

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 640
Judiciary Committee Substitute Adopted 4/26/23
House Committee Substitute Favorable 6/12/24
House Committee Substitute #2 Favorable 6/26/24

Short Title: Amend Occupational Licensing Board Statutes.

(Public)

Sponsors:

Referred to:

April 6, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND OCCUPATIONAL LICENSING BOARD STATUTES IN RESPONSE
3 TO THE HOLDING IN NORTH CAROLINA STATE BOARD OF DENTAL
4 EXAMINERS V. FEDERAL TRADE COMMISSION, TO MAKE VARIOUS CHANGES
5 TO THE ALARM SYSTEMS LICENSING ACT, TO MODIFY THE MACHINERY ACT
6 OF NORTH CAROLINA, AND TO INCREASE THE AMOUNT OF TRAINING
7 REQUIRED FOR LICENSURE BY THE NORTH CAROLINA BOARD OF MASSAGE
8 AND BODYWORK THERAPY.

9 The General Assembly of North Carolina enacts:

10
11 **PART I. CHANGES IN RESPONSE TO DENTAL BOARD V. FTC**

12 **SECTION 1.** G.S. 93B-5(g) reads as rewritten:

13 "(g) Within six months of a board member's initial appointment to the board, and at least
14 once within every two calendar years thereafter, a board member shall receive training, either
15 from the board's staff, including its legal advisor, or from an outside educational institution such
16 as the School of Government of the University of North Carolina, on the statutes governing the
17 board and rules adopted by the board, as well as the following State and federal laws, in order to
18 better understand the obligations and limitations of a State agency:

- 19 (1) Chapter 150B, The Administrative Procedure Act.
20 (2) Chapter 132, The Public Records Law.
21 (3) Article 33C of Chapter 143, The Open Meetings Act.
22 (4) Articles 31 and 31A of Chapter 143, The State Tort Claims Act and The
23 Defense of State Employees Law.
24 (5) Chapter 138A, The State Government Ethics Act.
25 (6) Chapter 120C, Lobbying.
26 (7) Antitrust law and State action immunity.

27 Completion of the training requirements contained in Chapter 138A and Chapter 120C of the
28 General Statutes satisfies the requirements of subdivisions (5) and (6) of this subsection."

29 **SECTION 2.** Chapter 93B of the General Statutes is amended by adding six new
30 sections to read:

31 **"§ 93B-17. Occupational licensing board rulemaking.**

32 Each occupational licensing board shall adopt rules for the receipt and resolution of
33 complaints, for taking disciplinary or enforcement actions against its licensees, and for taking
34 enforcement actions against persons not licensed by the board.



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"§ 93B-18. Unlicensed activity.

(a) An occupational licensing board shall have the authority to investigate unlicensed activity and notify unlicensed persons and entities of the possible violation of the law and administrative rules and any civil action or criminal penalty that may be imposed by a court. The notification shall not indicate that the occupational licensing board has made any finding of a violation but may indicate the board's belief or opinion that a particular act may violate the board's enabling statutes, include factual information regarding legislation and court proceedings concerning the potential violation, and provide notice of the board's intention to pursue administrative remedies or court proceedings with regard to the potential violation.

(b) Any occupational licensing board providing notification to unlicensed persons and entities of a possible violation of the law and administrative rules and any civil action or criminal penalty that may be imposed by a court shall include the following statement in the notification:

An occupational licensing board does not have the authority to order you to discontinue your current practices. Only a court may determine that you have violated or are violating any law and, if appropriate, impose a remedy or penalty for the violation. Further, pursuant to G.S. 150B-4, you may have the right, prior to initiation of any court action by the occupational licensing board, to request a declaratory ruling regarding whether your particular conduct is lawful. You are further notified that any right to a declaratory ruling supplements any other legal rights that you may already have to establish the legality of your conduct with respect to the goods or services you offer or provide.

"§ 93B-19. Venue for court enforcement.

The venue for occupational licensing boards seeking court order for injunctive relief or to show cause for failure to comply with a subpoena lawfully issued by the occupational licensing board shall be in the superior court of the county where the defendant resides or in the county where the occupational licensing board has its principal place of business.

"§ 93B-20. Injunctive relief.

An occupational licensing board may appear in its own name in superior court in actions for injunctive relief to restrain the violation of the provisions of a statute administered by the board or a rule or order of the board. The superior court shall have the jurisdiction to grant these injunctions, restraining orders, or take other appropriate action even if criminal prosecution has been or may be instituted as a result of the violations, or whether the person is a licensee of the board. No board shall issue such orders independently of the superior court unless specifically authorized to do so by law.

"§ 93B-21. Jurisdictional disputes between boards.

