

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 854

Short Title: Amend Private Protective Services Act. (Public)

Sponsors: Senator Snow.

Referred to: Judiciary II (Criminal).

March 19, 2007

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE PRIVATE PROTECTIVE SERVICES ACT.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 74C-3 reads as rewritten:

5 "**§ 74C-3. Private protective services profession defined.**

6 (a) As used in this Chapter, the term "private protective services profession"
7 means and includes the following:

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

18 (2) Repealed by Session Laws 1983, c. 786, s. 2.

19 (3) "~~Counterintelligence service profession~~"Electronic countermeasures
20 profession means any person, firm, association, or corporation which
21 discovers, locates, or disengages by electronic, electrical, or
22 mechanical means any listening or other monitoring equipment
23 surreptitiously placed to gather information concerning any individual,
24 firm, association, or corporation for a fee or other valuable
25 consideration.

26 (4) "Courier service profession" means any person, firm, association, or
27 corporation which transports or offers to transport from one place or
28 point to another place or point documents, papers, maps, stocks, bonds,
29 checks, or other small items of value which require expeditious service

1 for a fee or other valuable consideration. Armed courier service ~~guards~~
2 ~~officers~~ shall be subject to the provisions of G.S. 74C-13.

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

9 (6) "Security ~~guard-officer~~ and patrol profession" means any person, firm,
10 association, or corporation that provides a security ~~guard-officer~~ on a
11 contractual basis for another person, firm, association, or corporation
12 for a fee or other valuable consideration and performing one or more
13 of the following functions:

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

26 (7) "Guard-dog service profession" means any person, firm, association,
27 or corporation which contracts with another person, firm, association,
28 or corporation to place, lease, rent, or sell a trained dog for the purpose
29 of protecting lives or property for a fee or other valuable consideration.

30 (8) "Private detective" or "private investigator" are synonymous and mean
31 any person who engages in the profession of or accepts employment to
32 furnish, agrees to make, or makes inquiries or investigations
33 concerning the below-listed topics on a contractual basis:

- 34 a. Crimes or wrongs done or threatened against the United States
35 or any state or territory of the United States;
- 36 b. The identity, habits, conduct, business, occupation, honesty,
37 integrity, credibility, knowledge, trustworthiness, efficiency,
38 loyalty, activity, movement, whereabouts, affiliations,
39 associations, transactions, acts, reputation, or character of any
40 person;
- 41 c. The location, disposition, or recovery of lost or stolen property;
- 42 d. The cause or responsibility for fires, libels, losses, accidents,
43 damages, or injuries to persons or to properties;

- 1 e. Securing evidence to be used before any court, board, officer, or
2 investigative committee; or
- 3 f. Protection of individuals from serious bodily harm or death.
- 4 (9) "Special limited ~~guard-officer~~ and patrol profession" means any person
5 who is licensed under Chapter 74D of the General Statutes of North
6 Carolina and provides armed alarm responders pursuant to
7 G.S. 74C-13. Applicants for this limited license shall not be required
8 to meet the experience requirements for a security ~~guard-officer~~ and
9 patrol license. Any experience gained under this limited license shall
10 not be counted as experience for a security ~~guard-officer~~ and patrol
11 license.
- 12 (b) "Private protective services" shall not mean:
- 13 (1) Licensed insurance adjusters legally employed as such and who
14 engage in no other investigative activities unconnected with
15 adjustment or claims against an insurance company;
- 16 (2) An officer or employee of the United States, this State, or any political
17 subdivision of either while ~~such-the~~ officer or employee is engaged in
18 the performance of his or her official duties within the course and
19 scope of his or her employment with the United States, this State, or
20 any political subdivision of either;
- 21 (3) A person engaged exclusively in the business of obtaining and
22 furnishing information as to the financial rating or credit worthiness of
23 persons; and a person who provides consumer reports in connection
24 with:
- 25 a. Credit transactions involving the consumer on whom the
26 information is to be furnished and involving the extensions of
27 credit to the consumer,
- 28 b. Information for employment purposes,
- 29 c. Information for the underwriting of insurance involving the
30 consumer,
- 31 d. Information in connection with a determination of the
32 consumer's eligibility for a license or other benefit granted by a
33 governmental instrumentality required by law to consider an
34 applicant's financial responsibility, or
- 35 e. A legitimate business need for the information in connection
36 with a business transaction involving the consumer;
- 37 (4) An attorney at law licensed to practice in North Carolina while
38 engaged in ~~such-the~~ practice of law and ~~his-the~~ attorney's agent,
39 provided ~~said-the~~ agent is performing duties only in connection with
40 his or her principal's practice of law;
- 41 (5) The legal owner or lien holder, and his or her agents and employees, of
42 personal property which has been sold in a transaction wherein a
43 security interest in personal property has been created to secure the

