

As Introduced

**124th General Assembly
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H. B. No. 452

REPRESENTATIVES Trakas, Schmidt, Sferra

A B I L L

To amend sections 4749.01, 4749.02, and 4749.99 and to 1
enact sections 4749.21 to 4749.33 of the Revised 2
Code to create the Commission on Electronic 3
Security System Regulation in the Department of 4
Commerce and to license electronic security system 5
companies and their employees who perform 6
electronic security system services, and to certify 7
electronic security system training programs and 8
their instructors. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4749.01, 4749.02, and 4749.99 be 10
amended and sections 4749.21, 4749.22, 4749.23, 4749.24, 4749.25, 11
4749.26, 4749.27, 4749.28, 4749.29, 4749.30, 4749.31, 4749.32, and 12
4749.33 of the Revised Code be enacted to read as follows: 13

Sec. 4749.01. As used in ~~this chapter~~ sections 4749.01 to 14
4749.14 of the Revised Code: 15

(A) "Private investigator" means any person who engages in 16
the business of private investigation. 17

(B) "Business of private investigation" means, except when 18
performed by one excluded under division (H) of this section, the 19
conducting, for hire, in person or through a partner or employees, 20

of any investigation relevant to any crime or wrong done or
threatened, or to obtain information on the identity, habits,
conduct, movements, whereabouts, affiliations, transactions,
reputation, credibility, or character of any person, or to locate
and recover lost or stolen property, or to determine the cause of
or responsibility for any libel or slander, or any fire, accident,
or damage to property, or to secure evidence for use in any
legislative, administrative, or judicial investigation or
proceeding.

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(C) "Security guard provider" means any person who engages in
the business of security services.

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(D) "Business of security services" means either of the
following:

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(1) Furnishing, for hire, ~~watchmen~~ watchpersons, guards,
private ~~patrolmen~~ patrol officers, or other persons whose primary
duties are to protect persons or property;

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(2) Furnishing, for hire, guard dogs, or armored motor
vehicle security services, in connection with the protection of
persons or property.

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(E) "Class A license" means a license issued under section
4749.03 of the Revised Code that qualifies the person issued the
license to engage in the business of private investigation and the
business of security services.

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(F) "Class B license" means a license issued under section
4749.03 of the Revised Code that qualifies the person issued the
license to engage only in the business of private investigation.

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(G) "Class C license" means a license issued under section
4749.03 of the Revised Code that qualifies the person issued the
license to engage only in the business of security services.

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(H) "Private investigator," "business of private

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investigation," "security guard provider," and "business of
security services" do not include: 51
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(1) Public officers and employees whose official duties
require them to engage in investigatory activities; 53
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(2) Attorneys at law or any expert hired by an attorney at
law for consultation or litigation purposes; 55
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(3) A consumer reporting agency, as defined in the "Fair
Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as
amended, provided that the consumer reporting agency is in
compliance with the requirements of that act and that the agency's
activities are confined to any of the following: 57
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(a) The issuance of consumer credit reports; 62

(b) The conducting of limited background investigations that
pertain only to a client's prospective tenant and that are engaged
in with the prior written consent of the prospective tenant; 63
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(c) The business of pre-employment background investigation.
As used in division (H)(3)(c) of this section, "business of
pre-employment background investigation" means, and is limited to,
furnishing for hire, in person or through a partner or employees,
the conducting of limited background investigations, in-person
interviews, telephone interviews, or written inquiries that
pertain only to a client's prospective employee and the employee's
employment and that are engaged in with the prior written consent
of the prospective employee. 66
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(4) Certified public insurance adjusters that hold a
certificate of authority issued pursuant to sections 3951.01 to
3951.09 of the Revised Code, while the adjuster is investigating
the cause of or responsibility for a fire, accident, or other
damage to property with respect to a claim or claims for loss or
damage under a policy of insurance covering real or personal
property; 75
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(5) Personnel placement services licensed under Chapter 4143. 82
of the Revised Code and persons who act as employees of such 83
entities engaged in investigating matters related to personnel 84
placement activities; 85

(6) An employee in the regular course of the employee's 86
employment, engaged in investigating matters pertinent to the 87
business of ~~his or her~~ the employee's employer or protecting 88
property in the possession of ~~his or her~~ the employee's employer, 89
provided the employer is deducting all applicable state and 90
federal employment taxes on behalf of the employee and neither the 91
employer nor the employee is employed by, associated with, or 92
acting for or on behalf of any private investigator or security 93
guard provider; 94

(7) Any better business bureau or similar organization or any 95
of its employees while engaged in the maintenance of the quality 96
of business activities relating to consumer sales and services; 97

