#### 45: 5A-23 LEGISLATIVE HISTORY CHECKLIST

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(Burglar and fire alarms)

JSA:

45:5A-23 to 45:5A-38

LAWS OF:

1997

CHAPTER:

305

BILL NO:

A994

SPONSOR(S):

Moran and Impreveduto

DATE INTRODUCED:

Pre-filed

COMMITTEE:

ASSEMBLY:

Appropriations

SENATE:

AMENDED DURING PASSAGE:

Yes

Assembly Committee substitute

(1R) enacted

DATE OF PASSAGE:

ASSEMBLY:

December 18, 1997

SENATE:

December 18, 1997

DATE OF APPROVAL:

January 8, 1998

)LLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT:

Yes

COMMITTEE STATEMENT:

ASSEMBLY:

Yes

SENATE:

No

FISCAL NOTE:

Yes

5-28-97 & 1-2-98

VETO MESSAGE:

No

MESSAGE ON SIGNING:

No

FOLLOWING WERE PRINTED:

REPORTS:

No

**HEARINGS:** 

No

KBP:pp

§§3-18 C. 45:5A-23 To 45:5A-38 §19 Note To §§1-18

#### P.L. 1997, CHAPTER 305, approved January 8, 1998 Assembly Committee Substitute (First Reprint) for Assembly, No. 994

l	AN ACT	providing	for the	licensure	of lo	ocksmiths	and	burglar	alarm,
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2 fire alarm, and electronic security businesses, and amending and

3 supplementing P.L.1962, c.162.

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**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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- 1. Section 2 of P.L.1962, c.162 (C.45:5A-2) is amended as follows:
- 2. For the purpose of this act, unless otherwise indicated by the context:
- 12 (a) "Act" means this act and the rules and regulations adopted 13 under it;
- 14 (b) "Board" means the Board of Examiners of Electrical 15 Contractors created by section 3 of this act;
- 16 (c) "Department" means the Department of Law and Public 17 Safety;
- 18 (d) "Electrical contractor" means a person who engages in the 19 business of contracting to install, erect, repair or alter electrical 20 equipment for the generation, transmission or utilization of electrical 21 energy;
- 22 (e) "Person" means a person, firm, corporation or other legal 23 entity.
- 24 (f) "Alarm business" means the installation, servicing or
- 25 maintenance of burglar alarm, fire alarm or electronic security systems.
- 26 or the monitoring or responding to alarm signals when provided in
- 27 conjunction therewith. "Installation," as used in this definition.
- 28 includes the survey of a premises, the design and preparation of the

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>&</sup>lt;sup>1</sup> Assembly AAP committee amendments adopted December 11, 1997.

- specifications for the equipment or system to be installed pursuant to
- 2 a survey, the installation of the equipment or system, or the
- 3 demonstration of the equipment or system after the installation is
- 4 <u>completed, but does not include any survey, design or preparation of</u>
- 5 specifications for equipment or for a system that is prepared by an
- 6 engineer licensed pursuant to the provisions of P.L.1938, c.342
- 7 (C.45:8-27 et seq.), or an architect licensed pursuant to the provisions
- 8 of chapter 3 of Title 45 of the Revised Statutes, if the survey, design,
- 9 or preparation of specifications is part of a design for construction of
- 10 a new building or premises or a renovation of an existing building or
- premises, which renovation includes components other than the
- 12 <u>installation of a burglar alarm, fire alarm or electronic security system,</u>
- and further does not include the design or preparation of specifications
- 14 for the equipment or system to be installed that are within the practice
- of professional engineering as defined in subsection (b) of section 2 of
- 16 P.L.1938, c.342 (C.45;8-28).
- 17 (g) "Burglar alarm" means a security system comprised of an
- 18 interconnected series of alarm devices or components, including
- 19 systems interconnected with radio frequency signals, which emits an
- 20 audible, visual or electronic signal indicating an alarm condition and
- 21 providing a warning of intrusion, which is designed to discourage
- 22 crime
- 23 (h) "Business firm" means a partnership, corporation or other 24 business entity engaged in the alarm business or locksmithing services.
- 25 (i) "Committee" means the Fire Alarm, Burglar Alarm, and
- 26 <u>Locksmith Advisory Committee created by section 3 of this act.</u>
- 27 (j) "Electronic security system" means a security system comprised
- 28 of an interconnected series of devices or components, including
- 29 systems with audio and video signals or other electronic systems,
- 30 which emits or transmits an audible, visual or electronic signal warning
- 31 of intrusion and provides notification of authorized entry or exit,
- 32 which is designed to discourage crime.
- 33 (k) "Fire alarm" means a security system comprised of an
- 34 interconnected series of alarm devices or components, including
- 35 systems interconnected with radio frequency signals, which emits an
- 36 audible, visual or electronic signal indicating an alarm condition and
- 37 which provides a warning of the presence of smoke or fire. "Fire
- 38 <u>alarm" does not mean a system whose primary purpose is</u>
- 39 <u>telecommunications with energy control, the monitoring of the interior</u>
- 40 environment being an incidental feature thereto.
- 41 (1) "Licensed locksmith" means a person who is licensed pursuant
- 42 to the provisions of section 7 of P.L., c. (C.) (now before the
- 43 <u>Legislature as this bill</u>).
- (m) "Licensee" means a person licensed to engage in the alarm
- 45 <u>business or provide locksmithing services pursuant to the provisions</u>

of section 7 of P.L., c. (C.) (now before the Legislature as this bill).

- "Locksmithing services" means the modification, 3 4 recombination, repair or installation of mechanical locking devices and 5 electronic security systems for any type of compensation and includes the following: repairing, rebuilding, recoding, servicing, adjusting, 6 7 installing, manipulating or bypassing of a mechanical or electronic 8 locking device, for controlled access or egress to premises, vehicles, 9 safes, vaults, safe doors, lock boxes, automatic teller machines or 10 other devices for safeguarding areas where access is meant to be 11 limited; operating a mechanical or electronic locking device, safe or 12 vault by means other than those intended by the manufacturer of such 13 locking devices, safes or vaults; or consulting and providing technical 14 advice regarding selection of hardware and locking systems of 15 mechanical or electronic locking devices and electronic security systems<sup>1</sup>; except that "locksmithing services" shall not include the 16 installation of a prefabricated lock set and door knob into a door of a 17
- 19 (cf: P.L.1962, c.185, s.1)

residence<sup>1</sup>.

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- 2. Section 18 of P.L.1962, c.162 (C.45:5A-18) is amended as follows:
- 18. Electrical work or construction which is performed on the following facilities or which is by or for the following agencies shall not be included within the business of electrical contracting so as to require the securing of a business permit under this act:
  - (a) Minor repair work such as the replacement of lamps and fuses.
- (b) The connection of portable electrical appliances to suitable permanently installed receptacles.
- (c) The testing, servicing or repairing of electrical equipment or apparatus.
- (d) Electrical work in mines, on ships, railway cars, elevators, escalators or automotive equipment.
- (e) Municipal plants or any public utility as defined in R.S.48:2-13, organized for the purpose of constructing, maintaining and operating works for the generation, supplying, transmission and distribution of electricity for electric light, heat, or power.
- (f) A public utility subject to regulation, supervision or control by a federal regulatory body, or a public utility operating under the authority granted by the State of New Jersey, and engaged in the furnishing of communication or signal service, or both, to a public utility, or to the public, as an integral part of a communication or signal system, and any agency associated or affiliated with any public utility and engaged in research and development in the communications field.
- 46 (g) A railway utility in the exercise of its functions as a utility and

located in or on buildings or premises used exclusively by such an
agency.

- (h) Commercial radio and television transmission equipment.
- (i) Construction by any branch of the federal government.
  - (j) Any work with a potential of less than 10 volts.

- (k) Repair, manufacturing and maintenance work on premises occupied by a firm or corporation, and installation work on premises occupied by a firm or corporation and performed by a regular employee who is a qualified journeyman electrician.
- (l) Installation, repair or maintenance performed by regular employees of the State or of a municipality, county, or school district on the premises or property owned or occupied by the State, a municipality, county, or school district.
- (m) The maintaining, installing or connecting of automatic oil, gas or coal burning equipment, gasoline or diesel oil dispensing equipment and the lighting in connection therewith to a supply of adequate size at the load side of the distribution board.
- (n) Work performed by a person on a dwelling that is occupied solely as a residence for himself or for a member or members of his immediate family.
- (o) [Any work performed by an alarm business with a potential of not more than 30 volts, involving the installation, servicing, or maintenance of a burglar alarm or a fire alarm, as those terms are defined by section 2 of this amendatory and supplementary act. Nothing herein shall be deemed to exempt work covered by this subsection from inspection required by the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.) or regulations adopted pursuant thereto.] (Deleted by amendment, P.L., c.).
- (p) Any work performed by a landscape irrigation contractor which has the potential of not more than 30 volts involving the installation, servicing, or maintenance of a landscape irrigation system as this term is defined by section 2 of this amendatory and supplementary act. Nothing in this act shall be deemed to exempt work covered by this subsection from inspection required by the "State Uniform Construction Code Act", P.L.1975, c.217 (C.52:27D-119 et seq.) or regulations adopted pursuant thereto.