It is the policy of the State that jurisdictional disputes among occupational licensing boards shall be resolved through informal procedures. If a jurisdictional dispute among occupational licensing boards cannot be resolved through informal procedures, any affected board may commence an administrative proceeding to resolve the jurisdictional dispute by filing a petition with the Office of Administrative Hearings and serve the petition on all affected boards. Once the petition is filed and the required fee is paid, the dispute shall become a contested case and shall be conducted by the Office of Administrative Hearings under Articles 3 and 4 of Chapter 150B of the General Statutes.

"§ 93B-22. Complaint process.

Each occupational licensing board shall develop and implement a complaint process that provides for all of the following:

- (1) A description of the complaint process on the board's website, including the types of violations that are under the jurisdictional authority of the board.
- (2) Electronic complaint submission via the board's website, including a prominently displayed link to a complaint form.

- (3) The ability to provide complainants with a written description of the final disposition of each complaint."

PART II. ALARM SYSTEMS LICENSING ACT MODERNIZATION

SECTION 3.(a) Chapter 74D of the General Statutes reads as rewritten:

"Chapter 74D.

"Alarm-Security Systems.

"Article 1.

"Alarm-Security Systems Licensing Act.

"§ 74D-1. Title.

This act may be cited as the "Alarm-Security Systems Licensing Act."

"§ 74D-2. License-Business and qualifying agent license requirements.

(a) License Required. – No person, firm, association, corporation, or department or division of a firm, association or corporation, shall engage in or hold itself out as engaging in ~~an alarm-a security~~ systems business without first being licensed in accordance with this Chapter. A department or division of a firm, association, or corporation may be separately licensed under this Chapter if the distinct department or division, as opposed to the firm, association, or corporation as a whole, engages in ~~an alarm-a security~~ systems business. The department or division shall ensure strict confidentiality of private security information, and the private security information of the department or division must, at a minimum, be physically separated from other premises of the firm, association, or corporation. For purposes of this Chapter ~~an "alarm-a~~ "security systems business" is defined as any person, firm, ~~association-association,~~ or corporation that does any of the following:

- (1) ~~Sells-Unless otherwise exempt, sells or attempts to sell an alarm-a security system device-by engaging in a-any personal solicitation at a residence or business-to advise, design, or consult on specific types and specific locations of alarm-security system devices.~~
- (2) ~~Installs-Unless otherwise exempt, installs, services, monitors, or responds to electrical, wireless, or hardwired electronic or mechanical alarm signal devices, devices and security systems, integrated automation of a residence or business that includes a security element, burglar alarms, monitored access control, or cameras-cameras, analytic capturing devices, systems providing intelligence, or other imaging devices used to detect or observe burglary, breaking or entering, intrusion, shoplifting, pilferage, theft, or other unauthorized or illegal activity. This provision shall not apply to a locking device that records entry and exit data and does not transmit the data in real time to an on-site or off-site monitoring location, provided the installer is duly licensed by the North Carolina Locksmith Licensing Board.~~

...

(c) Qualifying Agent. – A business entity that ~~engages in the alarm-systems business-is~~ required to be licensed under this Chapter is subject to all of the requirements listed in this subsection with respect to a qualifying agent. For purposes of this Chapter, a "qualifying agent" is an individual who is a full-time employee in a management position who is licensed under this Chapter and whose name and address have been registered with the Board. The requirements are:

- (1) The business entity shall employ a designated qualifying agent who meets the requirements for a license issued under and who is, in fact, licensed under the provisions of this Chapter, unless otherwise approved by the Board. Service upon the qualifying agent appointed by the business entity of any process, notice or demand required by or permitted by law to be served upon the business entity by the Alarm-Security Systems Licensing Board shall be binding upon the licensed business entity. Nothing herein ~~contained~~ shall limit

or affect the right to serve any process, notice or demand required or permitted by law to be served upon a business entity in any other manner ~~or hereafter~~ permitted by law.

...

(3) In the event that the qualifying agent upon whom the business entity relies in order to do business ceases to perform his or her duties as qualifying agent, the business entity shall notify the board in writing by letter or using the Board's online form within 10 working days. The business entity must obtain a substitute qualifying agent within 90 days after the original qualifying agent ceases to serve as qualifying agent. The Director, in his or her discretion, may extend the 90-day period for good cause by an additional 30 days upon a written request of an officer of the company.

(4) The license certificate shall list the name of the qualifying agent. No ~~licensee~~ person shall serve as the qualifying agent for more than one business entity without the prior approval of the Board.

...

(6) The qualifying agent shall be responsible for maintaining a current address and other contact information with the Board.

(d) ~~Criminal Record Check. Minimum Qualifications for Security Systems License.~~ – An applicant ~~must for qualifying agent~~ shall meet all of the following requirements and ~~qualifications determined by a background investigation conducted by the Board in accordance with G.S. 74D 2.1 and upon receipt of an application:~~ qualifications:

(1) The applicant is at least 18 years of age.

