

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1177  
Committee Substitute Favorable 7/5/99

Short Title: Locksmith Licensure.

(Public)

Sponsors:

Referred to:

April 15, 1999

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

The General Assembly of North Carolina enacts:

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

**“CHAPTER 74F.**

**“LOCKSMITH LICENSING ACT.**

**“§ 74F-1. Short title.**

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

**“§ 74F-2. Purpose.**

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

**“§ 74F-3. Licenses required.**

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

1 (b) It shall be unlawful for any person who is not licensed under this Chapter to  
2 possess any locksmith tools, safe opening tools, or code books for the purpose of  
3 violating the laws of this State. A violation of this subsection is a Class 3 misdemeanor.

4 **"§ 74F-4. Definitions.**

5 The following definitions apply in this Chapter:

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

20 **"§ 74F-5. North Carolina Locksmith Licensing Board.**

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

- 24 (1) The General Assembly, upon the recommendation of the President Pro  
25 Tempore of the Senate, shall appoint three locksmiths, two of whom  
26 shall serve terms of four years and one of whom shall serve a term of  
27 three years. At least one of the locksmiths shall represent a recognized  
28 locksmith organization in the State.  
29 (2) The General Assembly, upon the recommendation of the Speaker of the  
30 House of Representatives, shall appoint three locksmiths, one of whom  
31 shall serve a term of four years, one of whom shall serve a term of three  
32 years, and one of whom shall serve a term of two years. At least one of  
33 the locksmiths shall represent a recognized locksmith organization in  
34 the State.  
35 (3) The Governor shall appoint three public members, one of whom shall  
36 serve a term of three years, and two of whom shall serve terms of two  
37 years.

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

41 (b) Qualifications. – The locksmith members shall have at least five years'  
42 experience in locksmith services and shall be engaged in that business for the duration of  
43 their term on the Board. The locksmith members initially appointed to the Board shall

1 immediately become licensed as locksmiths by complying with the provisions of this  
2 Chapter. Public members of the Board shall not be trained or experienced in locksmith  
3 services, have a financial interest in a locksmith business, or be the spouse of a person  
4 who is so trained or experienced or has such an interest. All members of the Board shall  
5 reside in this State and shall represent various geographical areas of the State.

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

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

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

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

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

25 **"§ 74F-6. Powers of the Board.**

26 The Board shall have the power and duty to:

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

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

12 **"§ 74F-7. Qualifications for license.**

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

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

19 **"§ 74F-8. Licensure based on experience; licensure of nonresident; reciprocity.**

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

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

27 **"§ 74F-9. Fees.**

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

- |    |     |                                      |
|----|-----|--------------------------------------|
| 29 | (1) | <u>Issuance of a license</u>         |
|    |     | <u>\$100.00</u>                      |
| 31 | (2) | <u>Renewal of a license</u>          |
|    |     | <u>\$100.00</u>                      |
| 33 | (3) | <u>Examination</u> <u>\$200.00</u>   |
| 34 | (4) | <u>Reinstatement</u> <u>\$150.00</u> |
| 35 | (5) | <u>Late fees</u> <u>\$150.00</u>     |

36 **"§ 74F-10. Issuance, renewal, replacement, and transfer of licenses.**

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

41       (b) All licenses shall expire three years after the date they were issued unless  
 42 renewed. All applications for renewal shall be filed with the Board and shall be  
 43 accompanied by the renewal fee as required by G.S. 74F-9. A license that has expired for

1 failure to renew may be reinstated after the applicant pays the late and reinstatement fees  
2 as required by G.S. 74F-9.

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

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

6 **"§ 74F-11. Photo identification.**

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

11 **"§ 74F-12. Posting licenses; advertisements.**

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

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

17 **"§ 74F-13. Responsibilities of employers.**

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

22 **"§ 74F-14. Customer identification.**

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

27 **"§ 74F-15. Disciplinary procedures.**

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

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

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

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

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

39 **"§ 74F-16. Exemptions.**

40 The provisions of this Chapter do not apply to:

41 (1) An employee of a licensed locksmith.

42 (2) A person working as an apprentice under the supervision of a licensed  
43 locksmith while fulfilling the requirements for licensure.

- 1           (3) A person or business required to be licensed or registered by the North  
2 Carolina Alarm Systems Licensing Board pursuant to Chapter 74D of  
3 the General Statutes.
- 4           (4) An employee of a towing service, a reposessor, or motor club as  
5 defined in G.S. 58-69-1 who opens automotive locks in the normal  
6 course of their duties so long as the employee does not represent himself  
7 or herself as a locksmith.
- 8           (5) A property owner, or the owner's employee who provides services for  
9 the maintenance of the property so long as the owner or employee does  
10 not represent himself or herself as a locksmith. For purposes of this  
11 subsection, 'property' means, but is not limited to, a hotel, motel,  
12 apartment, condominium, commercial rental property, and residential  
13 rental property.
- 14           (6) A merchant, or retail or hardware store that lawfully duplicates keys, or  
15 installs, services, repairs, rebuilds, reprograms, or maintains locks, so  
16 long as the merchant or store does not represent itself as a locksmith.
- 17           (7) A member of the police or fire department or other government agency  
18 who, in the course of his or her employment, opens locked doors to  
19 vehicles, homes, or businesses.
- 20           (8) A salesperson demonstrating the use of locksmith tools to persons  
21 licensed under this Chapter.

22 **"§ 74F-17. Injunctions.**

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

26           Section 2. Any person who submits proof to the Board that he or she has been  
27 actively engaged as a locksmith in this State for two consecutive years prior to the  
28 effective date of this act and pays the required fee for the issuance of a license under G.S.  
29 74F-9, enacted by Section 1 of this act, shall be licensed without having to satisfy the  
30 requirements of G.S. 74F-7, enacted by Section 1 of this act. All persons who do not  
31 make application to the Board within one year of the effective date of this act shall be  
32 required to complete all requirements prescribed by the Board and to otherwise comply  
33 with the provisions of Chapter 74F, enacted by Section 1 of this act.

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