



House of Representatives

General Assembly

File No. 235

February Session, 2004

Substitute House Bill No. 5496

House of Representatives, March 24, 2004

The Committee on General Law reported through REP. FOX of the 144th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT REQUIRING THE LICENSING OF SECURITY SYSTEMS AND FIRE ALARM SELLERS, INSTALLERS AND MONITORS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2004*) As used in this act: (1)
2 "Person" means an individual, corporation, association, partnership or
3 any other legal entity; (2) "department" means the Department of
4 Agriculture and Consumer Protection; (3) "commissioner" means the
5 Commissioner of Agriculture and Consumer Protection; and (4)
6 "private key holder responder" means a person who responds to and
7 enters a private residence in response to a security system or fire
8 alarm.

9 Sec. 2. (NEW) (*Effective October 1, 2004*) (a) No person shall engage
10 in, perform, or offer to perform the sale, service monitoring or
11 installation of security systems or fire alarms, including acting as a
12 private key holder responder, without first obtaining a license from the
13 commissioner in accordance with sections 3 and 4 of this act.

14 (b) The provisions of this act shall not apply to the retail sale of
15 security systems or fire alarms if: (1) Such sale is an incidental portion
16 of total sales of other general merchandise offered by the seller; (2)
17 such sale occurs at the retail premises of the seller; and (3) the seller
18 does not offer, or otherwise arrange for, service, monitoring or
19 installation of the system or alarm at the buyer's premises.

20 Sec. 3. (NEW) (*Effective October 1, 2004*) (a) A person seeking a
21 license for the sale, service, monitoring or installation of security
22 systems or fire alarms shall apply to the commissioner, in writing, on a
23 form provided by the commissioner. Such application shall include the
24 applicant's name, age, date and place of birth, residence addresses and
25 business addresses for the past five years, date and place of conviction
26 of any crime and such additional information as the commissioner
27 deems appropriate to investigate the qualification, character and
28 integrity of the applicant. If an applicant is a corporation, each person
29 owning ten per cent or more of the stock of such corporation shall
30 provide such information. If the applicant is an association or
31 partnership, each member of such association or partnership shall
32 provide such information.

33 (b) Each applicant shall be eighteen years of age or older and shall
34 have at least three years of experience in the sale, service, monitoring
35 or installation of security systems or fire alarms.

36 (c) Each applicant shall submit, with an application, two complete
37 sets of fingerprints on forms specified by the commissioner and two
38 photographs measuring two inches high and three inches wide taken
39 within six months of such application.

40 (d) Each application shall provide the business name to be used by
41 the applicant, the location of the principal place of business and the
42 location of each branch office. If the applicant is a corporation, such
43 application shall provide the name of the corporation and date and
44 place of incorporation. No business name shall imply an association
45 with a municipal, county, state or federal government or any agency
46 thereof.

47 (e) Each application shall contain any other information and
48 documentation as the commissioner may require.

49 (f) The commissioner shall require each applicant, or if the applicant
50 is a corporation, each person owning ten per cent or more of the stock
51 of the applicant, or if the applicant is an association or partnership,
52 each member of the applicant to submit to state and national criminal
53 history records checks before such license is issued. The criminal
54 history records checks shall be conducted in accordance with section
55 29-17a of the general statutes.

56 (g) Each application shall be accompanied by a licensure fee of three
57 hundred dollars.

58 Sec. 4. (NEW) (*Effective October 1, 2004*) (a) Upon receipt of a
59 completed application and a licensure fee, the commissioner shall: (1)
60 Issue and deliver to the applicant a license; or (2) refuse to issue the
61 license. The commissioner may suspend, revoke, or refuse to issue or
62 renew any license issued under this act, or may place a licensee on
63 probation or issue a letter of reprimand, for any violation of section 5
64 of this act. Subject to the provisions of section 46a-80 of the general
65 statutes, no license shall be issued to an applicant who has been
66 convicted of a felony, sexual offense or crime. No application for the
67 reinstatement of a license which has been revoked shall be accepted by
68 the commissioner prior to one year after the date of such revocation.

69 (b) Licenses issued pursuant to this act shall be valid for one year
70 and shall not be transferable or assignable.

71 (c) The fee for renewal of a license shall be one hundred dollars.