- 1 sales transaction, who engage in repossession of ~~said~~the personal
2 property;
- 3 (6) Repealed by Session Laws 1989, c. 759, s. 3.
- 4 (7) Repealed by Session Laws 1981, c. 807, s. 1.
- 5 (8) Employees of a licensee who are employed exclusively as undercover
6 agents; provided that for purposes of this section, undercover agent
7 means an individual hired by another person, firm, association, or
8 corporation to perform a job for that person, firm, association, or
9 corporation and, while performing ~~such~~the job, to act as an
10 undercover operative, employee, or independent contractor of a
11 licensee, but under the supervision of a licensee;
- 12 (9) A person who is engaged in an alarm systems business subject to the
13 provisions of Chapter 74D of the General Statutes;
- 14 (10) A person who obtains or verifies information regarding applicants for
15 employment, with the knowledge and consent of the applicant, and is
16 (i) engaged in business as a private personnel service as defined in
17 G.S. 95-47.1 or engaged in business as a private employer fee pay
18 personnel service, (ii) engaged in the business of obtaining or verifying
19 information regarding applicants for employment, or (iii) an employer
20 with whom the applicant has applied for employment;
- 21 (11) A person who conducts efficiency studies. An efficiency study is an
22 analysis of an employer's business, made at the request of the
23 employer, to determine one or more of the following:
- 24 a. The most efficient procedures by which an employee of the
25 business can perform the employee's assigned duties.
- 26 b. The adequacy of an employee's performance of the employee's
27 assigned duties that require interaction with a client or customer
28 of the business.
- 29 If a person making an efficiency study observes an instance of theft or
30 another illegal act committed by an employee of the business, the
31 person may report the instance to the employer without violating
32 G.S. 74C-3(a)(8).
- 33 (12) Research laboratories and consultants who analyze, test, or in any way
34 apply their expertise to interpreting, evaluating, or analyzing facts or
35 evidence submitted by another in order to determine the cause or effect
36 of physical or psychological occurrences, and give their opinions and
37 findings to the requesting source or to a designee of the requestor;
- 38 (13) A person who works regularly and exclusively as an employee of an
39 employer in connection with the business affairs of that employer. If
40 the employee is an armed security ~~guard~~officer and wears, carries, or
41 possesses a firearm in the performance of ~~his~~the employee's duties,
42 the provisions of G.S. 74C-13 apply;

- 1 (14) An employee of a security department of a private business that
2 conducts investigations exclusively on matters internal to the business
3 affairs of the business; or
4 (15) Representatives of nonprofit organizations funded all or in part by
5 business improvement districts who provide information and directions
6 to local tourists and residents, engage in street cleaning and
7 beautification services within the business improvement districts, and
8 notify local law enforcement of any illegal activity observed by the
9 representatives within the business improvement districts."

10 **SECTION 2.** G.S. 74C-5 reads as rewritten:

11 **"§ 74C-5. Powers of the Board.**

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

- 14 (1) Promulgate rules necessary to carry out and administer the provisions
15 of this Chapter including the authority to require the submission of
16 reports and information by licensees under this Chapter;
17 (2) Determine minimum qualifications, establish and require written or
18 oral examinations, and establish minimum education, experience, and
19 training standards for applicants and licensees under this Chapter;
20 (3) Conduct investigations regarding alleged violations and to make
21 evaluations as may be necessary to determine if licensees and trainees
22 under this Chapter are complying with the provisions of this Chapter;
23 (4) Adopt and amend bylaws, consistent with law, for its internal
24 management and control;
25 (5) Approve individual applicants to be licensed or registered according to
26 this Chapter;
27 (6) Deny, suspend, or revoke any license or trainee permit issued or to be
28 issued under this Chapter to any applicant, licensee, or permit holder
29 who fails to satisfy the requirements of this Chapter or the rules
30 established by the Board. The denial, suspension, or revocation shall
31 be in accordance with Chapter 150B of the General Statutes of North
32 Carolina;
33 (7) Issue subpoenas to compel the attendance of witnesses and the
34 production of pertinent books, accounts, records, and documents. The
35 district court shall have the power to impose punishment pursuant to
36 G.S. Chapter 5A, Article 2, for acts occurring in matters pending
37 before the Private Protective Services Board which would constitute
38 civil contempt if the acts occurred in an action pending in court;
39 (8) Repealed by Session Laws 1989, c. 759, s. 5.
40 (9) Establish rules governing detection of deception schools, and charge
41 fees for reimbursement of costs incurred pursuant to approval of such
42 schools; ~~and~~
43 (10) Contract for services as necessary to carry out the functions of the
44 ~~Board.~~Board;

