
By: **Chairman, Commerce and Government Matters Committee**
(Departmental - State Police)

Introduced and read first time: January 30, 2002
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Private Detectives, Security Systems Technicians, and Security Guards -**
3 **Licensing - Regulations and Fees**

4 FOR the purpose of altering the circumstances under which, and the persons to
5 whom, certain licensure and certification information may be divulged by the
6 Department of State Police; altering certain application and fee requirements
7 for certain persons engaged in providing certain security services; requiring that
8 certain professional liability insurance be maintained; establishing certain fines
9 and penalties for violations of certain regulations; requiring private detectives to
10 renew certain licenses; requiring the Secretary of the State Police, by regulation,
11 to stagger certain terms of certifications, registrations, and licenses; repealing
12 certain residency requirements; authorizing the Secretary of the State Police to
13 waive background checks under certain circumstances; requiring certain
14 security guards to display certain clearance cards; making stylistic changes; and
15 generally relating to private detectives, security guards, and security systems
16 technicians and the regulatory authority of the Secretary of the State Police.

17 BY repealing and reenacting, with amendments,
18 Article - Business Occupations and Professions
19 Section 13-203, 13-304, 13-306, 13-309, 13-313, 13-403, 13-602, 13-604,
20 18-309, 18-3A-09, 18-401, 19-304, 19-306, 19-308, 19-309, 19-310,
21 19-311, 19-313, 19-407, 19-502, and 19-504
22 Annotated Code of Maryland
23 (2000 Replacement Volume and 2001 Supplement)

24 BY repealing
25 Article - Business Occupations and Professions
26 Section 13-603, 18-307, 18-3A-07, and 19-503
27 Annotated Code of Maryland
28 (2000 Replacement Volume and 2001 Supplement)

29 BY adding to
30 Article - Business Occupations and Professions

1 Section 13-404.1, 18-307, and 18-3A-07
2 Annotated Code of Maryland
3 (2000 Replacement Volume and 2001 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That the Laws of Maryland read as follows:

6 **Article - Business Occupations and Professions**

7 13-203.

8 The Secretary and all members of the Department of State Police:

9 (1) shall treat as confidential any information obtained through an
10 investigation of an applicant for a license or for certification under this title; and

11 (2) unless required by a court order OR SUBPOENA, may not divulge to a
12 person who is not a member of the Department of State Police OR A MEMBER OF ANY
13 OTHER LAW ENFORCEMENT AGENCY THAT IS CONDUCTING AN OFFICIAL
14 INVESTIGATION any information obtained through an investigation of an applicant
15 for a license or for certification under this title.

16 13-304.

17 (a) (1) An applicant for a license shall:

18 (i) submit to the Secretary an application on the form that the
19 Secretary provides;

20 (ii) submit the documents required under this section; and

21 (iii) pay to the Secretary the fees required under subsection (b) of
22 this section.

23 (2) If the applicant is a firm, the representative member shall complete
24 the application form and otherwise be responsible for the firm's compliance with this
25 section.

26 (b) (1) An applicant for a license shall pay to the Secretary an application
27 fee of:

28 (i) \$200, if the applicant is an individual; or

29 (ii) \$375, if the applicant is a firm.

30 (2) (i) As part of the application for a license, the applicant shall
31 submit to the Secretary:

32 1. a complete set of the applicant's legible fingerprints taken
33 on standard fingerprint cards; and

1 (2) If the applicant is a firm, the application form shall be signed, under
2 oath, by the representative member, as the representative member, and by all the
3 other firm members.

4 (f) (1) [(i)] If the applicant is an individual, the application shall be
5 accompanied by at least [5 written recommendations] THREE NAMES OF
6 INDIVIDUALS WHO CAN ATTEST TO THE CHARACTER of the [individual] APPLICANT.

7 (2) [(ii)] If the applicant is a firm, the application shall be accompanied
8 by at least [5 written recommendations of each firm member] THREE NAMES OF
9 INDIVIDUALS WHO CAN ATTEST TO THE CHARACTER OF EACH FIRM MEMBER.

10 [(2) Each recommendation shall be signed, under oath, by a reputable
11 citizen who owns property in the county where the individual applicant or firm
12 member resides or where the business of the private detective agency is to be
13 conducted.

