

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30299-NN-58

Short Title: Locksmith Licensing Act Modernization.

(Public)

Sponsors: Representative Schietzelt.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE LICENSURE FOR LOCKSMITH BUSINESSES, TO MODIFY
3 REQUIREMENTS FOR LOCKSMITH APPRENTICES, TO CLARIFY LOCKSMITH
4 LICENSING REQUIREMENTS AND EXEMPTIONS, AND TO STRENGTHEN
5 ENFORCEMENT OF THE LOCKSMITH LICENSING ACT.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** G.S. 74F-3 reads as rewritten:

8 "**§ 74F-3. Licenses required; violation.**

9 (a) No person shall perform or offer to perform locksmith services in this State unless the
10 person has been licensed under the provisions of this Chapter. Every person providing locksmith
11 services as defined under ~~G.S. 74F-4(5) to buildings containing medical records, pharmaceutical~~
12 ~~records, educational records, criminal records, voting records, tax records, legal records, or~~
13 ~~personnel records, G.S. 74F-4(5),~~ including any person providing locksmith services who is
14 employed by or working for a school, college, university, hospital, ~~company,~~ institution, or
15 government facility shall be licensed in accordance with the provisions of this Chapter.

16 (a1) The provisions of this Chapter shall apply to corporations, companies, firms,
17 associations, or sole proprietorships that provide locksmith services to the public. A licensed
18 locksmith who owns and operates a corporation, company, firm, association, or sole
19 proprietorship that provides locksmith services shall obtain a locksmith business license from the
20 Board. The locksmith business license shall be renewed annually.

21 (b) Unless the conduct is covered under some other provision of law providing greater
22 punishment, a violation of this section is a Class 1 misdemeanor for the first offense. A second
23 or subsequent offense is a Class I felony."

24 **SECTION 1.(b)** G.S. 74F-4 reads as rewritten:

25 "**§ 74F-4. Definitions.**

26 The following definitions apply in this Chapter:

- 27 (1) Apprentice. – A person who has been issued an apprenticeship designation by
28 the Board.
- 29 (1a) Board. – The North Carolina Locksmith Licensing Board.
- 30 (2) Code book. – A compilation, in any form, of key codes and combinations.
- 31 (3) License. – A certificate issued by the Board recognizing the person named
32 therein as having met the requirements to perform locksmith services as
33 defined in this Chapter.
- 34 (4) Locksmith. – A person who has been issued a license by the Board. In order
35 to engage in the practice of locksmith services, a locksmith must own, be
36 employed by, or otherwise be an agent of a locksmith business.



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- 1 (4a) Locksmith business. – A corporation, company, firm, association, or sole
2 proprietorship that provides locksmith services to the public.
- 3 (5) Locksmith services. – Services that include repairing, rebuilding, rekeying,
4 repinning, servicing, adjusting, or installing locks, mechanical or electronic
5 locking devices, access control devices, egress control devices, safes, vaults,
6 and safe-deposit boxes for compensation or other consideration, including
7 services performed by safe technicians. The definition also includes any
8 method of bypassing a locking mechanism of any kind, whether in a
9 commercial, residential, or automotive setting, for compensation.
- 10 (6) Locksmith tools. – Any tools that are designed or used to open a mechanical
11 or electrical locking device in a way other than that which was intended by
12 the manufacturer."

13 **SECTION 1.(c)** G.S. 74F-7 reads as rewritten:

14 **"§ 74F-7. Qualifications for license.**

15 (a) An applicant shall be licensed as a locksmith if the applicant meets all of the following
16 qualifications:

- 17 (1) Is of good moral and ethical character, as evidenced in part by a criminal
18 history record check conducted in accordance with G.S. 74F-18.
- 19 (2) Is at least 18 years of age.
- 20 (3) Successfully completes an examination administered by the Board that
21 measures the knowledge and skill of the applicant in locksmith services and
22 the laws applicable to licensed locksmiths.
- 23 (4) Pays the required fee under G.S. 74F-9.

24 Applications for locksmith license shall be made on forms provided by the Board and shall
25 be accompanied by the application fee under G.S. 74F-9.

26 (b) An applicant for locksmith business license shall submit all of the requirements to the
27 Board:

- 28 (1) If the applicant is a corporation or company, articles of incorporation or
29 organization with the North Carolina Secretary of State.
- 30 (2) An Employer Identification Number (EIN) from the Internal Revenue Service.
- 31 (3) Mailing address in the State of North Carolina.
- 32 (4) Required locksmith business license fee as established in G.S. 74F-9.
- 33 (5) The names and contact information for all individuals performing locksmith
34 services on behalf of the locksmith business or working under the direct
35 control or supervision of a locksmith working for the locksmith business.

36 Applications for locksmith business license shall be made on forms provided by the Board
37 and filed with the Board by the owner, a partner, a member of the limited liability company, or
38 an officer of the corporation and shall be accompanied by the application fee under G.S. 74F-9.

