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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- BURGLARY ALARMS

Introduced By: Senator William A. Walaska

Date Introduced: February 26, 2013

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Sections 5-57-1, 5-57-2, 5-57-11, 5-57-14, 5-57-17, 5-57-19, 5-57-20, 5-57-22, 5-57-23, 5-57-30, 5-57-31, 5-57-32, 5-57-33, 5-57-35, 5-57-37, 5-57-38 and 5-57-41 of the General Laws in Chapter 5-57 entitled "Burglar and Hold-Up Alarm Businesses" are hereby amended to read as follows:

**5-57-1. Purpose. --** The purpose of this chapter shall be to provide uniform procedures and qualifications throughout this state for the licensing of alarm businesses and the issuance of ~~identification cards to alarm agents and certain other individuals~~ individual licensing of security system contractors, technicians, trainees, sales and central station staff.

**5-57-2. Definitions. --** For the purpose of this chapter, the following terms, phrases, words and their derivations have the meaning given in this chapter. When not inconsistent with the context, words used in the plural number include the singular number and words used in the singular number include the plural number:

(1) "Alarm agent" means any individual employed within this state by an alarm business, whose duties include the altering, installing, maintaining, moving, repairing, replacing, selling or servicing of an alarm system or responding to or causing others to respond to an alarm system.

(2) "Alarm business" means and includes any business, both resident and non-resident, engaged in the installation, maintenance, alteration, repair, replacement, or servicing of alarm systems or which responds to or causes others to respond to those alarm systems at a protected premises within this state. Any "alarm business" licensed under this chapter must maintain a

1 twenty-four (24) hour per day service structure, the terms and conditions of which or procedures  
2 for implementation are established by the licensing authority through rules and regulations.

3 (3) "Alarm system" means an assembly of equipment and devices with or without  
4 conducting wire (or a single device such as a solid state unit which plugs directly into a 110-volt  
5 AC line) designed to detect and signal an unauthorized intrusion into premises or to signal an  
6 attempted robbery at premises and with respect to that signal police or private guards are  
7 expected to respond. Fire alarm systems and alarm systems which monitor temperature, humidity,  
8 or any other condition not directly related to the detection of an unauthorized intrusion into  
9 premises or an attempted robbery at premises are excluded from the provisions of this chapter.

10 (4) "Department" means the division of professional regulation within the department of  
11 labor and training.

12 (5) "Director" means the director of the department of labor and training.

13 (6) "Licensing authority" means the department of labor and training.

14 (7) "Notify by mail", when used to notify applicant of approval of license ~~or I.D. card;~~ or  
15 when used to forward a license ~~or permanent I.D. card~~ to a licensee ~~or I.D. card holder~~ means first  
16 class mail. When used to notify an applicant, or licensee, ~~or I.D. card holder~~ of intent to refuse or  
17 deny application, or suspend or revoke the license ~~or I.D. card~~, or to notify a licensee, or  
18 applicant, ~~or I.D. card holder~~ of final, refusal, denial, suspension, or revocation of that  
19 application, or license ~~or I.D. card~~, the term "notify by mail" means certified mail, return receipt  
20 requested.

21 (8) "Owner" means a person who holds an interest of twenty-five percent (25%), directly  
22 or indirectly, or more in an alarm business.

23 (9) "Person" means an individual, firm, partnership, corporation, or organization of any  
24 nature.

25 (10) "Principal corporate officer" means the president, vice president, treasurer, secretary  
26 and comptroller as well as any other person who performs functions for the corporation  
27 corresponding to those performed by the preceding officers.

28 (11) "Subscriber" means a person or business, which buys or obtains an alarm system  
29 and has a contract with an alarm business to monitor and/or service the alarm system.

30 **5-57-11. Licensing authority -- Rules and regulations. --** The authority to promulgate  
31 rules and regulations which are reasonable, proper and necessary to carry out the functions of the  
32 licensing authority; to enforce the provisions of this chapter; and, to establish procedures for the  
33 preparation and processing of examinations, applications, ~~license licenses certificates, I.D. cards,~~  
34 renewals, appeals, hearings, and rulemaking proceedings shall be vested in the licensing authority

1 [subject to the approval of the board.](#)

2 **5-57-14. Alarm business license required -- Licensing of electricians. --** (a) It is  
3 unlawful and punishable as provided in section 5-57-41 for any person to engage in the alarm  
4 business within this state without having first obtained an alarm business license from the state  
5 licensing authority, subject to subsection (c) of this section; provided, that nothing contained in  
6 this chapter shall be construed to prohibit an electrician licensed pursuant to chapter 6 of this title  
7 from installing a burglar or hold-up alarm system; and provided, that no electrician licensed  
8 pursuant to this section shall install any burglar or hold-up alarm system in any bank or other  
9 financial institution or in any residential housing with four (4) units or less.

10 (b) Authority for the licensing of any electrician shall be vested with the department of  
11 labor and training which shall:

12 (1) After receipt of an application for a license, shall conduct an investigation to  
13 determine whether the facts presented in the application are true and shall receive from the  
14 department of the attorney general all records of criminal information which it has or shall  
15 receive indicating any criminal activity on the part of the individual signing the application.

16 (2) Deny any application of a person who has been convicted in any jurisdiction of the  
17 United States of a felony ~~or a misdemeanor~~ if the licensing authority finds that the conviction  
18 reflects unfavorably on the fitness of the applicant to engage in the alarm business.

19 (c) Every person desiring to be engaged in the alarm business within this state shall  
20 apply to the licensing authority for a license to operate an alarm business. ~~Any person engaged in~~  
21 ~~the alarm business on July 1, 1979 and filing a timely application may continue to engage in the~~  
22 ~~alarm business pending a final determination of the application.~~ Any person not having previous  
23 experience in the alarm business and filing as a new applicant who will be the owner or principal  
24 officer of the business or branch office in this state shall not engage in the alarm business until  
25 approval by the licensing authority of his or her alarm business license ~~and I.D. card~~ applications  
26 for himself or herself and his or her employees.

