelligence service ~~business~~ profession' means any person,
26 firm, association, or corporation which discovers, locates, or
27 disengages by electronic, electrical, or mechanical means any listening
28 or other monitoring equipment surreptitiously placed to gather
29 information concerning any individual, firm, association, or
30 corporation for a fee or other valuable consideration. ~~This definition~~
31 ~~does not include a person employed regularly and exclusively as an~~
32 ~~employee by one employer in connection with the business affairs of such~~
33 ~~employer.~~

34 (4) 'Courier service ~~business~~ profession' means any person, firm,
35 association, or corporation which transports or offers to transport from
36 one place or point to another place or point documents, papers, maps,
37 stocks, bonds, checks, or other small items of value which require
38 expeditious service for a fee or other valuable consideration. ~~This~~
39 ~~definition does not include a person employed regularly and exclusively as~~
40 ~~an employee by one employer in connection with the business affairs of such~~
41 ~~employer.~~ This definition does not include a person operating a courier
42 service ~~business~~ pursuant to a motor carrier certificate or permit issued
43 by the North Carolina Utilities Commission which grants operating
44 rights for such ~~business~~; service; however, armed courier service
45 guards shall be subject to the provisions of G.S. 74C-13.

1 (5) 'Detection of deception examiner' means any person, firm, association,
2 or corporation which uses any device or instrument, regardless of its
3 name or design, for the purpose of the detection of deception or any
4 person who reviews the work product of an examiner including charts,
5 tapes or other methods of record keeping for the purpose of detecting
6 deception or determining accuracy.

7 (6) '~~Security guard and patrol business-profession~~' means any person,
8 firm, association, or corporation ~~engaging in the business of providing a~~
9 ~~private watchman, guard, or street patrol service that provides a security~~
10 ~~guard~~ on a contractual basis for another person, firm, association, or
11 corporation for a fee or other valuable consideration and performing
12 one or more of the following functions:

- 13 a. Prevention ~~and/or~~ or detection of intrusion, entry, larceny,
14 vandalism, abuse, fire, or trespass on private property;
- 15 b. Prevention, observation, or detection of any unauthorized
16 activity on private property; ~~and~~
- 17 c. Protection of patrons and persons lawfully authorized to be on
18 the premises of the person, firm, association, or corporation ~~for~~
19 ~~whom he contractually obligated to provide that entered into the~~
20 ~~contract for security services; and or~~
- 21 d. Control, regulation, or direction of the flow or movement of the
22 public, whether by vehicle or otherwise, only to the extent and
23 for the time directly and specifically required to assure the
24 protection of properties.

25 ~~This definition does not include a person employed regularly and~~
26 ~~exclusively as an employee by an employer in connection with the~~
27 ~~business affairs of such employer, except that if the employee is an~~
28 ~~armed private security officer and wears, carries, or possesses a~~
29 ~~firearm in the performance of his duties, the provisions of G.S. 74C-13~~
30 ~~shall apply; provided, however, that nothing in this Chapter shall be~~
31 ~~construed to prohibit a law enforcement officer from being employed~~
32 ~~during his off duty hours by a licensed security guard and patrol~~
33 ~~company on an employer-employee basis; provided further, that the~~
34 ~~police officer shall not wear his police officer's uniform or use police~~
35 ~~equipment while working for a security guard and patrol company.~~
36 ~~This definition does not include a law enforcement officer who~~
37 ~~provides security guard and patrol services on an individual employer-~~
38 ~~employee basis to a person, firm, association, or corporation which is~~
39 ~~not engaged in a security guard and patrol business.~~

40 (7) 'Guard-dog service ~~business-profession~~' means any person, firm,
41 association, or corporation which contracts with another person, firm,
42 association, or corporation to place, lease, rent, or sell a trained dog for
43 the purpose of protecting lives or property for a fee or other valuable
44 consideration. ~~This definition does not include a person employed regularly~~

1 ~~and exclusively as an employee by one employer in connection with the~~
2 ~~business affairs of such employer.~~

3 (8) 'Private detective' or 'private investigator' are synonymous and means
4 mean any person who engages in the business-profession of or accepts
5 employment to furnish, agrees to make, or makes an-inquiries or
6 investigations concerning the below-listed topics on a contractual
7 basis-investigation for the purpose of obtaining information with reference
8 to:

- 9 a. ~~Crime~~ Crimes or wrongs done or threatened against the United
10 States or any state or territory of the United States;
11 b. The identity, habits, conduct, business, occupation, honesty,
12 integrity, credibility, knowledge, trustworthiness, efficiency,
13 loyalty, activity, movement, whereabouts, affiliations,
14 associations, transactions, acts, reputation, or character of any
15 person;
16 c. The location, disposition, or recovery of lost or stolen property;
17 d. The cause or responsibility for fires, libels, losses, accidents,
18 damages, or injuries to persons or to ~~properties,~~ properties;
19 ~~provided that scientific research laboratories and consultants shall not~~
20 ~~be included in this definition;~~
21 e. Securing evidence to be used before any court, board, officer, or
22 ~~investigation-investigative~~ committee; or
23 f. Protection of individuals from serious bodily harm or death.

24 ~~However, the employee of a security department of a private business~~
25 ~~which conducts investigations exclusively on matters internal to the~~
26 ~~business affairs of the business shall not be required to be licensed as a~~
27 ~~private detective or investigator under this Chapter.~~

28 (9) 'Special limited guard and patrol profession' means any person who is
29 licensed under Chapter 74D of the General Statutes of North Carolina
30 and provides armed alarm responders pursuant to G.S. 74C-13.
31 Applicants for this limited license shall not be required to meet the
32 experience requirements for a security guard and patrol license. Any
33 experience gained under this limited license shall not be counted as
34 experience for a security guard and patrol license.

