

As Introduced

**127th General Assembly
Regular Session
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H. B. No. 41

Representative Uecker

**Cosponsors: Representatives McGregor, J., Stebelton, Brown, Flowers,
Fende, Wagoner**

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A BILL

To enact sections 4770.01 to 4770.13 of the Revised Code to require the licensure of persons operating security systems companies, to provide for the registration of individuals performing specified types of security systems work, to provide for the regulation of security systems companies and employees, and to establish the Security Systems Advisory Board in the Department of Commerce. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4770.01, 4770.02, 4770.03, 4770.04, 4770.05, 4770.06, 4770.07, 4770.08, 4770.09, 4770.10, 4770.11, 4770.12, and 4770.13 of the Revised Code be enacted to read as follows: 9
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Sec. 4770.01. As used in this chapter: 13

(A) "Access control system" means a combination of electronic equipment and devices that does not emit transmissions requiring public sector response and that is designed and arranged for the control of authorized individuals, vehicles, and materials through entrances and exits of a controlled area or premises. 14
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(B) "Burglar alarm system" means an assembly of equipment and devices designed and arranged to signal an unauthorized entry or attempted entry of a person or an object into the area covered by the system. 19
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(C) "Closed-circuit television" means an in-house television system in which a transmitter (camera) feeds one or more receivers (monitors) through a closed cable or other transmission method. 23
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(D) "Fire alarm system" means an assembly of equipment and devices designed and arranged to signal a fire. 26
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(E) "Locksmith services" means servicing, installing, repairing, rebuilding, rekeying, repinning, adjusting, or installing locks, mechanical or electronic security devices, annunciation devices not designed to require a response by law enforcement, or the opening of a lock by a means not intended by the manufacturer of the device. 28
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(F) "Monitoring" means the retransmission of information received from a security system to the proper individual as required by law or as directed by the user of the security system. 34
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(G) "Operator" means an individual who performs the function of alarm operator, dispatcher, or monitor for a security system. 37
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(H) "Security system" means an assembly of electronic equipment and devices that provides, as its main purpose, the protection of life or property and the detection of threats or violations to the security of the protected premises. "Security system" includes burglary detection, fire detection, locksmith services, access control, and closed-circuit television. 39
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(I) "Technician" means an individual who performs the installation and repair of security systems. 45
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Sec. 4770.02. (A) No person shall operate a company to sell, install, repair, monitor, or investigate any security system in 47
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this state unless that person is licensed as this chapter 49
requires. Any person conducting business as a security systems 50
company in multiple locations in this state need have only one 51
license that lists the office address of each location within this 52
state. 53

(B) Upon payment of the requisite fee, the director of 54
commerce shall grant appropriate certificates of licensure and 55
branch office certificates to a licensee. Each location from which 56
a licensee offers security system services shall display a 57
certificate of licensure or a branch office certificate as 58
appropriate. 59

(C) Any person licensed pursuant to this chapter who changes 60
the primary mailing address of the company as filed shall notify 61
the director of any change of address within thirty days of that 62
change. 63

(D) Operating a security systems company without a license 64
pursuant to this chapter is subject to a fine the director 65
establishes by rule. 66

Sec. 4770.03. (A) No individual shall sell, lease, rent, 67
design, plan, install, monitor, maintain, repair, test, or inspect 68
a security system unless that individual has an appropriate 69
registration pursuant to this chapter as a technician, 70
salesperson, or operator in one or more of the following 71
specialties: access control system, burglar alarm, closed-circuit 72
television, commercial fire alarm, monitoring, or locksmith. 73

(B) An individual applying for registration pursuant to this 74
chapter may apply for multiple categories of registration so long 75
as the individual meets the qualifications of each category for 76
which an application is made. The director of commerce shall 77
facilitate applications and registrations for multiple class 78
registrations. 79

(C) Any employee of a security systems company who is not registered pursuant to this chapter, but who has access to information in the ordinary course of employment that would allow that individual to circumvent security systems, shall meet any background check requirements for registrants established pursuant to this chapter. 80
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Sec. 4770.04. Any individual registered pursuant to this chapter shall carry a certificate of registration while servicing, testing, repairing, or installing a security system for profit and shall produce the certificate for inspection upon the request of any code official or other authorized person. 86
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Sec. 4770.05. (A) The director of commerce shall issue a license or registration, or a renewal of a license or registration, to any person who files with the director an application on a form the director provides, pays the appropriate fee, and meets any other requirements the security systems advisory board establishes by rule. 91
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(B) The director shall not issue a license to any person who employs an individual who has been convicted of a felony. 97
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(C) The director may revoke or suspend the license or registration of any person for any of the following reasons: 99
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(1) Knowingly violating any provision of this chapter; 101