(8) An accountant who is registered or certified under 99
Chapter 4701. of the Revised Code or any of the accountant's 100
employees while engaged in activities for which the accountant is 101
certified or registered; 102

(9) Any person who, for hire or otherwise, conducts 103
genealogical research in this state. 104

As used in division (H)(9) of this section, "genealogical 105
research" means the determination of the origins and descent of 106
families, including the identification of individuals, their 107
family relationships, and the biographical details of their lives. 108
"Genealogical research" does not include furnishing for hire 109
services for locating missing persons or natural or birth parents 110
or children. 111

(10) Any person residing in this state who conducts research 112

for the purpose of locating the last known owner of unclaimed 113
funds, provided that the person is in compliance with Chapter 169. 114
of the Revised Code and rules adopted thereunder. The exemption 115
set forth in division (H)(10) of this section applies only to the 116
extent that the person is conducting research for the purpose of 117
locating the last known owner of unclaimed funds. 118

As used in division (H)(10) of this section, "owner" and 119
"unclaimed funds" have the same meanings as in section 169.01 of 120
the Revised Code. 121

(11) A professional engineer who is registered under Chapter 122
4733. of the Revised Code or any of his employees. 123

As used in division (H)(11) of this section and 124
notwithstanding division (I) of this section, "employee" has the 125
same meaning as in section 4101.01 of the Revised Code. 126

(12) Any person residing in this state who, for hire or 127
otherwise, conducts research for the purpose of locating persons 128
to whom the state of Ohio owes money in the form of warrants, as 129
defined in division (S) of section 131.01 of the Revised Code, 130
that the state voided but subsequently reissues. 131

(13) An independent insurance adjuster who, as an individual, 132
an independent contractor, an employee of an independent 133
contractor, adjustment bureau association, corporation, insurer, 134
partnership, local recording agent, managing general agent, or 135
self-insurer, engages in the business of independent insurance 136
adjustment, or any person who supervises the handling of claims 137
except while acting as an employee of an insurer licensed in this 138
state while handling claims pertaining to specific policies 139
written by that insurer. 140

As used in division (H)(13) of this section, "independent 141
insurance adjustment" means conducting investigations to determine 142
the cause of or circumstances concerning a fire, accident, bodily 143

injury, or damage to real or personal property; determining the
extent of damage of that fire, accident, injury, or property
damage; securing evidence for use in a legislative,
administrative, or judicial investigation or proceeding;
adjusting losses; and adjusting or settling claims, including the
investigation, adjustment, denial, establishment of damages,
negotiation, settlement, or payment of claims in connection with
insurance contractors, self-insured programs, or other similar
insurance programs. "Independent adjuster" does not include either
of the following:

(a) An attorney who adjusts insurance losses ~~incidental~~
incidental to the practice of law and who does not advertise or
represent that ~~he or she~~ the attorney is an independent insurance
adjuster;

(b) A licensed agent or general agent of an insurer licensed
in this state who processes undisputed or uncontested losses for
insurers under policies issued by that agent or general agent.

(I) "Employee" means every person who may be required or
directed by any employer, in consideration of direct or indirect
gain or profit, to engage in any employment, or to go, or work, or
be at any time in any place of employment, provided that the
employer of the employee deducts all applicable state and federal
employment taxes on behalf of the employee.

Sec. 4749.02. The department of commerce shall administer
this chapter. Sections 4749.01 to 4749.14 of the Revised Code
shall be administered through the division of real estate and
professional licensing, and for that purpose, the superintendent
of real estate and professional licensing may appoint such
employees and adopt such rules as the superintendent considers
necessary.

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Sec. 4749.21. As used in sections 4749.21 to 4749.33 of the 174
Revised Code: 175

(A) "Electronic security system" means an assembly of 176
electronic equipment and devices, which may include access control 177
and closed circuit television, that for its main purpose detects 178
threats, intrusions, or security violations that jeopardize the 179
safety of life or property. 180

(B) "Electronic security system company" means any sole 181
proprietor, partnership, association, limited liability company, 182
limited liability partnership, or corporation that sells, leases, 183
rents, designs, plans, installs, monitors, maintains, repairs, 184
tests, inspects, or investigates electronic security alarms or 185
provides any combination of those services related to electronic 186
security systems. 187

(C) "Electronic security system operator" means an individual 188
who monitors, receives, and retransmits information from an 189
electronic security system. 190

(D) "Electronic security system operator supervisor" means an 191
individual who supervises electronic security system operators. 192

(E) "Electronic security system salesperson" means an 193
individual who provides sales, leasing, or rental of electronic 194
security system applications at the premises of the consumer. 195

(F) "Electronic security system technician" means an 196
individual who performs installation and repair of electronic 197
security systems. 198