1 (11) Approve training schools, instructors, and course materials for any
2 person, firm, association, or corporation wishing to provide training
3 described in this Chapter; and

4 (12) Approve a design for a badge or shield that indicates a person is
5 licensed to engage in private protective services."

6 **SECTION 3.** G.S. 74C-9 reads as rewritten:

7 "**§ 74C-9. Form of license; term; renewal; posting; branch offices; not assignable;**
8 **late renewal fee.**

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

11 (1) The name of the licensee,

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

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

14 (b) The license shall be issued for a term of ~~one year~~two years. A trainee permit
15 shall be issued for a term of ~~one year~~two years. All licenses must be renewed prior to
16 the expiration of the term of the license. Following issuance, the license shall at all
17 times be posted in a conspicuous place in the licensee's principal place of business, in
18 North Carolina, unless for good cause exempted by the Director. A license issued under
19 this Chapter is not assignable. The Board may require all licensees to complete
20 continuing education courses approved by the Board before renewal of their licenses.

21 (c) Repealed by Session Laws 1989, c. 759, s. 7.

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

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

32 (1) A nonrefundable initial application fee in an amount not to exceed one
33 hundred fifty dollars (\$150.00);

34 (2) A new or renewal license fee in an amount not to exceed two hundred
35 fifty dollars ~~(\$250.00);~~(\$250.00) per year of the license term;

36 (3) A new or renewal trainee permit fee in an amount not to exceed two
37 hundred fifty dollars ~~(\$250.00);~~(\$250.00) per year of the license term;

38 (4) A new or renewal fee for each license or duplicate license in addition
39 to the basic license referred to in subsection (2) in an amount not to
40 exceed fifty dollars (\$50.00);

41 (5) A late renewal fee to be paid in addition to the renewal fee due in an
42 amount not to exceed one hundred dollars (\$100.00), if the license has
43 not been renewed on or before the expiration date of the licensee;

- 1 (6) A new, renewal, replacement or reissuance fee for an unarmed
2 registration identification card in an amount not to exceed thirty
3 dollars (\$30.00);
4 (7) An application fee for an ~~armed security guard~~ firearm registration
5 permit not to exceed fifty dollars (\$50.00);
6 (8) A new, renewal, replacement, or reissuance fee for an ~~armed security~~
7 ~~guard~~ firearm registration permit not to exceed thirty dollars (\$30.00);
8 (9) An application fee for certification as a certified trainer not to exceed
9 fifty dollars (\$50.00);
10 (10) A renewal or replacement fee for certified trainer certification not to
11 exceed twenty-five dollars (\$25.00);
12 (11) A new nonresident temporary permit fee not to exceed one hundred
13 dollars (\$100.00);
14 (12) An unarmed registration transfer fee not to exceed fifteen dollars
15 (\$15.00);
16 (13) A branch office license fee not to exceed fifty dollars (\$50.00); and
17 (14) A special limited ~~guard-officer~~ and patrol license fee not to exceed one
18 hundred dollars (\$100.00).

19 Except as provided in G.S. 74C-13(k), all fees collected pursuant to this section shall be
20 expended, under the direction of the Board, for the purpose of defraying the expenses of
21 administering this Chapter.

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

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

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

33 (h) Trainee permits shall not be issued to applicants that qualify for a private
34 detective license. A licensed private detective may supervise no more than five trainees
35 at any given time."

