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SB-177 Alarm companies: limited liability companies. (2015-2016)

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Senate Bill No. 177

CHAPTER 140

An act to amend Sections 7590.1, 7591.10, 7593.1, 7593.6, 7593.7, 7594.4, 7599.32, 7599.34, 7599.42, 7599.43, 7599.48, and 7599.61 of the Business and Professions Code, relating to alarm companies.

[Approved by Governor August 07, 2015. Filed with Secretary of State August 07, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

SB 177, Wieckowski. Alarm companies: limited liability companies.

The Alarm Company Act provides for the licensure, registration, and regulation of alarm company operators and alarm agents by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of the act a crime. The act authorizes the bureau, until January 1, 2016, to issue an alarm company operator license to a limited liability company.

This bill would extend the authorization of the bureau to issue an alarm company operator license to a limited liability company until January 1, 2019. Because a violation of the Alarm Company Act by a limited liability company would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7590.1 of the Business and Professions Code, as amended by Section 2 of Chapter 291 of the Statutes of 2012, is amended to read:

7590.1. The following terms as used in this chapter have the meaning expressed in this article:

- (a) "Person" means any individual, firm, company, association, organization, partnership, limited liability company, or corporation.
- (b) "Department" means the Department of Consumer Affairs.
- (c) "Director" means the Director of Consumer Affairs.
- (d) "Bureau" means the Bureau of Security and Investigative Services.

(e) "Chief" means the Chief of the Bureau of Security and Investigative Services.

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the employer's payroll records, and withholds all legally required deductions and contributions.

(g) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's direction and control.

(h) "Employer-employee relationship" means an individual who works for another and where the individual's name appears on the payroll records of the employer.

(i) "Licensee" means a business entity, whether an individual, partnership, limited liability company, or corporation licensed under this chapter.

(j) "Qualified manager" means an individual who is in active control, management, and direction of the licensee's business, and who is in possession of a current and valid qualified manager's certificate pursuant to this chapter.

(k) "Registrant" means any person registered or who has applied for registration under this chapter.

(l) "Branch office" means any location, other than the principal place of business of the licensee, which is licensed as set forth in Article 11 (commencing with Section 7599.20).

(m) "Branch office manager" means an individual designated by the qualified manager to manage the licensee's branch office and who has met the requirements as set forth in Article 11 (commencing with Section 7599.20).

(n) "Alarm system" means an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention and to which police are expected to respond.

(o) "Alarm agent" means a person employed by an alarm company operator whose duties include selling on premises, altering, installing, maintaining, moving, repairing, replacing, servicing, responding, or monitoring an alarm system, or a person who manages or supervises a person employed by an alarm company to perform any of the duties described in this subdivision or any person in training for any of the duties described in this subdivision.

(p) "Deadly weapon" means and includes any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol, revolver, or any other firearm; any knife having a blade longer than five inches; any razor with an unguarded blade; or any metal pipe or bar used or intended to be used as a club.

(q) "Firearms permit" means a permit issued by the bureau, pursuant to Article 6 (commencing with Section 7596), to a licensee, a qualified manager, or an alarm agent, to carry an exposed firearm while on duty.

(r) (1) "Advertisement" means:

(A) Any written or printed communication for the purpose of soliciting, describing, or promoting the licensed business of the licensee, including a brochure, letter, pamphlet, newspaper, periodical, publication, or other writing.

(B) A directory listing caused or permitted by the licensee which indicates his or her licensed activity.

(C) A radio, television, or similar airwave transmission which solicits or promotes the licensed business of the licensee.

(2) "Advertisement" does not include any of the following:

(A) Any printing or writing used on buildings, vehicles, uniforms, badges, or other property where the purpose of the printing or writing is identification.

(B) Any printing or writing on communications, memoranda, or any other writings used in the ordinary course of business where the sole purpose of the writing is other than the solicitation or promotion of business.

(C) Any printing or writing on novelty objects used in the promotion of the licensee's business where the printing of the information required by this chapter would be impractical due to the available area or surface.

(s) "Residential sales agreement" means and includes an agreement between an alarm company operator and an owner or tenant for the purchase of an alarm system to be utilized in the personal residence of the owner or tenant.

(t) "Firearm permit" means and includes "firearms permit," "firearms qualification card," "firearms qualification," and "firearms qualification permit."

(u) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 2. Section 7590.1 of the Business and Professions Code, as added by Section 3 of Chapter 291 of the Statutes of 2012, is amended to read:

7590.1. The following terms as used in this chapter have the meaning expressed in this article:

(a) "Person" means any individual, firm, company, association, organization, partnership, limited liability company, or corporation.

