

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1460

Short Title: Martial Arts Licensure.

(Public)

Sponsors: Representative Earle.

Referred to: Finance.

May 3, 1999

A BILL TO BE ENTITLED

AN ACT TO LICENSE MARTIAL ARTS SCHOOLS AND INSTRUCTORS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 143 of the General Statutes is amended by adding a new Article to read:

“ARTICLE 68A.

"MARTIAL ARTS SCHOOLS AND INSTRUCTORS.

"§ 143-658.10. Legislative findings.

The General Assembly finds that it is in the best interest of the public that martial arts schools and martial arts instructors should be subject to an effective and efficient system of strict control and regulation in order to protect the safety and well-being of participants in martial arts and to promote public confidence and trust in the regulatory process and the conduct and teaching of martial arts.

"§ 143-658.11. Definitions.

The following definitions apply in this Article:

(1) Commission. – The North Carolina Martial Arts Commission.

(2) Instructor. – A person who teaches martial arts.

(3) Martial arts. – Systems of defense, including karate, kung fu, tae kwon do, aikido, tai chi, silat, jeet kume do, jujitsu, kempo, and hapkido.

1 (4) Master. – The director of a system that is devoted to the teaching of
2 martial arts.

3 (5) School. – A place of business where martial arts are taught for a fee or
4 other monetary gain.

5 **"§ 143-658.12. Commission created.**

6 (a) Composition and Terms. – The North Carolina Martial Arts Commission is
7 created. The Commission shall consist of — members who shall serve staggered terms.
8 The initial Commission members shall be selected on or before October 1, 1999, as
9 follows:

10 (1) The General Assembly, upon the recommendation of the President Pro
11 Tempore of the Senate, shall appoint one instructor who shall serve a
12 two-year term and one master who shall serve a three-year term.

13 (2) The General Assembly, upon the recommendation of the Speaker of the
14 House of Representatives, shall appoint two masters who shall each
15 serve a three-year term.

16 (3) The Governor shall appoint one public member who shall serve a three-
17 year term.

18 Upon the expiration of the terms of the initial Commission members, each member
19 shall be appointed for a term of three years and shall serve until a successor is appointed.
20 No member may serve more than two consecutive full terms.

21 (b) Qualifications. – The instructor and master members shall hold current licenses
22 issued by the Commission and shall reside or be employed in this State. They shall have
23 at least — years' experience in the martial arts, including — years immediately preceding
24 appointment to the Commission, and shall remain in active practice and good standing
25 with the Commission as a licensee during their terms.

26 (c) Vacancies. – A vacancy shall be filled in the same manner as the original
27 appointment, except that any vacancy in appointments made by the General Assembly
28 shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies shall serve
29 the remainder of the unexpired term and until their successors have been duly appointed
30 and qualified.

31 (d) Removal. – The Commission may remove any of its members for neglect of
32 duty, incompetence, or unprofessional conduct. A member subject to disciplinary
33 proceedings as a licensee shall be disqualified from participating in the official business
34 of the Commission until the charges have been resolved.

35 (f) Compensation. – Each member of the Commission shall receive per diem and
36 reimbursement for travel and subsistence as provided in G.S. 93B-5.

37 (g) Officers. – The officers of the Commission shall be a chair, a vice-chair, and
38 other officers deemed necessary by the Commission to carry out the purposes of this
39 Article. All officers shall be elected annually by the Commission for one-year terms and
40 shall serve until their successors are elected and qualified.

41 (h) Meetings. – The Commission shall hold at least two meetings each year to
42 conduct business and to review the standards and rules previously adopted by the
43 Commission. The Commission shall establish the procedures for calling, holding, and

1 conducting regular and special meetings. A majority of Commission members constitutes
2 a quorum.

3 **"§ 143-658.13. Powers of the Commission.**

4 The Commission shall have the power and duty to:

- 5 (1) Administer this Article.
- 6 (2) Issue interpretations of this Article.
- 7 (3) Adopt, amend, or repeal rules as may be necessary to carry out the
8 provisions of this Article.
- 9 (4) Employ and fix the compensation of personnel that the Commission
10 determines is necessary to carry into effect the provisions of this Article
11 and incur other expenses necessary to effectuate this Article.
- 12 (5) Examine and determine the qualifications and fitness of applicants for
13 licensure, renewal of licensure, and reciprocal licensure, including
14 conducting criminal background checks.
- 15 (6) Issue, renew, deny, suspend, or revoke licenses and carry out any
16 disciplinary actions authorized by this Article.
- 17 (7) Impose fines for violations of this Article.
- 18 (8) Set fees for licensure, license renewal, and other services deemed
19 necessary to carry out the purposes of this Article.
- 20 (9) Establish reasonable rules for the operation of martial arts schools,
21 including rules prohibiting alcoholic beverages on the premises,
22 requiring schools to maintain liability insurance, and allowing the
23 Commission to conduct annual inspections.
- 24 (9) Conduct investigations for the purpose of determining whether
25 violations of this Article or grounds for disciplining licensees exist.
- 26 (10) Maintain a record of all proceedings and make available to licensees and
27 other concerned parties an annual report of all Commission action.
- 28 (11) Adopt a seal containing the name of the Commission for use on all
29 licenses and official reports issued by it.

30 **"§ 143-658.14. Requirements of license; exemption from license.**

31 (a) On or after January 1, 2000, no person shall teach martial arts or operate a
32 martial arts school unless that person is currently licensed as provided by this Article.