72 (d) Each licensee shall exhibit at each place of business the original
73 or a copy of such license.

74 Sec. 5. (NEW) (*Effective October 1, 2004*) The commissioner may
75 revoke or suspend a license for the sale, service, monitoring or
76 installation of security systems or fire alarms for: (1) A violation of the
77 provisions of sections 1 to 15 of this act or any regulation adopted

78 thereunder; (2) conduct of a character likely to mislead, deceive or
79 defraud the public or the commissioner; (3) making a material
80 misstatement in the application for issuance or renewal of a license; (4)
81 a conviction of a felony or a crime affecting the licensee's honesty,
82 integrity or moral fitness, subject to the provisions of section 46a-80 of
83 the general statutes; or (5) knowingly employing a person who cannot
84 qualify for licensure or who has been denied a license pursuant to any
85 provision of sections 1 to 15 of this act.

86 Sec. 6. (NEW) (*Effective October 1, 2004*) (a) Upon refusal to issue or
87 renew a license, the commissioner shall notify the applicant, by
88 certified mail, of the denial and of the applicant's right to request a
89 hearing no later than ten days from the date of receipt of the notice of
90 denial.

91 (b) In the event the applicant requests a hearing within such ten
92 days, the commissioner shall give notice of the grounds for the
93 commissioner's refusal and shall conduct a hearing concerning such
94 refusal, in accordance with the provisions of chapter 54 of the general
95 statutes concerning contested matters.

96 Sec. 7. (NEW) (*Effective October 1, 2004*) (a) The commissioner may
97 conduct investigations and hold hearings on any matter under the
98 provisions of this act. The commissioner may issue subpoenas,
99 administer oaths, compel testimony and order the production of
100 books, records and documents. If any person refuses to appear, to
101 testify or to produce any book, record, paper or document when so
102 ordered, upon application of the commissioner, a judge of the superior
103 court may make such order as may be appropriate to aid in the
104 enforcement of this section.

105 (b) The Attorney General, at the request of the commissioner, may
106 apply in the name of the state of Connecticut to the superior court for
107 an order temporarily or permanently restraining and enjoining any
108 person from violating any provision of sections 1 to 15 of this act.

109 Sec. 8. (NEW) (*Effective October 1, 2004*) No licensee engaged in the

110 business of selling, servicing, monitoring or installing security systems
111 or fire alarms shall: (1) Present or attempt to present, as its own, the
112 license of another, (2) knowingly give false evidence of a material
113 nature to the commissioner for the purpose of procuring a license, (3)
114 use or attempt to use a license which has expired or which has been
115 suspended or revoked, or (4) represent in any manner that its license
116 constitutes an endorsement of the quality of its workmanship or of its
117 competency by the commissioner. A violation of any of the provisions
118 of this act shall be deemed an unfair or deceptive trade practice under
119 subsection (a) of section 42-110b of the general statutes.

120 Sec. 9. (NEW) (*Effective October 1, 2004*) Upon issuance of a license,
121 pursuant to section 4 of this act, the commissioner shall also issue to
122 each licensee, and in the case of a corporation, association or
123 partnership, each officer or member thereof, a pocket identification
124 card of such size and design as the commissioner shall designate in
125 regulations adopted pursuant to section 14 of this act. Each person
126 issued an identification card shall carry such card at all times when
127 engaged in the activities of such license and such card shall be
128 evidence of due authorization to engage in such activities. No person
129 shall possess, hold or display an identification card or facsimile
130 thereof, which is not authorized and issued by the commissioner.

131 Sec. 10. (NEW) (*Effective October 1, 2004*) (a) Upon hiring any
132 employee, a licensee shall make application to register such employee
133 with the commissioner. Such application shall be made on forms
134 provided by the commissioner and shall include such employee's
135 name, residence address, date and place of birth, residence addresses
136 and business addresses for the past five years, date and place of
137 conviction of any crime and any other information as the
138 commissioner may require. Such application shall include two
139 complete sets of fingerprints on forms specified by the commissioner
140 and two photographs measuring two inches high and three inches
141 wide taken within six months of such application.

142 (b) The commissioner shall require each employee who is being

143 registered to submit to state and national criminal history records
144 checks before such employee is registered. The criminal history records
145 checks shall be conducted in accordance with section 29-17a of the
146 general statutes.