27 **5-57-17. ~~Investigation of license applications~~ Investigation of license applications**  
28 **and renewals. --** After receipt of an application for a license [or renewal](#), the licensing authority  
29 shall conduct an investigation to determine whether the facts presented in the application are true  
30 and shall receive from the department of the attorney general all records of criminal information  
31 which it has or receives indicating any criminal activity on the part of the individual signing the  
32 application. The department of the attorney general shall also submit the fingerprints of the  
33 individual signing the application to the Federal Bureau of Investigation for review. The  
34 department of the attorney general shall provide the information subject to the rules and

1 regulations promulgated by the attorney general regarding the production of that information.

2 **5-57-19. Grounds for denial of applications.** -- The licensing authority may deny the  
3 application for an alarm business license if it finds that the applicant or the individual having the  
4 authority and the responsibility for the management and operation of the applicant's alarm  
5 business within the state ~~or the individual whom the applicant relies upon to comply with~~  
6 ~~subsection (e) or (f) of section 5-57-16~~ or any of the applicant's owners, partners or principal  
7 corporate officers have:

8 ~~(1) Committed any act, which, if committed by a licensee, would be grounds for the~~  
9 ~~revocation of a license under section 5-57-25(a);~~

10 ~~(2)~~(1) While unlicensed, knowingly and willfully committed or aided and abetted in the  
11 commission of any act for which a license is required by this chapter; or

12 ~~(3)~~(2) Been convicted in any jurisdiction of the United States of a felony ~~or a~~  
13 ~~misdemeanor~~ if the licensing authority finds that the conviction reflects unfavorably on the fitness  
14 of the applicant to engage in the alarm business.

15 **5-57-20. Procedure for approval or denial of applications.** -- (a) The procedure of the  
16 licensing authority in approving or denying an application shall be as follows:

17 (1) (i) If the application is approved, the licensing authority shall notify the applicant, in  
18 writing, of the approval, ~~and shall state that if bond is not received with the application, upon~~  
19 ~~compliance with section 5-57-21, a license will be issued.~~

20 (ii) That notification shall state that the issued license shall expire in one year, unless  
21 renewed in accordance with sections 5-57-22 and 5-57-23, and shall state the time within which  
22 application for renewal must be made;

23 (2) If the application of the alarm business is denied, the licensing authority shall notify  
24 the applicant, in writing, and shall state the grounds for denial and advise the applicant of his or  
25 her right to a hearing on the denial in accordance with the provisions established by the  
26 Administrative Procedures Act, chapter 35 of title 42. If the grounds for denial are subject to  
27 correction by the applicant, the notice of denial shall state and the applicant shall be given  
28 reasonable time after receipt and acknowledgement of that notice, at the discretion of the  
29 licensing authority (or, upon application, a reasonable period of time), within which to make the  
30 required correction.

31 (b) If the application of the alarm business is denied, the applicant may schedule a  
32 hearing to be held before the licensing authority or an officer designated by the licensing  
33 authority in accordance with the provisions for that hearing as prescribed in the Administrative  
34 Procedures Act, chapter 35 of title 42.

1           **5-57-22. Renewal of licenses.** -- Application for renewal of a license must be received by  
2 the licensing authority on a form provided by the licensing authority no less than thirty (30) days  
3 prior to the expiration date of the license, subject to the right of the licensing authority to permit  
4 late filing upon good cause shown. The licensing authority may refuse to renew a license for any  
5 of the grounds stated in section 5-57-19(1) and it shall promptly notify the licensee of its intent to  
6 refuse to renew the license. The licensee may, within fifteen (15) days after receipt of the notice  
7 of intent to refuse to renew a license, request a hearing on that refusal in the manner prescribed in  
8 section 5-57-20(b). A licensee shall be permitted to continue to engage in the alarm business  
9 while its renewal application is pending. [An investigation of license renewals shall be performed](#)  
10 [as prescribed in section 5-57-17.](#)

11           **5-57-23. ~~Application, license, replacement and renewal fees~~ Application, license,**  
12 **replacement, renewal and late fees.** -- (a) A nonrefundable application fee of ~~one hundred~~  
13 ~~twenty-five dollars (\$125)~~ [seventy-five dollars \(\\$75.00\)](#) shall be remitted with each application to  
14 cover investigation and administrative costs.

15           (b) The licensing authority shall promulgate rules and regulations mandating the term of  
16 license for each license issued pursuant to this chapter; no license shall remain in force for a  
17 period in excess of ~~three (3)~~ [two \(2\)](#) years.

18           (c) Any fee for the initial issuance of a license or for the renewal of a license shall be  
19 determined by multiplying the per annum fee by the term of years of the license. The entire fee  
20 for the total term of licensure shall be paid prior to issuing the initial license or renewal.

21           ~~(d) The per annum fee for the initial issuance of a license shall be one hundred dollars~~  
22 ~~(\$100.00) which shall be remitted with the application, but which shall be refunded if the~~  
23 ~~application of the alarm business is denied or withdrawn before approved.~~

24           ~~(e) (1) The licensee shall submit a completed renewal application form not later than~~  
25 ~~thirty (30) days before the expiration of the license with a fifty dollar (\$50.00) nonrefundable~~  
26 ~~administrative fee to cover the cost of processing the renewal application.~~

27           ~~(2) The per annum fee for renewal shall be one hundred dollars (\$100.00). If the renewal~~  
28 ~~application of the licensee is denied, the annual fee will be refunded.~~

29           ~~(f)(d)~~ All fees shall be paid into the general fund.

