

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 304 Department or Agency Alabama Electronic Security Board of Licensure

Rule No. 304-X-1-.03

Rule Title: Licensure Procedures

 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer *Lynne Lantieri*
Date September 18, 2018

APA-2

**Alabama Electronic Security Board of Licensure
(Agency Division: N/A)**

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Electronic Security Board
of Licensure

RULE NO. & TITLE: 304-X-1-.03 Licensure Procedures

INTENDED ACTION: To Amend Rule

SUBSTANCE OF PROPOSED ACTION:

In order to comply with ACT# 2014-160, to comprehensively amend this section by placing pertinent information in its proper section. Sections will now include: Company License, Qualifying Agent, Applicants, Branch Offices, Monitoring Stations, and General Information.

TIME, PLACE, MANNER OF PRESENTING VIEWS:

Written comments may be submitted to: Alabama Electronic Security Board of Licensure, 7956 Vaughn Road PMB 392, Montgomery, AL 36116.

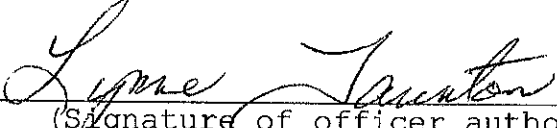
Public Hearing: Tuesday, November 13, 2018, 9:30 a.m., Alabama Industrial Development Training Center, One Technology Court, Montgomery, AL 36116.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

November 13, 2018

CONTACT PERSON AT AGENCY:

Lynne Taunton, Executive Director, Alabama Electronic Security Board of Licensure, 7956 Vaughn Road PMB 392, Montgomery, AL 36116. Telephone# 334-264-9388.



(Signature of officer authorized
to promulgate and adopt
rules or his or her deputy)

304-X-1-.03 Fees Licensure Procedures.

(1) Section 1 Company License

(a) No person operating an alarm system company or locksmith company may sell, install, monitor or otherwise operate in the state of Alabama without a license from the Board of Licensure.

(b) The company will complete an application and pay the necessary fees to the Board of Licensure and upon receipt of a license they can operate. The administrative fee and all other fines and fees due at the time of the licensure application must be paid before an initial license or renewal license will be issued by the Board.

(c) The Board has ninety (90) days to act upon a complete application.

(d) No company license can be issued without ~~criminal background information having been received by the Board.~~ submitting a complete company application and a complete application for the company's qualifying agent.

(1) A copy of the company's most recent business license issued by an Alabama city or county.

(2) A check, money order, or debit or credit card in the proper amount as prescribed in the application.

(3) Application must contain the physical address of the business.

(4) No license will be issued to a company unless the company files with the Board of Licensure evidence of a policy of liability insurance with limits of not less than two hundred fifty thousand dollars (\$250,000), said policy shall provide for certain coverage for both bodily injury or death of a person as result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her employment, and for the injury to or destruction of property of others as the result of negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her agency and any other insurance required by law. The Licensee shall notify the Board of Licensure of any change in coverage by a 30 day notice to the Board of Licensure. The licensee's physical address shall be

required on any certificate of insurance (or its equivalent) filed with the board. Failure to maintain liability insurance may subject the licensee to disciplinary action by the Board.

(e) A company must make application if it offers to undertake, represents itself as being able to undertake, or does undertake the installation or service of locks for motor vehicles or for residential or commercial use, or sells, installs, services, monitors burglar alarm systems or holds privacy codes of customers' burglar alarm systems, or sells, installs or services electronic access control systems or CCTV.

(f) A subcontractor must meet the licensing requirements of the Board of Licensure.

(g) Companies located out of the State of Alabama must obtain a "Certificate of Authority of a Foreign Corporation to Transact Business in Alabama" from the Alabama Secretary of State prior to submitting an application to the Electronic Security Board of Licensure.

(h) ~~A licensed alarm system or locksmith company~~ All licensed companies must have a physical location in the state of Alabama or; if no physical location in the State of Alabama, a registered agent that is capable of providing a Board inspector with Board requested information upon request.