39 (c) If a locksmith business is solely owned by a natural person, that person must be
40 licensed by the Board as a locksmith. If it is owned by a partnership, at least one partner must be
41 licensed by the Board as a locksmith. If it is owned by a corporation, the president, vice-president,
42 or the chairman of the board of directors must be licensed by the Board as a locksmith. If it is
43 owned by a limited liability company, at least one member must be licensed by the Board as a
44 locksmith. The licensee required by this subsection must be actively engaged in the operation of
45 the locksmith business."

46 **SECTION 1.(d)** G.S. 74F-7.1 reads as rewritten:

47 **"§ 74F-7.1. Apprentices.**

48 (a) An applicant may receive an apprentice designation if the applicant meets all of the
49 following requirements:

- 50 (1) Is of good moral and ethical character, as evidenced in part by a criminal
51 history record check conducted in accordance with G.S. 74F-18.

- 1 (2) Is at least 18 years of age.
- 2 (3) Pays the required fee under G.S. 74F-9.
- 3 (4) Completes 16 hours of Board-approved technical locksmith training.

4 Applications for an apprentice license shall be made on forms provided by the Board.

5 (b) After an applicant has satisfied the requirements in subsection (a) of this section, the
 6 apprentice may practice as an apprentice locksmith under the supervision of a licensed locksmith.
 7 The Board shall issue each apprentice a ~~colored~~ badge card that identifies the individual as an
 8 apprentice and includes the apprentice ~~designation.~~ designation, which apprentices must display
 9 prominently when engaging in locksmith services. The Board shall establish requirements for
 10 apprentice supervision.

11 (c) An apprentice ~~may have the apprentice designation for no longer than~~ license shall be
 12 valid for three years. On or before the three-year period expires, the apprentice ~~shall~~ may take
 13 the locksmith licensure examination administered by the Board. If the apprentice fails to take the
 14 examination within the three-year period or fails the examination and does not retake the
 15 examination on or before the three-year period expires, the apprentice ~~shall not receive licensure~~
 16 ~~and shall not be granted another apprenticeship.~~ shall be eligible to renew their apprentice license
 17 for one additional three-year term by completing a renewal application and submitting it to the
 18 Board.

19 (d) If an apprentice terminates employment with a licensed locksmith under which the
 20 apprentice originally received his or her apprenticeship, the apprentice shall find employment
 21 with another licensed locksmith to maintain the apprentice designation and shall pay a transfer
 22 fee pursuant to G.S. 74F-9. Apprentices must notify the Board in writing within 15 days
 23 following their termination of employment with their supervising licensed locksmith.

24 Each licensed locksmith shall have no more than ~~two~~ three apprentices at one time. However,
 25 a licensed locksmith shall have a 90-day grace period within which to accommodate more than
 26 ~~two~~ three apprentices if the apprentice is newly hired as a result of a previous termination of
 27 employment or the inability of a licensed locksmith to supervise the apprentice. The licensed
 28 locksmith shall contact the Board ~~once~~ within 15 days after the locksmith terminates ~~the~~
 29 ~~additional supervision of an~~ apprentice, and the licensed locksmith shall be legally responsible
 30 for the apprentice's work until the Board is notified otherwise."

31 **SECTION 1.(e)** G.S. 74F-9 reads as rewritten:

32 **"§ 74F-9. Fees.**

33 The Board shall establish fees not exceeding the following amounts:

34 (1) Issuance of a license	\$300.00
35 (2) Renewal of a license	\$300.00
36 (3) Examination	\$200.00
37 (4) Reinstatement	\$250.00
38 (5) Late fees	\$300.00
39 (6) Apprentice license fee	\$300.00
40 (7) Apprentice transfer fee	\$25.00. <u>\$25.00</u>
41 (8) <u>Business license fee</u>	<u>\$100.00."</u>

42 **SECTION 1.(f)** G.S. 74F-15 reads as rewritten:

43 **"§ 74F-15. Disciplinary procedures.**

44 (a) The Board may deny or refuse to issue or renew, suspend, or revoke a license or
 45 apprenticeship designation if the licensee, apprentice, or applicant:

- 46 (1) Gives false information to or withholds information from the Board in
 47 procuring or attempting to procure a license.
- 48 (2) Has been convicted of or pled guilty or no contest to any of the crimes listed
 49 in G.S. 74F-18(a)(2).
- 50 (3) Has demonstrated gross negligence, incompetency, or misconduct in
 51 performing locksmith services.

- 1 (4) Has ~~willfully~~ violated any of the provisions of this ~~Chapter~~.Chapter or any
 2 rules promulgated by the Board.
- 3 (b) The Board may assess the costs of disciplinary action, including attorneys' fees,
 4 against an applicant or licensee found to be in violation of this Chapter or rules adopted by the
 5 Board.
- 6 (c) The Board may place on probation, refuse to issue or renew, suspend, or revoke a
 7 locksmith business license when an owner, partner, manager, member, operator, officer, licensee,
 8 apprentice, or other individual under the direct control and supervision of a licensed locksmith
 9 working for the locksmith business violates any provision of this Article or any rule of the
 10 Board."