35 (b) 'Private protective services' shall not mean:

- 36 (1) ~~Insurance~~ Licensed insurance adjusters legally employed as such and
37 who engage in no other investigative activities unconnected with
38 adjustment or claims against an insurance company;
39 (2) An officer or employee of the United States, this State, or any political
40 subdivision of either while such officer or employee is engaged in the
41 performance of his official duties within the course and scope of his
42 employment with the United States, this State, or any political
43 subdivision of either;

- 1 (3) A person engaged exclusively in the business of obtaining and
2 furnishing information as to the financial rating or credit worthiness of
3 persons; and a person who provides consumer reports in connection
4 with:
5 a. Credit transactions involving the consumer on whom the
6 information is to be furnished and involving the extensions of
7 credit to the consumer,
8 b. Information for employment purposes,
9 c. Information for the underwriting of insurance involving the
10 consumer,
11 d. Information in connection with a determination of the
12 consumer's eligibility for a license or other benefit granted by a
13 governmental instrumentality required by law to consider an
14 applicant's financial responsibility, or
15 e. A legitimate business need for the information in connection
16 with a business transaction involving the consumer;
- 17 (4) An attorney at law licensed to practice in North Carolina while
18 engaged in such practice and his agent, provided said agent is
19 performing duties only in connection with his ~~master's~~ principal's
20 practice of law;
- 21 (5) The legal owner or lien holder, and his agents and employees, of
22 personal property which has been sold in a transaction wherein a
23 security interest in personal property has been created to secure the
24 sales transaction, who engage in repossession of said personal
25 property;
- 26 ~~(6) Company police or railroad police as defined in Chapter 74A of the~~
27 ~~General Statutes of North Carolina;~~
- 28 (7) Repealed by Session Laws 1981, c. 807, s. 1;
- 29 (8) Employees of a licensee who are employed exclusively as undercover
30 agents; provided that for purposes of this section, undercover agent
31 means an individual hired by another person, firm, association, or
32 corporation to perform a job ~~in and/or~~ for that person, firm, association,
33 or corporation and, while performing such job, to act as an undercover
34 operative, employee, or independent contractor of a licensee, but under
35 the supervision of a licensee;
- 36 (9) A person who is engaged in an alarm systems business subject to the
37 provisions of Chapter 74D of the General ~~Statutes of North Carolina;~~
38 Statutes;
- 39 (10) A person who obtains or verifies information regarding applicants for
40 employment, with the knowledge and consent of the applicant, and is
41 (i) engaged in business as a private personnel service as defined in
42 G.S. 95-47.1 or engaged in business as a private employer fee pay
43 personnel service, (ii) engaged in the business of obtaining or verifying

- 1 information regarding applicants for employment, or (iii) an employer
 2 with whom the applicant has applied for employment;
- 3 (11) A person who is engaged in the business of providing efficiency studies to
 4 employers regarding services to consumers. conducts efficiency studies.
 5 An efficiency study is an analysis of an employer's business, made at
 6 the request of the employer, to determine one or more of the following:
 7 a. The most efficient procedures by which an employee of the
 8 business can perform the employee's assigned duties.
 9 b. The adequacy of an employee's performance of the employee's
 10 assigned duties that require interaction with a client or customer
 11 of the business.
- 12 If a person making an efficiency study observes an instance of theft or
 13 another illegal act committed by an employee of the business, the
 14 person may report the instance to the employer without violating G.S.
 15 74C-3(a)(8).
- 16 (12) A consultant—Research laboratories and consultants who analyzes, tests,
 17 analyze, test, or in any way applies—apply his—their expertise to
 18 interpreting, evaluating, or analyzing facts or evidence submitted by
 19 another in order to determine the cause or effect of physical or
 20 psychological occurrences, and furnishes his opinion—give their opinions
 21 and findings to the requesting source or to a designee of the requestor.
- 22 (13) A person who works regularly and exclusively as an employee of an
 23 employer in connection with the business affairs of that employer. If
 24 the employee is an armed security guard and wears, carries, or
 25 possesses a firearm in the performance of his duties, the provisions of
 26 G.S. 74C-13 apply.
- 27 (14) An employee of a security department of a private business that
 28 conducts investigations exclusively on matters internal to the business
 29 affairs of the business."

30 Sec. 4. G.S. 74C-4(a) and (g) read as rewritten:

31 "(a) The Private Protective Services Board is hereby established in the
 32 Department of Justice to administer the licensing and set educational and training
 33 requirements for persons, firms, associations, and corporations engaged in ~~the~~ a private
 34 protective services ~~businesses~~ profession within this State.

35 (g) All decisions heretofore made by the Private Protective Services Board,
 36 established pursuant to Chapter 74B, shall remain in full force and effect unless and
 37 until repealed or suspended by action of the Private Protective Services Board
 38 established herein. ~~All rules and regulations heretofore adopted pursuant to the provisions of~~
 39 ~~Chapter 150A of the General Statutes by the Private Protective Services Board, established~~
 40 ~~pursuant to Chapter 74B, shall remain in full force and effect until, but not later than January 1,~~
 41 ~~1980, or until repealed or suspended by action of the Private Protective Services Board~~
 42 ~~established herein."~~

43 Sec. 5. G.S. 74C-5 reads as rewritten:

44 "**§ 74C-5. Powers of the Board.**

1 In addition to the powers conferred upon the Board elsewhere in this Chapter, the
2 Board shall have the power to:

- 3 (1) Promulgate rules necessary to carry out and administer the provisions
4 of this Chapter including the authority to require the submission of
5 reports and information by licensees under this Chapter;
- 6 (2) Determine minimum qualifications, establish and require written or
7 oral examinations, and establish minimum education, experience, and
8 training standards for applicants and licensees under this Chapter;
- 9 (3) Conduct investigations regarding alleged violations and to make
10 evaluations as may be necessary to determine if licensees and trainees
11 under this Chapter are complying with the provisions of this Chapter;
- 12 (4) Adopt and amend bylaws, consistent with law, for its internal
13 management and control;
- 14 (5) Approve individual applicants to be licensed or registered according to
15 this Chapter;
- 16 (6) Deny, suspend, or revoke any license or trainee permit issued or to be
17 issued under this Chapter to any ~~applicant or licensee applicant,~~
18 licensee, or permit holder who fails to satisfy the requirements of this
19 Chapter ~~and/or or~~ the rules established by the Board. The denial,
20 suspension, or revocation of ~~such license~~ shall be in accordance with
21 Chapter ~~450A-150B~~ of the General Statutes of North Carolina;
- 22 (7) Issue subpoenas to compel the attendance of witnesses and the
23 production of pertinent books, accounts, records, and documents. The
24 district court shall have the power to impose punishment pursuant to
25 G.S. ~~5A-21 et seq.~~ 5A, Article 2, for acts occurring in matters pending
26 before the Private Protective Services Board which would constitute
27 civil contempt if the acts occurred in an action pending in court; and
- 28 (8) ~~The chairman of the Board or his representative designated to be a~~
29 ~~hearing officer may conduct any hearing called by the Board for the~~
30 ~~purpose of denial, suspension, or revocation of a license or trainee~~
31 ~~permit under this Chapter; and~~
- 32 (9) Establish rules governing detection of deception schools, and charge
33 fees for reimbursement of costs incurred pursuant to approval of such
34 schools."

