

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 477

Short Title: Locksmith Licensure.

(Public)

Sponsors: Senator Reeves.

Referred to: Finance.

March 23, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE LOCKSMITH LICENSING ACT.

3 The General Assembly of North Carolina enacts:

4 Section 1. The General Statutes are amended by adding a new Chapter to read:

5 **"CHAPTER 74F.**

6 **"LOCKSMITH LICENSING ACT.**

7 **"§ 74F-1. Short title.**

8 This act shall be known as the North Carolina Locksmith Licensing Act.

9 **"§ 74F-2. Purpose.**

10 Locksmiths have the knowledge and tools to bypass or neutralize security devices in
11 vehicles, homes, and businesses. The laws of this State do not protect citizens from the
12 unscrupulous use and abuse of this knowledge and these tools by persons who are
13 untrained or have criminal intent. Therefore, the licensing of locksmiths is necessary to
14 protect the public health, safety, and welfare.

15 **"§ 74F-3. Licenses required.**

16 (a) No person shall perform or offer to perform locksmith services in this State
17 unless they have been licensed under the provisions of this Chapter.

18 (b) It shall be unlawful for any person who is not licensed under this Chapter to
19 obtain through any means or to possess any locksmith tools, safe-opening tools, or code
20 books. A violation of this subsection is a Class 3 misdemeanor.

"§ 74F-4. Definitions.

The following definitions apply in this Chapter:

- (1) Board. – The North Carolina Locksmith Licensing Board.
- (2) Code book. – A compilation, in any form, of key codes and combinations.
- (3) License. – A certificate issued by the Board recognizing the person named therein as having met the requirements to perform locksmith services as defined in this Chapter.
- (4) Locksmith. – A person who has been issued a license by the Board.
- (5) Locksmith services. – Repairing, rebuilding, rekeying, repinning, servicing, adjusting, or installing locks, mechanical or electronic security devices, access control devices, egress control devices, safes, vaults, and safe deposit boxes.
- (6) Locksmith tools. – Any tools that are designed or used to open a mechanical or electrical locking device in a way other than that which was intended by the manufacturer.

"§ 74F-5. North Carolina Locksmith Licensing Board.

(a) Composition and Terms. – The Board shall consist of nine members who shall serve staggered terms. Three members shall represent the public. The initial Board members shall be appointed on or before January 1, 2001, as follows:

- (1) The General Assembly, upon the recommendation of the President Pro Tempore of the Senate, shall appoint three locksmiths, two of whom shall serve terms of four years and one of whom shall serve a term of three years. At least one of the locksmiths shall represent a recognized locksmith organization in the State.
- (2) The General Assembly, upon the recommendation of the Speaker of the House of Representatives, shall appoint three locksmiths, one of whom shall serve a term of four years, one of whom shall serve a term of three years, and one of whom shall serve a term of two years. At least one of the locksmiths shall represent a recognized locksmith organization in the State.
- (3) The Governor shall appoint three public members, one of whom shall serve a term of three years and two of whom shall serve terms of two years.

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

(b) Qualifications. – The locksmith members shall have at least five years' experience in locksmith services and shall be engaged in that business for the duration of their term on the Board. The locksmith members initially appointed to the Board shall immediately become licensed as locksmiths by complying with the provisions of this Chapter. Public members of the Board shall not be trained or experienced in locksmith services, have a financial interest in a locksmith business, or be the spouse of a person

1 who is so trained or experienced or has such an interest. All members of the Board shall
2 reside in this State and shall represent various geographical areas of the State.

3 (c) Vacancies. – A vacancy shall be filled in the same manner as the original
4 appointment, except that all unexpired terms in seats appointed by the General Assembly
5 shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies shall serve
6 the remainder of the unexpired term and until their successors have been duly appointed
7 and qualified.

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

12 (e) Compensation. – Each member of the Board shall receive per diem and
13 reimbursement for travel and subsistence as provided in G.S. 93B-5.

14 (f) Officers. – The officers of the Board shall be a chair, a vice-chair, and other
15 officers deemed necessary by the Board to carry out the purposes of this Chapter. All
16 officers shall be elected annually by the Board for one-year terms and shall serve until
17 their successors are elected and qualified.

18 (g) Meetings. – The Board shall hold at least two meetings each year to conduct
19 business and to review the standards and rules for issuing licenses under this Chapter.
20 The Board shall adopt rules governing the calling, holding, and conducting of regular and
21 special meetings. A majority of Board members shall constitute a quorum.

22 **"§ 74F-6. Powers of the Board.**

23 The Board shall have the power and duty to:

- 24 (1) Administer and enforce the provisions of this Chapter.
- 25 (2) Adopt, amend, or repeal rules as may be necessary to carry out the
26 provisions of this Chapter.
- 27 (3) Examine and determine the qualifications and fitness of applicants for
28 licensure and renewal of licensure.
- 29 (4) Issue, renew, deny, suspend, or revoke licenses and conduct any
30 disciplinary actions authorized by this Chapter.
- 31 (5) Set fees for licensure, licensure renewal, and other services deemed
32 necessary to carry out the provisions of this Chapter.
- 33 (6) Establish and approve continuing education requirements for persons
34 licensed under this Chapter.
- 35 (7) Receive and investigate complaints from members of the public.
- 36 (8) Conduct investigations for the purpose of determining whether
37 violations of this Chapter or grounds for disciplining licensees exist.
- 38 (9) Conduct administrative hearings in accordance with Article 3 of Chapter
39 150B of the General Statutes.
- 40 (10) Maintain a record of all proceedings conducted by the Board and make
41 available to licensees and other concerned parties an annual report of all
42 Board action.