147 (c) Subject to the provisions of section 46a-80 of the general statutes,
148 no person who has been convicted of a felony, sexual offense or crime
149 which would tend to question such person's honesty or integrity shall
150 be employed at a place of business engaged in the sale, service,
151 monitoring or installation of security systems or fire alarms.

152 (d) Such registration shall be valid for one year and renewable
153 annually on forms specified by the commissioner.

154 (e) The fee for initial registration shall be ten dollars and the fee for
155 renewal shall be ten dollars.

156 (f) The licensee shall notify the commissioner no later than five days
157 after termination of employment of any registered employee.

158 Sec. 11. (NEW) (*Effective October 1, 2004*) Each licensee engaged in
159 the sale, service, monitoring or installation of security systems or fire
160 alarms shall issue to each employee a pocket identification card of such
161 size and shape as the commissioner shall designate in regulations
162 adopted pursuant to section 14 of this act. Each person issued an
163 identification card shall carry such card at all times when engaged in
164 the activities of such licensee and such card shall be evidence of due
165 authorization to engage in such activities. No employee shall possess,
166 hold or display an identification card or facsimile thereof, which is not
167 authorized by the commissioner. An employee shall surrender such
168 identification card upon termination of employment with the issuing
169 licensee.

170 Sec. 12. (NEW) (*Effective October 1, 2004*) No person who is or has
171 been an employee of a licensee engaged in the sale, service, monitoring
172 or installation of security systems or fire alarms shall divulge any
173 information regarding work such person has performed or any other

174 information relating to the business of such person's employer gained
175 during such employment, except as may be required by law.

176 Sec. 13. (NEW) (*Effective October 1, 2004*) The commissioner shall
177 annually prepare a list of security system and fire alarm businesses
178 licensed pursuant to sections 1 to 12, inclusive, of this act and
179 distribute such list to the chiefs of police, the State Fire Marshal and
180 the fire chiefs and fire marshals of the municipalities of the state and
181 shall make such list available to any licensee.

182 Sec. 14. (NEW) (*Effective October 1, 2004*) The commissioner shall
183 adopt regulations, in accordance with chapter 54 of the general
184 statutes, to implement the provisions of sections 1 to 13, inclusive, of
185 this act.

186 Sec. 15. (NEW) (*Effective October 1, 2004*) A person who violates any
187 provision of sections 1 to 14, inclusive, of this act shall be fined not
188 more than five thousand dollars or imprisoned not more than one
189 year, or both.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>October 1, 2004</i>
Sec. 4	<i>October 1, 2004</i>
Sec. 5	<i>October 1, 2004</i>
Sec. 6	<i>October 1, 2004</i>
Sec. 7	<i>October 1, 2004</i>
Sec. 8	<i>October 1, 2004</i>
Sec. 9	<i>October 1, 2004</i>
Sec. 10	<i>October 1, 2004</i>
Sec. 11	<i>October 1, 2004</i>
Sec. 12	<i>October 1, 2004</i>
Sec. 13	<i>October 1, 2004</i>
Sec. 14	<i>October 1, 2004</i>
Sec. 15	<i>October 1, 2004</i>

Statement of Legislative Commissioners:

Subsection (a) of section 2 was rewritten for accuracy and conciseness.

GL *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Consumer Protection, Dept.	GF - Revenue Gain	Minimal	Minimal
Consumer Protection, Dept.	GF - Cost	75,000-125,000	75,000-125,000
Public Safety, Dept.	GF - Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires persons who sell, install, service, or monitor security systems or fire alarms to obtain a license from the Department of Consumer Protection. Under current law, the Department of Consumer Protection already regulates and licenses persons who sell, install, or service fire alarms and/or security systems, approximately 1,300 people. However, currently the department does not require persons who monitor fire alarms or security systems to obtain a license. The initial license fee is \$100 and the annual renewal fee is \$300. The bill also requires the licensee’s employees to register with the department and pay an initial and renewal registration fee of \$10. This would result in a revenue gain.

The bill requires the commissioner to implement additional regulatory procedures, which would result in significant costs to the Department of Consumer Protection. The criminal background check will cost the department \$25 for each applicant, payable to the Department of Public Safety. Additional staff (one secretary at \$54,000 annually) and equipment are necessary to conduct investigations, hold hearings on matters concerning the bill, issue pocket identification

cards to all licensees, and facilitate the administrative duties of the regulation. It is estimated that the department will incur expenses of approximately \$33,000 annually to cover criminal history checks.