35 Sec. 6. G.S. 74C-8 reads as rewritten:

36 "**§ 74C-8. Applications for an issuance of license.**

37 (a) Any person, firm, association, or corporation desiring to carry on or engage in
38 ~~a the private protective services business profession~~ in this State of a kind defined in G.S.
39 ~~74C-3~~ shall make a verified application in writing to the Board.

40 (b) The application shall include:

- 41 (1) Full ~~name~~ name, home address, post office box, and the actual street
42 address of the business address of the applicant;
- 43 (2) The name under which the applicant intends to do business;

- 1 (3) A statement as to the general nature of the business in which the
2 applicant intends to engage;
- 3 (4) The full name and address of any partners in the business and the
4 principal officers, directors and business manager, if any;
- 5 (5) The names of not less than three unrelated and disinterested persons as
6 references of whom inquiry can be made as to the character, standing,
7 and reputation of the persons making the application;
- 8 (6) Such other information, evidence, statements, or documents as may be
9 required by the Board; and
- 10 (7) Accompanying trainee permit applications only, a notarized statement
11 signed by the applicant and his employer stating that the trainee
12 applicant will at all times work with and under the direct supervision
13 of a licensed private detective.
- 14 (c) (1) A business entity other than a sole proprietorship shall not
15 do business under this Chapter unless the business entity has in its
16 employ a designated resident qualifying agent who meets the
17 requirements for a license issued under this Chapter and who is, in
18 fact, licensed under the provisions of this Chapter, unless otherwise
19 approved by the Board. Provided however, that this approval shall
20 not be given unless the ~~licensee signs a statement agreeing to waive~~
21 ~~jurisdiction or unless the licensee agrees to appoint a resident agent for~~
22 ~~service of process by the Board.~~ business entity has and continuously
23 maintains in this State a registered agent who shall be an individual
24 resident in this State. Service upon the registered agent appointed by
25 the business entity of any process, notice, or demand required by or
26 permitted to be served upon the business entity by the Private
27 Protective Services Board shall be binding upon the business entity
28 and the licensee. Nothing herein contained shall limit or affect the
29 right to serve any process, notice, or demand required or permitted
30 by law to be served upon a business entity in any other manner now
31 or hereafter permitted by law.
- 32 (2) For the purposes of the Chapter a qualifying agent means an individual
33 in a management position who is licensed under this Chapter and
34 whose name and address have been registered with the Administrator.
- 35 (3) In the event that the qualifying agent upon whom the business entity
36 relies in order to do business ceases to perform his duties as qualifying
37 agent, the business entity shall notify the Administrator within 10
38 working days. The business entity must obtain a substitute qualifying
39 agent within 30 days after the original qualifying agent ceases to serve
40 as qualifying agent unless the Board, in its discretion, extends this
41 period, for good cause, for a period of time not to exceed three months.
- 42 (4) The certificate authorizing the business entity to engage in a private
43 protective ~~service business services~~ profession shall list the name of at
44 least one designated qualifying agent. No licensee shall serve as the

1 qualifying agent for more than one business entity without prior
2 approval of the Administrator, subject to the approval of the Board.

3 (d) Upon receipt of an application, the Board shall ~~cause~~conduct a background
4 investigation ~~to be made~~ during the course of which the applicant shall be required to
5 show that he meets all the following requirements and qualifications hereby made
6 prerequisite to obtaining a license:

7 (1) That he is at least 18 years of age;

8 (2) That he is of good moral character and temperate habits. The following
9 shall be **prima facie** evidence that the applicant does not have good
10 moral character or temperate habits: conviction by any local, State,
11 federal, or military court of any crime involving the illegal use,
12 carrying, or possession of a firearm; conviction of any crime involving
13 the illegal use, possession, sale, manufacture, distribution, or
14 transportation of a controlled substance, drug, narcotic, or alcoholic
15 ~~beverages; beverage;~~ conviction of a crime involving felonious assault
16 or an act of violence; conviction of a crime involving unlawful
17 breaking ~~and/or~~or entering, burglary, larceny, or any offense involving
18 moral turpitude; or a history of addiction to alcohol or a narcotic drug;
19 provided that, for purposes of this subsection, 'conviction' means and
20 includes the entry of a plea of guilty or no contest or a verdict rendered
21 in open court by a judge ~~and/or~~or jury;

22 ~~(3) For a private detective license, that he has had at least three years~~
23 ~~experience within the past five years in private investigative work, or~~
24 ~~in an investigative capacity as a member of any federal law~~
25 ~~enforcement agency, any State law enforcement agency, any municipal~~
26 ~~law enforcement department, or any county law enforcement or~~
27 ~~sheriff's department. The Board may provide by rule that post-~~
28 ~~secondary education is experience under the preceding sentence. Time~~
29 ~~spent teaching police science subjects at a post-secondary educational~~
30 ~~institution (such as a community college, college or university) shall~~
31 ~~toll the time for the minimum year requirements in the preceding two~~
32 ~~sentences. After administrative remedies have been exhausted,~~
33 ~~disputes with the Board arising under G.S. 74C-8(d)(3) may be carried~~
34 ~~directly to the General Court of Justice in the county where the~~
35 ~~complainant resides.~~

36 (4) That he has the necessary training, qualifications, ~~and/or~~and
37 experience in order to determine the applicant's competency and
38 fitness as the Board may determine by rule for all licenses to be
39 issued by the Board.

40 (e) The Board may require the applicant to demonstrate his qualifications by oral
41 or written examination or by successful completion of a Board-approved training
42 program, or both all three.

