

March 12, 2009

S 584. AMEND PRIVATE PROTECTIVE SERVICES ACT. Filed 3/11/09. *TO AMEND THE PRIVATE PROTECTIVE SERVICES ACT.*

Amends GS 74C-3(a) to add to the definition of *private protective services profession* a digital forensics examiner who contracts to engage in the practice of conducting examinations of digitally stored data to recover, image, analyze, or examine the data by using specialized software to determine responsibility or reconstruct usage of the data. Enumerates persons not included in the definition of *digital forensics examiner*. Makes organizational changes. Amends GS 74C-3(b)(13) to clarify that the provisions of this Chapter apply to a person who is an armed or unarmed security guard at an establishment that sells alcohol. Defines *establishment* to include an eating establishment, a private club, or a restaurant as defined in GS 18B-1000. Makes a technical change. Amends GS 74C-7 to clarify that any investigation conducted by the Attorney General into complaints, allegations, or suspicions of wrongdoing by private protective services professionals licensed or to be licensed under this Chapter is deemed confidential and is not subject to review under GS 132-1 (public records). Allows the report to be released to the licensee after the investigation is complete but before the report is presented to the Private Protective Services Board (Board).

Amends GS 74C-8(c) to allow the Board to extend *for good cause* the period granted a business entity in obtaining a replacement for a qualifying agent up to three months *or up to 6 months following the petition by an applicant and a hearing by the Board*. Requires that the Board provide the Department of Justice (DOJ) with fingerprints of a *new* applicant seeking a license, registration, certification or permit through the Board. Requires DOJ to provide a criminal record check based upon the applicant's fingerprints. Allows the Board to request a criminal record check for a renewal applicant in accordance with the policy adopted by the Board. Amends GS 74C-9(e) to clarify that license fees authorized to be charged by the Board are *per year of the license term*. Requires that a late renewal fee for a failure to renew on or before the expiration date of the license, *registration, permit, or certification* is to be paid *within 90 days from the date the license expires*. Allows the Board to charge a correctable error fee up to \$100 for each subsequent filing of an application following review and rejection of the initial application. Amends GS 74C-11(a) to clarify that a licensee may employ unarmed security guards as probationary employees for 20 *consecutive* calendar days. Amends GS 74C-12(a) to include that a denial, suspension, or revocation of a license, registration, or permit may be based on (1) the *principal in the applicant's business* having been previously denied, or been subject to revocation of, a license, registration, or permit issued under this Chapter; (2) the applicant having failed or refused to reasonably cooperate with the Board or its agents during an investigation of any complaint, allegation, or suspicion of wrongdoing or violation of this Chapter; (3) the applicant having failed to properly make any disclosure or provide documents or information as required by the Board; (4) the applicant having engaged in conduct constituting dereliction of duty or otherwise having deceived, defrauded, or harmed the public in the course of professional activities or services; or (5) the applicant having demonstrated a lack of financial responsibility. Amends GS 74C-12(c) to delete that a sworn court official or a holder of a company police commission is prohibited from being issued a registration or permit but maintains the prohibition on being issued a license. Amends GS 74C-13(a) to require (1) a licensee to register any individual carrying a firearm within 30 days of employment and (2) that, before engaging in private protective services activity, the individual receive any required training prescribed by the Board. Repeals GS 74C-14, which allowed registered security guards to possess and use tear gas (mace) to the extent allowed under the provisions of GS 14-401.6. Amends GS 74C-21(a) to add that no state or federal law enforcement officer may be licensed as a digital forensics examiner.

Enacts new GS 74C-23 to create notification requirements to the Director of the Board for a licensed company, firm, or corporation in the event it transfers ownership, control, or a majority of assets to another person, firm, association, or corporation acquiring control or ownership. Provides for steps that must be taken and information that must be provided.

Amends Article 2 of GS Chapter 74C to rename the Private Protective Services Recovery Fund as the Private Protective Services Education Fund (Fund). Modifies the purpose of the Fund so that funds are used for the education of licensees and registrants as deemed appropriate by the Board (was, funds used to pay claims where an aggrieved person has suffered a direct

monetary loss by reason of certain acts committed by a licensed person under the Chapter). Makes conforming changes. Also makes conforming changes to GS 74C-8(f) and GS 74C-12(a). Repeals GS 74C-31 (Application for payment out of Fund; hearing grounds), GS 74C-32 (Order directing payment out of Fund), and GS 74C-33 (Maximum liability; pro rata distribution).