The board may also exempt from the business permit provisions of this act such other electrical activities of like character which in the board's opinion warrant exclusion from the provisions of this act.

41 (cf: P.L.1989, c.274, s.1)

3. (New section) a. There is created within the Division of Consumer Affairs in the Department of Law and Public Safety, under the Board of Examiners of Electrical Contractors, a "Fire Alarm, Burglar Alarm and Locksmith Advisory Committee." The committee

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shall consist of 15 members who are residents of this State as follows:

- (1) Two members shall have been engaged in the alarm business in this State on a full-time basis for at least five consecutive years immediately preceding their appointments, shall be members of the New Jersey Burglar and Fire Alarm Association and, except for the members first appointed, shall be licensed under the provisions of section 7 of this act;
- (2) Five members shall be municipal officials, and shall include (a) a fire prevention officer; (b) a crime prevention officer; (c) a fire subcode official; (d) a building inspector; and (e) a chief of police who is a member of the New Jersey Association of Chiefs of Police;
- (3) One member shall be a representative of the Division of State Police;
- (4) One member shall have been engaged in the alarm business in this State on a full-time basis for at least five consecutive years immediately preceding appointment, shall be a member of the Automatic Fire Alarm Association of New Jersey and, except for the member first appointed, shall be licensed under the provisions of section 7 of this act;
- (5) Two members shall have been engaged as practicing locksmiths on a full-time basis for at least five consecutive years immediately preceding appointment, shall be members of a duly recognized professional locksmith association in New Jersey and, except for the members first appointed, shall be licensed as locksmiths under the provisions of section 7 of this act;
- (6) One member shall have been engaged in the alarm business in this State on a full-time basis, shall be a member of both the New Jersey Burglar and Fire Alarm Association and a duly recognized professional locksmith association and, except for the member first appointed, be licensed under the provisions of section 7 of this act;
- (7) One member shall have been engaged as a practicing locksmith in this State on a full-time basis for at least five consecutive years immediately preceding appointment, shall be a member of both the New Jersey Burglar and Fire Alarm Association and a duly recognized professional locksmith association and, except for the member first appointed, be licensed under the provisions of section 7 of this act;
- (8) One member shall be a member of the International Brotherhood of Electrical Workers, A.F.L.-C.I.O; and
- (9) One member shall be a public member who meets the requirements pertaining to public members set forth in subsection b. of section 2 of P.L.1971, c.60 (C.45:1-2.2).
- b. The Governor shall appoint each member for a term of three years, except that of the members first appointed, five shall serve for terms of three years, five shall serve for terms of two years, and five shall serve for terms of one year.
  - c. Any vacancy in the membership of the committee shall be filled

for the unexpired term in the manner provided for the original appointment. No member of the committee may serve more than two successive terms in addition to any unexpired term to which he has been appointed.

- d. The committee shall annually elect from among its members a chair and vice-chair. The committee shall meet at least four times a year and may hold additional meetings as necessary to discharge its duties. In addition to such meetings, the committee shall meet at the call of the chair, the board, or the Attorney General.
- e. Members of the committee shall be compensated and reimbursed for actual expenses reasonably incurred in the performance of their official duties and reimbursed for expenses and provided with office and meeting facilities and personnel required for the proper conduct of the committee's business.
- f. The committee shall make recommendations to the board regarding rules and regulations pertaining to professional training, standards, identification and record-keeping procedures for licensees and their employees, classifications of licensure necessary to regulate the work of licensees, and other matters as necessary to effectuate the purposes of this act.

- 4. (New section) The board shall have the following powers and duties, or may delegate them to the committee:
- a. To set standards and approve examinations for applicants for a fire alarm, burglar alarm or locksmith license and issue a license to each qualified applicant;
- b. To administer the examination to be taken by applicants for licensure;
- c. To determine the form and contents of applications for licensure, licenses and identification cards;
  - d. To adopt a code of ethics for licensees;
- e. To issue and renew licenses and identification cards;
- f. To set the amount of fees for fire alarm, burglar alarm and locksmith licenses, license renewal, applications, examinations and other services provided by the board and committee, within the limits provided in subsection b. of section 11 of this act;
- g. To refuse to admit a person to an examination or refuse to issue or suspend, revoke, or fail to renew the license of a fire alarm, burglar alarm, or locksmith licensee pursuant to the provisions of P.L.1978, c.73 (C.45:1-14 et seq.);
- 41 h. To maintain a record of all applicants for a license;
- i. To maintain and annually publish a record of every licensee, his place of business, place of residence and the date and number of his license:
- j. To take disciplinary action, in accordance with P.L.1978, c.73
   (C.45:1-14 et seq.) against a licensee or employee who violates any

1 provision of this act or any rule or regulation promulgated pursuant to 2 this act;

- To adopt standards and requirements for and approve continuing education programs and courses of study for licensees and their employees.
  - 1. To review advertising by licensees; and
- m. To perform such other duties as may be necessary to effectuate the purposes of this act.

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- 5. (New section) a. No person shall advertise that he is authorized to engage in, or engage in the alarm business, or otherwise engage in the installation, service or maintenance of burglar alarm, fire alarm or electronic security systems unless he satisfies the requirements of this act.
- b. No person shall represent himself as qualified to provide, or otherwise provide locksmithing services unless he is licensed as a locksmith in accordance with the provisions of this act.

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- 6. (New section) a. Application for a license to engage in the alarm business or to provide locksmithing services, as the case may be, shall be made to the board in the manner and on the forms as the board, in consultation with the committee may prescribe.
- (1) An application to engage in the alarm business shall include the name, age, residence, present and previous occupations of the applicant and, in the case of a business firm engaged in the alarm business, of each member, officer or director thereof, the name of the municipality and the location therein by street number or other appropriate description of the principal place of business and the location of each branch office.
- (2) An application to engage in locksmithing services shall include the name, residence and principal business address of the applicant, or in the case of an employee, the principal business address of his employer.
- b. Every applicant shall submit to the board, together with the application, his photograph, in passport size, a list of all criminal offenses of which he has been convicted, setting forth the date and place of each conviction and the name under which he was convicted, if other than that on the application, and fingerprints of his two hands taken on standard fingerprint cards by a State or municipal law enforcement agency. Before approving an application, the board shall submit the fingerprints of the applicant to the Division of State Police in the Department of Law and Public Safety, for comparative analysis. The board is authorized to exchange fingerprint data with and receive criminal history record information from the Division of State Police and the Federal Bureau of Investigation for use in making the determinations required by this act. The applicant shall bear the cost

for the criminal history record check. No license shall be issued to any applicant whose license has been revoked under the provisions of this act within five years of the date of filing of an application.

- c. If an applicant files with the board fingerprints of a person other than the applicant, he shall be guilty of a crime of the fourth degree and shall have his license application denied or license revoked.
- d. The board may require other information of the applicant and, if the applicant is proposing to qualify a business firm, of the business firm to determine the professional competence and integrity of the concerned parties.

- 7. (New section) a. An applicant seeking licensure to engage in the alarm business shall:
  - (1) Be at least 18 years of age;
- (2) Be of good moral character, and not have been convicted of a crime of the first, second or third degree within 10 years prior to the filing of the application;
- (3) Meet qualifications established by the board, in consultation with the committee, regarding experience, continuing education, financial responsibility and integrity; and
- (4) Establish his qualifications to perform and supervise various phases of alarm installation, service and maintenance as evidenced by successful completion of an examination approved by the board, in consultation with the committee, except that any person engaged in the alarm business on the effective date of this act and filing an application within 120 days following the effective date of this act, shall not be required to submit evidence of the successful completion of the examination requirement if that person shows proof of having completed 40 hours of technical training prior to the effective date of the act, which training has been approved by the board, in consultation with the committee. No examination or training requirement shall apply to any person providing evidence of having been engaged in the alarm business for at least one year prior to the effective date of this act.
  - b. An applicant seeking licensure as a locksmith shall:
  - (1) Be at least 18 years of age;
- (2) Be of good moral character, and not have been convicted of a crime of the first, second or third degree within 10 years prior to the filing of the application;
- (3) Present evidence to the board of having successfully completed any training and continuing education requirements established by the board, in consultation with the committee; and
- (4) Successfully complete a written examination approved by the board, in consultation with the committee to determine the applicant's competence to engage in locksmithing services, except that no examination requirement shall apply to any person engaged in

locksmithing services who has practiced locksmithing services for at least one year prior to the effective date of this act and who files an application within 120 days following the effective date of this act.