(2) The applicant is of good moral character and temperate habits. The following shall be prima facie evidence that the applicant does not have good moral character or temperate habits: conviction by any local, State, federal, or military court of any crime involving the illegal use, carrying, or possession of a firearm; conviction of any crime involving the illegal use, possession, sale, manufacture, distribution or transportation of a controlled substance, drug, narcotic, or alcoholic beverages; conviction of a crime involving felonious assault or an act of violence; conviction of a crime involving unlawful breaking or entering, burglary, larceny, or of any offense involving moral turpitude; or a history of addiction to alcohol or a narcotic drug; provided that, for purposes of this subsection, "conviction" means and includes the entry of a plea of guilty, plea of no contest, or a verdict rendered in open court by a judge or ~~jury-jury~~, including a prayer for judgment continued, adjudication withheld, or equivalent.

(3) The applicant has the necessary training, qualifications and experience to be ~~licensed~~ licensed, or the applicant has successfully completed or kept current a Certified Alarm Technician Level I course offered by the Electronic Security Association or equivalent course approved by the Board.

(4) The applicant proves how in-State activities of the licensee are to be monitored, including a business plan setting forth the type of activities to be performed in this State, such as telephone solicitation, residential and commercial installation, or monitoring. The applicant must update the plan promptly as activities change.

(e) ~~Examination. The Board may require the applicant to demonstrate the applicant's qualifications by examination.~~

...

(g) An alarm monitoring company located in another state and licensed by that state which demonstrates to the Board's satisfaction that it does not conduct any business through a

personal representative present in this State, but which solicits and conducts business solely through interstate communication facilities, such as telephone, the internet, and the United States Postal Service, upon receipt by the Board of a certificate of good standing from the state of licensure is not required to register employees pursuant to G.S. 74D-8. Out-of-state monitoring companies not licensed in any state must be licensed by the Board and must register employees pursuant to G.S. 74D-8.

"§ 74D-2.1. Criminal background checks.

(a) Authorization. – Upon receipt of an application for a license or registration, the Board shall conduct a background investigation to determine whether the applicant meets the requirements for a license or registration as set out in G.S. 74D-2(d). The ~~Department of Public Safety~~ State Bureau of Investigation may provide a criminal record check to the Board for a person who has applied for a new or renewal license or registration through the Board. The Board shall provide to the ~~Department of Public Safety~~ State Bureau of Investigation, along with the request, the fingerprints of a new applicant, and the ~~Department of Public Safety~~ State Bureau of Investigation shall provide a criminal record check based upon the applicant's fingerprints. The Board may request a criminal record check from the ~~Department of Public Safety~~ State Bureau of Investigation for a renewal applicant based upon the applicant's fingerprints in accordance with policy adopted by the Board. The Board shall provide any additional information required by the ~~Department of Public Safety~~ State Bureau of Investigation and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The ~~Department of Public Safety~~ State Bureau of Investigation may charge each applicant a fee to be collected by the Board and transmitted to the State Bureau of Investigation for conducting the checks of criminal history records authorized by this subsection.

The Board may require a new or renewal applicant to obtain a criminal record report from one or more reporting services designated by the Board to provide criminal record reports. Applicants are required to pay the designated reporting service for the cost of these reports.

(b) Confidentiality. – ~~The~~ Except as necessary to support the denial of an application or a disciplinary matter in a contested case, the Board shall keep all information obtained pursuant to this section confidential in accordance with applicable State law and federal guidelines, and the information shall not be a public record under Chapter 132 of the General Statutes.

"§ 74D-3. Exemptions.

The provisions of this Chapter shall not apply to the following:

- (1) A person, firm, association or corporation that sells or manufactures ~~alarm security~~ systems, unless the person, firm, association or corporation makes personal solicitations at a residence or business to advise, design, or consult on specific types and specific locations of ~~alarm security~~ system devices, installs, services, monitors, or responds to ~~alarm security~~ systems at or from a protected premises or a premises to be protected and thereby obtains knowledge of specific application or location of the ~~alarm security~~ system. ~~A person licensed under this Chapter may hire a consultant to troubleshoot a location or installation for a period of time not to exceed 48 hours in a one-month period if the licensee submits a report to the Board within 30 days from the date of the consultation designating the consultant as a temporary consultant;~~
- (2) Installation, servicing or responding to fire alarm systems or any alarm device which is installed in a motor vehicle, aircraft or ~~boat~~ boat.

- (3) Installation or service of an alarm—electronic security system on property owned by or leased to the installer; installer.
- (4) ~~An alarm monitoring company located in another state which demonstrates to the Board's satisfaction that it does not conduct any business through a personal representative present in this State but which solicits and conducts business solely through interstate communication facilities such as telephone messages, earth satellite relay stations and the United States postal service; and~~
- (5) ~~A person or business providing alarm systems services to a State agency or local government if that person or business has been providing those services to the State agency or local government for more than five years prior to the effective date of this Chapter, and the State agency or local government joins with the person or business in requesting the application of this exemption.~~
- (6) Installation or service of a locking device that records entry and exit data and does not transmit the data in real time to an on-site or off-site monitoring location, provided the installer is licensed by the North Carolina Locksmith Licensing Board.
- (7) An entity through which a customer accesses marketing or advertising material or installation instructions for a security system.