(b) "Department" means the Department of Consumer Affairs.

(c) "Director" means the Director of Consumer Affairs.

(d) "Bureau" means the Bureau of Security and Investigative Services.

(e) "Chief" means the Chief of the Bureau of Security and Investigative Services.

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the employer's payroll records, and withholds all legally required deductions and contributions.

(g) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's direction and control.

(h) "Employer-employee relationship" means an individual who works for another and where the individual's name appears on the payroll records of the employer.

(i) "Licensee" means a business entity, whether an individual, partnership, or corporation licensed under this chapter.

(j) "Qualified manager" means an individual who is in active control, management, and direction of the licensee's business, and who is in possession of a current and valid qualified manager's certificate pursuant to this chapter.

(k) "Registrant" means any person registered or who has applied for registration under this chapter.

(l) "Branch office" means any location, other than the principal place of business of the licensee, which is licensed as set forth in Article 11 (commencing with Section 7599.20).

(m) "Branch office manager" means an individual designated by the qualified manager to manage the licensee's branch office and who has met the requirements as set forth in Article 11 (commencing with Section 7599.20).

(n) "Alarm system" means an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention and to which police are expected to respond.

(o) "Alarm agent" means a person employed by an alarm company operator whose duties include selling on premises, altering, installing, maintaining, moving, repairing, replacing, servicing, responding, or monitoring an alarm system, or a person who manages or supervises a person employed by an alarm company to perform any of the duties described in this subdivision or any person in training for any of the duties described in this subdivision.

(p) "Deadly weapon" means and includes any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol, revolver, or any other firearm; any knife having a blade longer than five inches; any razor with an unguarded blade; or any metal pipe or bar used or intended to be used as a club.

(q) "Firearms permit" means a permit issued by the bureau, pursuant to Article 6 (commencing with Section 7596), to a licensee, a qualified manager, or an alarm agent, to carry an exposed firearm while on duty.

(r) (1) "Advertisement" means:

(A) Any written or printed communication for the purpose of soliciting, describing, or promoting the licensed business of the licensee, including a brochure, letter, pamphlet, newspaper, periodical, publication, or other writing.

(B) A directory listing caused or permitted by the licensee which indicates his or her licensed activity.

(C) A radio, television, or similar airwave transmission which solicits or promotes the licensed business of the licensee.

(2) "Advertisement" does not include any of the following:

(A) Any printing or writing used on buildings, vehicles, uniforms, badges, or other property where the purpose of the printing or writing is identification.

(B) Any printing or writing on communications, memoranda, or any other writings used in the ordinary course of business where the sole purpose of the writing is other than the solicitation or promotion of business.

(C) Any printing or writing on novelty objects used in the promotion of the licensee's business where the printing of the information required by this chapter would be impractical due to the available area or surface.

(s) "Residential sales agreement" means and includes an agreement between an alarm company operator and an owner or tenant for the purchase of an alarm system to be utilized in the personal residence of the owner or tenant.

(t) "Firearm permit" means and includes "firearms permit," "firearms qualification card," "firearms qualification," and "firearms qualification permit."

(u) This section shall become operative on January 1, 2019.

SEC. 3. Section 7591.10 of the Business and Professions Code, as amended by Section 4 of Chapter 291 of the Statutes of 2012, is amended to read:

7591.10. (a) The director may deny a license, certificate, or registration regulated by this chapter on the grounds that the applicant has done any of the following:

(1) Knowingly made a false statement of fact required to be revealed in the application for a license.

(2) Been convicted of a crime. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the bureau is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(3) Done any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself, herself, or another, or to substantially injure another.

(4) Done any act which if done by a licensee would be grounds for suspension or revocation of a license.

(5) Done any act without a license for which a license is required under this chapter.

(6) Been refused a license under this chapter or had a license revoked.

(7) Been an officer, partner, managing member, or manager of any person who has been refused a license under this chapter or whose license has been suspended or revoked.

The bureau may deny a license, certificate, or registration pursuant to this section only if the crime or act is substantially related to the qualifications, functions, or duties of the license, certificate, or registration for which application has been made.

The denial of a license, certificate, or registration shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the disciplinary review committee the review shall be requested within 30 days of the issuance of the denial. A review shall be held pursuant to the provisions of Section 7591.19.