(2) Engaging in an activity for which the person is not licensed or registered or permitting another person to engage in an activity for which that person is not licensed or registered; 102
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(3) Negligence or incompetence; 105

(4) Knowingly misrepresenting, making false promises, or dishonest or illegal dealing; 106
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(5) A continued course of misrepresentation or making false 108

promises individually, through employees or agents, through 109
advertising or otherwise; 110

(6) Failure to notify the director of any change of primary 111
business address as this chapter requires; 112

(7) Failure to complete any apprenticeship program required 113
by rule for the holder of a provisional license. 114

(D) No person, while under suspension or revocation of a 115
license or registration, may be associated with any company 116
licensed under this chapter. 117

Sec. 4770.06. (A) There is hereby established in the 118
department of commerce the security systems advisory board, 119
consisting of seven voting members, to include the state fire 120
marshal, the superintendent of the highway patrol, and five 121
members the governor appoints. One of the appointed members shall 122
represent businesses that provide monitoring services, one shall 123
have a primary business of providing locksmith services, one shall 124
be a consumer, and two shall be individuals who are registered 125
pursuant to this chapter and who have at least five years 126
experience in the security systems industry. No two members of the 127
board may be employed by the same security systems company. 128

(B) Of the initial appointments to the security systems 129
advisory board, two shall be for terms of four years, two shall be 130
for terms of three years, and one shall be for a term of two 131
years. Thereafter, each term shall be for four years, ending on 132
the same day of the same month as the term that it succeeds. Each 133
member shall hold office from the date of appointment until the 134
end of the term for which appointed. Vacancies shall be filled in 135
the manner provided for original appointments. A member appointed 136
to fill a vacancy prior to the expiration of a term shall hold 137
office for the remainder of that term. A member shall continue in 138
office subsequent to the expiration of the term until the member's 139

successor takes office. No member may be appointed for more than 140
two consecutive terms of four years. 141

(C) The members of the board may not be compensated, but 142
shall be reimbursed for actual expenses reasonably incurred in the 143
performance of their duties. 144

Sec. 4770.07. (A) The security systems advisory board shall 145
adopt rules pursuant to Chapter 119. of the Revised Code that do 146
all of the following: 147

(1) Establish application procedures and overall requirements 148
for applicants for licensure and registration, including 149
requirements for initial licensure or registration and renewal of 150
licensure or registration, to include training requirements based 151
on measurable objectives with testing to ensure proficiency for 152
each of the following specialties: access control systems 153
technician, burglar alarm and fire alarm operator, burglar alarm 154
systems technician, closed-circuit television technician, 155
commercial fire alarm technician, locksmith, security systems 156
salesperson, and compliance agent. 157

(2) Establish procedures to conduct employee background 158
checks and to process applications; 159

(3) Establish and implement standards for the operation of 160
security systems companies; 161

(4) Establish standards for the operation of schools and 162
instructors for continuing education requirements the board 163
establishes; 164

(5) Establish the requirements for the compliance agent that 165
a licensed company is required to designate and specify the 166
responsibilities of that agent; 167

(6) Specify information that the director shall collect and 168
maintain as part of a registry of security system personnel and 169

<u>applicants for registration and licensure;</u>	170
<u>(7) Establish procedures for hearing appeals from the</u>	171
<u>director's actions and decisions;</u>	172
<u>(8) Establish the amount of fees required by this chapter and</u>	173
<u>the rules adopted pursuant to it;</u>	174
<u>(9) Designate the crimes that relate to the performance of a</u>	175
<u>licensee or registrant, to include dishonesty and corruption, that</u>	176
<u>disqualify a person from holding a license or being registered</u>	177
<u>pursuant to this chapter.</u>	178
<u>(B) The board shall not adopt any rule that unreasonably</u>	179
<u>restricts competition or the availability of services requiring</u>	180
<u>licenses pursuant to this chapter or unnecessarily increases the</u>	181
<u>cost of services without a corresponding benefit.</u>	182
<u>Sec. 4770.08. (A) The director of commerce may enforce this</u>	183
<u>chapter irrespective of the place or location in which a violation</u>	184
<u>occurs, and upon the complaint of any person or on the director's</u>	185
<u>own initiative. The director may cause to be investigated the</u>	186
<u>business and business methods of any licensed or unlicensed</u>	187
<u>person, registered or unregistered person, employee, or applicant</u>	188
<u>for a license or registration.</u>	189
<u>(B) To enforce this chapter and conduct any investigation</u>	190
<u>authorized by it, the director may subpoena any person in this</u>	191
<u>state and require the production of any papers the director</u>	192
<u>determines necessary, administer oaths, and take depositions of</u>	193
<u>any individuals subpoenaed. The director may employ field</u>	194
<u>investigators and administrative staff as needed to carry out the</u>	195
<u>purposes of this chapter.</u>	196
<u>(C) The director, acting pursuant to Chapter 119. of the</u>	197
<u>Revised Code and within guidelines the security systems advisory</u>	198
<u>board establishes by rule, may take disciplinary action against</u>	199