30           [\(e\) Annual fees:](#)

31           [\(1\) Examination fee](#) [\\$ 75.00](#)

32           [\(2\) License and renewal fees:](#)

33           [\(i\) Security System Contractor \(SSC\)](#) [120.00](#)

34           [\(ii\) Security System Technician \(SST\)](#) [72.00](#)

1	<u>(ii) Security System Limited (SSL)</u>	<u>24.00</u>
2	<u>(iv) Security System Trainee/Apprentice</u>	<u>24.00</u>
3	<u>(3) Duplicate/lost license</u>	<u>12.00</u>
4	<u>(4) Late renewal (additional fee per month)</u>	<u>12.00</u>

5 ~~(g) There shall be a ten dollar (\$10.00) charge for the issuance of a duplicate license to~~  
6 ~~replace a lost, damaged original, or renewal license. Fees for the replacement license shall be paid~~  
7 ~~into the general fund.~~

8 **5-57-30. ~~Investigation of I.D. card applications~~ Investigation of license applications.**

9 ~~--~~ After receipt of an application ~~for an I.D. card~~, the licensing authority shall conduct an  
10 investigation to determine whether the facts stated in the application are true and shall receive  
11 from the department of the attorney general all records of criminal information which it has or  
12 receives indicating any criminal activity on the part of the applicant for ~~an I.D. card~~ a license. The  
13 department of the attorney general will also submit the fingerprints of the applicant for ~~an I.D.~~  
14 ~~card~~ a license to the Federal Bureau of Investigation for review. The department of the attorney  
15 general shall provide the information subject to the rules and regulations promulgated by the  
16 attorney general regarding the production of the information.

17 **5-57-31. ~~Time limitation on actions on I.D. card applications~~ Time limitation on**  
18 **actions on license applications.** -- Action to approve or deny an application of an individual for  
19 ~~an I.D. card~~ a license shall be taken as expeditiously as possible by the licensing authority, but  
20 that action shall be taken within ninety (90) days after receipt of the application unless the  
21 licensing authority requires additional information from the ~~I.D. card~~ license applicant. In that  
22 event, or if additional facts are required to satisfy the requirements of this chapter, or if the  
23 applicant has not submitted all the required information, the ninety (90) day period for action by  
24 the licensing authority shall commence when all the information is received by the licensing  
25 authority.

26 **5-57-32. ~~Request for hearing upon notice of denial of I.D. card application~~ Request**  
27 **for hearing upon notice of denial of license application.** -- After receipt of written notice from  
28 the licensing authority of denial of ~~an I.D. card~~ a license, the ~~I.D. card~~ license applicant may  
29 request a hearing in the same manner and in accordance with the same procedure as that provided  
30 in section 5-57-20(b).

31 **5-57-33. ~~Grounds and procedure for suspension or revocation of I.D. cards~~ Grounds**  
32 **and procedure for suspension or revocation of license.** -- ~~(a) For purposes of this section only,~~  
33 ~~when the term "alarm agent" is used, it also applies to an individual required to obtain a~~  
34 ~~permanent I.D. card from the licensing authority or a temporary I.D. card from an alarm business~~

1 ~~subject to this chapter.~~

2 ~~(b)(a)~~ Alarm agent I.D. cards Licenses may be suspended or revoked by the licensing  
3 authority in the manner prescribed in this section if the ~~cardholder~~ license holder has:

4 (1) Been found to have violated any of the provisions of this chapter or any rule or  
5 regulation of the licensing authority if the licensing authority determines that the violation reflects  
6 unfavorably upon the fitness of the ~~I.D. cardholder~~ license holder to function as an alarm agent;

7 (2) Knowingly and willfully given any material false information to the licensing  
8 authority in connection with an application for an ~~I.D. card~~ a license or a renewal or reinstatement  
9 of an ~~I.D. card~~ a license under this chapter or in the submission of any material fact to the  
10 licensing authority;

11 (3) Been convicted in any jurisdiction of a felony ~~or a misdemeanor~~ if the licensing  
12 authority finds that conviction to reflect unfavorably on the fitness of the ~~I.D. cardholder~~ license  
13 holder to function as an alarm agent.

14 ~~(e)(b)~~ Prior to suspension or revocation of ~~an I.D. card~~ a license, the licensing authority  
15 shall promptly notify the ~~I.D. cardholder~~ license holder and the alarm business by which the  
16 ~~cardholder~~ license holder is employed or engaged of the proposed action presenting in reasonable  
17 detail the ground or grounds for suspension or revocation. The ~~I.D. cardholder~~ license holder may  
18 request a hearing in the same manner and in accordance with the same procedure as that provided  
19 in section 5-57-25(b).

20 ~~(d)(c)~~ In the event that the licensing authority suspends or revokes ~~an I.D. card~~ a license,  
21 the ~~cardholder~~ license holder, upon receipt of the notice of suspension or revocation, shall cease  
22 to perform any services related to the alarm business.

23 ~~(e)(d)~~ Both the ~~I.D. cardholder~~ license holder and the alarm business which employs him  
24 or her or engages him or her shall be notified by the licensing authority of final action to suspend  
25 or revoke ~~an I.D. card~~ the license.

26 ~~**5-57-35. Renewal and replacement of I.D. cards -- Notification of changes**~~  
27 ~~**Notification of changes. --**~~ (a) ~~I.D. cards issued by the licensing authority shall be valid for a~~  
28 ~~period of two (2) years. An I.D. card renewal form must be filed by the cardholder with the~~  
29 ~~licensing authority not less than thirty (30) days prior to the expiration of the I.D. card. The fee~~  
30 ~~for renewal of an I.D. card shall be fifteen dollars (\$15.00) and shall be paid into the general fund.~~

31 ~~(b) The licensing authority may refuse to renew an I.D. card on any of the grounds stated~~  
32 ~~in section 5-57-19(1), and the licensing authority shall promptly notify the I.D. cardholder of its~~  
33 ~~intent to refuse to renew the license. The I.D. cardholder may within fifteen (15) days after~~  
34 ~~receipt of the notice of intent to refuse to renew an I.D. card, request a hearing on that refusal in~~



~~the same manner and in accordance with the same procedure as that provided in section 5-57-20(b).~~

~~(e)~~ An alarm business shall notify the licensing authority within ~~ten (10)~~ sixty (60) days after the death or termination of employment of any of its employees or of any individual associated with the alarm business who holds ~~an I.D. card~~ any license issued by it or by the licensing authority.