(b) A person licensed under this Chapter may utilize a consultant or manufacturer's representative to troubleshoot a location or installation if accompanied by the licensee and the licensee submits a report to the Board within 30 days from the date of the consultation designating the consultant as a temporary consultant.

"§ 74D-4. Alarm Security Systems Licensing Board.

(a) ~~The Alarm Security Systems Licensing Board is hereby established.~~

(b) The Board shall consist of seven members: the Secretary of Public Safety or his or her designee; two persons appointed by the Governor, one of whom shall be licensed under this Chapter and one of whom shall be a public member; two persons appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be a public member; and two persons appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121, one of whom shall be licensed under this Chapter and one of whom shall be a public member.

(c) Each member shall be appointed for a term of three years and shall serve until a successor is installed. ~~No With the exception of the Secretary or his or her designee, no member shall serve more than two complete three-year consecutive terms. The term of each member, other than the Attorney General or his designee, who is serving on August 7, 1989, shall terminate on June 30, 1989. Of the appointments made by the General Assembly upon the recommendation of the President of the Senate to begin on July 1, 1989, one member shall be for a term of one year and one member shall be for a term of three years. Of the appointments made by the General Assembly upon the recommendation of the Speaker of the House of Representatives, one member shall be appointed for a term of two years and one member shall be appointed for a term of three years. Thereafter all terms shall be for three years.~~

...

(e) Board members who are also State officers or employees shall receive no per diem compensation for serving on the Board, and shall only receive the travel allowances set forth in G.S. 138-6. All other Board members shall receive reimbursement in accordance with G.S. 93B-5(b) and, notwithstanding G.S. 93B-5(a), shall receive as compensation for their services per diem not to exceed one hundred dollars (\$100.00) for each day during which they are engaged in the official business of the Board. The Board shall set the travel allowance and per diem compensation of Board members who are not also State officers or employees.

(f) The Board shall elect a ~~chairman-chair~~ and a ~~vice-chairman-vice-chair~~ from its membership by majority vote at the first meeting of its fiscal year. The ~~vice-chairman-vice-chair~~ shall serve as ~~chairman-chair~~ of the screening committee and shall also serve as ~~chairman-chair~~ in the ~~chairman's-chair's~~ absence. At no time shall both the positions of ~~chairman-chair~~ and ~~vice-chairman-vice-chair~~ be held by either an industry representative or a nonindustry representative.

(g) The Board shall meet at the call of the ~~chairman-chair~~ or a majority of the members of the Board. The Board shall adopt rules governing the call and conduct of its meetings. A majority of the current Board membership constitutes a quorum.

"§ 74D-5. Powers of the Board.

(a) In addition to the powers conferred upon the Board elsewhere in this Chapter, the Board shall have the power ~~to do the following~~:

- (1) Promulgate rules necessary to carry out and administer the provisions of this Chapter including the authority to require the submission of reports and information by licensees under this ~~Chapter;Chapter.~~
- (2) Determine minimum qualifications and establish minimum education, experience, and training standards for ~~applicants and licensees~~ applicants, licensees, and registrants under this ~~Chapter;Chapter.~~
- (3) Conduct investigations regarding alleged violations and make evaluations as may be necessary to determine if unlicensed individuals or entities are in violation of this Chapter and licensees and registrants under this Chapter are complying with the provisions of this ~~Chapter;Chapter.~~ The Board shall issue cease and desist orders, in writing, for violations of this Chapter with the concurrence of the Secretary of Public Safety.
- (4) Adopt and amend bylaws, consistent with law, for its internal management and ~~control;control.~~
- (5) Investigate and approve individual applicants to be licensed or registered according to this Chapter;Chapter.
- (6) Deny, suspend, or revoke any license issued or to be issued under this Chapter to any ~~applicant or licensee~~ applicant, licensee, or registrant who fails to satisfy the requirements of this Chapter or the rules established by the Board. The denial, suspension, or revocation of such license or registration shall be in accordance with Chapter 150B of this General Statutes of North ~~Carolina;Carolina.~~
- (7) Issue subpoenas to compel the attendance of witnesses and the production of pertinent books, accounts, records, and documents. The district court shall have the power to impose punishment pursuant to G.S. 5A-21 et seq. for acts occurring in matters pending before the Board which would constitute civil contempt if the acts occurred in an action pending in ~~court; andcourt.~~
- (8) Contract for services as necessary to carry out the functions of the Board.
- (9) Acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to approval of the Governor and the Council of State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.