14 (g) An applicant for a license shall submit with the application form a bond in
15 accordance with the requirements of § 13-603 of this title.]

16 [(h)] (G) An applicant for a license who intends to employ at least 5
17 individuals as private detectives shall submit with the application proof of
18 PROFESSIONAL liability insurance, INCLUDING ERRORS AND OMISSIONS COVERAGE,
19 as required under § 13-604 of this title.

20 [(i)] (H) In addition to meeting the other requirements of this section, a
21 nonresident applicant shall submit a consent and any related document, as required
22 by § 13-605 of this title.

23 13-306.

24 (a) (1) The Secretary shall issue a license to each applicant who meets the
25 requirements of this subtitle.

26 (2) The Secretary shall issue an agency license certificate to each
27 licensed private detective agency and a branch office certificate for each proposed
28 branch office.

29 (b) (1) The Secretary shall include on each agency license certificate that
30 the Secretary issues:

31 (i) the full name of the licensee;

32 (ii) the location of the principal office and of each branch office of
33 the licensed private detective agency;

34 (iii) the date of issuance of the license;

35 (iv) the date on which the license expires; and

1 (v) the name and address of the representative member, if the
2 licensee is a firm.

3 (2) The Secretary shall include on each branch office certificate:

4 (i) the full name of the licensee;

5 (ii) the location of the principal office of the licensee and of the
6 agency branch office for which the certificate is issued;

7 (iii) the date of issuance of the branch office certificate;

8 (iv) the date on which the license of the licensee expires; and

9 (v) the name and AGENCY address of the representative member, if
10 the licensee is APPLYING ON BEHALF OF a firm.

11 13-309.

12 (a) As a condition for license renewal, a licensee shall submit to the Secretary
13 with the renewal application:

14 (1) a certification or, as authorized by the Secretary, other
15 documentation that the licensed private detective agency has paid, for the past [2] 3
16 years, all withholding and Social Security taxes;

17 (2) a certification or, as authorized by the Secretary, other
18 documentation that the licensed private detective agency has paid, for the past [2] 3
19 years, all other obligations payable for the employees of the licensed private detective
20 agency to the State or the federal government;

21 (3) a certificate from an insurance carrier or, as authorized by the
22 Secretary, other documentation showing that the licensed private detective agency
23 has in effect workers' compensation insurance for its covered employees, as defined in
24 § 9-101 of the Labor and Employment Article; and

25 (4) a receipt from the Comptroller's Office or, as authorized by the
26 Secretary, other documentation showing that the State income tax of the licensed
27 private detective agency has been paid for the past [2] 3 years.

28 (b) If the Secretary does not receive the documents required under subsection
29 (a) of this section at least 15 days before the license expiration date, the Secretary
30 shall charge the licensee a late fee of \$10 per day until the documents are received.

31 (c) The Secretary may inspect any of the business records of a licensee that
32 relate to any matter that is subject to certification or documentation under this
33 section.

1 13-313.

2 (a) Subject to the hearing provisions of § 13-315 of this subtitle, the Secretary
3 may deny a license to any applicant, reprimand any licensee, fine any licensee or
4 agency, or suspend or revoke a license if the applicant or licensee:

5 (1) fraudulently or deceptively obtains or attempts to obtain a license for
6 the applicant or licensee or for another;

7 (2) fraudulently or deceptively uses a license;

8 (3) aids an individual to obtain or to attempt to obtain fraudulently or
9 deceptively certification under this title as a private detective;

10 (4) while not licensed, solicits to engage in or willfully engages in a
11 business providing private detective services in the State;

12 (5) while not licensed, willfully advertises:

13 (i) as a private detective agency; or

14 (ii) the provision of private detective services;

15 (6) willfully makes a false statement or misrepresentation that an
16 individual is or was in the employ of the applicant or licensee;

17 (7) willfully makes a false statement or misrepresentation in any
18 renewal application, in any annual statement, or in any other report or document that
19 the Secretary requires to be submitted;

20 (8) fails to notify the Secretary about any change among the firm
21 members or in the address of the principal office or any branch office of a licensee;

22 (9) [fails to maintain a bond as required by § 13-603 of this title;

23 (10)] fails to maintain the liability insurance required under § 13-604 of
24 this title; or

25 [(11)] (10) violates any other provision of this title OR ANY REGULATION
26 ADOPTED BY THE SECRETARY UNDER THIS TITLE.