(i) All personnel that install, sell, monitor or service burglar alarm systems (B), CCTV systems (S), monitoring station operators (MS), electronic access control systems (A), motor vehicle locks or mechanical locking hardware on behalf of the licensee, including but not limited to, installers, technicians, or locksmiths shall comply with the educational requirements in 304-X-1-.04.

(j) No licensee shall engage in business or advertise under a state issued license number regulated by this code under a name other than the name of the licensee which appears on the certificate issued by the Board of Licensure or in the name of the business entity which the licensee has registered with the Board of Licensure

(k) The license shall be issued for a term of one year or two years, companies with a beginning letter of A-H renew in odd numbered years and I-Z companies renew in even years. Each license shall be renewed by the expiration date of the current license. Failure to submit a renewal application by the licensee's

designated expiration date (as evidenced by the postmark date) may result in the company or individual having to reapply as a new applicant. Renewal applications must include current proof of insurance for the company and training requirements for individuals.

(l) Failure to provide requested information within thirty (30) days after receiving notice of an incomplete application, shall result in the application being declare null and void. All fees paid related to said application are forfeited and the application process has to be reinitiated by the applicant.

(m) Following issuance, the company license shall be posted at all times in a conspicuous place in the place of business of the licensee. A license issued pursuant to this code shall not be assignable.

(2) **Section 2 Qualified Agent**

(a) Each written contract for services of a company licensed pursuant to this code shall contain the name, mailing address, and telephone number of the Board of Licensure. Each physical location of a licensee shall be operated under the direction and control of a Qualifying Agent. No person shall act as a Qualifying Agent of a licensee until he or she has complied with each of the following:

1. Completed qualifying agent application, criminal background requirements and submitted all supporting documentation to the board.

2. Made a satisfactory showing to the Board that he or she has satisfied the qualifications prescribed in this code, by presenting proof of meeting the educational requirements in 304-X-1-.05.

(b) There shall be displayed prominently in the place of business of each licensee regulated by this code, a sign containing the name, mailing address, and telephone number of the Board of Licensure, and a statement informing consumers that complaints against licensees may be directed to the Board of Licensure. A Qualifying Agent may register with the Board of Licensure for only one business entity at any given time unless the Qualifying Agent owns 25% or more of each burglar alarm business being registered.

(c) It shall be unlawful and punishable for a person to make application to the Board as Qualifying Agent or to serve as manager of an alarm system company, locksmith or Monitoring

Station, unless the person is a full time (in excess of 32 hours per week) employee of the entity for which the person serves as Qualifying Agent, and intends to maintain and maintains that supervisory position on a daily basis for the company.

(d) If the Qualifying Agent, who has been qualified as provided in this section, ceases to be Qualifying Agent, the licensee shall notify the Board of Licensure in writing within 10 days from each cessation. If notice is given, the license shall remain in force for up to 120 days. After which time, a new Qualifying Agent must be in place. If the licensee has hired a replacement qualifying agent within 10 days, the licensee must submit a request to the Board in writing requesting an extension. An extension period may be granted at the discretion of the Board of Licensure. If notice is not given by the company, the company's license shall be subject to suspension or revocation immediately upon receipt of the information to the Board by a third party.

(e) Any individual with the designation of "qualifying agent" for a company, may be subject to disciplinary action for any employee's action in which they directly supervise their licensed activity.

~~(d) An application for a license pursuant to this code shall be in the form prescribed by the Board of Licensure. All persons' applications shall include the following:~~

- ~~1. A properly completed application.~~
- ~~2. Supporting documentation of meeting training requirements when necessary.~~
- ~~3. Supporting documentation of meeting insurance requirements.~~
- ~~4. A properly completed Alabama Bureau of Investigation (ABI) Form 46 and required processing fees for a criminal background report.~~
- ~~5. New Applicants must submit a properly completed ABI Form 46 and Federal Bureau of Investigation (FBI) fingerprint cards and required processing fees for an FBI criminal background report.~~
- ~~6. The Board will not deny a license for criminal convictions over seven years old unless the criminal conviction directly relates to the occupation or profession for which the~~