any licensee, registrant, or any unlicensed or unregistered person 200
who violates this chapter. 201

(D) The director may receive any record check information 202
directly from the United States department of justice. 203

Sec. 4770.09. The director of commerce, with the advice of 204
the security systems advisory board, annually shall file a report 205
with the governor, the president of the senate, and the speaker of 206
the house of representatives. The report shall provide details 207
regarding the cost of administering this chapter, the 208
effectiveness of this chapter in protecting the public interest, 209
the length of time it takes to conduct criminal background checks, 210
the type and number of licenses and registrations issued, 211
enforcement information, and any other information that the 212
director and advisory board wish to convey. 213

Sec. 4770.10. (A) The director of commerce may grant licenses 214
and registrations to persons who are registered or licensed in 215
states that the security systems advisory board determines by rule 216
to have registration or licensing requirements that are 217
approximately equal, in substance and intent, to the requirements 218
of this state. The director shall register or issue a license to 219
any such person who files an application on a form the director 220
provides, pays the appropriate fee, and meets any other 221
qualifications the board establishes by rule. 222

(B) A burglar alarm system company or fire alarm system 223
company located in another state and licensed pursuant to this 224
chapter is not required to have an office or a compliance agent 225
with a physical presence in this state if the company has a 226
representative with a physical presence in this state to receive 227
notices and forward those notices to the company's compliance 228
agent. A post office box is not "a representative with a physical 229

presence in this state." 230

(C) Notwithstanding any requirement of this chapter to the 231
contrary, any security systems company or compliance agent 232
licensed in a state the advisory board determines to have 233
licensing requirements approximately equal to those of this state, 234
may perform monitoring in this state if the company or agent files 235
an application with the director of commerce on the form the 236
director provides and pays the appropriate fee. 237

Sec. 4770.11. No municipal corporation, county, or township 238
may enact any ordinance that conflicts with this chapter. This 239
restriction shall not be construed to prohibit any political 240
subdivision from enacting an ordinance that establishes regulatory 241
schemes designed to prevent false alarm dispatches, schemes that 242
require the issuance of permits to security system users, or 243
penalties to users for excessive false alarm dispatches. Nothing 244
in this chapter shall be construed to prevent a political 245
subdivision from levying a business license fee, business or 246
occupation tax, or other tax upon a security systems company 247
provided that any fees or taxes are levied on all other types of 248
businesses within its boundaries and are based on the physical 249
presence of the business. Nothing in this chapter shall prevent a 250
political subdivision from licensing or regulating a person 251
licensed or registered under this chapter when that person is 252
engaged in activities that are not related to security systems or 253
are not governed by this chapter. 254

Sec. 4770.12. The director of commerce shall deposit all 255
money collected under this chapter in the state treasury to the 256
credit of the security systems fund, which is hereby created. 257
Money credited to the fund shall be used solely to pay costs 258
associated with the administration of this chapter and the rules 259
adopted under it. 260

Sec. 4770.13. This chapter does not apply to any of the 261
following: 262

(A) A person licensed as an engineer or architect who designs 263
or plans security systems; 264

(B) A person who services or installs, repairs, rebuilds, 265
rekeys, repins, or adjusts locks in or on safes or vaults; 266

(C) A licensed electrician who installs conduit and or wire 267
for a system if the electrician does not connect any device or 268
have access to plans or designs for the complete system. 269

Section 2. Sections 4770.02 and 4770.03 of the Revised Code 270
take effect four hundred eighty days after the effective date of 271
this act. 272

Section 3. Not later than thirty days after the effective 273
date of this act, the Governor shall make appointments to the 274
Security Systems Advisory Board. Notwithstanding section 4770.06 275
of the Revised Code, persons appointed to the Board during the two 276
years following the effective date of this act need not be 277
registered as this act requires. 278

Section 4. Not later than one hundred eighty days after the 279
appointment of all initial members to the Security Systems 280
Advisory Board, the Board shall adopt the rules this act requires. 281