27 (b) For purposes of this section, an act or omission of any principal, agent, or
28 employee of an applicant or licensee may be construed to be the act or omission of the
29 applicant or licensee, as well as of the principal, agent, or employee.

30 13-403.

31 To qualify for certification as a private detective, an employee of or applicant for
32 employment with a licensed private detective agency shall:

33 (1) meet the standards set by the Secretary;

- 1 (2) submit to the Secretary:
- 2 (i) a sworn application on the form the Secretary provides; and
- 3 (ii) 2 sets of fingerprint cards marked with the applicant's
- 4 fingerprints; and
- 5 (3) pay to the Secretary:
- 6 (i) an application fee of [50] \$15; and
- 7 (ii) payment for the cost of the fingerprint card record checks.

8 13-404.1.

9 (A) BY REGULATION, THE SECRETARY SHALL STAGGER THE TERMS OF THE

10 CERTIFICATIONS UNDER THIS SUBTITLE.

11 (B) UNLESS A CERTIFICATION IS RENEWED FOR A 3-YEAR TERM AS PROVIDED

12 IN THIS SECTION, THE CERTIFICATION EXPIRES ON THE DATE THE SECRETARY SETS.

13 (C) AT LEAST 90 DAYS BEFORE A CERTIFICATION EXPIRES, THE APPLICANT

14 SHALL DELIVER TO THE SECRETARY:

- 15 (1) A RENEWAL APPLICATION FORM;
- 16 (2) THE AMOUNT OF THE RENEWAL FEE; AND
- 17 (3) THE AMOUNT OF ANY LATE FEE, AS DETERMINED BY THE
- 18 SECRETARY.

19 (D) AN INDIVIDUAL PERIODICALLY MAY RENEW THE CERTIFICATION FOR AN

20 ADDITIONAL 3-YEAR TERM, IF THE INDIVIDUAL:

- 21 (1) IS OTHERWISE ENTITLED TO BE CERTIFIED;
- 22 (2) PAYS TO THE SECRETARY:
- 23 (I) A RENEWAL FEE OF \$10;
- 24 (II) PAYMENT FOR THE COST OF A FINGERPRINT CARD RECORD
- 25 CHECK BY THE FEDERAL BUREAU OF INVESTIGATION; AND
- 26 (III) ANY LATE FEE REQUIRED UNDER THIS SUBTITLE; AND
- 27 (3) SUBMITS TO THE SECRETARY A RENEWAL APPLICATION ON THE
- 28 FORM THE SECRETARY PROVIDES.

29 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF A COMPLETE

30 APPLICATION FOR RENEWAL OF CERTIFICATION AS REQUIRED UNDER THIS

31 SUBTITLE IS NOT RECEIVED BY THE SECRETARY AT LEAST 30 CALENDAR DAYS

1 BEFORE THE CERTIFICATION EXPIRES, THE SECRETARY SHALL ASSESS A LATE FEE
2 OF \$5 PER DAY UNTIL THE APPLICATION IS RECEIVED BY THE SECRETARY.

3 (2) THE TOTAL AMOUNT OF LATE FEES ASSESSED UNDER THIS
4 SUBSECTION MAY NOT EXCEED \$150.

5 (3) THE SECRETARY MAY NOT CERTIFY ANY APPLICANT UNDER THIS
6 TITLE IF THE APPLICANT HAS OUTSTANDING LATE FEE OBLIGATIONS.

7 (F) (1) THE SECRETARY SHALL RENEW THE CERTIFICATION OF EACH
8 INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

9 (2) WITHIN 5 DAYS AFTER THE SECRETARY REFUSES TO RENEW THE
10 CERTIFICATION OF AN INDIVIDUAL AS A PRIVATE DETECTIVE, THE SECRETARY
11 SHALL SEND WRITTEN NOTICE OF THE REFUSAL TO THE INDIVIDUAL WHO
12 SUBMITTED THE RENEWAL APPLICATION.

13 13-602.

14 (a) The offices of each private detective agency shall be supervised by an
15 individual who:

16 (1) [is a resident of the State; and

17 (2) (i)] holds, as an individual, the license of the private detective
18 agency; or

19 [(ii)] (2) is the representative member of the private detective
20 agency appointed under § 13-302(b) of this title.