(G) "Person" means an individual, corporation, partnership, 199
association, limited liability partnership, or limited liability 200
corporation. 201

(H) "Security information" means information specific to a 202
customer's account or a customer's site monitored by an electronic 203

security system company, including, but not limited to, a password 204
or passcode, wiring diagrams, and the type of security system 205
installed at the customer's site. 206

Sec. 4749.22. (A) No person shall perform services, advertise 207
services, or otherwise act as an electronic security system 208
company unless the person has a valid electronic security system 209
company license issued under section 4749.27 of the Revised Code. 210

(B) No electronic security system company shall employ an 212
individual to act as an electronic security system operator, 213
salesperson, operator supervisor, or technician unless the 214
individual has a valid temporary permit or license issued under 215
section 4749.25 of the Revised Code for that type of work. 216

(C) No individual shall perform services, advertise services, 217
or otherwise act as an electronic security system operator, 218
salesperson, operator supervisor, or technician unless the 219
individual has a valid temporary permit or license issued under 220
section 4749.25 of the Revised Code for that type of work. An 221
electronic security system operator shall at all times work under 222
the supervision of an electronic security system operator 223
supervisor. 224

(D) No person shall operate, or advertise that the person is 225
operating, an electronic security system training school or 226
program unless the person has a valid electronic security system 227
training school certificate under section 4749.26 of the Revised 228
Code. 229

(E) No individual shall perform services, advertise services, 230
or otherwise act as an electronic security system instructor 231
unless the individual has a valid electronic security system 232
instructor certificate under section 4749.26 of the Revised Code. 233

Sec. 4749.23. (A) There is hereby created the commission on 234
electronic security system regulation that, for administrative 235
purposes, is within the department of commerce. The governor, with 236
the advice and consent of the senate, shall appoint the members of 237
the commission. The commission shall consist of six members as 238
follows: 239

(1) Three members each of whom possesses a minimum of five 240
years' experience in the electronic security system industry prior 241
to appointment and is licensed to provide at least one type of 242
electronic security system service pursuant to section 4749.25 of 243
the Revised Code; 244

(2) One member from the Ohio consumer protection association 245
who has experience and direct involvement with electronic security 246
systems; 247

(3) One member from the Ohio chamber of commerce who has 248
experience and direct involvement with electronic security 249
systems; 250

(4) One member who is responsible for false alarm prevention 251
in any municipality in this state. 252

(B) Of the initial appointments made under division (A) of 253
this section, two members shall serve for a term of two years from 254
the date of appointment, two members shall serve for a term of 255
three years from the date of appointment, and two members shall 256
serve for a term of four years from the date of appointment. 257
Thereafter, terms of office for all commission appointees are for 258
a period of four years, each term ending on the same day of the 259
same month four years after the term it succeeds. Each member 260
shall serve subsequent to the expiration of the member's term 261
until a successor is appointed, or for a period of sixty days past 262
the expiration of the term, whichever occurs first. Vacancies 263
shall be filled in the same manner prescribed for regular 264

appointments to the commission and are limited to the unexpired
portion of the remaining term. No commission member shall be
appointed for more than two consecutive terms. The governor may
remove any member of the commission pursuant to section 3.07 of
the Revised Code.

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(C) Members of the commission shall receive reimbursement for
actual expenses reasonably incurred in the performance of their
duties under this section.

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(D) The commission shall do all of the following:

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(1) Advise the director of commerce on standards and rules
established for the operation of electronic security system
companies;

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(2) Advise the director regarding rules, procedures, and fees
established to carry out and to license persons under sections
4749.21 to 4749.33 of the Revised Code;

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(3) Hear appeals from decisions reached by the director as
established in section 4749.30 of the Revised Code;

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(4) Maintain a registry of all electronic security system
license and permit holders and applicants for licensure or a
permit that shall not include criminal history information, but
shall contain all of the following information:

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(a) The person's name;

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(b) The person's address;

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(c) The person's date of birth;

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(d) The type of permit, certificate, or license issued to the
person;

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(e) Any disciplinary actions taken against the person;

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(f) The person's employer;

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(g) Any other information the commission considers

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appropriate.

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Sec. 4749.24. (A) For the purposes of sections 4749.21 to
4749.33 of the Revised Code, the director of commerce shall do all
of the following:

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(1) Establish reasonable rules in accordance with Chapter
119. of the Revised Code necessary to carry out sections 4749.21
to 4749.33 of the Revised Code;

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(2)(a) Issue an electronic security system company license
and branch office certificates to an applicant who meets the
requirements of section 4749.27 of the Revised Code;

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(b) Issue a nonresident electronic security system monitoring
permit to an applicant who meets the requirements of division (B)
of section 4749.28 of the Revised Code;

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(3)(a) Issue the following licenses to individual applicants
who meet the requirements of section 4749.25 of the Revised Code
for each respective type of work:

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(i) An electronic security system operator license;

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(ii) An electronic security system operator supervisor
license;

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(iii) An electronic security system salesperson license;

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(iv) An electronic security system technician license;

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(b) Issue temporary permits to individual applicants who meet
the requirements of section 4749.25 of the Revised Code for the
respective types of work listed in division (A)(3)(a) of this
section.