- 8. (New section) The provisions of this act regarding the practice of locksmithing services shall not apply to:
- a. The activities of any person performing public emergency services for a governmental entity if that person is operating under the direction or control of the organization by which he is employed;
- b. The activities of any sales representative who is offering a sales demonstration to licensed locksmiths;
- c. The activities of any automotive service dealer or lock manufacturer, or their agent or employee, while servicing, installing, repairing, or rebuilding locks from a product line utilized by that dealer or lock manufacturer;
- d. The activities of any member of a trade union hired to install any mechanical locking device as part of a new building construction or renovation project; and
- e. The activities of any person using any key duplicating machine or key blanks, except for keys marked "do not duplicate" or "master key."

- 9. (New section) a. Telephone utilities and cable television companies regulated by the Board of Regulatory Commissioners pursuant to Title 48 of the Revised Statutes and persons in their employ while performing the duties of their employment are exempt from the requirement of obtaining a license to engage in the alarm business pursuant to this act.
- b. Electrical contractors regulated by the Board of Examiners of Electrical Contractors pursuant to P.L.1962, c.162 (C.45:5A-1 et seq.) and persons in their employ while performing the duties of their employment are exempt from the requirement of obtaining a license to engage in the alarm business pursuant to this act.

- 10. (New section) Notwithstanding any other provision of this act to the contrary, the board shall, upon application with submission of satisfactory proof and payment of the prescribed fee, within six months following the effective date of this act, issue a locksmith license to:
- a. Any person who has successfully completed a locksmith apprentice program which has been approved by the Bureau of Apprenticeship and Training of the United States Department of Labor; or
- b. Any person who has been engaged full-time in the practice of locksmithing services for at least three years immediately prior to the date of his application for a locksmith's license.

- 11. (New section) a. Licenses shall be issued to qualified applicants seeking licensure to engage in the alarm business or as a locksmith for a three-year period, upon payment of a licensing fee. License renewals shall be issued for a three-year period upon the payment of a renewal fee. A renewal application shall be filed with the board at least 45 days prior to expiration of a license. A license issued pursuant to this act shall not be transferable.
  - b. Fees shall be established, prescribed or changed by the board, in consultation with the committee, to the extent necessary to defray all proper expenses incurred by the committee, the board and any staff employed to administer the provisions of this act, except that fees shall not be fixed at a level that will raise amounts in excess of the amount estimated to be so required. All fees and any fines imposed under this act shall be paid to the board and shall be forwarded to the State Treasurer and become part of the General Fund.

- 12. (New section) a. No licensee qualified under the provisions of this act shall engage in the alarm business or in the practice of locksmithing services, unless the licensee:
- (1) Maintains at least one business office within the State or files with the board a statement, duly executed and sworn to before a person authorized by the laws of this State to administer oaths, containing a power of attorney constituting the board the true and lawful attorney of the licensee upon whom all original process in an action or legal proceeding against the licensee may be served and in which the licensee agrees that the original process that may be served upon the board shall be of the same force and validity as if served upon the licensee and that the authority thereof shall continue in force so long as the licensee engages in the alarm business or in the practice of locksmithing services, as the case may be, in this State;
- (2) Clearly marks the outside of each installation and service vehicle to be used in conjunction with the alarm business with the alarm business name or the outside of each installation and service vehicle to be used in conjunction with locksmithing services with the locksmithing service's name;
- (3) Maintains an emergency service number attended to on a 24-hour basis and responds appropriately to emergencies on a 24-hour basis when engaged in the alarm business; and
- (4) Retains at all times general liability insurance in an amount determined by the board, in consultation with the committee, and insurance coverage or a surety bond in favor of the State of New Jersey in the sum of \$10,000, executed by a surety company authorized to transact business in the State of New Jersey and which is approved by the Department of Banking and Insurance, and which is to be conditioned on the faithful performance of the provisions of this act. The board shall by rule or regulation provide who shall be

eligible to receive the financial protection afforded by that bond and the bond shall be in full force and effect for the term of the license issued.

b. Except in the case of an employee licensed as a locksmith, no licensed locksmith shall engage in locksmithing services unless that licensee maintains at least one business office within the State.

- 13. (New section) a. Every licensee and every employee or other person engaged in the unsupervised installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems shall, at all times during working hours, display an identification card issued by the board. The identification card shall contain the following information:
- (1) the name, photograph and signature of the person to whom the card has been issued;
- (2) the business name and address and license number of the licensee;
  - (3) the expiration date of the card; and
- (4) that other information the board deems appropriate for identification purposes.
- b. Identification cards shall be issued for a three-year period which, in the case of a licensee, shall correspond to the term of the license period of the licensee. Application for renewal of an identification card for other than a licensee shall be made by the person named on the card at least 45 days prior to the expiration date of the card. The information provided on the identification card shall at all times be current, and the named holder of the card shall advise the board of any changes and file for issuance of an updated card within five days following occurrence of a change, which card shall be issued for the unexpired term of the original card.
- c. Identification cards shall not be transferable in the event of a change in employment.

- 14. (New section) No person shall be employed by a licensee to install, service or maintain a burglar alarm, fire alarm or electronic security system or, except in the case of a licensee, shall otherwise engage in the installation, service or maintenance thereof;
  - a. unless the person is of good moral character; and
- b. where the work is to be performed other than under the field supervision of a licensee or a person qualified pursuant to the provisions of this section, unless the person shall have at least three years of practical experience and shall have successfully completed a course of study or a competency examination prescribed by the board, in consultation with the committee; except that an employee employed in the installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems by a license applicant filing an

application within 120 days of the effective date of this act and identified as an employee on the application, shall not be required to satisfy the competency requirements of this subsection, until the first renewal of the employee's identification card.

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- 15. (New section) a. A licensee shall be responsible for any unlawful or unprofessional conduct by an employee, except that the conduct shall not be a cause for suspension or revocation of a license, unless the board determines that the licensee had knowledge thereof, or there is shown to have existed a pattern of unlawful or unprofessional conduct.
- b. Within 30 days of employing a person in connection with an alarm business or as a locksmith, a licensee shall notify the board and shall provide the board with the employee's photograph, in passport size, fingerprints of the employee's two hands taken on standard fingerprint cards by a State or municipal law enforcement agency, a list of all criminal offenses, supplied by the employee, of which the employee has been convicted, setting forth the date and place of each conviction, and the name under which the employee was convicted, if other than that given in the written notification to the board and, if the work of the employee is not to be directly supervised, evidence of practical experience and professional competence in accordance with the requirements of subsection b. of section 14 of this act.
- c. If a licensee knowingly falsifies any information required by the board, the licensee shall be guilty of a crime of the fourth degree and shall have his license revoked.
- d. After confirming the information provided on an employee with the Division of State Police in the Department of Law and Public Safety and conducting other investigations as necessary, if the board determines that an employee is subject to the requirements of section 14 of this act and fails to satisfy those requirements, the board shall advise the licensee immediately of the employee's unfitness. The board is authorized to exchange fingerprint data with and receive criminal history record information from the Division of State Police and the Federal Bureau of Investigation for use in making the determinations required by this act. The employer shall bear the cost for the criminal history record check pursuant to this section. Employees hired by an alarm business through a recognized trade union on a temporary basis not to exceed six months or one project, whichever is greater, are exempt from the requirements of this act.

16. (New section) No municipality or county shall enact an ordinance or resolution or promulgate any rules or regulations relating to the licensing or registration of locksmiths or alarm businesses. The provisions of any ordinance or resolution or rules or regulations of any municipality or county relating to the licensing or registration of

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## [1R] ACS for A994

1	locksmiths or alarm businesses are superseded by the provisions of this
2	act. Nothing in this section shall be construed, however, to prohibit
3	municipal regulation of door-to-door vendors or salespersons of
4	burglar alarm, fire alarm or electronic security systems nor shall
5	anything in this section be construed to prohibit or restrict municipal
6	consideration of alarm business service proposals in consent
7	proceedings under the "Cable Television Act," P.L.1972, c.186
8	(C.48:5A-1 et seq.).