43 (f) Upon a finding that the application is in proper form, the completion of the
44 background investigation, and the completion of an examination required by the Board,

1 the Administrator shall submit to the Board the application and his recommendations.
2 The Board shall determine whether to approve or deny the application for a license.
3 Upon approval by the Board, a license will be issued to the applicant upon payment by
4 the applicant of the initial license fee and the required contribution to the Private
5 Protective Services Recovery Fund, and certificate of liability insurance. ~~The grounds for~~
6 ~~the denial of a license include:~~

7 (1) ~~Commission of some act which if committed by a licensee, would be~~
8 ~~grounds for the suspension or revocation of a license under this~~
9 ~~Chapter;~~

10 (2) ~~Conviction of a crime involving fraud;~~

11 (3) ~~Lack of good moral character or temperate habits. The following shall~~
12 ~~be prima facie evidence that the applicant does not have good moral~~
13 ~~character or temperate habits: conviction by any local, State, federal,~~
14 ~~or military court of any crime involving the illegal use, carrying, or~~
15 ~~possession of a firearm; conviction of any crime involving the illegal~~
16 ~~use, possession, sale, manufacture, distribution, or transportation of a~~
17 ~~controlled substance, drug, narcotic, or alcoholic beverages;~~
18 ~~conviction of a crime involving felonious assault or an act of violence;~~
19 ~~conviction of a crime involving unlawful breaking and/or entering,~~
20 ~~burglary, larceny; any offense involving moral turpitude; or a history~~
21 ~~of addiction to alcohol or a narcotic drug; provided that, for purposes~~
22 ~~of this subsection, "conviction" means and includes the entry of a plea~~
23 ~~of guilty or a verdict rendered in open court by a judge and/or jury;~~

24 (4) ~~Previous denial of a license under this Chapter or previous revocation~~
25 ~~of a license for cause;~~

26 (5) ~~Knowingly making any false statement or misrepresentation in his~~
27 ~~application."~~

28 Sec. 7. G.S. 74C-9 reads as rewritten:

29 **"§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable;**
30 **late renewal fee.**

31 (a) The license when issued shall be in such form as may be determined by the
32 Board and shall state:

33 (1) The name of the licensee,

34 (2) The name under which the licensee is to operate, and

35 (3) The number and expiration date of the license.

36 (b) The license shall be issued for a term of one year. A trainee permit shall be
37 issued for a term of one year. All licenses must be renewed prior to the expiration of the
38 term of the license. Following issuance, the license shall at all times be posted in a
39 conspicuous place in the licensee's principal place of business, in North
40 Carolina, unless for good cause exempted by the Administrator of the licensee. A license
41 issued under this Chapter is not assignable.

42 (c) ~~No licensee shall conduct a private protective services business under a name~~
43 ~~other than the name under which his license was obtained under the provisions of this~~
44 ~~Chapter or the name of the business entity under which the licensee is doing business~~

1 ~~and which name and address of such business entity has been registered with the~~
2 ~~Administrator.~~

3 (d) The operator or manager of any branch office shall be properly licensed or
4 registered. The license shall be posted at all times in a conspicuous place in the branch
5 office. This license shall be issued for a term of one year. Every business covered
6 under the provisions of this Chapter shall file in writing with the Board the addresses of
7 each of its branch offices, if any, within 10 working days after the establishment,
8 closing, or changing of the location of any branch office. The Administrator may, upon
9 the successful completion of an investigation of the application, issue a temporary
10 branch office license pending approval of the application by the Board.

11 (e) The Board is authorized to charge reasonable application and license fees as
12 follows:

- 13 (1) A nonrefundable initial application fee in an amount not to exceed one
14 hundred fifty dollars (\$150.00);
- 15 (2) A new or renewal license fee in an amount not to exceed two hundred
16 fifty dollars (\$250.00);
- 17 (3) A new or renewal trainee permit fee in an amount not to exceed two
18 hundred fifty dollars (\$250.00);
- 19 (4) A new or renewal fee for each license or duplicate license in addition
20 to the basic license referred to in subsection (2) in an amount not to
21 exceed fifty dollars (\$50.00);
- 22 (5) A late renewal fee to be paid in addition to the renewal fee due in an
23 amount not to exceed one hundred dollars (\$100.00), if the license has
24 not been renewed on or before the expiration date of the licensee;
- 25 (6) A new, renewal, replacement or reissuance fee for ~~a~~an unarmed
26 registration identification card in an amount not to exceed thirty
27 dollars (\$30.00);
- 28 (7) An application fee for an armed ~~private security officer~~security guard
29 firearm registration permit not to exceed fifty dollars (\$50.00);
- 30 (8) A new, renewal, replacement, or reissuance fee for an armed ~~private~~
31 ~~security officer~~security guard firearm registration permit not to exceed
32 thirty dollars (\$30.00);
- 33 (9) An application fee for certification as a ~~firearms-certified~~trainer not to
34 exceed fifty dollars (\$50.00);
- 35 (10) A renewal or replacement fee for ~~firearms-certified~~trainer certification
36 not to exceed twenty-five dollars (\$25.00);
- 37 (11) A new nonresident temporary permit fee not to exceed one hundred
38 dollars (\$100.00);
- 39 (12) An unarmed ~~guard~~registration transfer fee ~~is~~ not to exceed fifteen
40 dollars (\$15.00);
- 41 (13) A branch office license fee not to exceed fifty dollars (\$50.00); and
- 42 (14) A special limited guard and patrol license fee not to exceed one
43 hundred dollars (\$100.00).

1 Except as provided in G.S. 74C-13(k), ~~All~~ all fees collected pursuant to this section shall
2 be expended, under the direction of the Board, for the purpose of defraying the expenses
3 of administering this Chapter. ~~All fees collected pursuant to G.S. 74B-11 which have not~~
4 ~~been expended upon the effective date of this Chapter shall be transferred to the Board~~
5 ~~established by this Chapter to be expended, under the direction of the Board, for the purpose of~~
6 ~~defraying the expenses of administering this Chapter.~~

7 (f) A license or trainee permit granted under the provisions of this Chapter may
8 be renewed by the Private Protective Services Board upon notification by the licensee or
9 permit holder to the Administrator of intended ~~renewal and renewal~~, the payment of the
10 proper ~~fee~~ fee, and evidence of a policy of liability insurance as prescribed in G.S. 74C-
11 10(e).

12 The renewal shall be finalized before the expiration date of the license. In no event
13 will renewal be granted more than three months after the date of expiration of a license
14 or trainee permit.

15 (g) Upon notification of approval of his application by the Board, an applicant
16 must furnish evidence that he has obtained the necessary ~~bond and~~ liability insurance
17 required by G.S. 74C-10 and obtain the license applied for or his application shall lapse.

18 (h) Trainee permits shall not be issued to applicants ~~that satisfy the experience~~
19 ~~requirement in G.S. 74C-8(d)(3)~~ that qualify for a private detective license. A licensed
20 private detective may supervise no more than five trainees at any given time."

21 Sec. 8. G.S. 74C-10 reads as rewritten:

22 "**§ 74C-10. Certificate of liability insurance required; form and approval;**
23 **suspension for noncompliance.**

24 (a) to (d) Repealed by Session Laws 1983, c. 673, s. 4, effective July 1, 1983.