~~(d) There shall be a five dollar (\$5.00) charge for the issuance of a duplicate I.D. card to replace a lost, damaged, or destroyed original, or renewal I.D. card. Fees for the replacement shall be paid into the general fund.~~

**5-57-37. Activities of I.D. cardholders after notice of suspension or revocation of I.D. card** ~~Activities of license holders after notice of suspension or revocation of license.~~ -- After ~~an alarm agent~~ a license holder or any other individual required to obtain ~~an I.D. card~~ a license under this chapter has received a notice of suspension or revocation of his or her ~~I.D. card~~ license, that individual shall not engage in the alarm business unless specifically authorized to do so by order of the licensing authority or by order of the superior court.

**5-57-38. Local governmental regulations of alarm business or alarm agents.** -- (a) On September 1, 1977, no local governmental subdivision within this state shall enact any ordinance or promulgate any rules or regulations relating to the licensing of alarm businesses, ~~alarm agents or other individuals~~ or employees of alarm businesses required to obtain ~~an I.D. card~~ a license under this chapter.

~~(b) Sixty (60) days after September 1, 1977, any provision of any legislation or rules or regulations of any local governmental subdivision within the state requiring the licensing of an alarm business or requiring that alarm agents or other individuals employed by or associated with an alarm business obtain I.D. cards are no longer effective.~~

~~(e)~~(b) The provisions of this chapter are not intended to and do not prevent the legally constituted authority of any local governmental subdivision within the state by legislation, rules or regulations, and within the police power of that local governmental subdivision, from requiring alarm businesses and/or ~~alarm agents~~ employees to register their names, addresses, and license ~~certificate number or I.D. card number~~ with the local governmental subdivision within which they operate. Those local governmental subdivisions may also require that alarm businesses and ~~alarm agents~~ employees shall be given reasonable notice of termination or suspension of licenses ~~and I.D. cards~~. No fee may be charged nor may any application be required by any local governmental subdivision for that registration.

~~(d)~~(c) Although this chapter pre-empts local governmental subdivisions from enacting



1 any licensing legislation or promulgating licensing rules or regulations applicable to alarm  
2 business or alarm agents, local governmental authorities may by legislation or reasonable rules or  
3 regulations require alarm system users in their jurisdiction to obtain a permit at the time of  
4 installation and fix a nominal fee for those permits, those fees shall not exceed twenty-five dollars  
5 (\$25.00).

6 ~~**5-57-41. Penalties for violations.** --- (a) Any person found guilty of violating any of the~~  
7 ~~following provisions of this chapter shall be subject to a fine not to exceed five hundred dollars~~  
8 ~~(\$500), or imprisonment for a period not to exceed ninety (90) days, or both:~~

9 ~~(1) Engaging in the alarm business without complying with section 5-57-14;~~

10 ~~(2) Failure to obtain an I.D. card as required by section 5-57-29;~~

11 ~~(3) Willful and knowing failure to file or maintain on file the surety bond as required by~~  
12 ~~section 5-57-21;~~

13 ~~(4) Willful and knowing failure of an alarm business to notify its subscribers of~~  
14 ~~revocation of its license as required by section 5-57-25(c); and~~

15 ~~(5) Willful and knowing failure to surrender a license certificate as required by section 5-~~  
16 ~~57-27(b) or to surrender an I.D. card as required by section 5-57-34.~~

17 ~~(b) Any person found guilty of willfully and knowingly submitting false information of a~~  
18 ~~material nature in any application for an alarm business license or for an I.D. card, or for renewal~~  
19 ~~applications, shall be subject to a fine not to exceed five hundred dollars (\$500), or imprisonment~~  
20 ~~for a period not to exceed ninety (90) days, or both.~~

21 **5-57-41. Authority of director to assess penalty.** – (a) The director may assess an  
22 administrative penalty on any person, firm or corporation for any violation of the provisions of  
23 this chapter, after notice and hearing, before and upon the recommendation of the board of  
24 examination of burglar and hold-up alarm business contractors, technicians and installers in the  
25 amount of not more than five hundred dollars (\$500) for the first offense and not less than five  
26 hundred dollars (\$500) nor more than one thousand dollars (\$1,000) for each subsequent offense;  
27 provided, that the director of labor and training may revoke any burglar and hold-up alarm  
28 business license for a failure to pay any fine recommended by the board and approved by the  
29 director of labor and training within thirty (30) days.

30 (b) A copy of the order shall be immediately served upon the licensee personally or by  
31 registered or certified mail. The order of the board shall be final unless the licensee so charged or  
32 the complainant shall, within twenty (20) days after receipt of the order, file an appeal with the  
33 director of labor and training. The appeal will be determined by the director or his or her  
34 designee. The director may accept or reject, in whole or in part, the recommended order of the

1 board. The order of the director shall be final, subject to review by the courts under the  
2 administrative procedures act, chapter 35 of title 42, and a copy of the order shall be immediately  
3 served upon the person, firm or corporation assessed.

4 SECTION 2. Sections 5-57-16, 5-57-21, 5-57-27, 5-57-29, 5-57-34 and 5-57-36 of the  
5 General Laws in Chapter 5-57 entitled "Burglar and Hold-Up Alarm Businesses" are hereby  
6 repealed.