33 (b) The provisions of this Article do not apply to:

- 34 (1) A person who does not represent himself or herself as an instructor as
35 defined in this Article.
- 36 (2) A person who teaches martial arts on a volunteer basis.

37 **"§ 143-658.15. Qualifications for licensing martial arts instructors.**

38 An applicant shall be licensed as a martial arts instructor if the applicant meets all of
39 the following qualifications:

- 40 (1) Is of good moral and ethical character.
- 41 (2) Is at least 18 years old.
- 42 (3) Provides three character references.

- (4) Completes 468 hours of courses in martial arts as approved by the Commission.
- (5) Successfully completes a standard examination required by the Commission.
- (6) Completes a basic first aid course sponsored by the American Red Cross.
- (7) Pays the required fee under G.S. 143-658.18.

"§ 143-658.16. Qualifications for licensing martial arts schools.

The Commission shall issue a license to any martial arts school that submits a properly completed application on a form approved by the Commission, pays the required license fee, and is determined by the Commission to be in compliance with the provisions of this Article and the Commission's rules.

"§ 143-658.17. License based on experience; licensure of nonresident; reciprocity.

(a) The Commission may grant, upon application and payment of proper fees, a license to a person who resides in this State and has at least four years' experience as a licensed martial arts instructor or operator of a martial arts school in another state whose standards of competency are substantially equivalent to those provided in this Article.

(b) The Commission may grant, upon application and payment of proper fees, a license to a nonresident if the person meets the requirements of this Article or the person resides in a state that recognizes licenses issued by the Commission.

"§ 143-658.18. Expenses; fees.

(a) All fees payable to the Commission shall be deposited in the name of the Commission in financial institutions designated by the Commission as official depositories and shall be used to pay all expenses incurred in carrying out the purposes of this Article.

(b) All salaries, compensation, and expenses incurred or allowed to carry out the purposes of this Article shall be paid by the Commission exclusively out of the fees received by the Commission as authorized by this Article or funds received from other sources. In no case shall any salary, expense, or other obligation of the Commission be charged against the State treasury.

(c) The Commission shall establish fees not exceeding the following amounts:

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| (1) | <u>Instructor license</u> <u>\$100.00</u> |
| (2) | <u>Martial arts school license</u> <u>\$100.00</u> |
| (3) | <u>Instructor examination</u> <u>\$150.00</u> |
| (4) | <u>Renewal of any license</u> <u>\$ 50.00</u> |
| (5) | <u>Reinstatement</u> <u>\$100.00</u> |
| (6) | <u>Late fee</u> <u>\$ 25.00</u> |

1 **"§ 143-658.19. Issuance, renewal, replacement, transfer, and posting of licenses.**

2 (a) The Commission shall issue a license, upon payment of the license fee, to any
3 applicant who has satisfactorily met the requirements of this Article as administered by
4 the Commission. Licenses shall show the full name of the person and an identification
5 number and shall be signed by the chair and one of the officers of the Commission.

6 (b) All licenses issued shall expire four years after the date they were issued unless
7 renewed. All applications for renewal shall be filed with the Commission and shall be
8 accompanied by the renewal fee as required by G.S. 143-658.18. A license that has
9 expired for failure to renew may be reinstated after the applicant pays the late and
10 reinstatement fees as required by G.S. 143-658.18.

11 (c) The Commission shall replace any license that is lost, destroyed, or mutilated,
12 subject to rules established by the Commission. A license may not be transferred or
13 assigned.

14 (d) Every certificate of license shall be conspicuously posted in the martial arts
15 school for which it is issued.

16 **"§ 143-658.20. Imposition of fine, suspension, revocation, and refusal to renew a**
17 **license.**

18 (a) The Commission may impose a fine, deny or refuse to renew a license,
19 suspend, or revoke a license if the licensee or applicant:

20 (1) Gives false information or withholds material information from the
21 Commission in procuring or attempting to procure a license.

22 (2) Has been convicted of or pled guilty or no contest to a crime that
23 indicates the person is unfit or incompetent to teach martial arts or to
24 operate a martial arts school or that indicates the person has deceived or
25 defrauded the public.

26 (3) Has demonstrated gross negligence, incompetency, or misconduct in
27 teaching martial arts or operating a martial arts school.

28 (4) Has willfully violated any provision of this Article or rules adopted by
29 the Commission.

30 (b) The imposition of a fine, denial, refusal to renew, suspension, or revocation
31 may be ordered by the Commission after a hearing is held in accordance with Article 3A
32 of Chapter 150B of the General Statutes. The Commission may reinstate a revoked
33 license when it finds that the reasons for revocation no longer exist and that the person
34 can reasonably be expected to perform the services authorized under this Article in a safe
35 manner.

36 **"§ 143-658.21. Enjoining illegal practices.**

37 The Commission may apply to the superior court for an order enjoining violations of
38 this Article. Upon a showing by the Commission that any person has violated this
39 Article, the court may grant injunctive relief.

40 **"§ 143-658.22. Penalties.**

41 A person who does not have a license issued under this Article who either claims to
42 be a martial arts instructor or an operator of a martial arts school in violation of this

- 1 Article is guilty of a Class 1 misdemeanor. Each act of unlawful practice constitutes a
2 distinct and separate offense."
3 Section 2. This act is effective when it becomes law.