25 (e) No license shall be issued under this Chapter unless the applicant files with
26 the Board evidence of a policy of liability ~~insurance which~~ insurance. The policy must
27 provide for the following minimum coverage: fifty thousand dollars (\$50,000) because
28 of bodily injury or death of one person as a result of the negligent act or acts of the
29 principal insured or his agents operating in the course and scope of his employment;
30 subject to said limit for one person, one hundred thousand dollars (\$100,000) because of
31 bodily ~~injury~~ injury or death of two or more persons as a result of the negligent act or
32 acts of the principal insured or his agents operating in the course and scope of his or her
33 agency; twenty thousand dollars (\$20,000) because of injury to or destruction of
34 property of others as a result of the negligent act or acts of the principal insured or his
35 agents operating in the course and scope of his or her agency.

36 (f) An insurance carrier shall have the right to cancel such policy of liability
37 insurance upon giving a 30-day notice to the Board. Provided, however, that such
38 cancellation shall not affect any liability on the policy which accrued prior thereto. The
39 policy of liability shall be approved by the Board as to form, execution, and terms
40 thereon.

41 (g) The holder of a ~~private detective~~ any trainee permit and persons registered
42 pursuant to G.S. 74C-11 shall not be required to obtain a certificate of liability
43 insurance.

1 (h) Every licensee shall at all times maintain on file with the Board the certificate
2 of insurance required by this Chapter in full force and effect and upon failure to do so,
3 the license of such licensee shall be automatically suspended and shall not be reinstated
4 until an application therefor, in the form prescribed by the Board, is filed together with a
5 proper insurance certificate.

6 No cancellation or refusal to renew by an insurer of a licensee under this Chapter
7 shall be effective unless the insurer has given the insured licensee notice of the
8 cancellation or refusal to renew. Upon termination of insurance coverage for said
9 licensee, the insurer shall give notice to the Administrator of the Board.

10 (i) The Board may deny the application notwithstanding the applicant's
11 compliance with this section:

12 (1) For any reason which would justify refusal to issue or a suspension or
13 revocation of a license; or

14 (2) ~~For the performance by applicant of any practice while under~~
15 ~~suspension for failure to keep this insurance certificate in force, for~~
16 ~~which a license under this Chapter is required. Because the applicant~~
17 ~~engaged in a private protective services profession while the~~
18 ~~applicant's license was suspended for failure to keep the required~~
19 ~~liability insurance policy in force."~~

20 Sec. 9. G.S. 74C-11 reads as rewritten:

21 "**§ 74C-11. Registration of persons employed; temporary employment. Registration of**
22 **permanent and temporary employees; unarmed security guard required**
23 **to have registration card.**

24 (a) ~~All licensees, licensees shall register their employees within 20 days of the~~
25 ~~beginning of employment of an employee who will be engaged in the providing of private~~
26 ~~protective services with the Board within 20 days after the employment begins, unless~~
27 ~~the Administrator, in his discretion, extends the time period, for good cause, shall furnish~~
28 ~~the Board with the following: cause. To register an employee, a licensee must give the~~
29 ~~Board the following:~~

30 (1) Set(s) of classifiable fingerprints on standard F.B.I. applicant cards;
31 recent photograph(s) of acceptable quality for identification; and

32 (2) Statements of any criminal records obtained from the appropriate
33 authority in each area where the employee has resided within the
34 immediately preceding 48 months.

35 (b) A security guard and patrol company may not employ ~~a guard, watchman, or~~
36 ~~other patrol personnel~~ an unarmed security guard unless the ~~guard, watchman, or patrol~~
37 ~~personnel~~ guard has a registration card issued under subsection (d) of this section. is
38 properly registered in compliance with this section, unless otherwise exempted by another
39 provision of this Chapter. A person engaged in a private protective services profession
40 may not employ an armed security guard unless the guard has a firearm registration
41 permit issued under G.S. 74C-13.

42 (c) The Administrator shall be notified in writing of the termination of any
43 employee registered under ~~this Chapter~~ subsection (a) within 10 days after said
44 termination.

1 (d) ~~A security guard, watchman, or patrol personnel.~~ An unarmed security guard shall
2 make application to the Administrator for a ~~an unarmed~~ registration card which the
3 Administrator shall issue to said applicant after receipt of the information required to be
4 submitted by his employer pursuant to subsection (a), and after meeting any additional
5 requirements which the Board, in its discretion, deems to be necessary. The unarmed
6 security guard registration card shall be in the form of a pocket card designed by the
7 Board, shall be issued in the name of the applicant, and may have the applicant's
8 photograph affixed thereto. The unarmed security guard registration card shall expire
9 one year after its date of issuance and shall be renewed every year. If a ~~an unarmed~~
10 registered security guard is terminated by a licensee and changes employment to another
11 security guard and patrol company, the security guard ~~guard's~~ registration card shall
12 remain valid, provided the security guard pays the registration transfer fee ~~is paid to the~~
13 Board and a new unarmed security guard registration card is issued. An unarmed
14 security guard whose transfer registration application and transfer fee have been sent to
15 the Board may work with a copy of the transfer application until the registration card is
16 issued.

17 (e) Notwithstanding the provisions of this section, a licensee may employ a
18 person properly registered or licensed as an unarmed security guard in another state for
19 a period not to exceed 10 days in any given month; provided ~~that such the~~ licensee, prior
20 to employing such the unarmed security guard, submits to the Administrator the name,
21 address, and social security number of such the unarmed guard, ~~guard and the name of~~
22 the state of current registration or licensing, and the Administrator approves the
23 employment of the unarmed guard in this State.

24 (f) Notwithstanding the provisions of this section, a licensee may employ a
25 person as an unarmed security guard for a period not to exceed 30 days in any given
26 calendar year without registering that employee in accordance with this section;
27 provided that the licensee submits to the Administrator a quarterly report, within 30
28 days after the end of the quarter in which the temporary employee worked, which
29 provides the Administrator with the name, address, social security number, and dates of
30 employment of such employee."