36 **SECTION 4.** G.S. 74C-11 reads as rewritten:

37 **"§ 74C-11. Probationary employees and registration of regular employees;**
38 **unarmed security guard-officer required to have registration card.**

39 (a) All licensees may employ unarmed security ~~guards-officers~~ as probationary
40 employees for 20 calendar days. Upon completion of the probationary period and the
41 desire of the licensee to hire an unarmed security ~~guard-officer~~ as a regular employee,
42 the licensee shall register the employee who will be engaged in providing private
43 protective services covered by this Chapter with the Board within 30 days after the
44 probationary employment period ends, unless the Director, in the Director's discretion,

1 extends the time period, for good cause. Before a probationary employee engages in
2 private protective services, the employee shall complete any training requirements, and
3 the licensee shall conduct a criminal record check on the employee, as the Board deems
4 appropriate. The licensee shall submit a list of the probationary employees to the
5 Director on a monthly basis. The list shall include the name, address, social security
6 number, and dates of employment of the employees.

7 To register an employee after the probationary period ends, a licensee must give the
8 Board the following:

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

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

14 (b) A security ~~guard-officer~~ and patrol company may not employ an unarmed
15 security ~~guard-officer~~ in a regular position unless the ~~guard-officer~~ has a registration
16 card issued under subsection (d) of this section. A person engaged in a private
17 protective services profession may not employ an armed security ~~guard-officer~~ unless
18 the ~~guard-officer~~ has a firearm registration permit issued under G.S. 74C-13.

19 (c) The Director shall be notified in writing of the termination of any regular
20 employee registered under subsection (a) of this section within 10 days after the
21 termination.

22 (d) An unarmed security ~~guard-officer~~ shall make application to the Director for
23 an unarmed registration card which the Director shall issue to ~~said the~~ applicant after
24 receipt of the information required to be submitted by ~~his the applicant's~~ employer
25 pursuant to subsection (a), and after meeting any additional requirements which the
26 Board, in its discretion, deems to be necessary. The unarmed security ~~guard-officer~~
27 registration card shall be in the form of a pocket card designed by the Board, shall be
28 issued in the name of the applicant, and may have the applicant's photograph affixed
29 thereto. The unarmed security ~~guard-officer~~ registration card shall expire one year after
30 its date of issuance and shall be renewed every year. The Board may require all
31 registration holders to complete continuing education courses approved by the Board
32 before renewal of their registrations. If an unarmed registered security ~~guard-officer~~ is
33 terminated by a licensee and changes employment to another security ~~guard-officer~~ and
34 patrol company, the security ~~guard's-officer's~~ registration card shall remain valid,
35 provided the security ~~guard-officer~~ pays the unarmed ~~guard-officer~~ registration transfer
36 fee to the Board and a new unarmed security ~~guard-officer~~ registration card is issued.
37 An unarmed security ~~guard-officer~~ whose transfer registration application and transfer
38 fee have been sent to the Board may work with a copy of the transfer application until
39 the registration card is issued.

40 (e) Notwithstanding the provisions of this section, a licensee may employ a
41 person properly registered or licensed as an unarmed security ~~guard-officer~~ in another
42 state for a period not to exceed 10 days in any given month; provided the licensee, prior
43 to employing the unarmed security ~~guard-officer~~, submits to the Director the name,
44 address, and social security number of the unarmed ~~guard-officer~~ and the name of the

1 state of current registration or licensing, and the Director approves the employment of
2 the unarmed ~~guard-officer~~ in this State.

3 (f) Repealed by Session Laws 2005-211, s. 1, effective July 20, 2005."

4 **SECTION 5.** G.S. 74C-12 reads as rewritten:

5 "**§ 74C-12. Denial, suspension, or revocation of license, registration, or**
6 **~~permit.~~permit; duty to report criminal arrests.**

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

10 (1) Made any false statement or given any false information in connection
11 with any application for a license, registration, or permit or for the
12 renewal or reinstatement of a license, registration, or permit;

13 (2) Violated any provision of this Chapter;

14 (3) Violated any rule promulgated by the Board pursuant to the authority
15 contained in this Chapter;

16 (4) Repealed by Session Laws 1989, c. 759, s. 10.

17 (5) Impersonated or permitted or aided and abetted any other person to
18 impersonate a law enforcement officer of the United States, this State,
19 any other state, or any political subdivision of a state;

20 (6) Engaged in or permitted any employee to engage in a private
21 protective services profession when not lawfully in possession of a
22 valid license issued under the provisions of this Chapter;

23 (7) Willfully failed or refused to render to a client service as agreed
24 between the parties and for which compensation has been paid or
25 tendered in accordance with the agreement of the parties;

26 (8) Knowingly made any false report to the employer or client for whom
27 information is being obtained;

28 (9) Committed an unlawful breaking or entering, assault, battery, or
29 kidnapping;

30 (10) Knowingly violated or advised, encouraged, or assisted the violation of
31 any court order or injunction in the course of business as a licensee;

32 (11) Repealed by Session Laws 1989, c. 759, s. 10.