~~license is sought. However, the Board may, if in its opinion it is warranted, require the applicant to submit a new criminal background check at the expiration of one year of the initial application.~~

~~7. A check or money order in the proper amount as prescribed in the application.~~

~~8. All applications must contain the physical address of the business.~~

~~9. All applications must be signed and notarized or witnessed by two individuals.~~

~~10. A copy of the company's most recent business license issued by an Alabama city or county.~~

~~(e) A check returned for any reason as unpayable by the issuing bank, following the vote of the Board of Licensure, will result in a fine of the maximum amount as set by state law, as well as denial of issuance of the license. Following a nonpayable fine, only a certified or cashiers check will be acceptable for payment of both the fine and the license.~~

~~(f) The license shall be issued for a term of one year or two years, companies with a beginning letter of A-H renew in odd-numbered years and I-Z companies renew in even years. Each license shall be renewed by the expiration date of the current license. Failure to submit a renewal application by the licensee's designated expiration date (as evidenced by the postmark date) may result in the company or individual having to reapply as a new applicant. Renewal applications must include current proof of insurance for the company and training requirements for individuals.~~

~~(g) Following issuance, the license shall be posted at all times in a conspicuous place in the place of business of the licensee. A license issued pursuant to this code shall not be assignable.~~

~~(h) No licensee shall engage in business or advertise under state license number regulated by this code under a name other than the name of the licensee which appears on the certificate issued by the Board of Licensure or in the name of the business entity which the licensee has registered with the Board of Licensure~~

~~(i) A branch office of a locksmith or alarm systems business shall be properly licensed. A separate license, stating~~

~~the location and licensed qualifying agent, shall be posted at all times in a conspicuous place in each branch office. Every business covered pursuant to this code shall file in writing with the Board of Licensure the address of each of its branch offices, if any, within 10 working days after the establishment, closing, or changing of the location of a branch office. A licensed qualifying agent will be required for daily operations for each alarm system business branch office and be readily available to the registrants in the field.~~

~~(j) A Qualifying Agent may register with the Board of Licensure for only one business entity at any given time unless the Qualifying Agent owns 25% or more of each burglar alarm business being registered.~~

~~(k) Monitoring Station personnel in a standalone facility located in excess of one hundred (100) miles from the nearest Alabama border, whose only duty is Monitoring Station functions, are exempt from a mandatory background check, but the Board may require Social Security numbers and FBI fingerprint cards and may do random background checks.~~

~~(l) Any person or business entity that offers to undertake, represents itself as being able to undertake, or does undertake the monitoring of an alarm system for the public for any type of compensation or, any monitoring station, must, with each renewal application, submit a report which provides the following: (1) the name of the person or business entity that requested their accounts be monitored as an alarm system installer or dealer and (2) the date the company began monitoring accounts on behalf of the alarm system installer or dealer. Said reporting list shall include monitored accounts for persons or business entities who have requested monitoring of accounts in the State of Alabama only and said list shall not include the individual customer list for each alarm system installer or dealer.~~

(3) **Section 3 Applicants**

~~(a) Each physical location of an alarm system installer shall be operated under the direction and control of a Qualifying Agent. No person shall act as a Qualifying Agent of a licensee until he or she has complied with each of the following:~~

~~1. Demonstrated his or her qualifications by a written examination as set forth by the Board of Licensure.~~

~~2. Made a satisfactory showing to the Board that he or she has satisfied the qualifications prescribed in this code, by~~

~~presenting proof of meeting the educational requirements in 304-X-1-.04.~~

~~3. If the Qualifying Agent, who has been qualified as provided in this section, ceases to be Qualifying Agent, the licensee shall notify the Board of Licensure in writing within 10 days from each cessation. If notice is given, the license shall remain in force for up to 120 days. After which time, a new Qualifying Agent must be in place. If the licensee has not found a replacement, the licensee must submit a request to the Board in writing petitioning an extension. An extension period may be granted at the discretion of the Board of Licensure. If notice is not given, his or her license shall be subject to suspension or revocation.~~