OLR Bill Analysis

sHB 5496

AN ACT REQUIRING THE LICENSING OF SECURITY SYSTEMS AND FIRE ALARM SELLERS, INSTALLERS AND MONITORS**SUMMARY:**

This bill requires anyone who offers to or sells, services, monitors, or installs security systems or fire alarms to obtain a license from the commissioner of the Department of Agriculture and Consumer Protection (DACP). It also makes the requirement apply to “private keyholder responders.” It defines these as people who respond to and enter private residences in response to a security system or fire alarm. It applies the licensure requirement to anyone offering to perform these services as well as to those actually engaging in them.

It also:

1. establishes standards for the applications submitted by the licensees, including requiring them to submit to criminal history records checks;
2. sets licensing standards;
3. requires licensees to register their employees with the state and requires employees to submit to criminal history records checks;
4. authorizes the DACP commissioner to investigate possible violations and the attorney general to seek restraining orders;
5. authorizes the commissioner to discipline licensees and establishes grounds for disciplinary actions;
6. prohibits licensees from engaging in certain activities, such as knowingly giving false and material evidence to the commissioner to obtain a license;
7. requires licensees and employees to carry pocket identification cards;
8. requires employees to keep certain information confidential;
9. exempts certain businesses selling security systems or fire alarms from its provisions; and
10. requires the commissioner to create and distribute rosters of licensees.

The initial license fee is \$300 and the annual renewal fee is \$100. the

bill requires licensees to exhibit their licenses at each principal and branch office location.

The bill authorizes the commissioner to enforce its provisions and makes a violation of its provisions a violation of the Connecticut Unfair Trade Practices Act (CUTPA). It subjects violators of its provisions to a criminal penalty of up to one year in prison, a fine of up to \$5,000, or both.

The bill requires the commissioner to adopt implementing regulations.

EFFECTIVE DATE: October 1, 2004

APPLICATION REQUIREMENTS

The bill requires applicants to apply in writing on a form provided by the commissioner. The application must include:

1. the applicant's name, age, birth date and place, and residence addresses and business addresses for the past five years;
2. date and place of conviction of any crime;
3. other information required by the commissioner to investigate the applicant's qualification, character, and integrity;
4. if the applicant is a corporation, all of the above information for each person owning 10% or more of the corporation's stock; and
5. if the application is an association or partnership, all of the above information for each member.

Each applicant must submit two complete sets of fingerprints and two 2" by 3" photographs taken within six months of the application.

Each applicant must be at least 18 years old and have at least three years experience in the sale, service, monitoring, or installation of security systems or fire alarms.

The bill requires each application to state the business name to be used by the applicant and the locations of the principal office and any branch offices. Corporate applicants must also state the name of the corporation and the date and place of incorporation. The bill prohibits business names from implying an association with a municipal, county, state, or federal government or any of their agencies.

Criminal History Record Checks

The bill requires the DACP commissioner to require each applicant to submit to state and national criminal history record checks. The checks must be conducted according to the standard State Police procedure for such checks. In addition to individual applicants, the requirements apply to each person owning 10% or more of a corporate applicant's stock and to each member of an association or partnership.

ISSUING LICENSES

The commissioner must either issue or refuse to issue a license to an applicant. The bill prohibits issuing a license to an applicant who has been convicted of a felony, sexual offense, or crime, subject to the law prohibiting discrimination based on prior conviction (see BACKGROUND). The bill prohibits the commissioner from accepting an application to reinstate a revoked license unless one year has elapsed since the revocation.

Refusing to Issue or Renew

Once the commissioner has refused to issue or renew a license, the bill requires him to notify the applicant by certified mail of the denial and the right to request a hearing. The request must be made within 10 days of receiving the letter.

If an applicant requests a hearing, the bill requires the commissioner to give notice of the grounds for his action and conduct a hearing on the matter according to the Uniform Administrative Procedure Act.

EMPLOYEE REGISTRATION

The bill requires licensees to apply to DACP to register employees when they are hired. The application must be made in writing on a form provided by the commissioner. It must include:

1. the employee's name, birth date and place, and residence addresses and business addresses for the past five years;
2. date and place of conviction of any crime; and
3. other information required by the commissioner.