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(4) Establish certification standards for electronic security
system instructors, including instructors who are not residents of
this state; the standards may reference the appropriate instructor
certification used by the national burglar and fire alarm

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| <u>association.</u> | 323 |
| <u>(5) Certify electronic security system schools, training programs, instructors, and nonresident instructors under section 4749.26 of the Revised Code;</u> | 324 325 326 |
| <u>(6) Compare annually information in the registry of applicants, permittees, licensees maintained under division (D)(4) of section 4749.23 of the Revised Code with the state crime registry;</u> | 327 328 329 330 |
| <u>(7) Hold hearings biennially to determine a fee structure to carry out sections 4749.21 to 4749.33 of the Revised Code, including a single fee for applicants who apply for multiple licenses or permits, which shall not exceed the prorated direct costs of administering and enforcing sections 4749.21 to 4749.33 of the Revised Code;</u> | 331 332 333 334 335 336 |
| <u>(8) Determine the types of offenses in addition to those listed in division (B)(1) of section 4749.30 of the Revised Code, that constitute disqualifying offenses for which a license or temporary permit shall be denied or revoked;</u> | 337 338 339 340 |
| <u>(9) With the advice of the commission on electronic security system regulation, submit an annual report to the governor and to the general assembly that includes all of the following information:</u> | 341 342 343 344 |
| <u>(a) The cost of administering sections 4749.21 to 4749.33 of the Revised Code;</u> | 345 346 |
| <u>(b) An evaluation of the effectiveness of sections 4749.21 to 4749.33 of the Revised Code in protecting the public interest;</u> | 347 348 |
| <u>(c) The length of time it takes to conduct criminal background checks;</u> | 349 350 |
| <u>(d) The number and the type of each permit issued;</u> | 351 |
| <u>(e) Information regarding the enforcement actions taken with</u> | 352 |

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| <u>respect to sections 4749.21 to 4749.33 of the Revised Code;</u> | 353 |
| <u>(f) Any other relevant information.</u> | 354 |
| <u>(B) The director may do any of the following:</u> | 355 |
| <u>(1) Adopt and enforce reasonable rules relative to the</u> | 356 |
| <u>exercise of the director's powers and authority, and proper rules</u> | 357 |
| <u>to govern the director's proceedings and to regulate the manner of</u> | 358 |
| <u>all investigations and hearings;</u> | 359 |
| <u>(2) Amend and modify any of the director's rules as the</u> | 360 |
| <u>director finds necessary;</u> | 361 |
| <u>(3) Subject to Chapter 124. of the Revised Code, employ</u> | 362 |
| <u>persons that are required for the administration of sections</u> | 363 |
| <u>4749.21 to 4749.33 of the Revised Code.</u> | 364 |
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| <u>Sec. 4749.25. (A)(1) Applicants for licensure as an</u> | 365 |
| <u>electronic security system operator, an electronic security system</u> | 366 |
| <u>operator supervisor, an electronic security system salesperson, or</u> | 367 |
| <u>an electronic security system technician must be affiliated with</u> | 368 |
| <u>an electronic security system company and may apply for more than</u> | 369 |
| <u>one type of license for a single fee established under division</u> | 370 |
| <u>(A)(7) of section 4749.24 of the Revised Code. An applicant shall</u> | 371 |
| <u>submit all of the following to the director of commerce:</u> | 372 |
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| <u>(a) A fully completed, signed, and sworn application on a</u> | 373 |
| <u>form prescribed by the director;</u> | 374 |
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| <u>(b) Two sets of classifiable fingerprints;</u> | 375 |
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| <u>(c) Two passport size photographs;</u> | 376 |
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| <u>(d) An application fee as established under division (A)(7)</u> | 377 |
| <u>of section 4749.24 of the Revised Code;</u> | 378 |
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| <u>(e) A written statement from the applicant's employer or</u> | 379 |
| <u>prospective employer that the employer has made a reasonable</u> | 380 |
| <u>effort to verify the work history information of the applicant;</u> | 381 |

(f) A written statement by a certified electronic security system instructor or school verifying that the applicant has successfully completed training and passed an examination required for the licensure the applicant is requesting.

