

109th CONGRESS

1ST SESSION

S./H.R.-----

To ensure that entities providing alarm monitoring services operate with sound and consistent licensing standards, and for other purposes.

IN THE SENATE/HOUSE OF REPRESENTATIVES OF THE UNITED STATES

Date

Mr. -----, introduced the following bill; which was read twice and referred to the Committee on -----

A BILL

To ensure that entities providing alarm monitoring services operate with sound and consistent licensing standards, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Alarm Monitoring Licensing and Reciprocity Act of 2004”.

SECTION 2. FINDINGS.

The Congress hereby finds –

(a) That electronic monitoring in the United States protects a substantial segment of this country’s infrastructure such as public utilities, ports, financial institutions, government buildings, businesses, and the homes of millions of citizens.

(b) That electronic alarm monitoring services are predominantly provided on a regional or national basis with facilities and operations in one state frequently serving a large number of customers in other states.

(c) That repetitive fingerprint analysis and verification by the various states and other public agencies impose unnecessary expenditures of time, money, and other resources which result in increased costs to the consumer and impede the ability of alarm monitoring companies to efficiently serve customers and provide homeland security.

(d) That because alarm monitoring services have become an increasing important private sector partner in the provision of homeland security, there exists a need for reciprocity between those states that regulate alarm monitoring facilities.

### SECTION 3. PURPOSES.

The purposes of this Act are –

(a) To ensure protection of the safety interests of alarm monitoring customers while achieving increased efficiencies and reduced costs by eliminating duplicative efforts by state regulating agencies and alarm monitoring organizations doing business in numerous states.

(b) To establish a minimum reciprocity and regulation standard for alarm monitoring organizations that may be adopted by states.

(c) To encourage states with licensing to adopt a minimum regulation for alarm monitoring organizations.

(d) To allow alarm monitoring facilities to operate more efficiently by entering into new states without meeting redundant regulations.

### SECTION 4. DEFINITIONS.

(a) The term “alarm monitoring” means the monitoring of burglar, fire, or emergency signals from protected property.

(b) The term “alarm monitoring facility”, “supervisory station”, or “central station” means the facility or facilities that provide alarm monitoring services for commercial purposes.

(c) The term “proprietary alarm monitoring facility” means an alarm monitoring facility which provides alarm monitoring services for a specific company’s facilities, franchises, its personnel or for its own line of business or for property which it owns or has a financial fiduciary business interest in and which is not engaged in providing such services to the public or for general commercial purposes.

(d) The term “alarm system” means a device or series of devices, including, but not limited to, hardwired systems and systems interconnected with a radio frequency method such as cellular or private radio signals, which emit or transmit a remote signal, a local audible signal, visual or electronic signal indicating an alarm condition and intended to summon law enforcement or fire service response.

(e) The term “central station operator” means a covered employee who processes incoming signals from alarm systems and transmits requests for response to public safety answering points and other parties.

(f) The term “conformance assessment agent” means an individual who is completely independent of alarm service providers and of any manufacturers or providers of equipment or materials used to provide those services and who is responsible only for assuring compliance with the licensing, training, and record keeping requirements set forth in this Act.

(g) The term “covered employee” means an employee of the alarm monitoring organization who is required to obtain an alarm monitoring organization employee license or registration.

(h) The term “qualified manager” means a person, under direct supervision of a principal or the principal’s designated representative who has full responsibility for the operation of the alarm monitoring facilities.

(i) The term “home state” means the state in which the alarm monitoring organization has its headquarters, its principal monitoring facility, or substantial operational activities.

(j) The term “organization” means an entity, whether an individual, sole proprietorship, partnership, company, or corporation or business unit thereof.

(k) The term “principal” means the owner, sole proprietor, or every partner or executive officer of the organization.

## SECTION 5. RECIPROCITY.

(a) **STATE ADOPTION OF MINIMUM LICENSING REGULATION.** A state may adopt the Minimum Licensing Regulation in Section 6 of this Act to oversee alarm monitoring organizations operating in such state.

(b) **RECIPROCAL TREATMENT OF ALARM MONITORING ORGANIZATIONS.** Alarm monitoring organizations licensed or registered in a state that has adopted the Minimum Licensing Standard in Section 6 of this Act may provide such service in any other state or political jurisdiction without complying with any additional requirements or restrictions that apply specifically to the monitoring of alarm systems or to alarm monitoring organizations imposed by such state or political jurisdiction so long as such organizations notify such state or political jurisdiction that they are operating there, pay applicable fees, and provide such state or political jurisdiction complete documentation demonstrating that they are in compliance with the Minimum Licensing Standard requirements of the home state.

(c) **STATE AUTHORITY REGARDING GENERALLY APPLICABLE FEES.** Nothing in this section shall prevent a state or political jurisdiction from requiring alarm monitoring organizations to pay license or registration fees that apply generally to all alarm monitoring facilities operating in the state.