7 ~~5-57-16. Experience or examination requirements. (a) Every alarm business shall~~  
8 ~~meet either the experience requirement of subsection (c) of this section or the examination~~  
9 ~~requirement of subsection (f) of this section before it may engage in the alarm business.~~

10 ~~(b) Applicants engaged in the alarm business on September 1, 1977 have three (3)~~  
11 ~~months from the date of conditional approval of their alarm business application by the licensing~~  
12 ~~authority to comply with the examination requirements of this section; provided, that if within~~  
13 ~~that time the applicant is unable to engage an individual meeting the requirements of subsection~~  
14 ~~(f) of this section, the licensing authority may for good cause shown, extend for a reasonable~~  
15 ~~time, not to exceed ninety (90) days, the period within which the applicant shall comply with this~~  
16 ~~section. Upon satisfactory completion of the examination, procedures, content, and passing scores~~  
17 ~~for which are established in rules and regulations, the licensing authority shall lift its conditional~~  
18 ~~approval and grant its full approval of the company licensed to do business. Applicants who do~~  
19 ~~not take the examination must satisfy the experience requirement required by subsection (c) of~~  
20 ~~this section.~~

21 ~~(c) Experience requirement: In order to comply with this requirement, at least one~~  
22 ~~individual who is an owner, officer, partner, manager, or employee of the applicant shall establish~~  
23 ~~that he or she was engaged or was employed in an alarm business in sales, installation or service~~  
24 ~~for an aggregate period of three (3) years prior to the filing of the application. That individual~~  
25 ~~shall file with the licensing authority sworn statements relating to the foregoing facts of at least~~  
26 ~~two (2) citizens of the community or communities in which that individual was so engaged or~~  
27 ~~employed. The individual whom the applicant relies upon to comply with this subsection is~~  
28 ~~required to devote a substantial portion of his or her time to engaging in and/or supervising the~~  
29 ~~sale, installation, or servicing of alarm systems on behalf of the applicant.~~

30 ~~(d) For the purposes of the three (3) year experience requirement of subsection (c) of this~~  
31 ~~section, employment by or engagement in an alarm business in one or more communities within~~  
32 ~~the state may be aggregated. In the event that the individual whom the applicant relies upon to~~  
33 ~~comply with subsection (c) of this section must aggregate his or her past experience in the alarm~~  
34 ~~business in two (2) or more states, the individual must submit sworn statements of two (2) or~~

1 ~~more citizens of each state or states as to that experience.~~

2 ~~(e) If the licensing authority determines that the applicant has not satisfactorily complied~~  
3 ~~with subsection (c) of this section or that the prior experience of the individual whom the~~  
4 ~~applicant relies upon to comply with subsection (c) of this section is not sufficient to permit the~~  
5 ~~applicant to engage in the alarm business, it may require the applicant to comply with subsection~~  
6 ~~(f) of this section.~~

7 ~~(f) Examination requirement: The licensing authority shall prepare and administer at~~  
8 ~~least twice annually an examination or examinations designed to measure an individual's~~  
9 ~~knowledge and competence in the alarm business. It may administer separate examinations to test~~  
10 ~~an individual's knowledge and competence with respect to the type and nature of the alarm~~  
11 ~~business in which the applicant proposes to engage. The individual who qualifies under this~~  
12 ~~subsection shall be required to devote a substantial portion of his or her time to engaging in~~  
13 ~~and/or supervising the sale, installation, or servicing of alarm systems on behalf of the applicant.~~

14 ~~(g) In the event that the individual whom the applicant relies upon to comply with~~  
15 ~~subsection (c) of this section or to qualify under subsection (f) of this section within a period of~~  
16 ~~three (3) years after that compliance or qualification for any reason ceases to perform his or her~~  
17 ~~duties on a regular basis, the alarm business shall promptly notify the licensing authority by~~  
18 ~~certified mail and shall make every effort to promptly obtain a substitute eligible individual~~  
19 ~~acceptable to the licensing authority. If the alarm business fails to obtain a substitute eligible~~  
20 ~~individual within six (6) months from and after the disqualification of the licensee, the licensing~~  
21 ~~authority may revoke the alarm business license or, for good cause shown, may extend for a~~  
22 ~~reasonable time the period for obtaining a substitute qualifying individual or the licensing~~  
23 ~~authority may determine, based upon the experience and performance of the alarm business, that~~  
24 ~~the alarm business does not need to obtain a substitute qualifying individual.~~

25 **5-57-21. Surety bond.** ~~-- (a) No license shall be issued under this chapter until the~~  
26 ~~applicant files with the licensing authority a surety bond made payable to the state in the sum of~~  
27 ~~ten thousand dollars (\$10,000.00) conditioned to recover against the principal, by reason of~~  
28 ~~wrongful acts of a material nature knowingly engaged in by the licensee in the conduct of its~~  
29 ~~business. No party other than the licensing authority shall recover against the bond required by~~  
30 ~~this section. The surety bond must be written by a company authorized to do business in this state~~  
31 ~~and approved by the licensing authority with respect to its form, manner of execution and~~  
32 ~~sufficiency.~~

33 ~~(b) Every licensee shall at all times maintain on file with the licensing authority the~~  
34 ~~surety bond, in full force and effect, required by this chapter. Knowing and willful failure to do so~~

1 ~~shall be unlawful and punishable as provided in section 5-57-41.~~

2 ~~(c) A bond executed and filed with the licensing authority pursuant to this chapter shall~~  
3 ~~remain in force and effect until the surety has terminated future liability by notice to the licensing~~  
4 ~~authority thirty (30) days in advance of termination.~~

5 ~~(d) The sum of ten thousand dollars (\$10,000) in cash may be deposited with the state in~~  
6 ~~lieu of the surety bond required by this chapter.~~