31 Sec. 10. G.S. 74C-12 reads as rewritten:

32 "**§ 74C-12. Denial, suspension, Suspension or revocation of licenses; appeal. license,**
33 **registration, or permit.**

34 (a) The Board may, after compliance with Chapter 150B of the General Statutes,
35 deny, suspend or revoke a ~~license or registration~~ license, registration, or permit issued
36 under this Chapter if it is determined that the licensee or registrant ~~applicant, licensee,~~
37 registrant, or permit holder has:

- 38 (1) Made any false statement or given any false information in connection
39 with any application for a ~~license or trainee permit or registration~~ license,
40 registration, or permit or for the renewal or reinstatement of a ~~license or~~
41 trainee permit or registration license, registration, or permit;
- 42 (2) Violated any provision of this Chapter;
- 43 (3) Violated any rule promulgated by the Board pursuant to the authority
44 contained in this Chapter;

- 1 (4) ~~Been convicted of any crime involving moral turpitude or any other~~
2 ~~crime involving violence or the illegal use, carrying, or possession of a~~
3 ~~dangerous weapon;~~
- 4 (5) Impersonated or permitted or aided and abetted any other person to
5 impersonate a law enforcement officer of the United States, this State,
6 any other state, or any political subdivision of a state;
- 7 (6) Engaged in or permitted any employee to engage in a private
8 protective services ~~business~~ profession when not lawfully in possession
9 of a valid license issued under the provisions of this Chapter;
- 10 (7) Willfully failed or refused to render to a client service ~~or a report~~ as
11 agreed between the parties and for which compensation has been paid
12 or tendered in accordance with the agreement of the parties;
- 13 (8) Knowingly made any false report to the employer or client for whom
14 information is being obtained;
- 15 (9) Committed an unlawful breaking or entering, assault, battery, or
16 kidnapping;
- 17 (10) Knowingly violated or advised, encouraged, or assisted the violation of
18 any court order or injunction in the course of business as a licensee;
- 19 (11) ~~Committed any other act which is a ground for the denial of an~~
20 ~~application for a license under this Chapter;~~
- 21 (12) Undertaken to give legal advice or counsel or to in any way falsely
22 represent that he is representing any attorney or he is appearing or will
23 appear as an attorney in any legal proceeding;
- 24 (13) Issued, delivered, or uttered any simulation of process of any nature
25 which might lead a person or persons to believe that such simulation—
26 written, printed, or typed—may be a summons, warrant, writ or court
27 process, or any pleading in any court proceeding;
- 28 (14) Failed to make the required contribution to the Private Protective
29 Services Recovery Fund or failed to maintain the certificate of liability
30 insurance required by this Chapter;
- 31 (15) Violated the firearm provisions set forth in this Chapter;
- 32 (16) ~~Committed any act prohibited under G.S. 74C-16;~~
- 33 (17) Failed to notify the Administrator by a business entity other than a sole
34 proprietorship licensed pursuant to this Chapter of the cessation of
35 employment of the business entity's qualifying agent within the time
36 set forth in this Chapter;
- 37 (18) Failed to obtain a substitute qualifying agent by a business entity
38 within 30 days after its qualifying agent has ceased to serve as the
39 business entity's qualifying agent;
- 40 (19) Been judged incompetent by a court having jurisdiction under Chapter
41 35A or former Chapter 35 of the General Statutes or committed to a
42 mental health facility for treatment of mental illness, as defined in G.S.
43 ~~122-36(d)122C-3~~, by a court ~~having jurisdiction under Article 5A of~~
44 ~~Chapter 122 of the General Statutes under G.S. 122C-271;~~

- 1 (20) Failed or refused to offer a report to a client within 30 days of the
2 client's written request;
- 3 (21) Been previously denied a license, registration, or permit under this
4 Chapter or previously had a license, registration, or permit revoked for
5 cause;
- 6 (22) Engaged in a private protective services profession under a name other
7 than the name under which the license was obtained under the
8 provisions of this Chapter;
- 9 (23) Divulged to any person, except as required by law, any information
10 acquired by him except at the direction of the employer or client for
11 whom the information was obtained. A licensee may divulge to any
12 law enforcement officer or district attorney or his representative any
13 information the law enforcement officer may require to investigate a
14 criminal offense with the prior approval and consent of the client;
- 15 (24) Fraudulently held himself out as employed by or licensed by the State
16 Bureau of Investigation or any other governmental authority;
- 17 (25) Intemperate habits or lacks good moral character. The acts that are
18 **prima facie** evidence of intemperate habits or lack of good moral
19 character under G.S. 74C-8(d)(2) are **prima facie** evidence of the
20 same under this subdivision;
- 21 (26) Advertised or solicited business using a name other than that in which
22 the license was issued;
- 23 (27) Worn, carried, or accepted any badge or shield purporting to indicate
24 that the person is a private detective or private investigator while
25 licensed under the provisions of this Chapter as a private investigator.

26 (b) ~~The revocation or suspension denial, revocation, or suspension of a license or~~
27 ~~registration license, registration, or permit by the Board as provided in subsection (a) shall~~
28 ~~be in writing, be signed by the Administrator of the Board stating Board, and state the~~
29 ~~grounds upon which the Board decision is based. The aggrieved person shall have the~~
30 ~~right to appeal from this decision as provided in Chapter 150B of the General Statutes.~~

31 (c) The following persons may not be issued a license, registration, or permit
32 under this Chapter:

33 (1) A sworn court official.

34 (2) A holder of a company police commission under Chapter 74A of the
35 General Statutes."

36 Sec. 11. G.S. 74C-13 reads as rewritten:

37 **"§ 74C-13. ~~Firearms.~~ Armed security guard required to have firearm registration**
38 **permit; security guard training.**

39 (a) It shall be unlawful for any person performing the duties of an armed ~~private~~
40 ~~security officer security guard~~ to carry a firearm in the performance of those duties
41 without first having met the qualifications as set forth in this section and having been
42 issued a firearm registration permit by the Board. For the purposes of this section, the
43 following terms are defined:

- 1 (1) 'Armed ~~private security officer~~ security guard ' means an individual
2 employed by a contract security company or a proprietary security
3 organization whose principal duty is that of an armed security ~~guard,~~
4 ~~patrol, or watchman~~ watchman; armed armored car service guard; armed
5 alarm system company responder; private detective; or armed courier
6 service guard who at any time wears, carries, or possesses a firearm in
7 the performance of ~~his or her duties~~ duty.
- 8 (2) 'Contract security company' means any person, firm, association, or
9 corporation engaging in a private protective services ~~business~~
10 ~~profession as defined in this Chapter which provides said that provides~~
11 services on a contractual basis for a fee or other valuable consideration
12 to any other person, firm, association, or corporation.
- 13 (3) 'Proprietary security organization' means any person, firm, association,
14 or corporation or department thereof which employs ~~watchmen, security~~
15 ~~guards or patrol personnel,~~ security guards, alarm responders, armored
16 car personnel, or couriers who are employed regularly and exclusively
17 as an employee by an employer in connection with the business affairs
18 of such employer.

