

SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION

S.F. No. 3318

(SENATE AUTHORS: CLAUSEN, Dahms and Little)		
DATE	D-PG	OFFICIAL STATUS
02/20/2020	4831	Introduction and first reading
		Referred to Jobs and Economic Growth Finance and Policy
02/27/2020	5047	Author stricken Pratt

1.1

A bill for an act

1.2

relating to construction licensing; requiring licensing for security system companies;

1.3

requiring licensing and background checks for security system installers; proposing

1.4

coding for new law in Minnesota Statutes, chapter 326B.

1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6

Section 1. **[326B.60] DEFINITIONS.**

1.7

Subdivision 1. **Scope.** For the purposes of sections 326B.60 to 326B.64, the terms defined

1.8

in this section have the meanings given them.

1.9

Subd. 2. **Security system.** "Security system" means an aggregation of devices, equipment,

1.10

or services designed to signal the presence of intrusion, break-in, theft, movement, or sound.

1.11

Subd. 3. **Security system company.** "Security system company" means a person engaged

1.12

in the sale, installation, maintenance, alteration, repair, replacement, servicing, or monitoring

1.13

of a security system. Security system company does not include:

1.14

(1) a person engaged in the manufacture and sale of security systems when that person

1.15

is not engaged in the installation, maintenance, alteration, repair, replacement, servicing,

1.16

or monitoring of security systems, and the manufacture or sale occurs only at a place of

1.17

business established by the person engaged in the manufacture or sale and does not involve

1.18

site visits at the place or intended place of installation of a security system; or

1.19

(2) an owner of a security system, or an employee of the owner of a security system,

1.20

who is engaged in installation, maintenance, alteration, repair, replacement, servicing, or

1.21

monitoring of a security system.

2.1 Subd. 4. **Security system installer.** "Security system installer" means an individual  
2.2 employed within this state by a security system company who performs security system  
2.3 installations and has knowledge of sensitive security system information.

2.4 Subd. 5. **Security system installation.** "Security system installation" means the placing  
2.5 and connection of equipment and devices such as control panels; batteries, excluding  
2.6 battery-operated smoke alarms; motion detectors; switches; annunciators; sensors; sirens;  
2.7 horns; bells; networks; microprocessors; other communication equipment; and similar  
2.8 devices. Installation includes programming the client's control panel to include programming  
2.9 or reprogramming for access codes, system protocol, bypass features, and hours of operation.

2.10 Subd. 6. **Sensitive security system information.** "Sensitive security system information"  
2.11 means any information that would permit a person to compromise, bypass, deactivate, or  
2.12 disable any part of a security system. Sensitive security system information does not include  
2.13 knowledge of what is installed in the home nor the location, by general description, of the  
2.14 equipment installed unless the knowledge would permit a person to compromise, bypass,  
2.15 deactivate, or disable any part of an alarm system.

2.16 Sec. 2. **[326B.61] COMPANY LICENSING; CONTROLLING PERSON;**  
2.17 **APPLICATION.**

2.18 Subdivision 1. **Requirement.** It is unlawful for a person, corporation, partnership, sole  
2.19 proprietorship, subsidiary, unit, or other business entity to directly or indirectly engage or  
2.20 attempt to engage in business as a security system company, or to directly or indirectly  
2.21 engage or attempt to advertise or hold itself out as engaging in or conducting business as a  
2.22 security system company, without first obtaining a license issued by the commissioner under  
2.23 the provisions of this chapter.

2.24 Subd. 2. **Designated controlling person.** (a) Each security system company applying  
2.25 to the commissioner for a license in this state shall designate a controlling person that will  
2.26 be the main contact for all communication between the commissioner and the security  
2.27 system company.

2.28 (b) In order to serve as a designated controlling person of a security system company,  
2.29 a person must:

2.30 (1) be of good moral character, as determined by the commissioner; and

2.31 (2) submit to a background investigation, as determined by the commissioner.

2.32 Subd. 3. **Application for license.** Application for a security system company license  
2.33 must be submitted on a form prescribed by the commissioner.

3.1 Subd. 4. **Minimum information.** The application must, at a minimum, include the  
3.2 following information:

3.3 (1) the name of the entity seeking registration;

3.4 (2) the business address or addresses of the entity seeking registration;

3.5 (3) the name, address, and contact information for the designated controlling person;

3.6 (4) a certification that the entity has a system and process in place to verify that a person  
3.7 being added to the employment as a security system installer holds the required licenses as  
3.8 an electrician and as a security system installer in this state pursuant to this chapter; and

3.9 (5) a certification that the entity will comply with the bond requirements under section  
3.10 326B.63 and insurance requirements under section 326B.64.

3.11 Sec. 3. **[326B.62] SECURITY SYSTEM INSTALLERS.**

3.12 Subdivision 1. **License required.** (a) In addition to any requirements to be licensed by  
3.13 the Board of Electricity, an employee who installs, maintains, or services a security system  
3.14 and has knowledge of or access to sensitive security system information must obtain a  
3.15 security system installer license issued by the commissioner.