## SECTION 6. MINIMUM LICENSING STANDARD.

The Minimum Licensing Standard shall include the following provisions—

(a) **EMPLOYEE REQUIREMENTS**

(1) **PRINCIPALS AND EXECUTIVE OFFICERS.** One Principal of the alarm monitoring organization shall be at least 18 years of age unless a state specifies otherwise. All Principals and Executive Officers of the alarm monitoring organization shall be of good moral character, including --

(A) Not convicted by any court of jurisdiction of any felony, unless at least 10 years have passed from the time of discharge from any sentence imposed for a felony from which no appeal is pending, the time for appeal having elapsed. Any pleas of nolo contendere shall be considered a conviction for the purpose of this act. The record of conviction certified or authenticated in such form as to be admissible in evidence under the law of the jurisdiction where convicted shall be prima facie evidence of such guilt;

(B) Not in violation of the home state's requirements and programs for chemical, alcohol, or narcotics addiction or dependency and not presently addicted or dependent;

(C) Not presently mentally incompetent as declared by any court of jurisdiction;

(D) Not dishonorably discharged from the armed forces within the prior 10 years;

(E) Not having an alarm monitoring license or registration permanently revoked, denied, or currently under suspension; and

(F) Meeting the basic standards for an alarm monitoring license or registration.

(2) **QUALIFIED MANAGER** The alarm monitoring organization shall have a designated agent who shall –

(A) Be selected to have full responsibility for the operation of the alarm monitoring facilities and shall have passed an examination approved by, or that meets the requirements of, the home state;

(B) Meet the requirements of subsection (a)(1)(A) through (a)(1)(F) and provide a notarized statement to that effect; and

(C) Be responsible for making sure that the alarm monitoring organization fulfills the obligations regarding employee records and payment of fees as set forth in subsection (a)(4) and shall make those records, or copies thereof, conveniently available to the conformance assessment agent.

(3) COVERED EMPLOYEE.

(A) QUALIFICATIONS. Covered employees of an alarm monitoring organization shall have a current and valid employee license or registration document, or its equivalent, for alarm monitoring personnel, issued by the home state as a condition of continued employment. All covered employees shall apply for license or registration within 30 days of the start of employment as a covered employee. All covered employees of an organization shall be at least 18 years of age and of good moral character, including meeting the requirements of subsection (a)(1)(A) through (a)(1)(F) and providing a notarized statement to that effect.

(B) REQUIRED INFORMATION. No person seeking to be a covered employee may be employed by an alarm monitoring organization until completing, signing, and furnishing to such organization on license application forms of the home state, or substantially equivalent forms, the following information—

- (i) Full name, age, and residence address;
- (ii) Businesses or occupations engaged in for the 5 years immediately preceding the date of application, including the names of the businesses and employers and the addresses of such businesses;
- (iii) A notarized statement that the applicant has not had an alarm monitoring license or registration revoked, denied, or currently under suspension and meets the basic standards to be licensed or registered;
- (iv) Any conviction of a felony or misdemeanor;
- (v) Any dishonorable discharge from the armed forces;  
and
- (vi) Any other information that may be required by the licensing or registering state to show good character, competency, and integrity.

(C) FINGERPRINTS. Each applicant shall submit to home state, along with the applicable fees, 2 complete sets of fingerprints that are verified to be those of the applicant. The alarm monitoring organization shall exercise due diligence in submitting fingerprints or in resubmitting fingerprints for applicants who have had original fingerprint submissions returned as unclassifiable.

(D) EMPLOYEE IDENTIFICATION CREDENTIAL. The alarm monitoring organization shall furnish an employee credential satisfactory to the covered employee's home state to each covered employee within 14 days of the issuance of clearance which shall be carried and displayed while the employee is performing work as a covered employee.

(E) PERSONNEL TRAINING.

(i) GENERAL. All covered employees shall be trained for proficiency in standards, procedures, and operating requirements of their specific job responsibilities within six months of being employed.

(ii) CENTRAL STATION OPERATORS. All central station operators of the alarm monitoring organization shall have completed a current central station operator course offered by the Security Industry Association and the Association of Public-Safety Communications Officials-International, a central station training course offered or approved by the National Burglar & Fire Alarm Association- National Training School or the Central Station Alarm Association, or a similar course approved by the home state, all of which shall meet the following criteria --

(I) A minimum of 8 hours of on the job training covering: the specific duties of the central station operator, familiarization with the alarm monitoring facility including fire evacuation routes and building security, the alarm event cycle, the role of the central station operator in the alarm event cycle, general explanation of alarm and trouble signals, the concept of public safety answering

points and requests for response, the proper verbal communication with public safety answering points including use of the phonetic alphabet and military time, physical and mental stress management techniques, dealing with upset, hysterical, and irate customers, interpersonal communication, and telephone functions that the central station operator must perform and;

(II) A minimum of 16 hours of on the job training on the automation system and:

(III) A minimum of 40 hours of performing alarm monitoring while under direct supervision by training or supervisory personnel.

(iii) TRAINING RECORDS. The alarm monitoring organization shall maintain, as required by the home state of the covered employee, records on file to verify completion of required training and continuing education for all covered employees.

(4) ALARM MONITORING ORGANIZATIONS RECORDS.

(A) RECORD RETENTION AND ACCOUNTABILITY REQUIREMENTS. The alarm monitoring organization shall maintain records as required by its home state.

(B) NOTIFICATION OF RESIGNATION OR TERMINATION. When an employee resigns or is terminated, the alarm monitoring organization shall notify the home state of such resignation or termination within 30 days.

(b) LIABILITY INSURANCE. The alarm monitoring organization to the extent that its home state does not require general liability insurance, shall be covered by such amount of comprehensive liability insurance as is required by the reciprocating state.