19 (b) It shall be unlawful for any person, firm, association, or corporation and its
20 agents and employees to employ an armed ~~private security officer~~ security guard and
21 knowingly authorize or permit him to carry a firearm during the course of performing
22 his duties as an armed ~~private security officer~~ security guard if the Board has not issued
23 him a firearm registration permit under this section or if the person, firm, association, or
24 corporation permits an armed ~~private security officer~~ security guard to carry a firearm
25 during the course of performing his duties whose firearm registration permit has been
26 suspended, revoked, or has otherwise expired:

- 27 (1) ~~A firearms~~ An armed security guard firearm registration permit ~~will~~
28 ~~grant grants~~ authority to the armed security ~~officer,~~ guard, while in the
29 performance of his duties or travelling directly to and from work, to
30 carry a standard .38 caliber or .32 caliber revolver or any other firearm
31 approved by the Board and not otherwise prohibited by law. The use of
32 any firearm not approved by the Board is prohibited.
- 33 (2) All firearms carried by authorized armed security ~~officers~~ guards in the
34 performance of their duties shall be owned or leased by the employer.
35 Personally owned firearms shall not be carried by an armed security
36 ~~officer~~ guard in the performance of his duties.

37 (c) The applicant for an armed ~~private security officer~~ guard firearm registration
38 permit shall submit an application to the Board on a form provided by the Board.

39 (d) Each armed ~~private security officer~~ guard firearm registration permit issued
40 under this section shall be in the form of a pocket card designed by the Board and shall
41 identify the contract security company or proprietary security organization by whom the
42 holder of the firearm registration permit is employed. An armed ~~private security officer~~
43 guard firearm registration permit expires one year after the date of its issuance and must

1 be renewed annually unless the permit holder's employment terminates before the
2 expiration of the permit.

3 (e) If the holder of an armed ~~private security officer-guard~~ firearm registration
4 permit terminates his employment with the contract security company or proprietary
5 security organization, the firearm registration permit expires and must be returned to the
6 Board within 15 working days of the date of termination of the employee.

7 (f) A contract security company or proprietary security organization shall be
8 allowed to employ an individual for 30 days as an armed ~~private security officer-guard~~
9 pending completion of the firearms training required by this Chapter, if the contract
10 security company or proprietary security organization obtains prior approval from the
11 Administrator. The Board and the Attorney General shall provide by rule the procedure
12 by which a contract security company or a proprietary security organization applicant
13 may be issued a temporary firearm registration permit by the Administrator of the Board
14 pending a determination by the Board of whether to grant or deny an applicant a firearm
15 registration permit.

16 (g) The Board may suspend, revoke, or deny ~~a~~an armed security guard firearm
17 registration permit if the holder or applicant has been convicted of any crime involving
18 moral turpitude or any crime involving the illegal use, carrying, or possession of a
19 deadly weapon or for violation of this section ~~and/or~~ or rules promulgated by the Board
20 to implement this section. The Administrator may summarily suspend ~~a~~an armed
21 security guard firearm registration permit pending resolution of charges involving the
22 illegal use, carrying, or possession of a firearm lodged against ~~an armed private security~~
23 ~~officer~~the holder of the permit.

24 (h) The Board and the Attorney General shall establish a training program for
25 armed security guards to be conducted by agencies and institutions approved by the
26 Board and the Attorney General. The Board and the Attorney General may approve
27 training programs conducted by a contract security companies ~~company~~ and the security
28 department of a proprietary security organization, if the contract security ~~companies~~
29 company or security department of a ~~propriety~~ proprietary security organization offers
30 the courses listed in ~~subsection (1) of this paragraph~~ (h) subdivision (1) of this subsection
31 and if the instructors of the training program are ~~qualified instructors~~ certified trainers
32 approved by the Board and the Attorney General:

33 (1) The basic training course approved by the Board and the Attorney
34 General shall consist of a minimum of four hours of classroom training
35 which shall include:

36 a. Legal limitations on the use of hand guns and on the powers
37 and authority of an armed ~~private security officer~~ security guard,
38 b. Familiarity with this section,
39 c. Range firing and procedure and hand gun safety and
40 maintenance, and
41 d. Any other topics of armed ~~private security officer~~ security guard
42 training curriculum which the Board deems necessary.

43 (2) An applicant for an armed security ~~officer-guard~~ firearm registration
44 permit must fire a minimum qualifying score to be determined by the

1 Board and the Attorney General on any approved target course
2 approved by the Board and the Attorney General.

3 (3) An armed security ~~officer-guard~~ must complete a refresher course and
4 shall requalify on the prescribed target course prior to the renewal of
5 his firearm registration permit.

6 (4) The Board and the Attorney General shall have the authority to
7 promulgate all rules necessary to administer the provisions of this
8 section concerning the training requirements of this section.

9 (i) The Board may not issue an armed ~~private security officer-security guard~~
10 firearm registration permit to an applicant until the applicant's employer submits
11 evidence satisfactory to the Board ~~that~~ that the applicant:

12 (1) ~~He has~~ Has satisfactorily completed an approved training course.

13 (2) ~~He meets~~ Meets all the qualifications established by this section and by
14 the rules promulgated to implement this section.

15 (3) ~~He is~~ Is mentally and physically capable of handling a firearm within
16 the guidelines set forth by the Board and the Attorney General.

17 (j) The Board and the Attorney General are authorized to prescribe reasonable
18 rules to implement this section, including rules for periodic requalification with the
19 firearm and for the maintenance of records relating to persons issued a ~~firearm~~
20 registration card-an armed security guard firearm registration permit by the Board.

21 (k) All fees collected pursuant to G.S. ~~74C-13(e) and (d)~~ 74C-9(e)(7) and (8) shall be
22 expended, under the direction of the Board, for the purpose of defraying the expense of
23 administering the firearms provisions of this Chapter.

24 (l) The Board and the Attorney General shall establish a training program for
25 certified trainers to be conducted by agencies and institutions approved by the Board
26 and the Attorney General. The Board or the Attorney General shall have the authority
27 to promulgate all rules necessary to administer the provisions of this subsection.

28 (1) The Board and the Attorney General shall also establish renewal
29 requirements for certified trainers.

30 (2) No certified trainer shall certify an armed security guard unless the
31 armed security guard has successfully completed the training
32 requirements set out above in subsection (h) of this section.

33 (m) The Board and the Attorney General shall establish a training program for
34 unarmed security guards to be conducted by agencies and institutions approved by the
35 Board and the Attorney General. The Board and the Attorney General shall have the
36 authority to promulgate all rules necessary to administer the provisions of this
37 subsection."