Intro. By Snow.

GS 74C

April 20, 2009

S 584. AMEND PRIVATE PROTECTIVE SERVICES ACT. Filed 3/11/09. Senate committee substitute makes the following changes to 1st edition. Removes amendments to GS 74C-3(a), which added *digital forensics examiner* (including a list of exempted individuals) to the definition of *private protective services profession*. Amends GS 74C-3(b) to exempt from the definition of *private protective services* a person engaged in (1) computer or digital forensic services or the acquisition, review, or analysis of digital or computer-based information, whether for the purposes of obtaining or furnishing information for evidentiary or other purposes, or for providing expert testimony before a court, or (2) network or system vulnerability testing, including network scans and risk assessment and analysis of computers connected to a network.

Clarifies in proposed amended GS 74C-7 that any investigation conducted by the Attorney General pursuant to this section is deemed confidential and is not subject to review under GS 132-1 *until the investigation is complete and a report is presented to the Private Protective Services Board*.

Makes technical changes to GS 74C-8(f) and GS 74C-12(a).

Amends GS 74C-9 to extend the term of a license issued to the operator or manager of any branch office to two years (was, one year). Makes clarifying and technical changes.

Removes in proposed GS 74C-23 the term *limited liability corporation* from inclusion as a corporation in the provision requiring certain responsibilities if a company, firm, or corporation licensed under GS Chapter 74C transfers ownership, control, or a majority of assets to another person, firm, association, or corporation acquiring control or ownership. Also makes a clarifying change.

Changes the effective date to October 1, 2009 (was, when the act becomes law).

May 27, 2009

S 584. AMEND PRIVATE PROTECTIVE SERVICES ACT. Filed 3/11/09. Senate committee substitute makes the following changes to 2nd edition. Deletes the amendment to GS 74C-3(b)(13), which provided that the provisions of GS Chapter 74C apply to a person who is an armed or unarmed security guard at an establishment that sells alcohol.

Deletes the amendment to GS 74C-21(a), which prohibited certain law enforcement officers from being licensed as digital forensics examiners under GS Chapter 74C.

Also makes a technical change.

July 1, 2009

S 584. AMEND PRIVATE PROTECTIVE SERVICES ACT. Filed 3/11/09. House committee substitute makes the following changes to 3rd edition.

Amends GS 74C-8(a) to specify that any person, firm, association, or corporation desiring to carry on or engage in the private protective services profession must be licensed in accordance with GS Chapter 74C. Clarifies requirements for license application in subsection (b). Makes organizational, clarifying, technical, and conforming changes throughout GS 74C-8. Makes similar changes to GS 74D-2 (Alarm Systems Licensing Act) where applicable.

Enacts new GS 74C-8.1 and GS 74D-2.1 to require that the Private Protective Services Board and the Alarm Systems Board, respectively, conduct a background investigation to determine whether the applicant meets the requirements for a license, registration, or certification or permit (private protective services only) upon receipt of an application. Allows the Department of Justice (DOJ) to provide a criminal record check to the board for a new or renewal applicant. Requires that the board provide DOJ with fingerprints of the applicant along with the request for a criminal record check. Sets forth the procedure for conducting a state and national criminal record check on the applicant. Allows DOJ to charge each applicant a fee for conducting a criminal

record check. Authorizes that the board may require a new or renewal applicant to obtain a criminal record report from one or more of the reporting services designated by the board to provide criminal record reports, with applicants paying the cost of the reports. Requires the board to keep information obtained pursuant to the statute confidential.

Also makes a technical change to proposed amended GS 74C-7.

Requires that the Joint Legislative Commission on Governmental Operations study the regulation and impact of digital forensics and report to the 2010 General Assembly.

Makes conforming changes to the title.

July 27, 2009

SL 2009-328 (S 584). AMEND PRIVATE PROTECTIVE SERVICES ACT. AN ACT TO AMEND THE PRIVATE PROTECTIVE SERVICES ACT, TO MAKE CONFORMING CHANGES TO THE ALARM SYSTEMS LICENSING ACT WITH RESPECT TO CRIMINAL BACKGROUND CHECKS, AND TO AUTHORIZE THE STUDY OF DIGITAL FORENSICS. Summarized in *Daily Bulletin* 3/12/09, 4/20/09, 5/27/09, and 7/1/09. Enacted July 24, 2009. Effective October 1, 2009.