21 (b) If a private detective agency is a firm, the agency shall notify the Secretary
22 about:

23 (1) the identity of the individual serving as the representative member of
24 the agency; and

25 (2) each vacancy in that position.

26 (c) (1) Except as provided in paragraph (2) of this subsection, a private
27 detective agency shall appoint a representative member within 90 days after a
28 vacancy occurs in the position.

29 (2) If the vacancy is caused by the death of or an incapacitating injury to
30 the representative member, the private detective agency shall appoint a replacement
31 within 180 days after the vacancy occurs.

32 (d) If a licensed private detective agency fails to appoint a representative
33 member as required under subsection (c) of this section, the license of the private
34 detective agency:

35 (1) is suspended automatically; and

1 (2) shall remain suspended until the agency complies with the
2 requirements.

3 (e) The Secretary may adopt regulations to carry out this section.

4 [13-603.

5 (a) (1) Subject to this section, an applicant for a license shall execute a bond
6 that is conditioned on the faithful and honest conduct of the applicant and runs to the
7 State for the benefit of any person injured by any wrongful act of the applicant that is
8 willful or malicious.

9 (2) The applicant shall submit the bond to the Secretary with the license
10 application.

11 (b) (1) The amount of the bond required under subsection (a) of this section
12 shall be at least:

13 (i) \$3,000, if the applicant is an individual; or

14 (ii) \$5,000, if the applicant is a firm.

15 (2) The total liability of the surety to all insured persons under the bond
16 may not exceed the penal sum of the bond.

17 (c) A licensee shall keep in effect at all times a bond that meets the
18 requirements of this section.

19 (d) (1) If a licensee's bond is cancelled, forfeited, or terminated by the surety,
20 the surety immediately shall notify the Secretary.

21 (2) If a surety fails to notify the Secretary as required by this subsection,
22 the bond shall continue in effect until the notice is given to the Secretary.]

23 13-604.

24 (a) A private detective agency that employs 5 or more individuals as private
25 detectives OR A FIRM shall:

26 (1) maintain [general] PROFESSIONAL liability insurance in an amount
27 not less than [\$100,000] \$1,000,000, INCLUDING ERRORS AND OMISSIONS COVERAGE;
28 and

29 (2) submit proof of the required insurance to the Secretary.

30 (b) (1) If an applicant for a license intends to employ 5 or more individuals
31 as private detectives, the applicant shall submit proof of the liability insurance
32 required under subsection (a) of this section to the Secretary with the license
33 application.

1 (2) The Secretary may not issue a license to an applicant to whom the
2 insurance requirements of this section would apply unless the applicant submits
3 proof of the insurance.

4 (c) If the insurance required for a private detective agency under this section
5 is cancelled, forfeited, or otherwise terminated, both the private detective agency and
6 the insurer shall notify the Secretary.

7 (D) IF A PRIVATE DETECTIVE AGENCY FAILS TO MAINTAIN THE LIABILITY
8 INSURANCE REQUIRED UNDER THIS SECTION, THE LICENSE OF THE PRIVATE
9 DETECTIVE AGENCY:

10 (1) IS SUSPENDED AUTOMATICALLY;

11 (2) SHALL REMAIN SUSPENDED UNTIL THE AGENCY COMPLIES WITH
12 THE REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION; AND

13 (3) MAY NOT BE REINSTATED UNTIL THE AGENCY SUBMITS PROOF OF
14 THE REQUIRED INSURANCE TO THE SECRETARY.

15 [18-307.

16 (a) Unless a license is renewed for a 2-year term as provided in this section,
17 the license expires on the first April 1 that comes:

18 (1) after the effective date of the license; and

19 (2) in an odd-numbered year.

20 (b) At least 1 month before a license expires, the Secretary shall mail to the
21 licensee, at the last known address of the licensee:

22 (1) a renewal application form; and

23 (2) a notice that states:

24 (i) the date on which the current license expires;

25 (ii) that the Secretary must receive the renewal application and all
26 required fees and documents at least 15 days before the license expiration date for the
27 renewal to be issued and mailed before the license expires;

28 (iii) the amount of the renewal fee;

29 (iv) that, if the renewal application and all required fees and
30 documents are not received at least 15 days before the license expiration date, the
31 licensee shall be charged a fee of \$10 per day until the complete renewal application
32 and fees are received; and

1 (v) that, if the licensee fails to submit the renewal application and
2 all required fees and documents by the expiration date of the license, the licensee
3 shall be considered closed and may not conduct business.

