

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 942

Short Title: Locksmith Licensure. (Public)

Sponsors: Representatives Hurley; Crawford, Dedmon, Ellis, Lucas, Morris,
Warner, and Weatherly.

Referred to: Finance.

April 2, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE LOCKSMITH LICENSING ACT.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** The General Statutes are amended by adding a new Chapter to
5 read:

"Chapter 74F.

"Locksmith Licensing Act.

8 **"§ 74F-1. Short title.**

9 This act shall be known as the North Carolina Locksmith Licensing Act.

10 **"§ 74F-2. Purpose.**

11 Locksmiths have the knowledge and tools to bypass or neutralize security devices in
12 vehicles, homes, and businesses. The laws of this State do not protect citizens from the
13 unscrupulous use and abuse of this knowledge and these tools by persons who are
14 untrained or have criminal intent. Therefore, the licensing of locksmiths is necessary to
15 protect public health, safety, and welfare.

16 **"§ 74F-3. Licenses required.**

17 (a) No person shall perform or offer to perform locksmith services in this State
18 unless the person has been licensed under the provisions of this Chapter.

19 (b) It shall be unlawful for any person who is not licensed under this Chapter to
20 possess any locksmith tools, safe opening tools, or codebooks for the purpose of
21 violating the laws of this State. A violation of this subsection is a Class 3 misdemeanor.

22 **"§ 74F-4. Definitions.**

23 The following definitions apply in this Chapter:

24 (1) Board. – The North Carolina Locksmith Licensing Board.

25 (2) Code book. – A compilation, in any form, of key codes and
26 combinations.

1 (3) License. – A certificate issued by the Board recognizing the person
2 named therein as having met the requirements to perform locksmith
3 services as defined in this Chapter.

4 (4) Locksmith. – A person who has been issued a license by the Board.

5 (5) Locksmith services. – Repairing, rebuilding, rekeying, repinning,
6 servicing, adjusting, or installing locks, mechanical or electronic
7 locking devices, access control devices, egress control devices, safes,
8 vaults, and safe deposit boxes.

9 (6) Locksmith tools. – Any tools that are designed or used to open a
10 mechanical or electrical locking device in a way other than that which
11 was intended by the manufacturer.

12 **"§ 74F-5. North Carolina Locksmith Licensing Board.**

13 (a) Composition and Terms. – The Board shall consist of nine members who
14 shall serve staggered terms. Three members shall represent the public. The initial Board
15 members shall be appointed on or before January 1, 2002, as follows:

16 (1) The General Assembly, upon the recommendation of the President Pro
17 Tempore of the Senate, shall appoint three locksmiths, two of whom
18 shall serve terms of four years and one of whom shall serve a term of
19 three years. At least one of the locksmiths shall represent a recognized
20 locksmith organization in the State.

21 (2) The General Assembly, upon the recommendation of the Speaker of
22 the House of Representatives, shall appoint three locksmiths, one of
23 whom shall serve a term of four years, one of whom shall serve a term
24 of three years, and one of whom shall serve a term of two years. At
25 least one of the locksmiths shall represent a recognized locksmith
26 organization in the State.

27 (3) The Governor shall appoint three public members, one of whom shall
28 serve a term of three years, and two of whom shall serve terms of two
29 years.

30 Upon the expiration of the terms of the initial Board members, each member shall be
31 appointed for a term of three years and shall serve until a successor is appointed. No
32 member may serve more than two consecutive terms.

33 (b) Qualifications. – The locksmith members shall have at least five years'
34 experience in locksmith services and shall be engaged in that business for the duration
35 of their term on the Board. The locksmith members initially appointed to the Board
36 shall immediately become licensed as locksmiths by complying with the provisions of
37 this Chapter. Public members of the Board shall not be trained or experienced in
38 locksmith services, have a financial interest in a locksmith business, or be the spouse of
39 a person who is so trained or experienced or has such an interest. All members of the
40 Board shall reside in this State and shall represent various geographical areas of the
41 State.

42 (c) Vacancies. – A vacancy shall be filled in the same manner as the original
43 appointment, except that all unexpired terms in seats appointed by the General
44 Assembly shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies

1 shall serve the remainder of the unexpired term and until their successors have been
2 duly appointed and qualified.