17. (New section) If the board, after consultation with the committee, determines that an applicant holds a valid license from another jurisdiction which requires equal or greater experience and knowledge requirements, the board may accept evidence of that license as meeting the experience and knowledge requirements of this act for a person engaged in the alarm business or in the practice of locksmithing services.

18. (New section) The board, after consultation with the committee, shall adopt rules and regulations pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) necessary to effectuate the purposes of this act.

19. This act shall take effect on the 180th day following the date of enactment, except that section 2 shall take effect on the date regulations promulgated under this act have taken effect.

Provides for regulation of locksmiths, and burglar, fire alarm and electronic security businesses.

### ASSEMBLY, No. 994

## STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

#### By Assemblymen MORAN and IMPREVEDUTO

1	AN ACT concerning the regulation of locksmiths and burglar alarm,
2	fire alarm, and electronic security businesses, supplementing Title
3	52 of the Revised Statutes, and making an appropriation.

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**BE IT ENACTED** by the Senate and General Assembly of the State of New Jersey:

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1. This act shall be known and may be cited as the "Burglar Alarm, Fire Alarm and Electronic Security Business and Locksmith Regulation Act."

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#### 2. As used in this act:

"Alarm business" means the installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems, or the monitoring or responding to alarm signals when provided in conjunction therewith. "Installation," as used in this definition, includes the survey of a premises, the design and preparation of the specifications for the equipment or system to be installed pursuant to a survey, the installation of the equipment or system, or the demonstration of the equipment or system after the installation is completed, but does not include any survey, design or preparation of specifications for equipment or for a system which is prepared by an engineer licensed pursuant to the provisions of P.L.1938, c.342 (C.45:8-27 et seq.), or an architect licensed pursuant to the provisions of chapter 3 of Title 45 of the Revised Statutes if the survey, design, or preparation of specifications is part of a design for construction of a new building or premises or a renovation of an existing building or premises, which renovation includes components other than the installation of a burglar alarm, fire alarm or electronic security system, and further does not include the design or preparation of specifications for the equipment or system to be installed that are within the practice of professional engineering as defined in subsection (b) of section 2 of P.L.1938, c.342 (C.45:8-28).

"Burglar alarm" means a security system comprised of an

interconnected series of alarm devices or components, including

systems interconnected with radio frequency signals, which emits an audible, visual or electronic signal indicating an alarm condition and providing a warning of intrusion, which is designed to discourage crime

"Business firm" means a partnership, corporation or other business entity engaged in the alarm business or locksmithing services.

"Committee" means the Burglar, Fire Alarm and Locksmith Advisory Committee created by section 4 of this act.

"Director" means the Director of the Division of Fire Safety in the Department of Community Affairs.

"Electronic security" means a security system comprised of an interconnected series of devices or components, including systems with audio and video signals or other electronic systems, which emits or transmits an audible, visual or electronic signal warning of intrusion and provides notification of authorized entry or exit, which is designed to discourage crime.

"Fire alarm" means a security system comprised of an interconnected series of alarm devices or components, including systems interconnected with radio frequency signals, which emits an audible, visual or electronic signal indicating an alarm condition and provides a warning of the presence of smoke or fire: "Fire alarm" does not mean a system whose primary purpose is telecommunications with energy control, the monitoring of the interior environment being an incidental feature thereto.

"Licensed locksmith" means a person who engages in locksmithing services who has met the eligibility requirements contained in subsection b. of section 7 of this act and has been duly licensed under this act.

"Licensed locksmith apprentice" means a person who provides locksmithing services to the public for compensation, who has met the eligibility requirements contained in subsection c. of section 7 of this act and has been duly licensed under this act.

"Licensee" means a person licensed to engage in the alarm business or in the occupation of locksmith or locksmith apprentice pursuant to the provisions of this act.

"Locksmithing services" means the modification, recombination, repair or installation of mechanical locking devices and electronic security systems for any type of compensation and includes the following: repairing, rebuilding, recoding, servicing, adjusting, installing, manipulating or bypassing of a mechanical or electronic locking device, for controlled access or egress to premises, vehicles, safes, vaults, safe doors, lock boxes, automatic teller machines or other devices for safeguarding areas where access is meant to be limited; operating a mechanical or electronic locking device, safe or vault by means other than those intended by the manufacturer of such locking devices, safes or vaults; or consulting and providing technical

advice regarding selection of hardware and locking systems of mechanical or electronic locking devices and electronic security systems.

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- 3. The director shall:
- a. Administer and enforce the provisions of this act;
- b. Within 90 days following the effective date of this act, and as
  necessary thereafter, promulgate, in consultation with the committee,
  rules and regulations pursuant to the "Administrative Procedure Act,"
  P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of

11 this act;

- 12 c. Examine and pass on the qualifications of all applicants for a 13 license under this act and issue a license to each qualified applicant;
  - d. Maintain a record of all applicants for a license, showing for each the date of application, name, age, qualifications, place of business and place of residence, and whether the application was rejected or a license granted, and the date of such action;
- e. Establish, in consultation with the committee, professional standards for licensees and employees;
- f. Exercise any investigative powers and impose any of the penalties provided in sections 21 through 27 of this act, as necessary or appropriate;
  - g. Conduct hearings pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.);
- h. Conduct proceedings before any court of competent jurisdiction for the enforcement of the provisions of this act;
  - i. Annually publish a list of the names, places of business and residences of all licensees;
  - j. Establish and revise the charges for licenses, license renewals, and other services performed;
- k. Establish classifications, after consulting with the committee, in
   order to regulate the different disciplines of work regulated under this
   act;
  - 1. Establish standards, in consultation with the committee, for continuing occupational competency in locksmithing services; and
  - m. Be empowered to do such other things as may be necessary to effectuate the purposes of this act.

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4. In order to advise the director in the administration of the provisions of this act, there is created in the Division of Fire Safety in the Department of Community Affairs, a Burglar, Fire Alarm and Locksmith Advisory Committee. The committee shall be comprised of 13 members to be appointed by the Governor, with the advice and consent of the Senate, for terms of three years, except that of the members first appointed, four shall serve for one year, five shall serve for two years and four shall serve for three years. Two members of

1 the committee shall have been engaged, on a full-time basis, in the 2 alarm business for at least five consecutive years immediately 3 preceding their appointments, shall be members of the New Jersey 4 Burglar and Fire Alarm Association and, except for the members first 5 appointed, shall be licensed under the provisions of this act; one 6 committee member shall be a member of the Division of State Police, 7 one shall be a municipal fire prevention officer, one shall be a municipal crime prevention officer, one shall be a municipal fire 8 9 sub-code official, one shall be a municipal building inspector, one shall 10 be a member of the Automatic Fire Alarm Association of New Jersey 11 who shall have been engaged, on a full-time basis, in the alarm 12 business for at least five consecutive years immediately preceding 13 appointment and, except for the member first appointed, shall be 14 licensed under the provisions of this act, two shall be members of a 15 duly recognized professional locksmith association in New Jersey who 16 shall have been engaged on a full-time basis, as practicing locksmiths 17 for at least five consecutive years immediately preceding appointment 18 and, except for the members first appointed, shall be licensed under the 19 provisions of this act, one shall be a member of the New Jersey 20 Burglar and Fire Alarm Association and a member of a duly 21 recognized locksmith association in New Jersey who shall have been 22 engaged on a full-time basis in the alarm business for at least five 23 consecutive years immediately preceding appointment and, except for 24 the member first appointed, shall be licensed to engage in the alarm 25 business under the provisions of this act, one shall be a member of a 26 duly recognized locksmith association in New Jersey and a member of 27 the New Jersey Burglar and Fire Alarm Association who shall have 28 been engaged on a full-time basis as a practicing locksmith for at least 29 five consecutive years immediately preceding appointment and, except 30 for the member first appointed, shall be licensed to engage in the 31 occupation of locksmith under the provisions of this act, and one shall 32 be a public member and resident of the State without any association 33 with the alarm business or the occupation of locksmith.

Each member shall hold office for the term of appointment and until his successor is appointed and qualified. A member is eligible to be reappointed to the committee. A member appointed to fill a vacancy occurring in the membership of the committee for any reason other than the expiration of the term shall have a term of appointment for the unexpired term only. All vacancies shall be filled in the same manner as the original appointment.