~~(b) All personnel that install, monitor or service burglar alarm systems (B), CCTV systems (S), monitoring station operators (MS), electronic access control systems (A), motor vehicle locks or mechanical locking hardware on behalf of the licensee, including but not limited to, installers, technicians, or locksmiths shall comply with the educational requirements in 304-X-1-.04.~~

~~(c) No license will be issued to a company unless the company files with the Board of Licensure evidence of a policy of liability insurance with limits of not less than two hundred fifty thousand dollars (\$250,000), which policy shall provide for certain coverage for both bodily injury or death of a person as result of the negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her employment, and for the injury to or destruction of property of others as the result of negligent act or acts of the principal insured or his or her agents operating in the course and scope of his or her agency and any other insurance required by law. The Licensee shall notify the Board of Licensure of any change in coverage by a 30 day notice to the Board of Licensure.~~

~~(d) A license or branch office license, when issued, shall be in the form prescribed by the Board of Licensure, and shall include the following:~~

- ~~1. The name of the licensee.~~
- ~~2. The name under which the licensee shall operate.~~
- ~~3. The number and date of the license.~~
- ~~4. Which classifications of work the licensee is licensed for.~~

~~(c) The license shall at all times be posted in a conspicuous place in the principal place of business of the licensee. Each branch office license shall at all times be posted in a conspicuous place in each branch office of the business.~~

~~(f) Notification to the Board of Licensure shall be made within ten days after the change of address of the principal place of business of a licensee, the change of address of a branch office, or the change of a business name under which a licensee does business. A licensee shall, within ten days after the change, notify the Board of Licensure of all changes of his or her address, the name under which he or she does business, and changes in its officers or partners.~~

(a) An application for a license pursuant to this code shall be in the form prescribed by the Board of Licensure. All persons' applications shall include the following:

1. A properly completed application.
2. Supporting documentation of meeting training requirements when necessary.
3. A properly completed Alabama Law Enforcement Agency (ALEA) Form-46 (or its equivalent) and required processing fees for a criminal background report.
4. New and renewing Applicants must submit a properly completed ALEA Form-46 (or its equivalent) and Federal Bureau of Investigation (FBI) fingerprint cards and required processing fees for an FBI criminal background report.
5. A nonresident licensee who is not physically working in the state, located more than 100 miles from the nearest state border, and whose duties are limited to administrative activity is exempt from the requirement of a criminal background check.
6. The Board will not deny a license for criminal convictions over seven years old unless the criminal conviction directly relates to the occupation or profession for which the license is sought. However, the Board may, if in its opinion it is warranted, require the applicant to submit a new criminal background check at the expiration of one year of the initial application.
7. A credit card, debit card, check or money order in the proper amount as prescribed in the application.
8. All applications must contain the physical address of the business.

9. All applications must be signed and notarized or witnessed by two individuals.

(b) A person who is employed to be a Qualifying Agent (QA), monitoring station operator (MS), burglar alarm system (B) installer, electronic access control system (A) installer, closed circuit television system (S) installer, locksmith (L), helper (H), administrative (ADM), or salesperson (Sales) shall submit the required paperwork and fees with to the Board of Licensure within ten (10) business days after the commencement of employment with a company engaged in activities regulated by this Chapter.

(c) Each applicant must pay all applicable fees to become licensed by the Board; said fee is due at the time of the licensure application.

(d) Licensing of a qualified applicant should be completed within six calendar weeks after the board receives all required paperwork from the applicant. This time frame may be extended during annual renewal.

(e) If complete paperwork is not received within 30 days of notification for incompleteness application shall be vacated and must be resubmitted.