(b) The ~~chairman-chair~~ of the Board or his or her representative designated to be a hearing officer may conduct any hearing called by the ~~board~~ Board for the purpose of denial, suspension, or revocation of a license or registration under this Chapter.

(c) The regulation of security system businesses shall be exclusive to the Board; however, any city or county shall be permitted to require a security systems business operating within its jurisdiction to register and to supply information regarding its license and may adopt an ordinance

to require users of electronic security systems to obtain revocable permits when alarm usage involves automatic signal transmission to a law enforcement agency.

"§ 74D-5.1. Position of Director created.

The position of Director of the ~~Alarm-Security~~ Systems Licensing Board is hereby created within the Department of Public Safety. The Secretary of Public Safety shall appoint a person to fill this full-time position. The Director's duties shall be to administer the directives contained in this Chapter and the rules ~~promulgated-adopted~~ by the Board to implement this Chapter and to carry out the administrative duties incident to the functioning of the Board in order to actively police the ~~alarm-systems-security~~ systems industry to insure compliance with the law in all aspects. The Director may issue a temporary grant or denial of a request for registration subject to final action by the Board at its next regularly scheduled meeting.

"§ 74D-5.2. Investigative powers of the Secretary of Public Safety.

The Secretary of Public Safety shall have the power to investigate or cause to be investigated any complaints, allegations, or suspicions of wrongdoing or violations of this Chapter involving individuals unlicensed, licensed, or to be licensed, under this Chapter. Any investigation conducted pursuant to this section is deemed confidential and is not subject to review under G.S. 132-1 until the investigation is complete and a report is presented to the Board. However, the report may be released to the licensee after the investigation is complete but before the report is presented to the Board.

"§ 74D-6. Denial of a license or registration.

Upon ~~a finding that the applicant meets the requirements for licensure or receipt of an application for licensure or registration under this Chapter, G.S. 74D-8,~~ the Board shall determine whether the applicant shall receive the license or registration applied for. The grounds for denial ~~include~~include all of the following:

- (1) Commission of some act which, if committed by a registrant or licensee, would be grounds for the suspension or revocation of a registration or license under this ~~Chapter;Chapter.~~
- (2) Conviction of a crime involving ~~fraud;~~the illegal use, carrying, or possession of a firearm, felonious assault or an act of violence, felonious sexual offense, felonious larceny, or felonious fraud. For purposes of this subdivision, "conviction" means and includes the entry of a plea of guilty, plea of no contest, or a verdict entered in open court by a judge or jury, including a prayer for judgment continued, adjudication withheld, or equivalent.
- (3) Lack of good moral character or temperate habits. The following misdemeanor convictions shall be prima facie evidence that the applicant does not have good moral character or temperate habits: conviction by any local, State, federal, or military court of any crime involving the illegal use, carrying, or possession of a firearm; conviction of any crime involving the illegal use, possession, sale, manufacture, distribution, or transportation of a controlled substance, drug, narcotic, or alcoholic beverages; conviction of a crime involving ~~felonious~~-assault or an act of violence; conviction of a crime involving unlawful breaking or entering, burglary or ~~larceny or of any offense involving moral turpitude;~~ larceny; conviction of a crime involving a sexual offense; or a history of addiction to alcohol or a narcotic drug; provided that, for purposes of this ~~subsection-subdivision,~~ "conviction" means and includes the entry of a plea of guilty, plea of no contest, or a verdict rendered in open court by a judge or ~~jury;~~jury, including a prayer for judgment continued, adjudication withheld, or equivalent.
- (4) Previous denial under this Chapter or previous revocation for ~~cause;cause.~~
- (5) Knowingly making any false statement or misrepresentation in an application made to the Board for a license or registration.

(6) Being a registered sex offender in this State or any other state.

...
"§ 74D-8. Registration of persons employed.

(a) (1) A licensee of ~~an alarm-a~~ security systems business shall register with the Board within 30 days after the employment begins, all of the ~~following licensee's employees described in subdivision (1a) of this subsection~~ that are within the State, unless in the discretion of the Director, the time period is extended for good ~~cause:cause.~~

(1a) The following employees shall be registered with the Board:

a. Any employee that has access to ~~confidential-any~~ information detailing the design, installation, or application of any ~~location-specific electronic~~ security system or ~~that~~ has access to any code, number, or program that would allow the system to be modified, altered, or circumvented.

b. Any employee who conducts personal sales in a private residence or who installs or services an electronic-a security system in a commercial business establishment or a personal residence.

(1b) Employees engaged only in sales or marketing that does and not involve involved in any of the above activities described in subdivision (1a) of this subsection are not required to be registered.

(1a)(1c) To register an employee, a licensee shall submit to the Board as to the employee: set(s) of classifiable fingerprints on standard F.B.I. applicant cards; recent color photograph(s) of acceptable quality for identification; and statements of any criminal records as deemed appropriate by the Board.