Each application must include two complete sets of fingerprints and two 2" by 3" photographs taken within six months of the application.

The bill requires the commissioner to require each employee being registered to submit to state and national criminal history record checks. The checks must be conducted according to the standard State Police procedure for such checks. The bill prohibits hiring an employee engaged in the sale, service, monitoring, or installation of security systems or fire alarms who has been convicted of a felony, sexual offense, or crime that would tend to question the person's honesty or integrity, subject to the law prohibiting discrimination based on prior conviction.

The bill requires licensees to notify the commissioner within five days after terminating the employment of a registered employee.

Registrations must be renewed annually. The fee for initial and renewed registrations is \$10.

INVESTIGATORY POWERS AND ENFORCEMENT

The bill authorizes the commissioner to conduct investigations and hold hearing on any matter concerning the bill. He may issue subpoenas, administer oaths, compel testimony, and order the production of books, records, and documents. The commissioner may seek enforcement orders in court if anyone refuses to appear, testify, or produce any documents when ordered.

The bill authorizes the attorney general, at the commissioner's request, to seek temporary or permanent orders restraining and enjoining violations of the bill.

DISCIPLINARY POWERS AND GROUNDS

The bill gives the commissioner the power to (1) suspend, revoke, refuse to issue or renew a license; (2) place a licensee on probation; or (3) issue a letter of reprimand. He may suspend or revoke a license for (1) violations of the bill; (2) conduct likely to mislead, deceive or defraud the public or the commissioner; (3) making a material misstatement in an initial or renewal application; (4) conviction of a felony or crime affecting the licensee's honesty, integrity, or moral fitness, subject to the law prohibiting discrimination based on prior conviction; or (5) knowingly employing a person who cannot qualify for licensure or who has been denied a license under the bill's

provisions.

PROHIBITED ACTIVITIES

The bill prohibits a licensee from (1) presenting or trying to present another's license as his own; (2) knowingly giving false material evidence to the commissioner to obtain a license; (3) using or trying to use an expired, suspended, or revoked license; or (4) representing that the license constitutes state endorsement of his competency or the quality of his work.

POCKET IDENTIFICATION CARDS

The bill requires the commissioner to issue pocket identification cards to all licensees, including the officers and members of corporations, associations and partnerships. It requires licensees to issue pocket identification cards to each employee engaged in the sale, service, monitoring, or installation of security systems or fire alarms.

The bill requires everyone issued a card to carry it while working and states that it is evidence that the card-carrying licensee is duly authorized to engage in his work. It prohibits possessing, holding, or displaying a card or a facsimile of one that was not issued by the commissioner. It requires the commissioner to adopt regulations setting the pocket identification cards' size and design.

CONFIDENTIALITY

The bill prohibits someone who is, or who has been, an employee of a licensed security system or fire alarm business engaged in the sale, service, monitoring, or installation of security systems or fire alarms from divulging any information regarding the work he has performed or any other information relating to the employer's business gained during employment, except as may be required by law.

EXEMPT SALES

The bill exempts retail sales of security systems or fire alarms if (1) the sale in an incidental part of total sales of other merchandise offered by the seller, (2) the sale occurs on the retailer's premises, and (3) the seller does not offer or arrange for service, monitoring, or installation at the buyer's premises.

ROSTERS

The bill requires the DACP commissioner to (1) prepare a list of licensed security system and fire alarm businesses annually; (2) distribute it to chiefs of police, the state fire marshal, municipal fire chiefs and fire marshals; and (3) make it available to any licensee.

BACKGROUND***Denial of Employment Based on Prior Conviction***

The law generally prohibits the state from denying someone employment or disqualifying him from engaging in any occupation, trade, vocation, profession, or business for which a license, permit, certificate, or registration is required solely because of a prior conviction. It allows the state to deny employment or a necessary credential if it determines the applicant is not suitable after considering (1) the nature of the crime and its relationship to the job for which the person has applied, (2) information relating to the applicant's degree of rehabilitation, and (3) the time elapsed since his conviction or release.

Connecticut Unfair Trade Practices Act

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the DACP commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. The act also allows individuals to bring suit. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorneys fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable Report
Yea 19 Nay 0