7 ~~**5-57-27. Posting of license certificates and notices of license revocation.**~~ (a) ~~Within~~  
8 ~~seventy two (72) hours after receipt of the license certificate, the licensee shall cause the license~~  
9 ~~certificate to be posted and displayed at all times in a conspicuous place in the principal office of~~  
10 ~~the licensee within the state. Copies of the license certificate shall also be displayed at all times in~~  
11 ~~any other offices within the state where the alarm business transacts business with its customers,~~  
12 ~~so that all persons visiting that place or places may readily see the license. Those license~~  
13 ~~certificates or copies shall be subject to inspection at all reasonable times by the licensing~~  
14 ~~authority.~~

15 ~~(b) It is unlawful for any person holding a license certificate to knowingly and willfully~~  
16 ~~post that license certificate or permit that license certificate to be posted upon premises other than~~  
17 ~~those described in the license certificate or to knowingly and willfully alter that license~~  
18 ~~certificate. Each license certificate shall be surrendered to the licensing authority within seventy~~  
19 ~~two (72) hours after it is revoked or after the licensee ceases to do business, subject to section 5-~~  
20 ~~57-20(b). If, the licensing authority or a court of competent jurisdiction has pending before it any~~  
21 ~~matter relating to the renewal, revocation, or transfer of a license, the licensee is not required to~~  
22 ~~surrender the license until the matter has been adjudicated and all appeals have been exhausted.~~  
23 ~~When the licensee receives final notice that its license is revoked, a copy of that notice shall be~~  
24 ~~displayed and posted in close proximity to the license certificate until the licensee terminates its~~  
25 ~~operations.~~

26 ~~**5-57-29. I.D. cards -- Requirement -- Application -- Issuance or denial.**~~ (a) ~~It is~~  
27 ~~unlawful and punishable as provided in section 5-57-41 for any individual to function as an alarm~~  
28 ~~agent or to perform the duties described in subsections (b) and (c) of this section without first~~  
29 ~~obtaining an identification card (referred to as "I.D." card).~~

30 ~~(b) Owners, principal corporate officers, partners, and managers of all alarm businesses~~  
31 ~~shall be required to obtain I.D. cards if they directly engage in selling, installing, altering,~~  
32 ~~servicing, moving, maintaining, repairing, replacing, monitoring, responding to, or causing others~~  
33 ~~to respond to, alarm systems within the state.~~

34 ~~(c) Any individual engaged in the alarm business or employed by or associated with an~~

1 ~~alarm business within the state who is not an alarm agent but who has access to confidential~~  
2 ~~information relating to a customer or subscriber of an alarm business or who monitors radio~~  
3 ~~equipment used in connection with an alarm business must also obtain an I.D. card.~~

4 ~~(d) Individuals required to obtain an I.D. card under this section shall file a joint~~  
5 ~~application for a temporary and permanent I.D. card and upon completion, the alarm business~~  
6 ~~shall immediately forward the application form to the licensing authority and shall retain a copy~~  
7 ~~of the application in its files. Alarm businesses shall issue temporary I.D. cards in the manner~~  
8 ~~prescribed in subsection (g) of this section until the I.D. card applicant obtains a permanent I.D.~~  
9 ~~card from the licensing authority.~~

10 ~~(e) A person engaged in the alarm business on September 1, 1977 has authority to and is~~  
11 ~~required to issue to its alarm agents or other individuals required to obtain I.D. cards under this~~  
12 ~~section temporary I.D. cards (as provided in subsection (g) of this section) while the application~~  
13 ~~of that person for an alarm business license is pending. If that alarm business application is finally~~  
14 ~~denied, the alarm business no longer has authority to issue temporary I.D. cards. All temporary~~  
15 ~~I.D. cards issued by that alarm business shall become void and shall be returned by the temporary~~  
16 ~~I.D. cardholders to the issuer.~~

17 ~~(f) Application for an I.D. card shall be on a form prescribed by the licensing authority~~  
18 ~~and shall include the following:~~

19 ~~(1) The I.D. card applicant's full name and any other names previously used, current~~  
20 ~~residence and business addresses and telephone numbers;~~

21 ~~(2) Date and place of birth;~~

22 ~~(3) Whether the I.D. card applicant is applying as an alarm agent or as an individual~~  
23 ~~required to obtain an I.D. card under subsection (b) or (c) of this section;~~

24 ~~(4) A list of all felony and misdemeanor convictions of the I.D. card applicant in any~~  
25 ~~jurisdiction;~~

26 ~~(5) Two (2) classifiable sets of fingerprints recorded in the manner that may be specified~~  
27 ~~by the licensing authority;~~

28 ~~(6) Two (2) recent photographs of a type prescribed by the licensing authority;~~

29 ~~(7) The name and address of the alarm business, which employs or will employ or~~  
30 ~~engage the I.D. card applicant;~~

31 ~~(8) The application shall include a statement by the alarm business which employs or~~  
32 ~~will employ the I.D. card applicant or engage the I.D. card applicant as to whether that alarm~~  
33 ~~business;~~