3 (d) Removal. – The Board may remove any of its members for neglect of duty,
4 incompetence, or unprofessional conduct. A member subject to disciplinary proceedings
5 as a licensee shall be disqualified from participating in the official business of the Board
6 until the charges have been resolved.

7 (e) Compensation. – Each member of the Board shall receive per diem and
8 reimbursement for travel and subsistence as provided in G.S. 93B-5.

9 (f) Officers. – The officers of the Board shall be a chair, a vice-chair, and other
10 officers deemed necessary by the Board to carry out the purposes of this Chapter. All
11 officers shall be elected annually by the Board for one-year terms and shall serve until
12 their successors are elected and qualified.

13 (g) Meetings. – The Board shall hold at least two meetings each year to conduct
14 business and to review the standards and rules for issuing licenses under this Chapter.
15 The Board shall adopt rules governing the calling, holding, and conducting of regular
16 and special meetings. A majority of Board members shall constitute a quorum.

17 **"§ 74F-6. Powers of the Board.**

18 The Board shall have the power and duty to:

- 19 (1) Administer and enforce the provisions of this Chapter.
- 20 (2) Adopt rules as may be necessary to carry out the provisions of this
21 Chapter.
- 22 (3) Examine and determine the qualifications and fitness of applicants for
23 licensure and renewal of licensure.
- 24 (4) Issue, renew, deny, suspend, or revoke licenses and conduct any
25 disciplinary actions authorized by this Chapter.
- 26 (5) Set fees for licensure, licensure renewal, and other services deemed
27 necessary to carry out the provisions of this Chapter.
- 28 (6) Establish and approve continuing education requirements for persons
29 licensed under this Chapter.
- 30 (7) Receive and investigate complaints from members of the public.
- 31 (8) Conduct investigations for the purpose of determining whether
32 violations of this Chapter or grounds for disciplining licensees exist.
- 33 (9) Conduct administrative hearings in accordance with Article 3A of
34 Chapter 150B of the General Statutes.
- 35 (10) Maintain a record of all proceedings conducted by the Board and make
36 available to licensees and other concerned parties an annual report of
37 all Board action.
- 38 (11) Maintain a list of the names and addresses of all persons licensed by
39 the Board.
- 40 (12) Employ and fix the compensation of personnel that the Board
41 determines is necessary to carry out the provisions of this Chapter and
42 incur other expenses necessary to perform the duties of the Board.
- 43 (13) Adopt and publish a code of ethics.

1 (14) Adopt a seal containing the name of the Board for use on all licenses
2 and official reports issued by the Board.

3 **"§ 74F-7. Qualifications for license.**

4 An applicant shall be licensed as a locksmith if the applicant meets all of the
5 following qualifications:

6 (1) Is of good moral and ethical character.

7 (2) Is at least 18 years of age.

8 (3) Successfully completes an examination administered by the Board.

9 (4) Pays the required fee under G.S. 74F-9.

10 **"§ 74F-8. Licensure based on experience; licensure of nonresident; reciprocity.**

11 (a) The Board may grant, upon application and payment of proper fees, a license
12 to a person who resides in this State and has at least three years' experience as a licensed
13 locksmith in another state whose standards of competency are substantially equivalent
14 to those provided in this Chapter.

15 (b) The Board may grant, upon application and payment of proper fees, a license
16 to a nonresident if the person meets the requirements of this Chapter or the person
17 resides in a state that recognizes licenses issued by the Board.

18 **"§ 74F-9. Fees.**

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

20 (1) Issuance of a license \$100.00

21 (2) Renewal of a license \$100.00

22 (3) Examination \$200.00

23 (4) Reinstatement \$150.00

24 (5) Late fees \$150.00.

25 **"§ 74F-10. Issuance, renewal, replacement, and transfer of licenses.**

26 (a) The Board shall issue a license, upon payment of the license fee, to any
27 applicant who has satisfactorily met the requirements of this Chapter as administered by
28 the Board. Licenses shall show the full name of the person and an identification number,
29 and shall be signed by the chair and one other officer of the Board.

30 (b) All licenses shall expire three years after the date they were issued unless
31 renewed. All applications for renewal shall be filed with the Board and shall be
32 accompanied by the renewal fee as required by G.S. 74F-9. A license that has expired
33 for failure to renew may be reinstated after the applicant pays the late and reinstatement
34 fees as required by G.S. 74F-9.