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- 5. a. No person shall advertise that he is authorized to engage in or engage in the alarm business or otherwise engage in the installation, service or maintenance of burglar alarm, fire alarm or electronic security systems unless he satisfies the requirements of this act.
  - b. No person shall represent himself as qualified to engage in the

occupation of locksmith or locksmith apprentice unless he is licensed as a locksmith or locksmith apprentice, as the case may be, in accordance with the provisions of this act.

- 6. a. Application for a license to engage in the alarm business or to engage in the occupation of locksmith or locksmith apprentice, as the case may be, shall be made to the director in the manner and on the forms as the director may prescribe.
- (1) An application to engage in the alarm business shall include the name, age, residence, present and previous occupations of the applicant, and, in the case of a business firm engaged in the alarm business, of each member, officer or director thereof; the name of the municipality and the location therein by street number or other appropriate description of the principal place of business and the location of each branch office.
- (2) An application to engage in the occupation of locksmith or locksmith apprentice shall include the name, residence and principal business address of the applicant, or in the case of an employee, the principal business address of his employer.
- b. Every applicant shall submit to the director, together with the application, his photograph, in passport size, a list of all criminal offenses of which he has been convicted, setting forth the date and place of each conviction and the name under which he was convicted, if other than that on the application, and fingerprints of his two hands taken on standard fingerprint cards by a State or municipal law enforcement agency. Before approving an application, the director shall submit the fingerprints of the applicant to the Division of State Police in the Department of Law and Public Safety, for comparative analysis. The director is authorized to exchange fingerprint data with and receive criminal history record information from the Division of State Police and the Federal Bureau of Investigation for use in making the determinations required by this act. The applicant shall bear the cost for the criminal history record check. No license shall be issued to any applicant whose license has been revoked under the provisions of this act within five years of the date of filing of an application.
- c. If an applicant files with the director fingerprints of a person other than the applicant, he shall be guilty of a crime of the fourth degree and shall have his license application denied or license revoked.
- d. The director may require other information of the applicant and, if the applicant is proposing to qualify a business firm, of the business firm to determine the professional competence and integrity of the concerned parties.

- 7. a. An applicant seeking licensure to engage in the alarm business shall:
  - (1) Be at least 18 years of age;

- (2) Meet qualifications established by the director regarding experience, financial responsibility and integrity; and
- (3) Establish his qualifications to perform and supervise various phases of alarm installation, service and maintenance as evidenced by successful completion of an examination to be prescribed by the director, in consultation with the committee, except that any person engaged in the alarm business on the effective date of this act and filing an application within 120 days following the operative date of this act, shall not be required to submit evidence of the successful completion of the examination requirement provided that they show proof of 40 hours of technical training approved by the director upon the advice of the committee. No examination requirement shall apply to any person providing evidence of having been engaged in the alarm business for at least one year prior to the effective date of this act.
  - b. An applicant seeking licensure as a locksmith shall:
  - (1) Be at least 18 years of age;

- (2) Be of good moral character, and not have been convicted of a crime of the first, second or third degree within 10 years prior to the filing of the application;
- (3) Present evidence to the director of having successfully completed any training requirements established by the director by regulation; and
- (4) Successfully complete any written examination administered or approved by the director to determine the applicant's competence to engage in the occupation of locksmith, except that no examination requirement shall apply to any person engaged in the occupation of locksmith who has been engaged in the occupation of locksmith for at least one year prior to the effective date of this act and who files an application within 120 days following the operative date of this act.
  - c. An applicant seeking licensure as a locksmith apprentice shall:
- (1) Be of good moral character, and not have been convicted of a crime of the first, second or third degree within 10 years prior to the filing of the application;
- (2) Present evidence to the director of having successfully completed any training requirements established by the director by regulation; and
- (3) Successfully complete any written examination administered or approved by the director to determine the applicant's competence to engage in the occupation of locksmith apprentice.
- 8. The provisions of this act regarding the practice of locksmithing services shall not apply to:
- a. The activities of any person performing public emergency services for a governmental entity if that person is operating under the direction or control of the organization by which he is employed;
  - b. The activities of any sales representative who is offering a sales

demonstration to licensed locksmiths or locksmith apprentices;

- c. The activities of any automotive service dealer or lock manufacturer, or their agent or employee, while servicing, installing, repairing, or rebuilding locks from a product line utilized by that dealer or lock manufacturer;
- d. The activities of any member of a trade union hired to install any mechanical locking device as part of a new building construction or renovation project; and
- e. The activities of any person using any key duplicating machine or key blanks, except for keys marked "do not duplicate" or "master key."

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9. Notwithstanding any other provision of this act to the contrary, the director shall, upon application with submission of satisfactory proof and payment of the prescribed fee, within six months following the effective date of this act, issue a locksmith license to: a. any person who has successfully completed a locksmith apprentice program which has been approved by the Bureau of Apprenticeship and Training of the United States Department of Labor; or b. any person who has been engaged full-time in the occupation of locksmith for at least three years immediately prior to the date of his application for a locksmith license.

- 10. a. When an individual seeking licensure to engage in the alarm business or the occupation of locksmith proposes to do business in his own name, he shall so state on the license application, and the license, if granted, shall be issued only to that individual.
- b. If the applicant is proposing to qualify a business firm, the application shall also state the name or names of the partnership and its partners, or of the corporation and its officers and directors, or of such other business firm and its members. The application shall show that the person applying for the license is legally qualified to act for the business firm in all matters connected with its alarm business or its locksmithing services, as the case may be, and that he has authority to supervise the work undertaken by the business firm. The license, when issued upon application to qualify a business firm, shall be in the name of the business firm, with the name of the qualified individual noted thereon.
- c. (1) In the case of a business firm, at least one individual legally qualified to act for and supervise the work performed by the business firm in matters connected with the alarm business or locksmithing services, as the case may be, shall be licensed under this act in order for the business firm to continue in the alarm business or in providing locksmithing services. If that individual so qualified and licensed ceases to be affiliated with the business firm in that capacity, the business firm shall, in writing, so inform the director within 30 days of

the termination of affiliation, and shall within 45 days following termination, requalify for a license pursuant to subsection b. of this section. No business firm shall continue in the alarm business or in providing locksmithing services after expiration of the 45 day period, unless a new license has been issued.

- (2) When a licensee qualified as a business firm proposes to affiliate with another licensee qualified as the same type of business firm, the licensee shall so inform the director and submit his license thereto, and shall apply for a new license in accordance with subsection b. of this section. A license issued pursuant to this act shall not be transferable.
- d. Licenses shall be issued to qualified applicants seeking licensure to engage in the alarm business or as a locksmith or locksmith apprentice for a three-year period, upon payment of a filing fee. License renewals shall be issued for a three-year period upon the payment of a renewal fee. A renewal application shall be filed with the director at least 45 days prior to expiration of a license.

11. a. Licenses shall be in a form prescribed by the director.

b. In addition to any other information required by the director, a license shall set forth the full name of the applicant, the alarm or locksmithing services business name under which the applicant is authorized to operate, the location of the principal office of the alarm or locksmithing services business and the location of each branch office for which the license is issued, the issuance and expiration dates of the license, and any other information required by the director. In the event of any change in the partners, officers, directors or members of the business firm, any change in the address of any branch office or principal office of the business, or if the licensee ceases to be affiliated with the business firm, the director shall be notified in writing of the change within 30 days thereafter. Failure to give proper notification shall be sufficient cause for revocation of the license.

12. Except in the case of an employee licensed as a locksmith or locksmith apprentice, before a licensee exercises any rights under the license issued to him, the license, or a certified copy thereof, shall be posted and, at all times thereafter while the license is in force, be displayed in a conspicuous place in the principal office and in each branch office for which it is issued. In the event that any license or certified copy thereof issued by the director is lost or destroyed, notice of the loss or destruction shall be given to the director immediately, and the director may issue a duplicate or certified copy thereof. Upon written application to the director setting forth a change in the location of any branch office or principal place of business of the licensee as set forth in the license, the director may authorize the change, in which case the licensee shall surrender to the director his license and all

copies thereof, and the director may either endorse thereon the change or issue a new license as of the same date as the original license in lieu of the license so surrendered. Appropriate fees therefor shall be established by the director.