(4) **Section 4 Branch Offices**

~~(a) A license issued under this code shall be subject to revocation or suspension if any licensee fails to disclose pertinent information on the initial or renewal application, misleads, or is untruthful during the application process, or has applied for the original license under false pretenses. Any license may be subject to revocation if a person is convicted of a criminal offense during the license's term. A letter notifying the licensee of a pending suspension or revocation will be sent, via certified mail, to the last known address of the licensee subject to a suspension or revocation. The licensee shall have 15 days from receipt of written notification to respond in writing to the notice of suspension or revocation. On the 16th day of no response, the license shall be suspended or revoked without further notification. If the licensee responds within the stated time period, a formal hearing before a quorum of the Board of Licensure shall be held solely to address the issue of the immediate license suspension or revocation. Following the hearing a simple majority vote of a quorum of the board will determine whether the licensee's license shall be suspended or revoked.~~

~~(b) Notice of current licensed companies and disciplinary actions taken by the Board of Licensure shall be posted on the Board's web site: www.aesbl.alabama.gov.~~

~~(c) Information contained in alarm systems' records held by a governmental body concerning the location of an alarm system, the name of the occupant of alarm system location, or the type of alarm system used shall be confidential and disclosed only to the Board of Licensure or as otherwise required by law.~~

(a) A license or branch office license, when issued, shall be in the form prescribed by the Board of Licensure, and shall include the following:

1. The name of the licensee.
2. The name under which the licensee shall operate.
3. The number and date of the license.
4. Which classifications of work the licensee is licensed for.

(b) The license shall at all times be posted in a conspicuous place in the principal place of business of the licensee. Each branch office license shall at all times be posted in a conspicuous place in each branch office of the business.

(c) Notification to the Board of Licensure shall be made within ten days after the change of address of the principal place of business of a licensee, the change of address of a branch office, or the change of a business name under which a licensee does business. A licensee shall, within ten days after the change, notify the Board of Licensure of all changes of his or her address, the name under which he or she does business, and changes in its officers or partners.

(d) A branch office of a locksmith or alarm systems business shall be properly licensed. A separate license, stating the location and licensed qualifying agent, shall be posted at all times in a conspicuous place in each branch office. Every business covered pursuant to this code shall file in writing with the Board of Licensure the address of each of its branch offices, if any, within 10 working days after the establishment, closing, or changing of the location of a branch office. A licensed qualifying agent will be required for daily operations for each alarm system business branch office and be readily available to the registrants in the field.

(5) **Section 5 Monitoring Stations**

~~(a) A person who is employed to be a Qualifying Agent (QA), monitoring station operator (MS), burglar alarm system (B) installer, electronic access control system (A) installer, closed circuit television system (S) installer, locksmith (L), helper (H), or salesperson (Sales) shall submit the required paperwork and fees with to the Board of Licensure within ten (10) business days after the commencement of employment with an alarm or locksmith company.~~

~~(b) Newly hired employees of alarm companies in counties having a population of less than 30,000 inhabitants and meet the exemption requirements of Code of Ala. 1975, §34-1A-10 are considered New Applicants and must submit the completed forms and fees required for an ABI and FBI criminal background report within ten (10) business days of employment.~~

(a) Monitoring Station personnel in a stand-alone facility located in excess of one hundred (100) miles from the nearest Alabama border, whose only duty is Monitoring Station functions, are exempt from a mandatory background check, but the Board may require Social Security numbers and FBI fingerprint cards and may do random background checks.

(b) Any person or business entity that offers to undertake, represents itself as being able to undertake, or does undertake the monitoring of an alarm system for the public for any type of compensation or, any monitoring station, must, with each renewal application, submit a report which provides the following: (1) the name of the person or business entity that requested their accounts be monitored as a system installer or dealer and (2) the date the company began monitoring accounts on behalf of the system installer or dealer. Said reporting list shall include monitored accounts for persons or business entities who have requested monitoring of accounts in the State of Alabama only and said list shall not include the individual customer list for each alarm system installer or dealer.

(c) All monitoring station personnel must have a person designated as an administrative person of record for the purposes of answering questions related to renewing licenses online.