(2) An applicant for an electronic security system technician license shall have successfully completed at least eighteen hours of classroom training in a program certified by the director, covering regulation overview, industry overview, basic electricity, standards, detectors and sensors, controls, communications, job planning, false alarm prevention, and job safety.

(3) An applicant for an electronic security system salesperson license shall have successfully completed at least ten hours of classroom training in a program approved by the director, covering regulation overview, industry overview, problem identification and needs analysis, presentation, site survey, sensors, control panels, communications, and false alarm prevention.

(4) An applicant for an electronic security system operator supervisor license shall be at least eighteen years of age and shall have successfully completed at least seven hours of classroom training in a program approved by the director, covering regulation, industry, and electronic security system overviews, signal types, standards, central station systems and procedures, and false alarm prevention.

(5) An applicant for an electronic security system operator license shall have completed eight hours of on-the-job training under the direct supervision of a licensed electronic security system operator supervisor.

(6)(a) Upon receipt of a completed application for licensure under this section, the director shall submit the applicant's

fingerprint card to the bureau of criminal identification and 413
investigation pursuant to section 109.57 of the Revised Code and 414
to the federal bureau of investigation for the purpose of 415
obtaining criminal background checks. The director may receive all 416
background information directly. 417

(b) Upon receipt of an applicant's background information, 418
the director shall issue a license to the applicant if the 419
applicant's background information does not disqualify the 420
applicant as determined by rule under division (A)(8) of section 421
4749.24 of the Revised Code. 422

(B) An applicant for a temporary permit to act as an 423
electronic security system operator, operator supervisor, 424
salesperson, or technician shall apply to the director for a 425
temporary permit within sixty days of the individual's first day 426
of work with an electronic security system company. The applicant 427
shall submit all of the information listed in division (A)(1) of 428
this section, except for the statement described in division 429
(A)(1)(f) of this section. A temporary permit issued under this 430
section is nonrenewable and is valid for two years from the date 431
of issue. An applicant may apply for more than one type of permit. 432
The director shall follow the procedures required by division 433
(A)(6) of this section in determining whether to grant a temporary 434
permit to an applicant. 435

(C) All licenses and temporary permits issued under this 436
section shall contain a photograph of the licensee or permittee 437
and identify the electronic security system services the licensee 438
or permittee is licensed to perform. The licensee or permittee 439
shall carry the license or temporary permit in a manner prescribed 440
by the director. 441

Sec. 4749.26. (A) The director of commerce shall certify an 442
electronic security training school or electronic security program 443

that does all of the following: 444

(1) Applies for certification on forms provided by the 445
director; 446

(2) Requires all of its electronic security instructors to be 447
certified under division (B) of this section; 448

(3) Submits proof satisfactory to the director that each of 449
the officers of the entity applying for certification, or the 450
named director of an electronic security training program, holds 451
at least one type of license under section 4749.25 of the Revised 452
Code; 453

(4) Provides for its students or trainees a curriculum 454
sufficient to the director to meet the training standards required 455
for each type of electronic security system license. 456

(B) Every instructor teaching in a certified training school 457
or in a certified training program must be certified as an 458
instructor. Applications for certification as an electronic 459
security system instructor shall be filed on forms provided by the 460
director and must include work history, instructor experience, and 461
other relevant training. The director shall certify all qualified 462
applicants as determined by rule under division (A)(4) of section 463
4749.24 of the Revised Code. If the director does not issue a 464
certificate to an applicant, the director shall supply the 465
applicant with a written explanation of the director's decision 466
not to certify the applicant. 467

(C) The director shall establish by rule the length of time 468
an instructor training certification or a training school 469
certification remains valid, and the procedures for the renewal of 470
the certifications. 471

Sec. 4749.27. (A) Applicants for a license to conduct 472

business as an electronic security company shall do both of the
following:

(1) Submit a fully completed form provided by the director of
commerce;

(2) Submit to the director a certificate of insurance to
evidence compliance with division (D) of this section.

(B) After any investigation or further inquiry considered
necessary by the director, the director shall issue an electronic
security system company license to an applicant who meets the
standards for licensure as established by rule under section
4749.24 of the Revised Code. Each electronic security system
company license issued shall include the licensee's name, license
number, the expiration date of the license, the functions that the
electronic security system company is licensed to perform, and any
other information the director determines necessary. Licenses must
be displayed at all times at the place of business, in clear and
unobstructed public view. Notwithstanding the existence of a valid
corporation registration, no licensee shall conduct business
activities under sections 4749.21 to 4749.33 of the Revised Code
under any name unless that name is listed on the licensee's
license. All forms of advertising and all written bids or offers
to provide electronic security system services shall include the
license number of the electronic security system company.