33 (12) Undertaken to give legal advice or counsel or to in any way falsely
34 represent that he or she is representing any attorney or he or she is
35 appearing or will appear as an attorney in any legal proceeding;

36 (13) Issued, delivered, or uttered any simulation of process of any nature
37 which might lead a person or persons to believe that such simulation –
38 written, printed, or typed – may be a summons, warrant, writ or court
39 process, or any pleading in any court proceeding;

40 (14) Failed to make the required contribution to the Private Protective
41 Services Recovery Fund or failed to maintain the certificate of liability
42 insurance required by this Chapter;

43 (15) Violated the firearm provisions set forth in this Chapter;

44 (16) Repealed by Session Laws 1989, c. 759, s. 10.

- 1 (17) Failed to notify the Director by a business entity other than a sole
2 proprietorship licensed pursuant to this Chapter of the cessation of
3 employment of the business entity's qualifying agent within the time
4 set forth in this Chapter;
- 5 (18) Failed to obtain a substitute qualifying agent by a business entity
6 within 30 days after its qualifying agent has ceased to serve as the
7 business entity's qualifying agent;
- 8 (19) Been judged incompetent by a court having jurisdiction under Chapter
9 35A or former Chapter 35 of the General Statutes or committed to a
10 mental health facility for treatment of mental illness, as defined in
11 G.S. 122C-3, by a court under G.S. 122C-271;
- 12 (20) Failed or refused to offer a report to a client within 30 days of the
13 client's written ~~request~~request after the client has paid for services
14 rendered;
- 15 (21) Been previously denied a license, registration, or permit under this
16 Chapter or previously had a license, registration, or permit revoked for
17 cause;
- 18 (22) Engaged in a private protective services profession under a name other
19 than the name under which the license was obtained under the
20 provisions of this Chapter;
- 21 (23) Divulged to any person, except as required by law, any information
22 acquired by him except at the direction of the employer or client for
23 whom the information was obtained. A licensee may divulge to any
24 law enforcement officer or district attorney or ~~his district attorney's~~
25 representative any information the law enforcement officer may
26 require to investigate a criminal offense with the prior approval and
27 consent of the client;
- 28 (24) Fraudulently held himself or herself out as employed by or licensed by
29 the State Bureau of Investigation or any other governmental authority;
- 30 (25) Intemperate habits or lacks good moral character. The acts that are
31 prima facie evidence of intemperate habits or lack of good moral
32 character under G.S. 74C-8(d)(2) are prima facie evidence of the same
33 under this subdivision;
- 34 (26) Advertised or solicited business using a name other than that in which
35 the license was issued;
- 36 (27) Worn, carried, or accepted any badge or shield purporting to indicate
37 that the person is a ~~private detective or private investigator~~law
38 enforcement officer while licensed under the provisions of this Chapter
39 as a private ~~investigator~~investigator;
- 40 (28) Possessed or displayed a badge or shield while providing private
41 protective services that was not designed and approved by the Board.

42 (b) The denial, revocation, or suspension of a license, registration, or permit by
43 the Board shall be in writing, be signed by the Director of the Board, and state the
44 grounds upon which the Board decision is based. The aggrieved person shall have the

1 right to appeal from this decision as provided in Chapter 150B of the General Statutes.
2 The aggrieved person shall file the appeal within 60 days of receipt of the Board's
3 decision.

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

6 (1) A sworn court official.

7 (2) A holder of a company police commission under Chapter 74E of the
8 General Statutes.

9 (d) A licensee shall report to the Board in writing within 30 days any charge,
10 arrest for, or conviction of a misdemeanor or felony for any of the following:

11 (1) Crimes that have as an essential element dishonesty, deceit, fraud, or
12 misrepresentation.

13 (2) Illegal use, possession, sale, manufacture, distribution, or
14 transportation of a controlled substance, drug, narcotic, or alcoholic
15 beverage.

16 (3) Illegal use, carrying, or possession of a firearm.