- 13. a. No licensee qualified under the provisions of this act shall engage in the alarm business or in the practice of locksmithing services, unless the licensee:
- (1) Maintains at least one business office within the State or files in the office of the director a statement, duly executed and sworn to before a person authorized by the laws of this State to administer oaths, containing a power of attorney constituting the director the true and lawful attorney of the licensee upon whom all original process in an action or legal proceeding against the licensee may be served and in which the licensee agrees that the original process that may be served upon the director shall be of the same force and validity as if served upon the licensee and that the authority thereof shall continue in force so long as the licensee engages in the alarm business or in the practice of locksmithing services, as the case may be, in this State;
- (2) Clearly marks the outside of each installation and service vehicle to be used in conjunction with the alarm business with the alarm business name or the outside of each installation and service vehicle to be used in conjunction with locksmithing services with the locksmithing services name;
- (3) Maintains an emergency service number attended to on a 24-hour basis and responds appropriately to emergencies on a 24-hour basis when engaged in the alarm business; and
- (4) Retains at all times general liability insurance in an amount determined by the director and insurance coverage or a surety bond in favor of the State of New Jersey in the sum of \$1,000, executed by a surety company authorized to transact business in the State of New Jersey and which is approved by the Department of Insurance, and which is to be conditioned on the faithful performance of the provisions of this act. The director shall by rule or regulation provide who shall be eligible to receive the financial protection afforded by such bond and the bond shall be in full force and effect for the term of the license issued.
- b. Except in the case of an employee licensed as a locksmith or locksmith apprentice, no licensed locksmith or locksmith apprentice shall engage in locksmithing services unless that licensee maintains at least one business office within the State.

14. No person shall be employed by a licensee to install, service or maintain a burglar alarm, fire alarm or electronic security system or, except in the case of a licensee, shall otherwise engage in the installation, service or maintenance thereof;

- a. Unless the person is of good moral character; and
- b. Where the work is to be performed other than under the field supervision of a licensee or a person qualified pursuant to the provisions of this section, unless the person shall have at least three years of practical experience and shall have successfully completed a course of study or a competency examination prescribed by the director, in consultation with the committee; except that an employee employed in the installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems by a license applicant filing an application within 120 days of the operative date of this act and identified as an employee on the application, shall not be required to satisfy the competency requirements of this subsection, until the first renewal of the employee's identification card.

15. Within 14 days of employing a person in connection with an alarm business or as a locksmith or locksmith apprentice, a licensee shall notify the director and shall provide him with the employee's photograph, in passport size, fingerprints of the employee's two hands taken on standard fingerprint cards by a State or municipal law enforcement agency, a list of all criminal offenses, supplied by the employee, of which the employee has been convicted, setting forth the date and place of each conviction, and the name under which the employee was convicted, if other than that given in the written notification to the director, and, if the work of the employee is not to be directly supervised, evidence of practical experience and professional competence in accordance with the requirements of subsection b. of section 14 of this act.

If a licensee knowingly falsifies any information required by the director, the licensee shall be guilty of a crime of the fourth degree and shall have his license revoked therefor by the director.

After confirming the information provided on an employee with the Division of State Police in the Department of Law and Public Safety and conducting such other investigations as may be necessary, the director shall, if he determines that an employee who is subject to the requirements of section 14 of this act and who fails to satisfy those requirements, advise the licensee forthwith of the employee's unfitness and require immediate termination of employment. The director is authorized to exchange fingerprint data with and receive criminal history record information from the Division of State Police and the Federal Bureau of Investigation for use in making the determinations required by this act. The employer shall bear the cost for the criminal history record check pursuant to this section. Employees hired by an alarm business through a recognized trade union on a temporary basis not to exceed six months or one project, whichever is greater, are exempt from the requirements of this section.

- 16. Every licensee and every employee or other person engaged in the unsupervised installation, servicing or maintenance of burglar alarm, fire alarm or electronic security systems shall, at all times during working hours, display an identification card issued by the director. The identification card shall contain the following information:
- a. The name, photograph and signature of the person to whom the card has been issued;
- 9 b. The business name and address and license number of the 10 licensee;
  - c. The expiration date of the card; and
  - d. Such other information as the director deems appropriate for identification purposes.

- 17. Identification cards shall be issued for a three-year period which, in the case of a licensee, shall correspond to the term of the license period of the licensee. Application for renewal of an identification card for other than a licensee shall be made by the person named on the card at least 45 days prior to the expiration date of the card. The information provided on the identification card shall at all times be current, and the named holder of the card shall advise the director of any changes and file for issuance of an updated card within five days following occurrence of a change, which card shall be issued for the unexpired term of the original card.
- Identification cards shall not be transferable in the event of a change in employment.
- The director shall prescribe the manner of, and the forms and fees for filing for identification cards.

18. A licensee shall be responsible for any unlawful or unprofessional conduct by an employee, except that the conduct shall not be a cause for suspension or revocation of a license, unless the director determines that the licensee had knowledge thereof, or there is shown to have existed a pattern of unlawful or unprofessional conduct.

19. A licensee engaged in the alarm business shall maintain, on a form prescribed by the director, a record of the name and address of each purchaser of a burglar alarm, fire alarm or electronic security system that was installed by the licensee, where it was installed, the name and business address of the licensee, and other information required by the director. These records shall be maintained by the licensee for a period of time determined by the director by regulation.

20. a. Any licensed locksmith who knowingly and willfully opens any locking or security devices for another by any method, whether or

not for compensation, shall obtain the street address of the residence or commercial establishment, and the signature of the person for whom the residence or commercial establishment was opened, on a work order form, and shall include the following information regarding the person requesting entry to the residence or commercial property: name, address, telephone number, date of birth, and driver's license number or other identification. A copy of each work order shall be retained by the locksmith, or in the case that the locksmith is an employee, by the business firm employing the locksmith, for three years, and shall include the name and permit number of the licensed locksmith performing the service, and shall be available for inspection by any law enforcement officer or by the director during business hours, or submitted to the Division of Fire Safety upon request.

b. Any licensed locksmith who opens a motor vehicle or personal property registered under the vehicle code for another by any method, whether or not for compensation, shall obtain the name, address, telephone number, if any, and driver's license number or other identification of the person requesting entrance, and the registration number of the vehicle or personal property, registered under the vehicle code for which entrance is requested. This information, along with the date the service was performed, and the signature of the person requesting entrance, shall be set forth on a work order. A copy of each work order form shall be retained for three years by the locksmith, or by the business firm employing the locksmith if the locksmith is an employee. The work order form shall include the name and permit number of the licensed locksmith performing the service, and shall be available for inspection by any law enforcement officer or by the director upon request.

- 21. The director may refuse to admit a person to examination, or may refuse to issue, or may suspend or revoke any license or employee's identification card issued under this act, or may impose alternative penalties or pursue any civil remedy, if the applicant, licensee, or holder of an employee's identification card:
- a. Has obtained a license or employee's identification card, or authorization to sit for an examination, as the case may be, through fraud, deception or misrepresentation;
- b. Has engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;
- 40 c. Has engaged in gross negligence, gross malpractice or gross 41 incompetence;
- d. Has engaged in repeated acts of negligence, malpractice or incompetence;
- e. Has engaged in occupational misconduct as defined in regulations promulgated pursuant to this act;
- f. Has been convicted of any crime relating adversely to his

activities in an alarm business or as a locksmith or locksmith apprentice. For the purpose of this subsection a plea of guilty, non vult, nolo contendere or any similar disposition of alleged criminal activity is deemed a conviction;

- g. Has had his authority to engage in the activities of an alarm business or as a locksmith or locksmith apprentice revoked or suspended by any other state, agency or authority for reasons consistent with this section;
- h. Has violated or failed to comply with the provisions of any act or regulation administered by the director;
- i. Is incapable, for medical or any other good cause, of discharging the functions of a licensee or holder of any employee's identification card in a manner consistent with the public health, safety and welfare; or
  - j. Has violated any of the provisions of this act, including permitting a license or identification card to be used by another person.

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- 22. Whenever it shall appear to the director that a person has engaged in, or is engaging in any act or practice declared unlawful by this act or a regulation promulgated pursuant to this act, or when the director shall deem it to be in the public interest to inquire whether any violation may exist, the director may exercise any of the following investigative powers:
- a. Require any person to file on such form as may be prescribed, a statement or report in writing under oath, or otherwise, as to the facts and circumstances concerning the rendition of any service or conduct, or to the discharge of any act or practice subject to this act or a regulation promulgated pursuant to it by the director;
- b. Examine under oath any person in connection with any act or practice subject to this act or a regulation promulgated pursuant to it by the director;
- c. Inspect any premises from which an alarm business or locksmithing services is conducted;
- d. Examine any goods, ware or item used in the rendition of an alarm business or in the practice of locksmithing services;
- e. Examine any record, book, document, account or paper maintained by or for an alarm or locksmithing services business or licensee regulated under this act in the regular course of that business;
- f. For the purpose of preserving evidence of an unlawful act or practice, pursuant to an order of the Superior Court, Law Division, impound any record, book, document, account, paper, goods, ware, or item used or maintained by or for any licensee regulated under this act or alarm or locksmithing services business in the regular course of that business. In such cases as may be necessary, the Superior Court, Law Division may, on application of the director, issue an order

sealing items or materials subject to this subsection.