(C) Each branch office of an electronic security system
company shall be listed on a person's license application. Upon
payment of the proper fee as determined under division (A)(7) of
section 4749.24 of the Revised Code, the director shall issue a
branch office certificate for each branch office. The branch
office certificate must be displayed at all times and in clear and
unobstructed public view in each branch office.

(D) An electronic security system company licensed under this

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section shall file and maintain with the director a certificate of 504
general liability insurance coverage of not less than one million 505
dollars. This division shall not affect the rights of the insured 506
to negotiate contract limitations with third parties, including 507
customers of the insured. The director shall be named as the 508
certificate holder on insurance policies for notification of 509
cancellation or amendment purposes. Upon receipt of information 510
from a policy holder's insurance company that will adversely 511
affect the insured, the director shall forward that information to 512
the insured by mail. 513

(E) An electronic security system company that provides 514
electronic security operation, dispatching, or monitoring services 515
shall have at least one operator supervisor physically supervising 516
electronic security system operators any time that monitoring 517
takes place. 518

(F) The commission shall allow any electronic security system 519
company with a current, valid license timely access to an 520
individual licensee's name, date of birth, social security number, 521
license number, employment history, and status of license as 522
contained in the registry of individual licensees maintained by 523
the electronic security system regulation commission, subject to 524
rules established by the director under section 4749.24 of the 525
Revised Code. 526

(G) All persons employed by an electronic security system 527
company who are not required to be licensed or to hold a permit 528
under sections 4749.21 to 4749.33 of the Revised Code, but who 529
have access to security information in the course of business, 530
shall submit to and pass a background check in accordance with 531
section 4749.25 of the Revised Code. 532

(H) A company licensed under this section shall notify the 533
director in writing within sixty days of any change to the 534
information contained on the company's application for licensure. 535

(I) Within thirty days of the date of hire or termination, a company licensed under this section shall notify the director of the name and license or permit number of each licensee or permit holder who has been hired or terminated. 536
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(J) Within thirty days of the date when a company licensed under this section receives information adversely affecting a licensee's or permittees eligibility to hold a license under sections 4749.21 to 4749.33 of the Revised Code, the company shall notify the director of the name and license number of the licensee, or the name and number of the permittee, and the information that adversely affects that individual's eligibility. 540
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(K) Within thirty days of the date when a company licensed under this section ceases to perform the company's electronic security system duties on a regular basis, the company shall send both of the following by certified mail to the director: 547
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(1) A notification that the company has ceased to do business as an electronic security service company; 551
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(2) All affected electronic security service company licenses and branch certificates. 553
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Sec. 4749.28. (A) Notwithstanding section 4749.25 of the Revised Code, the director of commerce shall waive the education and examination requirements of section 4749.25 of the Revised Code and shall issue a license to an individual who is a resident of another state who is licensed by another state as an electronic security system trainer, operator, salesperson, technician, or the equivalent of one of those designations, who applies to the director to engage in the business of electronic security systems in this state if the nonresident applicant submits all of the following: 555
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(1) An application for licensure provided by the director, in 565

accordance with section 4749.25 of the Revised Code; 566

(2) Proof satisfactory to the director of licensure in the 567
nonresident's state similar to the licensing requirements of this 568
state; 569

(3) The proper fee as established under division (A)(7) of 570
section 4749.24 of the Revised Code. 571

(B) The director may issue a nonresident electronic security 572
system monitoring permit to allow electronic security system 573
monitoring in this state by persons with no physical monitoring 574
presence in this state provided that the nonresident monitoring 575
person does all of the following: 576

(1) Notifies the director of the person's monitoring 577
activities; 578

(2) Demonstrates completion of the training specified in 579
section 4749.25 of the Revised code, or the equivalent of such 580
training in the opinion of the director; 581

(3) Adheres to insurance requirements under section 4749.27 582
of the Revised Code; 583

(4) Pays a fee as established under division (A)(7) of 584
section 4749.24 of the Revised Code. 585

Sec. 4749.29. (A) Licenses issued under section 4749.25 or 586
4749.28 of the Revised Code shall be valid for a term of two years 587
from the date of issue or renewal unless suspended or revoked 588
under section 4749.30 of the Revised Code. If the director finds 589
that the applicant is in compliance with sections 4749.21 to 590
4749.33 of the Revised Code, then the director shall renew a 591
licensee's license in accordance with the standard license renewal 592
procedure set forth in Chapter 4745. of the Revised Code upon 593
payment of the proper renewal fee established under division 594
(A)(7) of section 4749.24 of the Revised Code. 595