11 **SECTION 1.(g)** G.S. 74F-16 reads as rewritten:

12 "**§ 74F-16. Exemptions.**

13 The provisions of this Chapter do not apply to:

- 14 (1) An employee of a licensed locksmith when acting under the direct control and
 15 supervision of the licensed locksmith. For purposes of this subdivision, "direct
 16 control and supervision" means that a licensed locksmith is required to
 17 physically accompany the employee to the premises where locksmith services
 18 are to be ~~performed~~.performed and remain present at all times that the
 19 employee is engaged in the practice of locksmith services.
- 20 (1a) An employee of a locksmith company performing administrative duties only.
 21 For purposes of this section, "administrative duties" means managing the daily
 22 operations of an office in a locksmith company, including performing clerical
 23 tasks, answering telephones, and greeting customers.
- 24 (2) A person working as an apprentice pursuant to G.S. 74F-7.1.
- 25 (3) A person or business required to be licensed or registered by the North
 26 Carolina Alarm Systems Licensing Board pursuant to Chapter 74D of the
 27 General Statutes, when acting within the scope and course of the alarm
 28 systems license or registration.
- 29 (4) A person or business providing any of the following services so long as the
 30 person or business does not represent himself, herself, or itself as a locksmith:
 31 a. A towing service, or its employee, when providing services in the
 32 normal course of its business.
 33 b. An automotive repair business, or its employee, when opening a
 34 vehicle to perform service on the vehicle.
 35 c. A repossessing company, or its employee, while repossessing a
 36 vehicle.
 37 d. A motor vehicle dealer as defined in G.S. 20-286(11), or a motor club
 38 as defined in G.S. 58-69-1 when opening automotive locks in the
 39 normal course of the dealer or club's business duties.
 40 e. An emergency roadside assistance company, when providing services
 41 in the normal course of its business, not to include the production of
 42 new or duplicate keys for customers.
- 43 (5) A property owner, or the owner's employee, when providing locksmith
 44 services on the property owner's property, so long as the owner or employee
 45 does not represent himself or herself as a locksmith. For purposes of this
 46 section, "property" means, but is not limited to, a hotel, motel, apartment,
 47 condominium, commercial rental property, and residential rental property.
- 48 (6) A merchant, ~~or retail or hardware store,~~ retail store, hardware store, or auto
 49 parts store, so long as all of the following apply:

- 1 a. It is lawfully duplicating keys or installing, servicing, repairing,
- 2 rebuilding, reprogramming, rekeying, or maintaining locks in the normal
- 3 course of its business.
- 4 b. It maintains a physical location in this State.
- 5 c. It maintains a sales and use tax permit in accordance with
- 6 G.S. 105-164.16.
- 7 d. It does not represent itself as a locksmith.
- 8 (7) A member of a law enforcement agency, fire department, or other government
- 9 agency who, when acting within the scope and course of the member's
- 10 employment with the agency or department, opens locked doors to vehicles,
- 11 homes, or businesses.
- 12 (8) A salesperson while demonstrating the use of locksmith tools to persons
- 13 licensed under this Chapter.
- 14 (9) A general contractor licensed under Article 1 of Chapter 87 of the General
- 15 Statutes when acting within the scope and course of the general contractor
- 16 license, or an agent or subcontractor of a licensed general contractor when
- 17 acting within the ordinary course of business.
- 18 (10) A person or business when lawfully installing or maintaining a safety lock
- 19 device on a wastewater system when the safety lock device is required by
- 20 permit or requested by the owner of the wastewater system, provided the
- 21 person or business does not represent itself as a locksmith. For purposes of
- 22 this subdivision, "wastewater system" has the same meaning as in
- 23 G.S. 130A-334.
- 24 (11) Any person or firm that sells gun safes or locking devices for firearms during
- 25 the course of the sale of gun safes or locking devices for firearms, so long as
- 26 the person or firm, or the firm's employee, does not represent himself, herself,
- 27 or itself as a locksmith.
- 28 (12) A person while performing a locksmith service in an emergency situation
- 29 without receiving any compensation for this service and who does not
- 30 advertise those services."

31 **SECTION 1.(h)** G.S. 74F-17 reads as rewritten:

32 "**§ 74F-17. Injunctions.**

33 The Board may apply to the superior court for an order enjoining violations of this Chapter.
 34 Upon a showing by the Board that any person has violated this Chapter, the court may grant
 35 injunctive relief. ~~relief, relief and may award attorneys' fees and costs to the Board.~~"

36 **SECTION 2.** The North Carolina Locksmith Licensing Board may adopt rules to
 37 implement the provisions of Section 1 of this act.

38 **SECTION 3.** Section 1 of this act becomes effective October 1, 2025. The remainder
 39 of this act is effective when it becomes law.