34 ~~(i) Is licensed under this chapter;~~

1       ~~(ii) Has a license application pending before the licensing authority; or~~  
2       ~~(iii) Is unlicensed and does not have an application pending before the licensing~~  
3 ~~authority but was engaged in the alarm business within the state on September 1, 1977 and~~  
4 ~~intends to file a timely application for an alarm business license under this chapter;~~  
5       ~~(9) A statement by the alarm business as to whether it has issued a temporary I.D. card to~~  
6 ~~the I.D. card applicant. If the alarm business has issued a temporary I.D. card, the alarm business~~  
7 ~~shall state the date of issuance of the card and the card number;~~  
8       ~~(10) The I.D. card applicant's employment record for the prior three (3) years;~~  
9       ~~(11) A statement whether the applicant has been denied an alarm agent, guard or private~~  
10 ~~investigator license, permit or I.D. card or business license for an alarm business, guard or private~~  
11 ~~investigator business in any jurisdiction and whether that license, permit or I.D. card has been~~  
12 ~~revoked;~~  
13       ~~(12) A statement that the I.D. card applicant will inform the licensing authority of any~~  
14 ~~material change in the information stated in the I.D. card applicant's form within ten (10) days~~  
15 ~~after that change; and~~  
16       ~~(13) Any other information, which the licensing authority may reasonably deem~~  
17 ~~necessary to determine whether an applicant for an I.D. card meets the requirements of this~~  
18 ~~chapter.~~  
19       ~~(g) A temporary I.D. card shall be issued by an alarm business licensed under this~~  
20 ~~chapter to any of its alarm agents or any other individual required to obtain an I.D. card prior to~~  
21 ~~the issuance of a permanent I.D. card for this individual by the licensing authority. The form for~~  
22 ~~temporary I.D. cards shall be at the discretion of the alarm business, but shall only be with the~~  
23 ~~approval of the licensing authority. The form for permanent I.D. cards shall be prescribed by the~~  
24 ~~licensing authority and shall include the following information concerning the I.D. cardholder:~~  
25       ~~(1) Full name and signature;~~  
26       ~~(2) An I.D. card number and date of issuance of the card;~~  
27       ~~(3) Date and place of birth;~~  
28       ~~(4) Name and address of the alarm business which employs the applicant or with which~~  
29 ~~the applicant is associated;~~  
30       ~~(5) Date of commencement of employment or association with the alarm business; and~~  
31       ~~(6) A recent photograph of the I.D. cardholder.~~  
32       ~~(h) Before issuing a permanent I.D. card, the licensing authority shall require the~~  
33 ~~prospective I.D. cardholder to submit on forms provided by the licensing authority the names and~~  
34 ~~addresses of two (2) references who can verify the applicant's good moral character and~~

1 competency to install alarms or alarm systems and the names and addresses of employers of the  
2 prospective I.D. cardholder for the past three (3) years, and shall make reasonable and prudent  
3 inquiries to determine whether the applicant meets the requirements of this section. If the  
4 licensing authority has reason to believe that the individual required to obtain a permanent I.D.  
5 card does not meet the requirements of this section, no permanent I.D. card shall be issued by the  
6 licensing authority.

7 ~~(i) Any alarm business issuing a temporary I.D. card shall promptly report to the~~  
8 ~~licensing authority the name, address, and I.D. card number of the individual to whom it has~~  
9 ~~issued a temporary I.D. card.~~

10 ~~(j) The temporary or permanent I.D. card shall be carried by an individual required to~~  
11 ~~obtain an I.D. card under this chapter whenever that individual is engaged in the alarm business~~  
12 ~~and shall be exhibited upon request.~~

13 ~~(k) Application for an I.D. card to the licensing authority shall be accompanied by a~~  
14 ~~thirty dollar (\$30.00) fee to cover the cost of processing the application and investigating the~~  
15 ~~applicant. The fees collected shall be paid into the general fund.~~

16 ~~(l) The licensing authority may refuse to issue an I.D. card if the I.D. card applicant has~~  
17 ~~been convicted of a felony or a misdemeanor in any jurisdiction and the licensing authority finds~~  
18 ~~that the conviction reflects unfavorably on the fitness of the applicant to engage in the alarm~~  
19 ~~business or to be employed by an alarm business.~~

20 ~~(m) The permanent I.D. card issued by the licensing authority shall include the items~~  
21 ~~listed in subsection (g) of this section and the expiration date of the I.D. card.~~

22 **5-57-34. Nontransferability of I.D. cards.** ~~-- No I.D. card issued pursuant to the~~  
23 ~~provisions of this chapter shall be transferable. I.D. cards issued by the licensing authority must~~  
24 ~~be surrendered to the licensing authority by the I.D. cardholder or employer of the cardholder~~  
25 ~~upon termination of employment. A new application for an I.D. card must be submitted to the~~  
26 ~~licensing authority if the I.D. cardholder is subsequently employed by another alarm business.~~  
27 ~~Temporary I.D. cards issued by alarm businesses must also be surrendered to the alarm business~~  
28 ~~issuing that card by the I.D. cardholder upon termination of employment or association with the~~  
29 ~~alarm business. Willful and knowing refusal upon request of the licensing authority or the alarm~~  
30 ~~business to return an I.D. card is a misdemeanor. No new application or fee shall be required of a~~  
31 ~~cardholder who, following voluntary termination, returns to employment with the same alarm~~  
32 ~~business if reinstatement takes place within six (6) months of the issuance of the original or~~  
33 ~~renewal I.D. card. After notification of reinstatement, the licensing authority shall forward the~~  
34 ~~reclaimed cardholder's I.D. card to the employing alarm business for dispersal to the cardholder.~~



1 ~~The re-issued I.D. card shall expire two (2) years from the original date of issue. The break in~~  
2 ~~service between employment, termination, and re-employment of the cardholder with the alarm~~  
3 ~~business shall be documented on the next application for renewal submitted at the required time~~  
4 ~~to the licensing authority.~~

5 ~~**5-57-36. Expiration and renewal during suspension of use of an I.D. card.** -- An I.D.~~  
6 ~~card shall be subject to expiration and renewal during the period in which the holder of the I.D.~~  
7 ~~card is subject to an order of suspension.~~

8 SECTION 3. Chapter 5-57 of the General Laws entitled "Burglar and Hold-Up Alarm  
9 Businesses" is hereby amended by adding thereto the following sections:

10 **5-57-43. Licenses -- Qualifications.** – (a) Security system contractor corporation (SSCC)  
11 licenses shall be issued to a firm or corporation engaging in or about to engage in, the business of  
12 designing, installing, altering, servicing, and/or testing security systems. The holder of an SSCC  
13 license shall not be eligible to operate more than one SSCC firm at one time.