38 Sec. 12. G.S. 74C-15 reads as rewritten:

39 "**§ 74C-15. Identification cards; badges; and shields****Pocket identification cards issued**
40 **to licensees and trainees.**

41 (a) Upon the issuance of a license or trainee permit, a pocket identification card
42 of design, size, and content approved by the Board shall be issued by the Board without
43 charge to each licensee or trainee. The holder must have this card in his possession at all
44 times when he is on duty and working within the scope of his employment. When a

1 licensee or trainee to whom a card has been issued terminates his position as a licensee
2 or trainee, the card must be surrendered to the administrator of the Board within 10
3 working days thereafter.

4 (b) ~~No person licensed under the provisions of this Chapter as a private detective
5 shall wear, carry, or accept any badge or shield purporting to indicate that such person is
6 a private detective or a private investigator."~~

7 Sec. 13. G.S. 74C-16 reads as rewritten:

8 **"§ 74C-16. Prohibited acts.**

9 (a) ~~Any licensee or officer, director, partner, or manager of a licensee may
10 divulge to any law enforcement officer or district attorney or his representative any
11 information the law enforcement officer may require incident to investigation of any
12 criminal offense. However, he shall not divulge to any other person, except as he may
13 be required by law, any information acquired by him except at the direction of the
14 employer or client for whom the information was obtained.~~

15 (b) ~~Every advertisement by a licensee soliciting or advertising for business shall
16 contain his name as it appears in the records of the Board and the name in which the
17 license was issued.~~

18 (c) ~~It shall be unlawful for anyone not licensed and/or or registered as required
19 under this Chapter to:~~

20 (1) ~~Advertise or to hold himself out to be a licensee;~~

21 (2) ~~Advertise or to hold himself out to perform services for which a
22 license is required; ~~or~~ when, in fact, the individual is not licensed or
23 registered in accordance with this Chapter.~~

24 (3) ~~Perform or aid and abet any other individual to perform services for
25 which a license or registration under this Chapter is required, when, in
26 fact, the individual is not licensed and/or registered in accordance with
27 this Chapter.~~

28 (d) ~~No law enforcement officers of the United States, this State, any other state,
29 or any political subdivision of a state shall be licensed as a private detective or security
30 guard and patrol business licensee under this Chapter; provided no law enforcement
31 officer of the United States, this State, or any of its political subdivisions may use any
32 motor vehicle owned or leased by a law enforcement agency in the course and scope of
33 any private employment which is subject to regulation by the provisions of this Chapter;
34 provided that nothing in this section shall be construed to prohibit the holder of a
35 company police commission under Chapter 74A of the General Statutes from being
36 licensed under this Chapter or being employed by a licensee under this Chapter.~~

37 (e) ~~No licensee shall hold himself out as employed by or licensed by the State
38 Bureau of Investigation.~~

39 (f) ~~No sworn court official shall be licensed or registered under this Chapter."~~

40 Sec. 14. G.S. 74C-17(c) and (d) read as rewritten:

41 "(c) In lieu of revocation or suspension of a license or permit under G.S. 74C-12,
42 a civil penalty of not more than two thousand dollars (\$2,000) may be assessed by the
43 Board against any person or business who violates any provision of this Chapter or any

1 rule of the Board adopted pursuant to this Chapter. In determining the amount of any
2 penalty, the Board shall consider the degree and extent of harm caused by the violation.

3 (d) Proceedings for the assessment of civil penalties under this section shall be
4 governed by Chapter ~~150A-150B~~ of the General Statutes. If the person assessed a civil
5 penalty fails to pay the penalty to the Board, the Board may institute an action in the
6 superior court of the county in which the person resides or has his principal place of
7 business to recover the unpaid amount of the penalty. An action to recover a civil
8 penalty under this section shall not relieve any party from any other penalty prescribed
9 by law."

10 Sec. 15. G.S. 74C-18(a) reads as rewritten:

11 "(a) To the extent that other states which provide for licensing of any private
12 protective services ~~business-profession~~ provide for similar action for citizens of this
13 State, the Board, in its discretion, may grant a private protective services ~~business~~
14 license to a nonresident who holds a valid private protective services ~~business~~-license of
15 the same type from another state upon satisfactory proof furnished to the Board that the
16 standards of licensure in such other states are at least substantially equivalent to those
17 prevailing in this State. Applicants shall make application to the Board on the form
18 prescribed by the Board for all applicants, shall comply with the provisions of G.S.
19 74C-10, and shall pay the fees required of all applicants."

20 Sec. 16. Chapter 74C is amended by adding a new section to read:

21 "**§ 74C-21. Law enforcement officer provisions.**

22 (a) No law enforcement officer of the United States, this State, any other state, or
23 any political subdivision of a state shall be licensed as a private detective or security
24 guard and patrol licensee under this Chapter.

25 (b) An off-duty law enforcement officer may be employed during his off-duty
26 hours by a licensed security guard and patrol company on an employer-employee basis.
27 An off-duty law enforcement officer shall not wear his police officer's uniform or use
28 the police equipment while working for a security guard and patrol company.

29 (c) A law enforcement officer may provide security guard and patrol services on
30 an individual employer-employee basis to a person, firm, association, or corporation
31 that is not engaged in a security guard and patrol profession."

32 Sec. 17. G.S. 74C-31(a) reads as rewritten:

33 "(a) The Fund shall serve as a guaranty for the obligations of those licensed under
34 this Chapter. The Fund's liability, as guaranty, is contingent upon a licensee or trainee
35 defaulting upon an obligation owed to a person by the licensee or trainee where said
36 obligation was entered into by the licensee or trainee within the scope of the licensee's
37 or trainee's employment in providing private protective services. The Board shall be
38 subrogated by the licensee or trainee in the amount paid out and the license or trainee
39 permit shall be revoked or suspended until such time as full restitution is made to the
40 Fund. The aggrieved party must exhaust all civil remedies against the licensee or trainee
41 or the estate of the licensee or trainee before seeking reimbursement from the Fund.
42 The following shall be excluded from reimbursable losses:

43 (1) Losses of spouses, children, parents, grandparents, siblings, partners,
44 associates, and employees of the licensee or trainee causing the losses;

- 1 (2) Losses covered by any bond, surety agreement, or insurance contract
2 to the extent covered thereby; and
3 (3) Losses that have been otherwise received from or paid by or on behalf
4 of the licensee who defaulted on an obligation."
5 Sec. 18. This act shall become effective October 1, 1989.