

## **PROPOSED LEGISLATION: STATEWIDE LICENSURE OF ALARM COMPANIES & AGENTS OVERVIEW**

**Background:** Presently 16 local jurisdictions require alarm companies and/or agents to be licensed. Some cities require fingerprinting and background checks, others do not. The proposed legislation is based upon the Reciprocal Licensure Ordinance presently adopted by the cities of Phoenix, Tucson, Mesa and Chandler. Presently, about 25 states require alarm business and/or agent licensure.

**Criminal Background Check Requirement:** The proposed legislation would require the controlling persons of alarm businesses, alarm agents and alarm sales agents to obtain a Fingerprint Clearance Card through the Arizona Department of Fire, Building & Life Safety. The Fingerprint Clearance Card is issued by the Arizona Department of Public Safety and is valid for a period of six years. This is the same card issued to teachers, health care workers and others in the state.

### **Alarm Business Responsibilities**

- “Alarm Business” includes any person, either by itself or through a third party, that engages in the business of providing alarm monitoring services or the business of selling, leasing, renting, maintaining, repairing or installing non-proprietary alarm systems, devices or repairs. It does not include those businesses which deal with fire alarms or motor vehicle alarms, or those which install a non-monitored proprietor alarm for a business that he or she owns, manages or is employed by.
- Must have an alarm business license issued by the Department of Fire, Building & Life Safety. Alarm Business Licenses are valid for two years.
- Must make all records available to the Department or a local jurisdiction upon request.
- Must have an Arizona Transaction Privilege Tax license.
- Must be licensed by the Arizona Registrar of Contractors if applicable.
- Must ensure all alarm agents and alarm sales agents have a Fingerprint Clearance Card.
- Must have General Liability and Errors & Omissions insurance.
- Must ensure all alarm agents have the required 8 hours of training, except those who are licensed within 12 months of this law becoming effective.
- If the alarm business agrees to service an alarm system, must provide service within 72 hours of a request for service.
- Must provide written and oral instructions on use of alarm to each alarm subscriber.
- Must install an alarm which will inactivate the audible alarm within 15 minutes of activation.
- If alarm subscribers are required to register with the local jurisdiction, the alarm business must notify the local jurisdiction of the alarm installation within 30 days and furnish the subscriber with registration forms.
- Maintain records of leasing, selling and/or monitoring an alarm.

### **Alarm Agent and Alarm Sales Agent Responsibilities**

- “Alarm Agent” is anyone who engages in the business of providing alarm monitoring services or the business of selling, leasing, renting, maintaining, repairing or installing non-proprietary alarm systems, devices or services.
- “Alarm Sales Agent” is anyone who acts on behalf of any alarm business and sells, rents or leases alarm systems, other than proprietary alarm systems.
- Have an Alarm Agent or Alarm Sales Agent License
- Alarm Agents applying for license more than 12 months after the law goes into effect must complete 8 hours of training provided by a non-profit organization which has the alarm industry as its major interest.

#### **Powers of Local Jurisdictions**

- Local jurisdictions would not have the power to license an alarm business or alarm agent
- Local jurisdictions would have the power to issue a citation and/or cease and desist order to any person violating the proposed state law or the jurisdiction’s ordinance pertaining to alarms, and to report such violations to the Department of Fire, Building & Life Safety for further action.
- Local jurisdictions would have the power to enact ordinances to reduce the number of false alarms, including ordinances which require registration of all alarm subscribers

#### **Fees and Penalties**

- Fees for alarm business licenses, alarm agent licenses and alarm sales agent licenses will be set by the Department of Fire, Building & Life Safety. The fee for an initial alarm business license shall not exceed \$250, and the fee for alarm agent and alarm sales agent licenses shall not exceed \$100.
- Fee for a renewal alarm business license shall not exceed \$150, and the fee for renewal alarm agent and alarm sales agent licenses shall not exceed \$50.

#### **Grounds for Denial, Suspension or Revocation of a License**

- Incomplete license application.
- No Fingerprint Clearance Card
- False or misleading information on the application
- Applicant has had a license relating to alarm businesses, alarm agents or alarm sales agents or a license of a similar character suspended, canceled or revoked within the previous five years
- Applicant is not a United States citizen or lawful permanent resident or an alien authorized to work by the United States Department of Justice Immigration and Naturalization Service
- Applicant has violated any provision of this chapter of the law
- Applicant has one or more violations of this law which were reported to the Department of Fire, Building & Life Safety which have not been resolved
- Penalty for any violation of the state licensure law shall be a Class 1 Misdemeanor.