(b) Notwithstanding any other provision of this chapter, no person shall be denied a license, certificate, or registration solely on the basis that he or she has been convicted of a felony, if he or she has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code, or solely on the basis that he or she has been convicted of a misdemeanor, if he or she has met all applicable requirements of the criteria of rehabilitation as provided in Section 7591.12.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 4. Section 7591.10 of the Business and Professions Code, as added by Section 5 of Chapter 291 of the Statutes of 2012, is amended to read:

7591.10. (a) The director may deny a license, certificate, or registration regulated by this chapter on the grounds that the applicant has done any of the following:

(1) Knowingly made a false statement of fact required to be revealed in the application for a license.

(2) Been convicted of a crime. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the bureau is permitted to take following the establishment of a conviction

may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(3) Done any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself, herself, or another, or to substantially injure another.

(4) Done any act which if done by a licensee would be grounds for suspension or revocation of a license.

(5) Done any act without a license for which a license is required under this chapter.

(6) Been refused a license under this chapter or had a license revoked.

(7) Been an officer, partner, or manager of any person who has been refused a license under this chapter or whose license has been suspended or revoked.

The bureau may deny a license, certificate, or registration pursuant to this section only if the crime or act is substantially related to the qualifications, functions, or duties of the license, certificate, or registration for which application has been made.

The denial of a license, certificate, or registration shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the disciplinary review committee the review shall be requested within 30 days of the issuance of the denial. A review shall be held pursuant to the provisions of Section 7591.19.

(b) Notwithstanding any other provision of this chapter, no person shall be denied a license, certificate, or registration solely on the basis that he or she has been convicted of a felony, if he or she has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code, or solely on the basis that he or she has been convicted of a misdemeanor, if he or she has met all applicable requirements of the criteria of rehabilitation as provided in Section 7591.12.

(c) This section shall become operative on January 1, 2019.

SEC. 5. Section 7593.1 of the Business and Professions Code, as amended by Section 9 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.1. (a) Each individual applicant and each qualified manager, partner of a partnership, designated officer of a corporation, and designated officer and managing member of a limited liability company shall submit with the application one personal identification form provided by the chief, upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 6. Section 7593.1 of the Business and Professions Code, as added by Section 10 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.1. (a) Each individual applicant and each qualified manager, partner of a partnership, and designated officer of a corporation shall submit with the application, one personal identification form provided by the chief upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall become operative on January 1, 2019.

SEC. 7. Section 7593.6 of the Business and Professions Code, as amended by Section 12 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.6. (a) The director may refuse to issue a license to an applicant pending final disposition of an investigation of criminal activity or of a disciplinary action previously filed against the person or applicant or against a qualified manager, partner, managing member, or officer of the applicant.

(b) A new alarm company operator license, qualified manager certificate, or alarm agent registration shall be subject to payment of any and all fines assessed pursuant to this section and not resolved in accordance with the provisions of this section and payment of all applicable fees.

(c) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 8. Section 7593.6 of the Business and Professions Code, as added by Section 13 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.6. (a) The director may refuse to issue a license to an applicant pending final disposition of an investigation of criminal activity or of a disciplinary action previously filed against the person or applicant or against a qualified manager, partner, or officer of the applicant.

(b) A new alarm company operator license, qualified manager certificate, or alarm agent registration shall be subject to payment of any and all fines assessed pursuant to this section and not resolved in accordance with the provisions of this section and payment of all applicable fees.

(c) This section shall become operative on January 1, 2019.

SEC. 9. Section 7593.7 of the Business and Professions Code, as amended by Section 14 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.7. (a) The chief shall issue a pocket identification card to the owner, partners, officers, managing members, and qualified manager. The chief shall determine the form and content of the card. A photo identification card will be furnished to any owner, partner, officer, managing member, qualified manager, or branch office manager upon written request and payment of the fee prescribed by this chapter.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 10. Section 7593.7 of the Business and Professions Code, as added by Section 15 of Chapter 291 of the Statutes of 2012, is amended to read:

7593.7. (a) The chief shall issue a pocket identification card to the owner, partners, officers, and qualified manager. The chief shall determine the form and content of the card. A photo identification card will be furnished to any owner, partner, officer, qualified manager, or branch office manager upon written request and payment of the fee prescribed by this chapter.

(b) This section shall become operative on January 1, 2019.