~~(6) **Section 6**~~

~~(a) Each applicant must pay the license fee, if applicable, the administrative fee and any fines due in order for~~

~~their application to be processed. The administrative fee is not in effect for renewal applications.~~

~~(b) The Board does not make complete or partial refunds of any fees received.~~

~~(7) Section 7 (6)~~ Section 6 General Information

(a) Each person holding itself out to do business as described in Code of Ala. 1975, Chapter 1A of Title 34, is required to be licensed.

(b) All companies must meet the requirements stated in the rules and regulations and statute before a license shall be issued by the Board, unless authorized or approved by the Board, no exceptions to the rules and regulations shall be granted and any exceptions that may have been previously granted or interpreted by the Board are hereby declared null and void.

~~(b) (c)~~ The failure of a person to be licensed in the classification in which he or she is working shall be subject to a monetary penalty (up to \$1,000.00 per violation) as determined by the Board.

(d) The Board does not make complete or partial refunds of any fees received.

(e) Newly hired employees of alarm companies in counties having a population of less than 30,000 inhabitants and meet the exemption requirements of Code of Ala. 1975, §34-1A-10 are considered New Applicants and must submit the completed forms and fees required for an ALEA and FBI criminal background report within ten (10) business days of employment.

(f) Notice of current licensed companies and disciplinary actions taken by the Board of Licensure shall be posted on the Board's web site: www.aesbl.alabama.gov.

(g) Information contained in alarm systems' records held by a governmental body concerning the location of an alarm system, the name of the occupant of alarm system location, or the type of alarm system used shall be confidential and disclosed only to the Board of Licensure or as otherwise required by law.

(h) A check returned for any reason as non-payable by the issuing bank, following the vote of the Board of Licensure,

will result in a fine of the maximum amount as set by state law, as well as denial of issuance of the license. Following a non-payable fine, only a certified or cashier's check will be acceptable for payment of both the fine and the license.

(i) A license issued under this code shall be subject to revocation or suspension if any licensee fails to disclose pertinent information on the initial or renewal application, misleads, or is untruthful during the application process, or has applied for the original license under false pretenses. Any license may be subject to revocation if a person is convicted of a criminal offense during the license's term. A letter notifying the licensee of a pending suspension or revocation will be sent, via certified mail, to the last known address of the licensee subject to a suspension or revocation. The licensee shall have 15 days from receipt of written notification to respond in writing to the notice of suspension or revocation. On the 16th day of no response, the license shall be suspended or revoked without further notification. If the licensee responds within the stated time period, a formal hearing before a quorum of the Board of Licensure shall be held solely to address the issue of the immediate license suspension or revocation. Following the hearing a simple majority vote of a quorum of the board will determine whether the licensee's license shall be suspended or revoked.

Author: Fred Crawford

Statutory Authority: Code of Ala. 1975, §34-1A.

History: New Rule: Filed January 20, 1998; effective

February 24, 1998. **Amended:** Filed April 26, 2000; effective May 31, 2000. **Amended:** Filed September 18, 2002; effective October 23, 2002. **Amended:** Filed May 25, 2004; effective

June 29, 2004. **Amended:** Filed September 7, 2005; effective October 12, 2005. **Amended:** Filed November 13, 2007; effective December 18, 2007. **Amended:** Filed November 21, 2008; effective December 26, 2008. **Amended:** Filed February 18, 2010; effective March 25, 2010.

Amended: Filed August 20, 2010; effective September 24, 2010.

Amended: Filed August 15, 2011; effective September 19, 2011.

Amended: Filed November 27, 2012; effective

January 1, 2013. **Amended:** Filed May 28, 2013; effective

July 2, 2013. **Amended:** Filed November 19, 2013; effective December 24, 2013. **Amended:** Filed May 27, 2014; effective

July 1, 2014. **Amended:** Filed November 19, 2014; effective December 24, 2014. **Amended:** Filed September 29, 2016; effective November 13,

2016. **Amended:** Filed ; effective