- 1 (11) Maintain a list of the names and addresses of all persons licensed by the
2 Board.
- 3 (12) Employ and fix the compensation of personnel that the Board
4 determines is necessary to carry out the provisions of this Chapter and
5 incur other expenses necessary to perform the duties of the Board.
- 6 (13) Adopt and publish a code of ethics.
- 7 (14) Adopt a seal containing the name of the Board for use on all licenses
8 and official reports issued by the Board.

9 **"§ 74F-7. Qualifications for license.**

10 An applicant shall be licensed as a locksmith if the applicant meets all of the
11 following qualifications:

- 12 (1) Is of good moral and ethical character.
- 13 (2) Is at least 18 years old.
- 14 (3) Successfully completes an examination administered by the Board.
- 15 (4) Pays the required fee under G.S. 74F-9.

16 **"§ 74F-8. Licensure based on experience; licensure of nonresident; reciprocity.**

17 (a) The Board may grant, upon application and payment of proper fees, a license
18 to a person who resides in this State and has at least three years' experience as a licensed
19 locksmith in another state whose standards of competency are substantially equivalent to
20 those provided in this Chapter.

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

24 **"§ 74F-9. Fees.**

25 The Board shall establish fees not exceeding the following amounts:

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|------------------|-------------------------------|
| 26 (1) | <u>Issuance of a license</u> |
| | <u>\$100.00</u> |
| 28 (2) | <u>Renewal of a license</u> |
| | <u>\$100.00</u> |
| 30 (3) | <u>Examination</u> \$200.00 |
| 31 (4) | <u>Reinstatement</u> \$150.00 |
| 32 (5) | <u>Late fees</u> \$150.00 |

33 **"§ 74F-10. Issuance, renewal, replacement, and transfer of licenses.**

34 (a) The Board shall issue a license, upon payment of the license fee, to any
35 applicant who has satisfactorily met the requirements of this Chapter as administered by
36 the Board. Licenses shall show the full name of the person and an identification number,
37 and shall be signed by the chair and one other officer of the Board.

38 (b) All licenses shall expire three years after the date they were issued unless
39 renewed. All applications for renewal shall be filed with the Board and shall be
40 accompanied by the renewal fee as required by G.S. 74F-9. A license that has expired for
41 failure to renew may be reinstated after the applicant pays the late and reinstatement fees
42 as required by G.S. 74F-9.

1 (c) The Board shall replace any license that is lost, destroyed, or mutilated subject
2 to rules established by the Board.

3 (d) A license may not be transferred or assigned.

4 **"§ 74F-11. Photo identification.**

5 Every person licensed under this Chapter shall be issued a photo identification card by
6 the Board. The card shall display a current photograph of the person, the person's name,
7 address, and telephone number. The licensee shall have the photograph identification
8 card available for inspection while performing locksmith services.

9 **"§ 74F-12. Posting licenses; advertisements.**

10 (a) Every locksmith issued a license under this Chapter shall display the license
11 prominently in the locksmith's place of business.

12 (b) Every person advertising locksmith services performed by the person shall
13 include in the advertisement the identification number that is printed on the license issued
14 by the Board.

15 **"§ 74F-13. Responsibilities of employers.**

16 Every licensee under this Chapter shall provide to the Board the names of each person
17 employed by the licensee who either performs locksmith services or has access to
18 locksmith tools. The licensee shall notify the Board within 30 days of any change in the
19 information provided pursuant to this section.

20 **"§ 74F-14. Customer identification.**

21 Before opening a locked door to any vehicle or residential or commercial property, a
22 licensee shall make a reasonable effort to verify that the customer is the legal owner of
23 the vehicle or property or is authorized by the legal owner to gain access to the vehicle or
24 property.

25 **"§ 74F-15. Suspension, revocation, and refusal to renew a license.**

26 The Board may deny or refuse to renew a license, suspend, or revoke a license if the
27 licensee or applicant:

28 (1) Gives false information to or withholds information from the Board in
29 procuring or attempting to procure a license.

30 (2) Has been convicted of or pled guilty or no contest to a crime that
31 indicates that the person is unfit or incompetent to perform locksmith
32 services or that indicates the person has deceived or defrauded the
33 public.

34 (3) Has demonstrated gross negligence, incompetency, or misconduct in
35 performing locksmith services.

36 (4) Has willfully violated any of the provisions of this Chapter.

37 **"§ 74F-16. Exemptions.**

38 The provisions of this Chapter do not apply to:

39 (1) A person who has performed locksmith services in this State for at least
40 two consecutive years before the application for licensure and who is
41 currently working as a locksmith.

1 (2) Members of the police or fire department or other government agencies
2 who, in the course of their employment, open locked doors to vehicles,
3 homes, or businesses.

4 (3) Salespersons demonstrating the use of locksmith tools to persons
5 licensed under this Chapter.

6 **"§ 74F-17. Injunctions.**

7 The Board may apply to the superior court for an order enjoining violations of this
8 Chapter. Upon a showing by the Board that any person has violated this Chapter, the
9 court may grant injunctive relief."

10 Section 2. Any person who submits proof to the Board that he or she has been
11 actively engaged as a locksmith in this State for two consecutive years prior to the
12 effective date of this act and pays the required fee for the issuance of a license under G.S.
13 74F-9, enacted by Section 1 of this act, shall be licensed without having to satisfy the
14 requirements of G.S. 74F-7, enacted by Section 1 of this act. All persons who do not
15 make application to the Board within one year of the effective date of this act shall be
16 required to complete all requirements prescribed by the Board and to otherwise comply
17 with the provisions of Chapter 74F, enacted by Section 1 of this act.

18 Section 3. This act is effective when it becomes law.