If a licensee fails to renew a license prior to its expiration date, the former licensee shall obtain a new license in accordance with section 4749.25 of the Revised Code. 596
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(B) On or before the last day for license renewal, a licensee shall have completed, in the preceding two-year period, not less than the following number of hours of continuing education at a certified training school or in a certified training program: 599
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(1) Eighteen hours for an electronic security system technician; 604
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(2) Eight hours for an electronic security system salesperson; 606
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(3) Eight hours for an electronic security system operator; 608

(4) Eight hours for an electronic security system operator supervisor. 609
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(C)(1) A license issued under section 4749.27 of the Revised Code to conduct business as an electronic security system company is valid for a term of five years from the date of issuance or renewal unless suspended or revoked under section 4749.30 of the Revised Code. If the director finds that the applicant is in compliance with sections 4749.21 to 4749.33 of the Revised Code, then the director shall renew an electronic security system company license in accordance with the standard license renewal procedure set forth in Chapter 4745. of the Revised Code upon payment of the proper renewal fee established under division (A)(7) of section 4749.24 of the Revised Code. If an electronic security system company licensee fails to renew a license prior to its expiration date, the former licensee shall obtain a new license in accordance with section 4749.27 of the Revised Code. 611
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(2) All branch company certificates affiliated with an electronic security system company license shall expire at the 625
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same time as the company license and may be renewed according to 627
the procedure defined in division (C) of section 4749.27 of the 628
Revised Code. 629

Sec. 4749.30. (A) The director of commerce may, in accordance 630
with Chapter 119. of the Revised Code, impose any one or any 631
combination of the following disciplinary measures upon any 632
certificate holder, permittee, or licensee found to have committed 633
any prohibited act under division (B) of this section: 634

(1) Issue a reprimand; 635

(2) Deny, suspend, or revoke a permit, certificate, or 636
license; 637

(3) Impose probationary conditions; 638

(4) Impose a fine not to exceed one thousand dollars for each 639
offense. 640

(B) A person commits a prohibited act under this section if 641
the person does any of the following: 642

(1) Commits fraud or misrepresentation in applying for a 643
license, permit, or certificate; 644

(2) Is convicted of a crime directly related to the 645
performance of holding a license, permit, or certificate including 646
any crime involving dishonesty or corruption; 647

(3) Engages in the unauthorized release of security 648
information in violation of rules established under section 649
4749.24 of the Revised Code; 650

(4) Commits fraud, deceit, or material and repeated 651
misconduct related to electronic security services; 652

(5) Fails to maintain insurance as required under section 653
4749.27 of the Revised Code; 654

(6) Fails or refuses to cooperate with an authorized representative of the agency engaged in an official investigation pursuant to section 4749.31 of the Revised Code; 655
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(7) Fails to adequately supervise electronic security system personnel so that the public health or safety is at risk; 658
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(8) Interferes with an investigation or disciplinary proceeding by willful misrepresentation of facts or by the use of threats or harassment; 660
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(9) Fails to return to an electronic security system employer, in a timely manner, uniforms, tools, or other equipment belonging to the employer upon the employer's request. 663
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(C) The director shall suspend immediately the permit, certificate, or license of any permit holder, certificate holder, or licensee whose record indicates a conviction for any disqualifying offense under division (A)(8) of section 4749.24 of the Revised Code pending the final disposition of a hearing in accordance with Chapter 119. of the Revised Code. 666
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Sec. 4749.31. (A) The director of commerce, based on the director's own initiative or on complaints submitted in writing, may investigate alleged violations of sections 4749.21 to 4749.33 of the Revised Code, or the rules adopted thereunder. If the director determines, upon investigation, that there is reason to believe a violation of sections 4749.21 to 4749.33 of the Revised Code has occurred, a statement of charges shall be prepared and served upon the person investigated and the person's employer with a notice that the person may request a hearing in accordance with Chapter 119. of the Revised Code within thirty days of receipt of the notice. Failure to request a hearing shall result in default. A hearing shall be scheduled no fewer than thirty days after the receipt of the request for a hearing. A request for an appeal shall be made in writing to the commission on electronic security 672
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system regulation no later than ten days after a decision is rendered.

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(B) The director may make application to the court of common pleas for an order enjoining any violation and, upon a showing by the director that a person has committed, or is about to commit, such a violation, the court shall grant an injunction, restraining order, or other appropriate relief.

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(C) In conducting any investigation pursuant to this section, the director may compel, by subpoena, witnesses to testify in relation to any matter over which the director has jurisdiction, and may require the production of any book, record, or other document pertaining to such matter. If a person fails to file any statement or report, obey any subpoena, give testimony, produce any book, record, or other document as required by such a subpoena, or permit photocopying of any book, record, or other document subpoenaed, the court of common pleas of any county in this state, upon application made to it by the director, shall compel obedience by attachment proceedings for contempt.