3.16 (b) A security system installer's license is required for the installation, maintenance, or  
3.17 servicing of the following:

3.18 (1) a closed-circuit television system (CCTV), or video surveillance system, if the system  
3.19 is used, either full time or part time, for the detection or monitoring of intrusion, break-in,  
3.20 theft, movement, or sound; and

3.21 (2) electrical entry systems that detect or provide notification of intrusion, break-in,  
3.22 theft, movement, or sound, regardless of the number of entry points.

3.23 (c) A security system installer's license is not required for the installation, maintenance,  
3.24 or servicing of the following:

3.25 (1) sprinkler systems;

3.26 (2) conduits and associated wires of an alarm system, including line-voltage connections  
3.27 to an outlet, junction box, or electrical distribution panel;

3.28 (3) security or fire alarm systems in motor vehicles, water vessels, or aircraft;

3.29 (4) battery-operated smoke alarm devices;

4.1 (5) a security or fire alarm system if the alarm system has been purchased by a property  
4.2 owner or proprietor, and the alarm system is to be installed, maintained, or serviced by the  
4.3 owner or an owner's agent at the owner's property or place of business; and

4.4 (6) a single-door, card-access entry system that does not detect or provide notification  
4.5 of intrusion, break-in, theft, movement, or sound.

4.6 Subd. 2. **Application for license.** (a) An application for a security system installer license  
4.7 must be submitted on a form prescribed by the commissioner.

4.8 (b) The application must, at a minimum, require the following:

4.9 (1) the employee's full name and residence address; and

4.10 (2) the business or occupation engaged in for the three years immediately preceding the  
4.11 date of the filing of the application, listing the place or places where the business or  
4.12 occupation was engaged in and the name or names of employers, if any.

4.13 Subd. 3. **Criminal history record check; fingerprints.** (a) An applicant for an initial  
4.14 license must:

4.15 (1) consent to a criminal history record check;

4.16 (2) submit a fingerprint card in a form acceptable to the commissioner within 48 hours  
4.17 of employment; and

4.18 (3) pay the fee required to perform criminal history record checks with the Bureau of  
4.19 Criminal Apprehension and the Federal Bureau of Investigation.

4.20 (b) The commissioner may contract for the collection and transmission of fingerprints  
4.21 required under this chapter and may order the fee for collecting and transmitting fingerprints  
4.22 to be payable directly to the contractor by the applicant. The commissioner may agree to a  
4.23 reasonable fingerprinting fee to be charged by the contractor.

4.24 (c) The commissioner shall submit the applicant's fingerprints, consent, and the required  
4.25 fee to the superintendent of the Bureau of Criminal Apprehension. The superintendent shall  
4.26 perform a check of the state criminal history repository and is authorized to exchange the  
4.27 applicant's fingerprints with the Federal Bureau of Investigation to obtain the national  
4.28 criminal history record. The superintendent shall return the results of the state and national  
4.29 criminal history records checks to the commissioner.

4.30 (d) An applicant for a renewal of a license must disclose, in a form acceptable to the  
4.31 commissioner, any crimes involving moral turpitude or that are substantially related to the  
4.32 qualifications, functions, or duties of a security system installer that the applicant has been

convicted of or pled guilty or nolo contendere to, as provided in this paragraph. An applicant renewing a license is only required to disclose events that occurred since the license was issued if this is the applicant's first license renewal or, since the license was renewed, if this is a subsequent renewal.

Subd. 4. **Other employees.** Employees of a licensed security alarm installer do not have to be licensed to assist with the installation, maintenance, or servicing of security systems if they do not have knowledge of or access to sensitive security system information.

Sec. 4. **[326B.63] BOND.**

(a) As a condition of licensing, each applicant for a security system company license shall give and maintain a bond to the state in the total sum of \$..... conditioned upon the faithful and lawful performance of all work contracted for or performed within the state. The bond shall run to and be for the benefit of persons injured or suffering financial loss by reason of failure of payment or performance. Claims and actions on the bond may be brought according to sections 574.26 to 574.38.

(b) The term of the bond must be concurrent with the term of the security system company license and run without interruption from the date of the issuance of the license to the end of the term of the license. All security system company licenses must be renewed every ... years.

(c) The bond must be filed with the department and shall be in lieu of any other license bonds required by any political subdivision for security system companies. The bond must be written by a corporate surety licensed to do business in the state.

Sec. 5. **[326B.64] INSURANCE.**

(a) In addition to the bond required under section 326B.63, each applicant for a security system company license or renewal shall have in force public liability insurance, including products liability insurance, with limits of at least \$..... per person and \$..... per occurrence and property damage insurance with limits of at least \$.....

(b) The insurance must be kept in force for the entire term of the security system company license and the license shall be suspended by the department if at any time the insurance is not in force.

(c) The insurance must be written by an insurer licensed to do business in the state. Each person holding a security system company license shall maintain on file with the department a certificate evidencing the insurance. In the event of a policy cancellation, the insurer shall

- 6.1 send written notice to the commissioner at the same time that a cancellation request is  
6.2 received from or a notice is sent to the insured.

6.3 Sec. 6. **EFFECTIVE DATE.**

6.4 Sections 1 to 5 are effective January 15, 2021.