In order to accomplish the objectives of this act or any regulation promulgated pursuant to this act, the director may hold such investigative hearings as may be necessary and may issue subpoenas to compel the attendance of any person or the production of books, records or papers of any person, or the production of books, records or papers at any hearing or inquiry.

- 23. If any person fails or refuses to file any statement or report or refuses access to premises from which an alarm business or locksmithing services is conducted in any lawfully conducted investigative matter or fails to obey a subpoena issued pursuant to this act, the director may apply to the Superior Court, Law Division and obtain an order:
  - a. Adjudging the person in contempt of court;
  - b. Granting other relief as may be required; or
- c. Suspending the license or identification card of the person until compliance with the subpoena or investigative demand is affected.

24. If any person refuses to testify or produce any book, paper, or other document in any proceeding under this act for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him, convict him of a crime, or subject him to a penalty or forfeiture, and shall, notwithstanding, be directed to testify or to produce the book, paper or document by the director, he shall comply with the direction. No action shall be taken by the director pursuant to this section without the approval of the Attorney General.

A person who is entitled by law to, and does assert his privilege not to testify or respond, and who complies with the direction of the director shall not thereafter be prosecuted or subjected to any penalty or forfeiture in any criminal proceeding which arises out of and relates to the subject matter of the proceeding. No person so testifying is exempt from prosecution or punishment for perjury or false swearing committed by him in giving testimony or from any civil or administrative action arising from the testimony.

- 25. In addition or as an alternative, as the case may be, to revoking, suspending or refusing to renew any license or employee's identification card, the director may, after affording an opportunity to be heard:
- a. Issue a letter of warning, reprimand or censure with regard to any act, conduct or practice which in the judgment of the director does not warrant the initiation of formal action;
  - b. Assess civil penalties in accordance with this act;
- c. Order any person violating any provision of this act or a regulation promulgated pursuant to it, to cease and desist from future

violations thereof or to take such affirmative corrective action as may be necessary with regard to any act or practice found unlawful by the director;

- d. Order any person found to have violated any provision of this act or a regulation promulgated pursuant to it, to restore to any person aggrieved by an unlawful act or practice, any moneys or property, real or personal, acquired by means of that act or practice; except that no restoration shall be ordered in a dollar amount greater than those moneys received by a licensee, alarm business, or its agent or any other person violating this act or regulation promulgated pursuant to it:
- e. Order any person, as a condition of continued, reinstated or renewed licensure or use of an identification card, to secure medical or other professional treatment which may be necessary to properly discharge the functions of a licensee or holder of an identification card.

The director may, upon a duly verified complaint alleging an act or practice violating any provision of this act or a regulation promulgated pursuant to it, enter a temporary order suspending or limiting any license or identification card pending a plenary hearing on an administrative complaint; except that no temporary order may be entered unless the complaint demonstrates a clear and imminent danger to the public health, safety and welfare and notice of the complaint is given to the licensee or holder of the identification card affected by the order.

In any administrative proceeding commenced on a complaint alleging a violation of this act or a regulation promulgated pursuant to it, the director may issue subpoenas to compel the attendance of witnesses or the production of books, records or documents at the hearing on the complaint.

26. Any person violating any provision of this act or a regulation administered pursuant to it, in addition to any other sanctions provided in this act, is liable to a civil penalty of not more than \$2,500 for the first offense and not more than \$5,000 for each subsequent offense. For the purpose of construing this section, each transaction or statutory violation shall constitute a separate offense; except that a second or subsequent offense is not deemed to exist unless an administrative or court order has been entered in a prior, separate, and independent proceeding. In lieu of an administrative proceeding or an action in Superior Court, Law Division, the director may bring an action for the collection or enforcement of civil penalties for the violation of any provisions of this act or a regulation promulgated pursuant to it. The action may be brought in summary manner pursuant to "the penalty enforcement law," N.J.S.2A:58-1 et seq. and the rules of court governing actions for the collection of civil penalties in the municipal court or the Superior Court where the offense

- 1 occurred. Process in the action may be by summons or warrant and if
- 2 the defendant in the action fails to answer the action, the court shall,
- 3 upon finding an unlawful act or practice to have been committed by
- 4 the defendant, issue a warrant for the defendant's arrest in order to
- 5 bring the person before the court to satisfy the civil penalties imposed.
- 6 In any action commenced pursuant to this section, the court may order
- 7 restored to any person in interest any moneys or property acquired by
- 8 means of an unlawful act or practice. In any action brought pursuant
- 9 to this act, the director or the court, as appropriate, may order the
- payment of costs for the use of the State.

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27. A licensee or holder of an employee's identification card shall surrender a suspended or revoked license or card to the director within 72 hours following receipt of a written or personal notice to do so.

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28. The director, after consultation with the committee, shall require each person licensed as a locksmith, as a condition of triennial registration pursuant to subsection d. of section 10 of this act, to complete 40 credits of continuing locksmith education during each triennial registration period.

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- 29. a. The director, after consultation with the committee, shall:
- (1) Establish standards for continuing locksmith education, including the subject matter and content of courses of study;
- (2) Approve educational programs offering credit for continuing locksmith education; and
  - (3) Approve other equivalent educational programs, including, but not limited to, components offered by appropriate professional locksmith organizations and manufacturers of locksmith products recognized by the director, and shall establish procedures for the issuance of credit upon satisfactory proof of the completion of these programs.
- b. In the case of education courses and programs, each hour of instruction shall be equivalent to one credit.

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- 36 30. The director, after consultation with the advisory committee, shall:
  - a. Establish procedures for monitoring compliance with the continuing locksmith education requirements provided in this act; and
- b. Establish procedures to evaluate and grant approval to providersof continuing locksmith education.

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31. No municipality or county shall enact an ordinance or resolution or promulgate any rules or regulations relating to the licensing or registration of alarm businesses. The provisions of any ordinance or resolution or rules or regulations of any municipality or

county relating to the licensing or registration of an alarm business are superseded by the provisions of this act. Nothing in this section shall be construed, however, to prohibit municipal regulation of door-to-door vendors or sales persons of burglar alarm, fire alarm or electronic security systems nor shall anything in this section be construed to prohibit or restrict municipal consideration of alarm business service proposals in consent proceedings under the "Cable Television Act," P.L.1972, c.186 (C.48:5A-1 et seq.).

- 32. a. Telephone utilities and cable television companies regulated by the Board of Regulatory Commissioners pursuant to Title 48 of the Revised Statutes and persons in their employ while performing the duties of their employment are exempt from the requirement of obtaining a license to engage in the alarm business pursuant to this act.
- b. Electrical contractors regulated by the Board of Examiners of Electrical Contractors pursuant to P.L.1962, c.162 (C.45:5A-1 et seq.) and persons in their employ while performing the duties of their employment are exempt from the requirement of obtaining a license to engage in the alarm business pursuant to this act.

33. If the director, after consultation with the committee, determines that an applicant holds a valid license from another jurisdiction which requires equal or greater experience and knowledge requirements, the director may accept evidence of that license as meeting the experience and knowledge requirements of this act for a person engaged in the alarm business or in the practice of locksmithing services.

34. There is appropriated from the General Fund the sum of \$25,000 to the Division of Fire Safety of the Department of Community Affairs to implement the provisions of this act.

35. This act shall take effect immediately but shall remain inoperative for 120 days following enactment.

#### **STATEMENT**

This bill provides for the licensing and regulation of locksmiths, burglar and fire alarm, and electronic security businesses by the Director of the Division of Fire Safety in the Department of Community Affairs and appropriates \$25,000 from the General Fund to the division for that purpose.

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3	Provides for regulation of locksmiths, and burglar, fire alarm and
4	electronic security businesses; appropriates \$25,000.

## ASSEMBLY CONSUMER AFFAIRS AND REGULATED PROFESSIONS COMMITTEE

#### STATEMENT TO

# ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 994

## STATE OF NEW JERSEY

DATED: NOVEMBER 17, 1997

The Assembly Consumer Affairs and Regulated Professions Committee reports favorably the Assembly Committee Substitute for Assembly Bill No. 994.