35 (c) The Board shall replace any license that is lost, destroyed, or mutilated
36 subject to rules established by the Board.

37 (d) A license may not be transferred or assigned.

38 **"§ 74F-11. Photo identification.**

39 Every person licensed under this Chapter shall be issued a photo identification card
40 by the Board. The card shall display a current photograph of the person, the person's
41 name, address, and telephone number. The licensee shall have the photograph
42 identification card available for inspection while performing locksmith services.

43 **"§ 74F-12. Posting licenses; advertisements.**

1 (a) Every locksmith issued a license under this Chapter shall display the license
2 prominently in the locksmith's place of business.

3 (b) Every person advertising locksmith services performed by the person shall
4 include in the advertisement the identification number that is printed on the license
5 issued by the Board.

6 **"§ 74F-13. Responsibilities of employers.**

7 Every licensee under this Chapter shall provide to the Board the names of each
8 person employed by the licensee who either performs locksmith services or has access
9 to locksmith tools. The licensee shall notify the Board within 30 days of any change in
10 the information provided pursuant to this section.

11 **"§ 74F-14. Customer identification.**

12 When opening a locked door to any vehicle or residential or commercial property, a
13 licensee shall make a reasonable effort to verify that the customer is the legal owner of
14 the vehicle or property or is authorized by the legal owner to gain access to the vehicle
15 or property.

16 **"§ 74F-15. Disciplinary procedures.**

17 The Board may deny or refuse to renew, suspend, or revoke a license if the licensee
18 or applicant:

- 19 (1) Gives false information to or withholds information from the Board in
20 procuring or attempting to procure a license.
- 21 (2) Has been convicted of or pled guilty or no contest to a crime that
22 indicates that the person is unfit or incompetent to perform locksmith
23 services or that indicates the person has deceived or defrauded the
24 public.
- 25 (3) Has demonstrated gross negligence, incompetency, or misconduct in
26 performing locksmith services.
- 27 (4) Has willfully violated any of the provisions of this Chapter.

28 **"§ 74F-16. Exemptions.**

29 The provisions of this Chapter do not apply to:

- 30 (1) An employee of a licensed locksmith.
- 31 (2) A person working as an apprentice under the supervision of a licensed
32 locksmith while fulfilling the requirements for licensure.
- 33 (3) A person or business required to be licensed or registered by the North
34 Carolina Alarm Systems Licensing Board pursuant to Chapter 74D of
35 the General Statutes.
- 36 (4) An employee of a towing service, a reposessor, or motor club as
37 defined in G.S. 58-69-1 who opens automotive locks in the normal
38 course of their duties so long as the employee does not represent
39 himself or herself as a locksmith.
- 40 (5) A property owner, or the owner's employee who provides services for
41 the maintenance of the property so long as the owner or employee does
42 not represent himself or herself as a locksmith. For purposes of this
43 section, 'property' means, but is not limited to, a hotel, motel,

1 apartment, condominium, commercial rental property, and residential
2 rental property.

3 (6) A merchant or retail or hardware store that lawfully duplicates keys or
4 installs, services, repairs, rebuilds, reprograms, or maintains locks, so
5 long as the merchant or store does not represent itself as a locksmith.

6 (7) A member of the police or fire department or other government agency
7 who, in the course of his or her employment, opens locked doors to
8 vehicles, homes, or businesses.

9 (8) A salesperson demonstrating the use of locksmith tools to persons
10 licensed under this Chapter.

11 **"§ 74F-17. Injunctions.**

12 The Board may apply to the superior court for an order enjoining violations of this
13 Chapter. Upon a showing by the Board that any person has violated this Chapter, the
14 court may grant injunctive relief."

15 **SECTION 2.** Any person who submits proof to the Board that he or she has
16 been actively engaged as a locksmith in this State for two consecutive years prior to the
17 effective date of this act and pays the required fee for the issuance of a license under
18 G.S. 74F-9, enacted by Section 1 of this act, shall be licensed without having to satisfy
19 the requirements of G.S. 74F-7, enacted by Section 1 of this act. All persons who do
20 not make application to the Board within one year of the effective date of this act shall
21 be required to complete all requirements prescribed by the Board and to otherwise
22 comply with the provisions of Chapter 74F, enacted by Section 1 of this act.

23 **SECTION 3.** This act is effective when it becomes law.