(2) Except during the period allowed for registration in subdivision (a)(1) of this section, no ~~alarm-security~~ systems business may employ any employee required to be registered by this Chapter unless the employee's registration has been approved by the Board as set forth in this section.

(3) A licensee may employ an applicant for registration as a probationary employee for 20 consecutive days. Upon completion of the probationary period and the desire of the licensee to hire the registration applicant as a regular employee, the licensee shall register the employee, as described in this subsection, with the Board within 30 days after the probationary employment period ends unless the Director, in the Director's discretion, extends the time period for good cause. Before a probationary employee engages in systems services, the employee shall complete any training requirements and the licensee shall conduct a criminal record check on the employee, as the Board deems appropriate. The licensee shall submit a list of the probationary employees to the Director on a monthly basis. The list shall include the name, address, social security number, and dates of employment of the employees.

...
"§ 74D-8.1. Apprenticeship registration permit.

(a) The Board may issue an apprenticeship registration permit to an applicant who is 16 or 17 years old ~~and currently enrolled in high school~~ if the applicant ~~holds a valid drivers license and~~ submits at least three letters of recommendation stating that the applicant is of good moral character as provided in G.S. 74D-2(d)(2). The letters of recommendation shall be from persons who are not related to the individual, ~~and at least one of the letters shall be from an official at the school where the applicant is currently enrolled.~~ applicant.

...
"§ 74D-9. Certificate of liability insurance required; form and approval; suspension for noncompliance.

1 ...
2 (d) No license shall be issued under this act unless the applicant files with the Board
3 evidence of a policy of liability insurance which policy must provide for the following minimum
4 coverage: ~~fifty-two hundred fifty thousand dollars (\$50,000)-(\$250,000)~~ because of bodily injury
5 or death of one person as a result of the negligent act or acts of the principal insured or his agents
6 operating in the course and scope of his employment; subject to said limit for one person, ~~one~~
7 five hundred thousand dollars (\$100,000)-(\$500,000) because of bodily injury or death of two or
8 more persons as the result of the negligent act or acts of the principal insured or his agent
9 operating in the course and scope of his or her agency; ~~twenty-one hundred thousand dollars~~
10 (\$20,000)-(\$100,000) because of injury to or destruction of property of others as the result of the
11 negligent act or acts of the principal insured or his agents operating in the course and scope of
12 his or her agency.

13 ...
14 **"§ 74D-10. Suspension or revocation of licenses and registrations; appeal.**

15 (a) The Board may, after notice and an opportunity for hearing, suspend or revoke a
16 license or registration issued under this Chapter if it is determined that the licensee or registrant
17 has:

- 18 ...
19 (3) Violated any rule ~~promulgated~~ adopted by the Board pursuant to the authority
20 contained in this Chapter.
21 (4) Been convicted of any ~~crime involving moral turpitude or any other crime~~
22 ~~involving violence or the illegal use, carrying, or possession of a dangerous~~
23 ~~weapon, felony as set forth in G.S. 74D-6(2) or any crime as set forth in~~
24 G.S. 74D-6(3).
25 ...
26 (7) Engaged in or permitted any employee to engage in any ~~alarm-security~~
27 systems business when not lawfully in possession of a valid ~~license~~
28 registration issued under the provisions of this Chapter.
29 (8) Committed an unlawful breaking or entering, burglary, larceny, sexual
30 offense, trespass, fraud, assault, battery, or kidnapping.
31 (9) Committed any other act which is a ground for the denial of an application for
32 a license or registration under this Chapter.
33 (10) Failed to maintain the certificate of liability insurance required by this
34 Chapter.
35 ...
36 (15) Engaged in the ~~alarm-security~~ systems profession under a name other than the
37 name under which the license was obtained under the provisions of this
38 Chapter.
39 ...
40 (19) Engaged in conduct that constitutes dereliction of duty or otherwise deceives,
41 defrauds, or harms the public in the course of professional activities or
42 ~~services.~~ services, including fraudulently claiming a change in business
43 ownership, fraudulently claiming dissolution of a competing business,
44 fraudulently claiming to be a representative of the consumer's current service
45 provider, misrepresentation of employer, or misrepresenting an upgrade of
46 equipment as a sales tactic.
47 (20) Demonstrated a lack of financial responsibility.

48 ...
49 **"§ 74D-11. Enforcement.**

50 ...

(b) Any person, firm, association, corporation, or department or division of a firm, association or corporation, or their agents and employees violating any of the provisions of this Chapter or knowingly violating any rule promulgated to implement this Chapter shall be guilty of a Class 1 misdemeanor. The Attorney General, or his or her representative, shall have concurrent jurisdiction with the district attorneys of this State to prosecute violations of this Chapter.