17 (4) Acts involving assault.

18 (5) Acts involving unlawful breaking or entering, burglary, or larceny.

19 (6) Any offense involving moral turpitude.

20 For purposes of this section, the term 'conviction' includes the entry of a plea of guilty, a
21 plea of nolo contendere, or a finding of guilt by a court of competent jurisdiction. The
22 licensee's failure to report a charge, arrest for, or conviction of a misdemeanor or felony
23 is grounds for revocation of the license."

24 **SECTION 6.** G.S. 74C-13 reads as rewritten:

25 **"§ 74C-13. Armed ~~security guard~~licensee or registered employee required to have**
26 **firearm registration permit; ~~security guard~~firearms training.**

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

32 (1) 'Armed private investigator' means a licensed private investigator who,
33 at any time, wears, carries, or possesses a firearm in the performance
34 of duty.

35 ~~(1)(1a)~~ "Armed security ~~guard~~"officer' means an individual employed by a
36 contract security company or a proprietary security organization whose
37 principal duty is that of an armed security watchman; armed armored
38 car service ~~guard~~;officer; armed alarm system company responder;
39 ~~private detective~~; or armed courier service ~~guard~~officer who at any
40 time wears, carries, or possesses a firearm in the performance of duty.

41 (2) "Contract security company" means any person, firm, association, or
42 corporation engaging in a private protective services profession that
43 provides services on a contractual basis for a fee or other valuable
44 consideration to any other person, firm, association, or corporation.

1 (3) "Proprietary security organization" means any person, firm,
2 association, or corporation or department thereof which employs
3 security ~~guards, officers,~~ alarm responders, armored car personnel, or
4 couriers who are employed regularly and exclusively as an employee
5 by an employer in connection with the business affairs of ~~such~~ the
6 employer.

7 (b) It shall be unlawful for any person, firm, association, or corporation and its
8 agents and employees to employ an armed security ~~guard-officer or an armed private~~
9 investigator and knowingly authorize or permit ~~him~~ the armed security officer or armed
10 private investigator to carry a firearm during the course of performing his or her duties
11 as an armed security ~~guard-officer or an armed private investigator~~ if the Board has not
12 issued him or her a firearm registration permit under this section or if the person, firm,
13 association, or corporation permits an armed security ~~guard-officer or an armed private~~
14 investigator to carry a firearm during the course of performing his or her duties whose
15 firearm registration permit has been suspended, revoked, or has otherwise expired:

16 (1) ~~An armed security guard~~ A firearm registration permit grants authority
17 to the armed security ~~guard, officer or armed private investigator,~~ while
18 in the performance of his or her duties or traveling directly to and from
19 work, to carry a ~~standard .38 caliber or .32 caliber revolver or any~~
20 ~~other~~ any firearm approved by the Board and not otherwise prohibited
21 by law. The use of any firearm not approved by the Board is
22 prohibited.

23 (2) All firearms carried by authorized armed security ~~guards-officers~~ in the
24 performance of their duties shall be owned or leased by the employer.
25 Personally owned firearms shall not be carried by an armed security
26 ~~guard-officer~~ in the performance of his or her duties.

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

29 (d) Each ~~armed security guard~~ firearm registration permit issued under this
30 section to an armed security officer shall be in the form of a pocket card designed by the
31 Board and shall identify the contract security company or proprietary security
32 organization by whom the holder of the firearm registration permit is employed. ~~An~~
33 ~~armed security guard~~ A firearm registration permit issued to an armed security officer
34 expires one year after the date of its issuance and must be renewed annually unless the
35 permit holder's employment terminates before the expiration of the permit. The Board
36 may require all permit holders to complete continuing education courses approved by
37 the Board before renewal of their permits.

38 (d1) Each firearm registration permit issued under this section to an armed private
39 investigator shall be in the form of a pocket card designed by the Board and shall
40 identify the name of the armed private investigator. A private investigator firearm
41 registration permit expires one year from the date of issuance and shall be renewed
42 annually. The Board may require all permit holders to complete continuing education
43 courses approved by the Board before renewal of their permits.

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

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

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

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

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

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

40 (2) An applicant for ~~an armed security guard~~a firearm registration permit
41 must fire a minimum qualifying score to be determined by the Board
42 and the Attorney General on any approved target course approved by
43 the Board and the Attorney General.