SEC. 11. Section 7594.4 of the Business and Professions Code, as amended by Section 18 of Chapter 291 of the Statutes of 2012, is amended to read:

7594.4. (a) Except as herein otherwise provided, no individual shall be in active charge of the business if the individual has ever had a license revoked for cause or has ever been disqualified from further employment in the alarm company operator business pursuant to this chapter, or was a qualified manager, partner, managing member, or officer of a business whose license has been revoked.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 12. Section 7594.4 of the Business and Professions Code, as added by Section 19 of Chapter 291 of the Statutes of 2012, is amended to read:

7594.4. (a) Except as herein otherwise provided, no individual shall be in active charge of the business if the individual has ever had a license revoked for cause or has ever been disqualified from further employment in the alarm company operator business pursuant to this chapter, or was a qualified manager, partner, or officer of a business whose license has been revoked.

(b) This section shall become operative on January 1, 2019.

SEC. 13. Section 7599.32 of the Business and Professions Code, as amended by Section 20 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.32. (a) A licensee shall notify the bureau within 30 days of any change of its officers or members required to be named pursuant to Section 7593.4 or 7593.5 and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers, managing members, and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer, managing member, or partner has committed any act which constitutes grounds for the denial of a license pursuant to Section 7591.10.

(c) A notice of warning may be issued for the first violation of this section and a fine of twenty-five dollars (\$25) for each subsequent violation.

(d) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 14. Section 7599.32 of the Business and Professions Code, as added by Section 21 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.32. (a) A licensee shall notify the bureau within 30 days of any change of its officers required to be named pursuant to Section 7593.4 and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer or partner has committed any act which constitutes grounds for the denial of a license pursuant to Section 7591.10.

(c) A notice of warning may be issued for the first violation of this section and a fine of twenty-five dollars (\$25) for each subsequent violation.

(d) This section shall become operative on January 1, 2019.

SEC. 15. Section 7599.34 of the Business and Professions Code, as amended by Section 22 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.34. (a) No licensee shall conduct a business as an individual, partnership, limited liability company, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, limited liability company, or corporation. A violation of this section may result in a fine of one hundred dollars (\$100) for each violation.

(b) As a condition of the issuance, reinstatement, reactivation, or continued valid use of a license under this chapter, a limited liability company shall, in accordance with the provisions of this section, maintain a policy or policies of insurance against liability imposed on or against it by law for damages arising out of claims based upon acts, errors, or omissions arising out of the alarm company services it provides.

(c) The total aggregate limit of liability under the policy or policies of insurance required under this section shall be as follows:

(1) For a limited liability company licensee with five or fewer persons named as managing members pursuant to Section 7593.5 or 7599.32, the aggregate limit shall not be less than one million dollars (\$1,000,000).

(2) For a limited liability company licensee with more than five persons named as managing members pursuant to Section 7593.5 or 7599.32, an additional one hundred thousand dollars (\$100,000) of insurance shall be obtained for each person named as managing members of the licensee except that the maximum amount of insurance is not required to exceed five million dollars (\$5,000,000) in any one designated period, less amounts paid in defending, settling, or discharging claims as set forth under this section.

(d) Prior to the issuance, reinstatement, or reactivation of a limited liability company license as provided under this chapter, the applicant or licensee shall, in the manner prescribed by the bureau, submit the information and documentation required by this section and requested by the bureau, demonstrating compliance with the financial security requirements specified by this section.

(e) For any insurance policy secured by a licensee in satisfaction of this section, a Certificate of Liability Insurance, signed by an authorized agent or employee of the insurer, shall be submitted electronically or otherwise to the bureau. The insurer issuing the certificate shall report to the bureau the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, the date and amount of any payment of claims, and cancellation date if applicable.

(f) If a licensee fails to maintain sufficient insurance as required by this section, the license is subject to suspension.

(g) Where the license of a limited liability company is suspended pursuant to subdivision (f), each member of the limited liability company shall be personally liable up to one million dollars (\$1,000,000) each for damages resulting to third parties in connection with the company's performance, during the period of suspension, of any act or contract where a license is required by this chapter.

(h) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 16. Section 7599.34 of the Business and Professions Code, as added by Section 23 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.34. (a) No licensee shall conduct a business as an individual, partnership, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, or corporation. A violation of this section may result in a fine of one hundred dollars (\$100) for each violation.

(b) This section shall become operative on January 1, 2019.