~~(c) The regulation of alarm systems businesses shall be exclusive to the Board; however, any city or county shall be permitted to require an alarm systems business operating within its jurisdiction to register and to supply information regarding its license, and may adopt an ordinance to require users of alarm systems to obtain revocable permits when alarm usage involves automatic signal transmission to a law enforcement agency.~~

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

(f) The sale, installation, or service of ~~an alarm~~ a security system by an unlicensed or unregistered person shall constitute a threat to the public safety, and any contract for the sale, installation, or service of ~~an alarm~~ a security system shall be deemed void and unenforceable.

...
~~"§ 74D-13. Transfer of funds.~~

~~All fees collected pursuant to Chapter 74C of the General Statutes from alarm systems businesses which have not been expended upon January 1, 1984, shall be transferred to the Board by the Private Protective Services Board for the purpose of defraying the expenses of administering this act.~~

"§ 74D-14. Proof of licensure to maintain or commence action.

~~An alarm~~ A security systems business may not maintain any action in any court of the State for the collection of compensation for performing an act for which a license or registration is required by this Chapter without alleging and proving that the ~~alarm~~ security systems business is appropriately licensed and the employee or agent of the ~~alarm~~ security systems business is appropriately registered upon entering into a contract with the consumer. ~~An alarm~~ A security systems installation, maintenance, or monitoring contract entered into with a consumer shall be void if the consumer confirms through records maintained by the Board that the ~~alarm~~ security systems business is not properly licensed or the consumer establishes through records maintained by the Board that the person enticing the consumer to enter into the contract is not properly registered by the Board. The sale, installation, or service of ~~an alarm~~ a security system by an unlicensed entity or unregistered employee shall be deemed an unfair and deceptive trade practice and shall be actionable under Chapter 75 of the General Statutes.

...."

SECTION 3.(b) Article 2 of Chapter 74D of the General Statutes reads as rewritten:

"Article 2.

"~~Alarm~~ Security Systems Education Fund.

"§ 74D-30. ~~Alarm~~ Security Systems Education Fund created; payment to Fund; management; use of funds.

(a) There is hereby created and established a special fund to be known as the "~~Alarm~~ Security Systems Education Fund" (hereinafter Fund) which shall be set aside and maintained in the office of the State Treasurer. The Fund shall be used in the manner provided in this Article for the education of licensees and registrants.

...

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

(1) ~~On July 1, 1985, the Board shall charge every licensee on that date a fee of fifty dollars (\$50.00);~~

(2) The Board shall charge each new applicant for a license ~~fifty dollars (\$50.00), provided that for purposes of this Article a new applicant is hereby defined as an applicant who did not possess a license on July 1, 1985; and~~ fifty dollars (\$50.00).

(3) The Board is authorized to charge each licensee an additional amount, not to exceed fifty dollars (\$50.00), on July 1 of any year in which the balance of the Fund is less than twenty-five thousand dollars (\$25,000).

(d) The State Treasurer shall invest and reinvest the moneys in the Fund in a manner provided by law. The Board in its discretion, may use the Fund for any of the following purposes:

(1) To advance education and research in the ~~alarm-security~~ systems field for the benefit of those licensed under the provisions of this Chapter and for the improvement of the ~~industry, industry.~~

(2) To underwrite educational seminars, training centers and other educational projects for the use and benefit generally of ~~licensees, and licensees.~~

(3) To sponsor, contract ~~for~~ for, and ~~to~~ underwrite any and all additional educational training and research projects of a similar nature having to do with the advancement of the ~~alarm-security~~ systems field in North Carolina."

SECTION 4. G.S. 74D-7 reads as rewritten:

"§ 74D-7. Form of license; term; assignability; renewal; posting; branch offices; fees.

(a) The license when issued shall be in a form determined by the Board and shall state all of the following:

(1) The name of the licensee.

(2) The name under which the licensee is to operate.

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

(b) The license shall be issued for a term of two years. Each license must be renewed before expiration of the term of the license. Following issuance, the license shall at all times be posted in a conspicuous place in the principal place of business of the licensee. A license issued under this Chapter is not assignable.

(c) No licensee shall engage in any business regulated by this Chapter under a name other than the licensee name or names which appear on the certificate issued by the Board.

(d) Any security systems business with a branch office of an alarm systems business in this State shall obtain a branch office certificate. A separate certificate stating the location and licensed qualifying agent shall be posted at all times in a conspicuous place in each branch office. Every business covered under the provisions of this Chapter shall file in writing with the Board the addresses of each of its branch ~~offices, offices in this State.~~ All licensees ~~of~~ with a branch office shall notify the Board in writing before the establishment, closing, or changing of the location of any branch ~~office. A licensed qualifying agent may be responsible for more than one branch office of an alarm systems business with the prior approval of the Board.~~ office in this State. Temporary approval may be granted by the Director, upon application of the qualifying agent, for a period of time not to exceed ~~10 working~~ 45 days after the adjournment of the next regularly scheduled meeting of the Board unless the Board determines that the application should be denied.