- 1 (3) ~~An armed security guard~~A firearms registrant must complete a
2 refresher course and shall requalify on the prescribed target course
3 prior to the renewal of his or her firearm registration permit.
- 4 (4) The Board and the Attorney General shall have the authority to
5 promulgate all rules necessary to administer the provisions of this
6 section concerning the training requirements of this section.
- 7 (i) The Board may not issue ~~an armed security guard~~a firearm registration permit
8 to an applicant until the applicant's employer submits evidence satisfactory to the Board
9 that the applicant:
- 10 (1) Has satisfactorily completed an approved training course.
- 11 (2) Meets all the qualifications established by this section and by the rules
12 promulgated to implement this section.
- 13 (3) Is mentally and physically capable of handling a firearm within the
14 guidelines set forth by the Board and the Attorney General.
- 15 (j) The Board and the Attorney General are authorized to prescribe reasonable
16 rules to implement this section, including rules for periodic requalification with the
17 firearm and for the maintenance of records relating to persons issued ~~an armed security~~
18 ~~guard~~a firearm registration permit by the Board.
- 19 (k) All fees collected pursuant to G.S. 74C-9(e)(7) and (8) shall be expended,
20 under the direction of the Board, for the purpose of defraying the expense of
21 administering the firearms provisions of this Chapter.
- 22 (l) The Board and the Attorney General shall establish a training program for
23 certified trainers to be conducted by agencies and institutions approved by the Board
24 and the Attorney General. The Board or the Attorney General shall have the authority to
25 promulgate all rules necessary to administer the provisions of this subsection.
- 26 (1) The Board and the Attorney General shall also establish renewal
27 requirements for certified trainers. The Board may require all certified
28 trainers to complete continuing education courses approved by the
29 Board before renewal of their certifications.
- 30 (2) No certified firearms trainer shall certify ~~an armed security guard~~a
31 licensee or registrant unless the ~~armed security guard~~licensee or
32 registrant has successfully completed the firearms training
33 requirements set out above in subsection (h) of this section.
- 34 (m) The Board and the Attorney General shall establish a training program for
35 unarmed security ~~guards-officers~~ to be conducted by agencies and institutions approved
36 by the Board and the Attorney General. The Board and the Attorney General shall have
37 the authority to promulgate all rules necessary to administer the provisions of this
38 subsection.
- 39 (n) A private investigator shall be permitted to carry a concealed weapon during
40 the performance of his or her duties as a private investigator upon: (i) obtaining a
41 concealed weapon permit issued pursuant to G.S. 14-415.11; (ii) successfully
42 completing the firearms training course approved by the Board and the Attorney
43 General; and (iii) having a notation affixed to the face of the firearms registration card
44 designating that the armed private investigator is allowed to carry a concealed weapon.

1 A private investigator who does not carry a weapon during the course of his or her
2 duties as a private investigator but who wishes to carry a concealed weapon while not
3 engaged in private investigative duties shall be permitted to do so upon completion of
4 the requirements set forth in Article 54B of Chapter 14 of the General Statutes."

5 **SECTION 7.** G.S. 74C-14 reads as rewritten:

6 **"§ 74C-14. Mace.**

7 It shall be lawful for security ~~guards~~officers registered pursuant to the provisions of
8 this Chapter to possess and use tear gas (mace) to the extent allowed under the
9 provisions of G.S. 14-401.6."

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

11 **"§ 74C-21. Law enforcement officer provisions.**

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

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

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

23 **SECTION 9.** Article 1 of Chapter 74C of the General Statutes is amended
24 by adding a new section to read:

25 **"§ 74C-22. Continuing education.**

26 The Board may require individuals holding a license, registration, certificate, or
27 permit to complete continuing education courses approved by the Board before renewal.
28 The Board shall establish, by rule, the number of hours of continuing education
29 necessary for renewal and any other requirements for completion of continuing
30 education courses. The Board shall have the authority to approve continuing education
31 courses and shall consider the continuing education course criteria, including the course
32 curriculum, the qualifications of the instructor, the potential benefit to the industry, and
33 any other criteria the Board deems appropriate."

34 **SECTION 10.** G.S. 74C-30 reads as rewritten:

35 **"§ 74C-30. Private Protective Services Recovery Fund created; payments to Fund;**
36 **management; use of funds.**

37 (a) There is hereby created and established a special fund to be known as the
38 "Private Protective Services Recovery Fund" (hereinafter Fund) which shall be set aside
39 and maintained in the Office of the State Treasurer. Said Fund shall be used in the
40 manner provided in this Article for the payment of claims where the aggrieved person
41 has suffered a direct monetary loss by reason of certain acts committed by any person
42 licensed under this Chapter.