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(D) If the director determines that a person is engaged in, or is believed to be engaged in, activities that constitute a violation of sections 4749.21 to 4749.33 of the Revised Code, the director, after notice and a hearing conducted in accordance with Chapter 119. of the Revised Code, may issue a cease and desist order. An order issued under this division is enforceable in the court of common pleas.

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Sec. 4749.32. Sections 4749.21 to 4749.33 of the Revised Code do not apply to any of the following:

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(A) An officer or an employee of the United States, this state, or any political subdivision of either, while the officer or employee is performing official duties;

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(B) Equipment manufacturers not providing direct sales, monitoring, installation, or service of electronic security systems to electronic security system users; 716
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(C) Equipment distributors not providing direct sales, monitoring, installation, or service of electronic security systems to electronic security system users; 719
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(D) Persons licensed under Chapter 4703. or 4733. of the Revised Code who do not provide direct sales, monitoring, installation, or service of electronic security systems to electronic security system users; 722
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(E) Telephone installers or dealers who do not provide direct sales, monitoring, installation, or service of electronic security systems to electronic security system users; 726
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(F) Telemarketing personnel who do not provide direct sales, monitoring, installation, or service of electronic security systems to electronic security system users and who are limited to telemarketing and scheduling appointments; 729
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(G) Electrical contractors licensed under Chapter 4740. of the Revised Code or general contractors who provide direct sales, monitoring, installation, or service of electronic security systems to electronic security system users; 733
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(H) Locksmiths who do not provide direct sales, monitoring, installation, or service of electronic security systems to electronic security system users, but who may provide single point alarm functions at an entrance or exit that are not part of an electronic security system provided by the locksmith; 737
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(I) Retail merchants or catalog sales operations not offering or providing consultation, electronic security system site visits, installation, or service of the electronic security systems; 742
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(J) Individual property owners or renters of residential property who personally install an alarm system within the owner's or renter's residence or other building not open to the public; 746
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(K) Hospitals or hospital affiliates monitoring or performing minor maintenance of alarm systems solely for the hospital's own use; 749
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(L) Hospitals or hospital affiliates providing medical alert or medical monitoring services. 752
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Sec. 4749.33. The director of commerce shall deposit all fees and fines collected under sections 4749.21 to 4749.33 of the Revised Code into the electronic security systems fund, which is hereby created in the state treasury. The director shall use the fund solely for the administration and enforcement of this chapter. 754
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Sec. 4749.99. (A) Except as otherwise provided in this division, whoever violates division (A) of section 4749.13 of the Revised Code is guilty of a misdemeanor of the first degree. Whoever violates division (A) of section 4749.13 of the Revised Code and previously has been convicted of one or more violations of division (A) of that section is guilty of a felony of the fifth degree. If the offender previously has been convicted of two or more violations of division (A) of that section, the offender shall be fined ten thousand dollars and also may be imprisoned not more than one year. 760
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(B) Whoever violates division (B), (C), or (D) of section 4749.13 of the Revised Code shall be fined not less than one hundred or more than one thousand dollars, imprisoned not more than one year, or both. 770
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(C) Unless exempt under section 4749.32 of the Revised Code, whoever violates sections 4749.21 to 4749.33 of the Revised Code 774
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is guilty of a misdemeanor of the first degree. 776

(D) Any person who fails to comply with a sanction imposed by 777
the director of commerce under section 4749.30 of the Revised Code 778
shall pay a criminal penalty, as determined by a court of 779
competent jurisdiction, of not more than twenty-five thousand 780
dollars or be imprisoned for up to one year, or both. 781

Section 2. That existing sections 4749.01, 4749.02, and 782
4749.99 of the Revised Code are hereby repealed. 783

Section 3. Sections 4749.22, 4749.30, 4749.31, and 4749.99 of 784
the Revised Code, as amended or enacted by this act shall take 785
effect January 1, 2003. 786

Section 4. Notwithstanding section 4749.23 of the Revised 787
Code, initial appointees to the Commission on Electronic Security 788
System Regulation are not required to be licensed electronic 789
security personnel. 790

Section 5. Within ninety days of the effective date of this 791
section, the Governor, with the advice and consent of the Senate, 792
shall appoint the initial members of the Commission on Electronic 793
Security System Regulation. 794

Section 6. Section 4749.01 of the Revised Code is presented 796
in this act as a composite of the section as amended by both Am. 797
H.B. 229 and Am. Sub. S.B. 162 of the 121st General Assembly. The 798
General Assembly, applying the principle stated in division (B) of 799
section 1.52 of the Revised Code that amendments are to be 800
harmonized if reasonably capable of simultaneous operation, finds 801
that the composite is the resulting version of the section in 802
effect prior to the effective date of the section as presented in 803
this act. 804