This bill provides for the licensing and regulation of locksmiths, burglar alarm, fire alarm, and electronic security businesses by the Board of Examiners of Electrical Contractors and a fifteen-member "Fire Alarm, Burglar Alarm and Locksmith Advisory Committee" under the board's jurisdiction. Under the bill, the board is given certain powers and duties to regulate licensees, based upon the committee's recommendations; or, the board may delegate these powers to the committee. These powers include setting standards for examinations; determining requirements for licensure; adopting a code of ethics and continuing education standards and requirements; disciplining licensees pursuant to the uniform enforcement act, P.L.1978, c.73 (C.45:1-14 et seq.); and developing regulations regarding license and examination fees, record keeping and the form and content of applications, licenses and identification cards.

Licensees and their employees are required to submit their fingerprints and photographs to the Division of State Police for the purpose of obtaining criminal history background checks. Electrical contractors, telephone utility and cable television companies are exempt from licensure.

#### ASSEMBLY APPROPRIATIONS COMMITTEE

#### STATEMENT TO

# ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 994

with Assembly committee amendments

### STATE OF NEW JERSEY

DATED: DECEMBER 11, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 994 ACS, with committee amendments.

Assembly Bill No. 994 (ACS), as amended, provides for the licensing and regulation of locksmiths, burglar alarm, fire alarm, and electronic security businesses by the Board of Examiners of Electrical Contractors and a fifteen-member "Fire Alarm, Burglar Alarm and Locksmith Advisory Committee" under the board's jurisdiction. Under the bill, the board is given certain powers and duties to regulate licensees, based upon the committee's recommendations; or, the board may delegate these powers to the committee. These powers include setting standards for examinations; determining requirements for licensure; adopting a code of ethics and continuing education standards and requirements; disciplining licensees pursuant to the uniform enforcement act, P.L.1978, c.73 (C.45:1-14 et seq.); and developing regulations regarding license and examination fees, record keeping and the form and content of applications, licenses and identification cards.

Licensees and their employees are required to submit their fingerprints and photographs to the Division of State Police for the purpose of obtaining criminal history background checks. Electrical contractors, telephone utility and cable television companies are exempt from licensure.

#### **FISCAL IMPACT**:

Sources have indicated that there are approximately 400 to 500 businesses which may be eligible under the bill. On average, these businesses are small with only one or two employees. The examination and licensing fees should be able to absorb any administrative costs arising from the regulatory function.

#### **COMMITTEE AMENDMENTS:**

The amendment exempts from "locksmithing services" the routine installation of a prefabricated door lock set to allow the public to purchase and install a lock and doorknobs set.

#### FISCAL NOTE TO

#### ASSEMBLY, No. 994

## STATE OF NEW JERSEY

DATED: MAY 28, 1997

Assembly Bill No. 994 of 1996 provides for the licensing and regulation of locksmiths, burglar and fire alarm, and electronic security businesses by the Director of the Division of Fire Safety in the Department of Community Affairs. The bill also sets forth training, experience and record keeping requirements for licensees and creates a new class of licensee, the locksmith apprentice. Licensees and their employees are required to submit their fingerprints and photographs to the Director of the Division of Fire Safety. Licensees are required to carry insurance. Electrical contractors, telephone utility and cable television companies are exempt from licensure. The bill also specifies the grounds upon which the director can refuse to issue, suspend, and revoke licenses, as well as measures the director can take to punish violators. Finally, the bill appropriates \$25,000 from the General Fund to the division to implement its provisions.

The Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that the \$25,000 appropriation will be used to pay start-up costs in the initial year of the program. The DCA also states that, since the bill authorizes DCA to establish fees for licensing, ID cards and the warranty program, and authorizes the Division of State Police to assess fees to cover the costs of criminal background checks, the program should be revenue-neutral, after the \$25,000 start-up appropriation. The department states that the fees it sets will pay the costs of the program, and it anticipates that those fees for three-year licenses will be \$375 for a contractor and \$105 for employees requiring ID cards.

The department also advises OLS that the licensing and ID fees it establishes will result in a surplus during the first year of the initial three-year licensing cycle. As the department's costs will be constant, the initial anticipated surplus should be applied to the second and third years, in which a deficit will be anticipated. The department expects that applications for the first year will be heavier than in each succeeding year.

The department anticipates that the following numbers of licenses will be granted under this bill in the first three years:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Alarm contractors			
(including electrical contractors)	530	260	260
Installation personnel	2,700	1,375	1,375
TOTAL	3,230	1,635	1,635

The department anticipates its costs for the first three years of the program to be as follows:

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	Year 1	Year 2	Year 3
Additional personnel - salary & benefits			
(one program development specialist,			
one principal clerk typist, two progra	m		
development specialist II, two fire			
safety inspectors)	\$251,048	\$270,430	\$288,028
Materials & supplies			
(including 3 computers)	15,000	15,000	15,000
Services other than personnel	15,000	15,000	15,000
Data processing (OTIS Programming)	25,000	11,000	11,000
Mail & ID cards	30,000	<u> 15,000</u>	15,000
Total Gross Operating Expenditures	\$336,048	\$326,430	\$344,028

The OLS does not have any information that would indicate costs and results other than those anticipated by the DCA.

This fiscal note has been prepared pursuant to P.L.1980, c.67.

#### LEGISLATIVE FISCAL ESTIMATE TO

## ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 994

### STATE OF NEW JERSEY

DATED: JANUARY 2, 1998

Assembly Committee Substitute for Assembly No. 994 of 1996 provides for the licensing and regulation of locksmiths and burglar alarm, fire alarm and electronic security businesses by establishing a 15-member Fire Alarm, Burglar Alarm and Locksmith Advisory Committee under the Board of Examiners of Electrical Contractors in the Division of Consumer Affairs in the Department of Law and Public Safety. Members of the committee would be compensated for expenses and provided with office and meeting facilities and any personnel required to carry out the committee's responsibilities.

The bill authorizes the committee, with the approval of the board, to set standards for and regulate fire alarm, burglar alarm or locksmith licensees, to adopt a code of ethics for licensees and to maintain and annually publish a record of licensees. The committee is further required to set continuing education standards for, review advertising by and take disciplinary action against licensees. Under the bill, the committee would establish fees for licenses, renewals, applications, identification cards, examinations and other services sufficient to fund administration of the licensing program.

The bill requires licensees and their employees to pass a criminal history background check, the cost of which would be borne by the licensee. Licenses would be valid for three years, and licensees would be required to carry liability insurance and post a \$10,000 surety bond. In addition, every employee of a licensee would be required to maintain a three-year identification card. Electrical contractors and telephone and cable television companies are exempt from licensure.

An estimate provided by the Department of Community Affairs (DCA) on S-1617, an earlier version of this bill, places the cost of implementation at \$336,048, \$326,430, and \$344,028 in the first three years, respectively. However, in drafting this committee substitute, the Assembly Consumer Affairs and Regulated Professions Committee shifted the locus of regulatory authority from the DCA to the Division of Consumer Affairs. It also removed investigative powers that the committee would have exercised over licensees, including the ability to inspect premises, examine documents and accounts and conduct investigative hearings.

After accounting for these changes, and reducing the DCA's estimated fringe benefit rate, the Office of Legislative Services (OLS) estimates this bill will cost \$246,000, in the first year after enactment. This figure includes \$161,000 for the salary and fringe benefits of an

executive director, one clerk and two program development specialists; \$15,000 for materials and supplies; \$15,000 for services other than personal and \$55,000 for data processing and equipment. After adjusting for inflation at four percent and certain one-time costs, OLS estimates the cost of this bill at \$223,000, and \$230,000, in the second and third years after enactment, respectively.

Approximately 300 burglar alarm, fire alarm and electronic security businesses and 800 locksmiths would be subject to licensure under the bill, according to information provided by the New Jersey Burglar and Fire Alarm Association and the New Jersey chapter of the Association of Locksmiths of America. In addition, an estimated 2,200 burglar alarm, fire alarm and electronic security personnel and 1,000 locksmiths would require identification cards. OLS estimates there will be no significant change annually in the number of licensees in either field, based on information provided by the respective associations.

Therefore, OLS estimates the cost of administering the provisions of this bill over the first three years could be defrayed by a \$425 examination and license fee for three-year licensees and a \$75 examination and identification card fee for employees requiring three-year identification cards.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.