...."

SECTION 5. This Part becomes effective October 1, 2024.

PART III. MACHINERY ACT CHANGES

SECTION 6. G.S. 105-275 reads as rewritten:

1 **"§ 105-275. Property classified and excluded from the tax base.**

2 The following classes of property are designated special classes under Article V, Sec. 2(2),
3 of the North Carolina Constitution and are excluded from tax:

4 ...

5 (16) Non-business Property. —As used in this subdivision, the term "non-business
6 property" means personal property that is used by the owner of the property
7 for a purpose other than the production of income and is not used in connection
8 with a business. The term includes household furnishings, clothing, pets, lawn
9 tools, and lawn equipment. The term does not include motor vehicles, mobile
10 homes, aircraft, watercraft, or engines for watercraft.

11 (16a) Qualified Business Property. — As used in this subdivision, the term "qualified
12 business property" means personal property (i) suitable when fully functional
13 to be used by the owner of the property for the production of income or in
14 connection with a business or both and (ii) due to malfunction or nonfunction
15 has a value not greater than scrap value.

16"

17 **SECTION 7.** G.S. 105-307 reads as rewritten:

18 **"§ 105-307. Length of listing period; extension; preliminary work.**

19 (a) Listing Period. — Unless extended as provided in this section, the period during which
20 property is to be listed for taxation each year begins on the first business day of January and ends
21 on ~~January 31.~~April 15.

22 ~~(b) General Extensions. — The board of county commissioners may, by resolution, extend~~
23 ~~the time during which property is to be listed for taxation as provided in this subsection. Any~~
24 ~~action by the board of county commissioners extending the listing period must be recorded in the~~
25 ~~minutes of the board, and notice of the extensions must be published as required by G.S.~~
26 ~~105-296(e). The entire period for listing, including any extension of time granted, is considered~~
27 ~~the regular listing period for the particular year within the meaning of this Subchapter.~~

28 ~~(1) In nonrevaluation years, the listing period may be extended for up to 30~~
29 ~~additional days.~~

30 ~~(2) In years of octennial appraisal of real property, the listing period may be~~
31 ~~extended for up to 60 additional days.~~

32 ~~(3) If the county has provided for electronic listing of personal property under~~
33 ~~G.S. 105-310.1, the period for electronic listing of personal property may be~~
34 ~~extended up to June 1. A resolution that provides a general extension of time~~
35 ~~for the electronic listing of personal property shall continue in effect until~~
36 ~~revised or rescinded unless otherwise stated in the resolution.~~

37 (c) Individual Extensions. — ~~The~~If the county has provided for electronic listing of
38 personal property under G.S. 105-310.1, the board of county commissioners shall may grant
39 individual extensions of time for the listing of real and personal property upon written request
40 and for good cause shown. The request must be filed with the assessor no later than the ending
41 date of the regular listing period. The board may delegate the authority to grant extensions to the
42 assessor. Extensions granted under this subsection shall not extend beyond April 15.
43 ~~Notwithstanding the individual extension time limitation in this subsection, if the county has~~
44 ~~provided for electronic listing of personal property under G.S. 105-310.1, extensions granted for~~
45 ~~electronic listing of personal property shall not extend beyond June 1.~~

46 (d) Preliminary Work. — The assessor may conduct preparatory work before the listing
47 period begins, but may not make a final appraisal of property before the day as of which the value
48 of the property is to be determined under G.S. 105-285."

49 **SECTION 8.** This Part is effective for taxes imposed for taxable years beginning on
50 or after July 1, 2025.

**PART IV. INCREASE THE AMOUNT OF TRAINING REQUIRED FOR LICENSURE
BY THE NORTH CAROLINA BOARD OF MASSAGE AND BODYWORK THERAPY**

SECTION 9.(a) G.S. 90-629 reads as rewritten:

"§ 90-629. Requirements for licensure to practice.

Upon application to the Board and the payment of the required fees, an applicant may be licensed as a massage and bodywork therapist if the applicant meets all of the following qualifications:

- (1) Has obtained a high school diploma or equivalent.
- (2) Is 18 years of age or older.
- (3) Is of good moral character as determined by the Board.
- (4) Has successfully completed a training program consisting of a minimum of ~~500~~ 650 in-class hours of supervised instruction at a Board-approved school.
- (5) Has passed a competency assessment examination that meets generally accepted psychometric principles and standards and is approved by the Board.
- (6) Has submitted fingerprint cards in a form acceptable to the Board at the time the license application is filed and consented to a criminal history record check by the State Bureau of Investigation.
- (7) Demonstrates satisfactory proof of proficiency in the English language."

SECTION 9.(b) This section becomes effective July 1, 2024, and applies to licenses issued on or after that date.

PART V. EFFECTIVE DATE

SECTION 10. Except as otherwise provided, this act is effective when it becomes law.