43 (b) Nothing contained in this Article shall limit the authority of the Board to take
44 disciplinary action against any licensee or trainee under this Chapter, nor shall the

1 repayment in full or all obligations to the Fund by any licensee or trainee nullify or
2 modify the effect of any other disciplinary proceeding brought under this Chapter.

3 (c) In addition to the fees provided for elsewhere in this Chapter, the Board shall
4 charge the following fees which shall be deposited into the Fund:

- 5 (1) ~~On July 1, 1983, the Board shall charge every licensee and trainee~~
6 ~~possessing a license or trainee permit on that date a fee of fifty dollars~~
7 ~~(\$50.00);~~
8 (2) The Board shall charge each new applicant for a licensee or trainee
9 permit fifty dollars (\$50.00), provided that for purposes of this Article
10 a new applicant is hereby defined as an applicant who did not possess
11 a license or trainee permit on July 1, 1983; and
12 (3) The Board is authorized to charge each licensee and trainee an
13 additional amount, not to exceed fifty dollars (\$50.00), on July 1 of
14 any year in which the balance of the Fund is less than ~~one hundred~~
15 ~~thousand dollars (\$100,000),~~twenty-five thousand dollars (\$25,000),
16 provided that any amount so assessed will be only so much as is
17 needed to raise the level of the Fund to ~~one hundred thousand dollars~~
18 ~~(\$100,000),~~twenty-five thousand dollars (\$25,000).

19 (d) The State Treasurer shall invest and reinvest the moneys in the Fund in a
20 manner provided by law, provided that sufficient liquidity shall be maintained to satisfy
21 claims authorized by the Board. The proceeds from ~~such the~~ investments shall be
22 deposited to the credit of the Fund. The Board in its discretion, may use any and all of
23 the proceeds from ~~such the~~ investments or funds that exceed twenty-five thousand
24 dollars (\$25,000) for any of the following purposes:

- 25 (1) To advance education and research in the private protective services
26 field for the benefit of those licensed under the provisions of this
27 Chapter and for the improvement of the industry;
28 (2) To underwrite educational seminars, training centers and other
29 educational projects for the use and benefit generally of licensees and
30 trainees; and
31 (3) To sponsor, contract for and to underwrite any and all additional
32 educational training and research projects of a similar nature having to
33 do with the advancement of the private protective services field in
34 North Carolina. The Board shall have the authority to sponsor courses
35 given by private individuals, associations, or corporations. However,
36 the Board shall only grant funds as necessary to offset the actual cost
37 of the educational course. Any individual, association, or corporation
38 receiving grant money from the Board shall make the course available
39 to the industry at large. Any individual, association, or corporation
40 receiving grant money from the Board and advertising the course to
41 the industry is required to include in its advertising the following
42 statement: 'The course is being given in whole or in part by a grant
43 from the Private Protective Services Board.'

1 (e) By a unanimous vote of the Board, funds in the Fund in excess of fifty
2 thousand dollars (\$50,000) may be converted to offset the operating expenses of the
3 Board. However, in converting the funds, the Board shall make findings of fact by a
4 written order or resolution supporting the need to make the conversion."

5 **SECTION 11.** G.S. 74C-31(d) reads as rewritten:

6 "(d) ~~Until such time as the Fund reaches one hundred thousand dollars~~
7 ~~(\$100,000),~~twenty-five thousand dollars (\$25,000), or at any time the Fund has
8 insufficient assets in excess of ~~one hundred thousand dollars (\$100,000)~~twenty-five
9 thousand dollars (\$25,000) to pay outstanding claims, the State Treasurer shall not
10 disburse any payments to an aggrieved party. However, any party aggrieved and
11 awarded payment as ordered by the Board which order is dated after July 1, 1983, shall
12 hold a vested right for payment plus interest as provided in G.S. 24-1 once the Fund
13 reaches a sufficient level for payments. Authorized payments which cannot be made due
14 to the lack of funds will be paid as funds become available, beginning with those
15 payments which have been unsatisfied for the longest period of time."

16 **SECTION 12.** This act is effective when it becomes law.