SEC. 17. Section 7599.42 of the Business and Professions Code, as amended by Section 24 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.42. (a) Within seven days after any violent incident involving a dangerous weapon that has been caused by or occurred upon a licensee or any officer, partner, managing member, qualified manager, or employee of a licensee, while acting within the course and scope of his or her employment, and that results in bodily injury to any person or death of any person involved in that incident or of any discharge of a weapon, excluding any discharge which occurs on the range, the licensee or his or her manager shall mail or deliver to the chief a detailed report of the incident. The report shall describe fully the circumstances surrounding the incident, any injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 18. Section 7599.42 of the Business and Professions Code, as added by Section 25 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.42. (a) Within seven days after any violent incident involving a dangerous weapon, that has been caused by or occurred upon a licensee or any officer, partner, qualified manager, or employee of a licensee, while acting within the course and scope of his or her employment, and that results in bodily injury to any person or death of any person involved in that incident or of any discharge of a weapon, excluding any discharge which occurs on the range, the licensee or his or her manager shall mail or deliver to the chief a detailed report of the incident. The report shall describe fully the circumstances surrounding the incident, any injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall become operative on January 1, 2019.

SEC. 19. Section 7599.43 of the Business and Professions Code, as amended by Section 26 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, managing member, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 20. Section 7599.43 of the Business and Professions Code, as added by Section 27 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall become operative on January 1, 2019.

SEC. 21. Section 7599.48 of the Business and Professions Code, as amended by Section 28 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.48. (a) No licensee, or officer, partner, managing member, manager, or employee of a licensee, shall knowingly make any false report to his or her employer or client for whom information is being obtained. A violation of this section may result in a fine of one hundred dollars (\$100) for the first violation, and five hundred dollars (\$500) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 22. Section 7599.48 of the Business and Professions Code, as added by Section 29 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.48. (a) No licensee, or officer, partner, manager, or employee of a licensee, shall knowingly make any false report to his or her employer or client for whom information is being obtained. A violation of this section may result in a fine of one hundred dollars (\$100) for the first violation, and five hundred dollars (\$500) for each subsequent violation.

(b) This section shall become operative on January 1, 2019.

SEC. 23. Section 7599.61 of the Business and Professions Code, as amended by Section 30 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.61. (a) The director may suspend or revoke an alarm company operator license, a qualified manager certificate, an alarm agent registration, or a firearms permit, issued under this chapter, if the director determines that the licensee or his or her manager, if an individual, or if the licensee is a person other than an individual, or his or her employees, that any of its officers, partners, managing members, employees, or its manager, has:

- (1) Made any false statement or given any false information in connection with an application for a license or a renewal or reinstatement of a license.
- (2) Violated any provisions or committed any prohibited acts of this chapter.
- (3) Been convicted of any felony or misdemeanor including illegally using, carrying, or possessing a dangerous weapon.
- (4) Committed or permitted any employee to commit any act, while the license was expired, which would be cause for the suspension or revocation of a license, or grounds for the denial of an application for a license.
- (5) Committed assault, battery, or kidnapping, or used force or violence on any person, without proper justification.
- (6) Violated, or advised, encouraged, or assisted the violation of any court order or injunction in the course of business as a licensee.
- (7) Been convicted of a violation of Section 148 of the Penal Code.
- (8) Committed any act which is a ground for denial of an application for license under this chapter.
- (9) Committed any act prohibited by Chapter 1.5 (commencing with Section 630) of Title 15 of Part 1 of the Penal Code.
- (10) Committed any act in the course of the licensee's business constituting dishonesty or fraud.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 24. Section 7599.61 of the Business and Professions Code, as added by Section 31 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.61. (a) The director may suspend or revoke an alarm company operator license, a qualified manager certificate, an alarm agent registration, or a firearms permit, issued under this chapter, if the director determines that the licensee or his or her manager, if an individual, or if the licensee is a person other than an individual, or his or her employees, that any of its officers, partners, employees, or its manager, has:

(1) Made any false statement or given any false information in connection with an application for a license or a renewal or reinstatement of a license.

(2) Violated any provisions or committed any prohibited acts of this chapter.

(3) Been convicted of any felony or misdemeanor including illegally using, carrying, or possessing a dangerous weapon.

(4) Committed or permitted any employee to commit any act, while the license was expired, which would be cause for the suspension or revocation of a license, or grounds for the denial of an application for a license.

(5) Committed assault, battery, or kidnapping, or used force or violence on any person, without proper justification.

(6) Violated, or advised, encouraged, or assisted the violation of any court order or injunction in the course of business as a licensee.

(7) Been convicted of a violation of Section 148 of the Penal Code.

(8) Committed any act which is a ground for denial of an application for license under this chapter.

(9) Committed any act prohibited by Chapter 1.5 (commencing with Section 630) of Title 15 of Part 1 of the Penal Code.

(10) Committed any act in the course of the licensee's business constituting dishonesty or fraud.

(b) This section shall become operative on January 1, 2019.

SEC. 25. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.