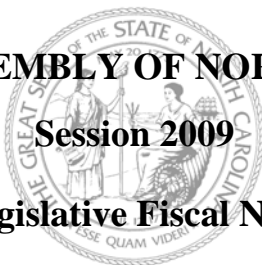


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 584 (Third Edition)

SHORT TITLE: Amend Private Protective Services Act.

SPONSOR(S): Senator Snow

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
EXPENDITURES:					
Department of Justice		No substantial fiscal impact anticipated			
Department of Crime Control and Public Safety		No fiscal impact anticipated			
POSITIONS (cumulative):	-	-	-	-	-
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Crime Control and Public Safety, Department of Justice					
EFFECTIVE DATE: October 1, 2009					

BILL SUMMARY:

Amends GS 74C-3(b) to exempt from the definition of *private protective services* a person engaged in (1) computer or digital forensic services or the acquisition, review, or analysis of digital or computer-based information, whether for the purposes of obtaining or furnishing information for evidentiary or other purposes, or for providing expert testimony before a court, or (2) network or system vulnerability testing, including network scans and risk assessment and analysis of computers connected to a network.

Amends GS 74C-7 to clarify that any investigation conducted by the Attorney General into complaints, allegations, or suspicions of wrongdoing by private protective services professionals licensed or to be licensed under this Chapter pursuant to this section is deemed confidential and is not subject to review under GS 132-1 *until the investigation is complete and a report is presented to the Private Protective Services Board*. Allows the report to be released to the licensee after the investigation is complete but before the report is presented to the Private Protective Services Board (Board).

Amends GS 74C-8(c) to allow the Board to extend *for good cause* the period granted a business entity in obtaining a replacement for a qualifying agent up to three months *or up to 6 months following the petition by an applicant and a hearing by the Board*. Requires that the Board provide the Department of Justice (DOJ) with fingerprints of a *new* applicant seeking a license, registration, certification or permit through the Board. Requires DOJ to provide a criminal record check based upon the applicant's fingerprints. Allows the Board to request a criminal record check for a renewal applicant in accordance with the policy adopted by the Board.

Amends GS 74C-9(e) to clarify that license fees authorized to be charged by the Board are *per year of the license term*. Requires that a late renewal fee for a failure to renew on or before the expiration date of the license, *registration, permit, or certification* is to be paid *within 90 days from the date the license expires*. Allows the Board to charge a correctable error fee up to \$100 for each subsequent filing of an application following review and rejection of the initial application.

Amends GS 74C-9 to extend the term of a license issued to the operator or manager of any branch office to two years (was, one year). Makes clarifying and technical changes.

Amends GS 74C-11(a) to clarify that a licensee may employ unarmed security guards as probationary employees for 20 *consecutive* calendar days.

Amends GS 74C-12(a) to include that a denial, suspension, or revocation of a license, registration, or permit may be based on (1) the *principal in the applicant's business* having been previously denied, or been subject to revocation of, a license, registration, or permit issued under this Chapter; (2) the applicant having failed or refused to reasonably cooperate with the Board or its agents during an investigation of any complaint, allegation, or suspicion of wrongdoing or violation of this Chapter; (3) the applicant having failed to properly make any disclosure or provide documents or information as required by the Board; (4) the applicant having engaged in conduct constituting dereliction of duty or otherwise having deceived, defrauded, or harmed the public in the course of professional activities or services; or (5) the applicant having demonstrated a lack of financial responsibility.

Amends GS 74C-12(c) to delete that a sworn court official or a holder of a company police commission is prohibited from being issued a registration or permit but maintains the prohibition on being issued a license.

Amends GS 74C-13(a) to require (1) a licensee to register any individual carrying a firearm within 30 days of employment and (2) that, before engaging in private protective services activity, the individual receive any required training prescribed by the Board.

Repeals GS 74C-14, which allowed registered security guards to possess and use tear gas (mace) to the extent allowed under the provisions of GS 14-401.6.

Enacts new GS 74C-23 to create notification requirements to the Director of the Board for a licensed company, firm, or corporation in the event it transfers ownership, control, or a majority of assets to another person, firm, association, or corporation acquiring control or ownership. Provides for steps that must be taken and information that must be provided.

Amends Article 2 of GS Chapter 74C to rename the Private Protective Services Recovery Fund as the Private Protective Services Education Fund (Fund). Modifies the purpose of the Fund so that funds are used for the education of licensees and registrants as deemed appropriate by the Board (was, funds used to pay claims where an aggrieved person has suffered a direct monetary loss by reason of certain acts committed by a licensed person under the Chapter). Makes conforming changes. Also makes conforming changes to GS 74C-8(f) and GS 74C-12(a).

Repeals GS 74C-31 (Application for payment out of Fund; hearing grounds), GS 74C-32 (Order directing payment out of Fund), and GS 74C-33 (Maximum liability; pro rata distribution).

ASSUMPTIONS AND METHODOLOGY:

Department of Crime Control and Public Safety

Fiscal Research requested an estimate of the potential fiscal impact that the passage of this bill may have on the Department of Crime Control and Public Safety (CCPS). CCPS staff reported that *the Department does not foresee any fiscal impact as a result of this bill.*

Department of Justice

Fiscal Research requested an estimate of the potential fiscal impact that the passage of this bill may have on the Department of Justice (DOJ). DOJ staff reported that *the Department does not foresee any substantial fiscal impact as a result of this bill.*

SOURCES OF DATA: Department of Crime Control and Public Safety, Department of Justice

TECHNICAL CONSIDERATIONS: None

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Fiscal Research Division

DATE: June 8, 2009



Signed Copy Located in the NCGA Principal Clerk's Offices