14 (b) Security system contractor SSC licenses shall be issued to any person qualified under  
15 this chapter representing himself/herself, individually, or as a firm or company engaging in the  
16 business of designing, installing, altering, servicing, and/or testing security systems, telephone  
17 and other types of communications. To qualify for this license, one shall pass the examination(s)  
18 for any of the security systems described in this chapter and shall have held a Rhode Island  
19 security systems technician position for at least three (3) consecutive years, immediately  
20 preceding the date of application. The holder shall be entitled to design and/or install security  
21 systems for which he or she was granted certification.

22 (c) Security system technician (SST) licenses shall be issued to any person who passes  
23 the examination(s) created by this chapter for all different kinds of security systems. The holder  
24 shall be entitled to individually perform the actual work of installing, altering, servicing and/or  
25 testing the type(s) of security and communication systems for which he or she was granted  
26 certification. All the work performed by an SST license holder shall be supervised by the holder  
27 of an SSC license.

28 (d) Security system limited (SSL) licenses shall be issued to anyone engaging in the  
29 business of monitoring security systems, who have access to confidential customer information  
30 and cause others to respond and is employed in sales by any Rhode Island SSCC or SSC-licensed  
31 alarm business. No applicant shall be required to take an examination.

32 (e) Security system trainee/apprentices shall be required to register with the licensing  
33 authority after they have been employed by an SSC license holder, but prior to actually  
34 performing installation work. He or she may install wiring, low voltage surface raceway,

1 enclosure, and wiring devices for security systems, under the supervision of the holders of an SST  
2 or SSC license.

3 (f) The registered security system trainee/apprentice shall not be permitted to make  
4 connection to, install or service security system devices. No more than two (2) registered security  
5 system trainees/apprentices shall be supervised by any single SSC or SST license holder.

6 (g) The security system trainee/apprentice shall have been registered as a Rhode Island  
7 security system trainee/apprentice for a minimum of six (6) months immediately preceding the  
8 date of application in order to qualify to take the SST examination.

9 (h) No individual shall be required to hold more than one type of license.

10 **5-57-44. Licensing of security system contractors. –** (a) At any time prior to the  
11 expiration of six (6) months following July 1, 2013, the authority shall, without examination,  
12 upon payment of the required fees, issue through the department of labor and training, division of  
13 professional regulation, an SSCC, SSC, SST, or SSL license to any applicant who shall present  
14 satisfactory evidence that he or she has the qualifications for the type and category(ies) of license  
15 applied for, and who has a minimum of three (3) years of verified continual experience installing,  
16 altering, servicing, and testing security systems covered by the license, as applicable, in this state  
17 within five (5) years immediately preceding July 1, 2013. Any applicant for a license under this  
18 provision must further provide sworn evidence of satisfactory completion of three (3)  
19 projects/systems for each category for which application is made.

20 (b) Any person qualified to obtain an SSCC, SSC, SST or SSL license under this section  
21 who is prevented from making application by reason of service in the armed forces of the United  
22 States during the six (6) month period following July 1, 2013 shall have three (3) months after  
23 discharge or release from active duty to make the application.

24 (c) At the time of passage of this section, any individual owner, general partner, or  
25 principal officer acting on behalf of the burglar and hold-up alarm business that holds a current  
26 alarm business identification card prior to the enactment of this section shall be issued an security  
27 system contractor's license under the subsection 5-57-43(b).

28 (d) At the time of enactment of this section, any person that holds a current alarm agent  
29 identification card, shall be issued a security system technician's license under subsection 5-57-  
30 43(a).

31 **5-57-45. Board of criminal identification record checks. –** All initial applications for  
32 security system licenses authorized by this chapter shall obtain a copy of his/her bureau of  
33 criminal identification (BCI) record from the attorney general's office and furnish a copy of it to  
34 the licensing authority.

1           **5-57-46. Board of examiners – Composition – Appointment of members – Policy-**  
2 **making role.** – (a) There is created in the division of professional regulation, in the department of  
3 labor and training, a state board of examiners of security professionals which, at all times, shall  
4 consist of seven (7) qualified electors of the state, appointed by the governor as follows:  
5           (1) Four (4) members of the board shall be security systems professionals who shall be  
6 qualified for licensing under the provisions of this chapter; one of whom shall represent the  
7 corporations (SSCC); one of whom shall represent the contractors (SSC); one of whom shall  
8 represent monitoring/sales (SSL); one of whom, with at least two (2) years experience, shall  
9 represent the technicians (SST);  
10           (2) One of whom shall be a member from the police chief association;  
11           (3) One of whom shall be from the Providence chamber of commerce to represent the  
12 public; and  
13           (4) One of whom shall be from the Rhode Island alarm and system contractor's  
14 association.  
15           (b) Each member shall be appointed for a term of two (2) years.  
16           (c) Any vacancy on the board which occurs for any cause shall be filled by appointment  
17 by the governor for the remainder of the unexpired term.  
18           (d) The board has a policy-making role in the preparation and composition of the  
19 examinations to be administered by the division. Subsequent to the administration of the  
20 examinations, the board of examiners shall review the examinations to evaluate their  
21 effectiveness. The board shall supervise the operation of the division in an advisory capacity in  
22 promulgating any policy that is necessary to improve the operation of the division in their area of  
23 expertise. The promulgation of that policy is subject to the approval of the director of the  
24 department.  
25           (e) The director of labor and training has the power to revoke or suspend the certificate or  
26 license or impose a fine upon the certificate or license holder, for all certificates and licenses  
27 issued by the division of professional regulation, after a hearing before and upon the  
28 recommendation of the board of examiners of alarm professionals.

29           SECTION 4. This act shall take effect on September 1, 2013.

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LC01513  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO BUSINESSES AND PROFESSIONS -- BURGLARY ALARMS

\*\*\*

- 1           This act would amend certain provisions relative to the licensing of the alarm business  
2   and creates a state board of examiners of security professionals who shall have a policy-making  
3   role in exam preparation and evaluation of the divisions alarm business licensing.  
4           This act would take effect on September 1, 2013.

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