4 (c) (1) Before the license expires, the licensee periodically may renew it for
5 an additional 2-year term, if the licensee:

6 (i) otherwise is entitled to be licensed;

7 (ii) pays to the Secretary a renewal fee of \$100 which shall include
8 the cost of the Maryland and national criminal records check or the fee provided in
9 subsection (e) of this section, if applicable; and

10 (iii) submits to the Secretary:

11 1. a renewal application on the form that the Secretary
12 provides;

13 2. A. a set of legible fingerprints of the licensee on forms
14 approved by the Criminal Justice Information System Central Repository and the
15 Director of the Federal Bureau of Investigation; or

16 B. if the licensee is a firm, a set of legible fingerprints for
17 each firm member as required under item 1 of this subparagraph;

18 3. satisfactory evidence of compliance with any other
19 requirements set under this section for license renewal; and

20 4. any late fee required under this section.

21 (2) If the licensee is a firm, the licensee shall pay the cost of the
22 fingerprint card records check for each firm member.

23 (d) Except as provided in subsection (e) of this section, before renewing a
24 license, the Secretary shall conduct a State and national criminal records check for
25 each licensee, or each firm member if the applicant is a firm, who applies for a
26 renewal of a license.

27 (e) The Secretary may waive the State and national criminal records check
28 required under subsection (d) of this section for a licensee who was issued a license
29 under § 18-303(g) of this subtitle if the licensee:

30 (1) provides adequate evidence that:

31 (i) the license of the licensee issued by another state was renewed
32 by that other state within 1 year of the expiration date of the license issued under this
33 subtitle; and

34 (ii) the renewal occurred after the licensee submitted to a State and
35 national criminal records check; and

1 (2) pays to the Secretary a processing fee of \$100.

2 (f) If the State and national criminal records check required under subsection
3 (d) of this section is not completed before a license expires, the Secretary shall issue a
4 temporary license to a licensee who otherwise meets the requirements of this section.

5 (g) A temporary license issued under subsection (f) of this section shall expire
6 at the earlier of:

7 (1) the completion of the State and national criminal records check of the
8 licensee; or

9 (2) the renewal or the denial of the license.

10 (h) If the Secretary does not receive the renewal application and all fees and
11 documents required under subsection (c) of this section at least 15 days before the
12 license expiration date, the Secretary shall charge the licensee a late fee of \$10 per
13 day until the renewal application and all required fees and documents are received.

14 (i) The Secretary shall renew the license of each licensee who meets the
15 requirements of this section.]

16 18-307.

17 (A) BY REGULATION, THE SECRETARY SHALL STAGGER THE TERMS OF THE
18 LICENSES.

19 (B) UNLESS A LICENSE IS RENEWED FOR A 3-YEAR TERM AS PROVIDED IN
20 THIS SECTION, THE LICENSE EXPIRES ON THE DATE THE SECRETARY SETS.

21 (C) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE SECRETARY SHALL
22 MAIL TO THE AGENCY, AT THE LAST KNOWN ADDRESS OF THE AGENCY:

23 (1) A RENEWAL APPLICATION FORM; AND

24 (2) A NOTICE THAT STATES:

25 (I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

26 (II) THAT THE SECRETARY MUST RECEIVE THE RENEWAL
27 APPLICATION AND PROOF OF INSURANCE OR BONDING AS REQUIRED IN § 18-401 OF
28 THIS TITLE AT LEAST 15 DAYS BEFORE THE LICENSE EXPIRATION DATE FOR THE
29 RENEWAL TO BE ISSUED AND MAILED BEFORE THE LICENSE EXPIRES;

30 (III) THE AMOUNT OF THE RENEWAL FEE;

31 (IV) THAT, IF THE COMPLETE RENEWAL APPLICATION AND PROOF
32 OF INSURANCE OR BONDING AS REQUIRED IN § 18-401 OF THIS TITLE ARE NOT
33 RECEIVED AT LEAST 15 DAYS BEFORE THE LICENSE EXPIRATION DATE, A FEE OF \$25
34 PER DAY SHALL BE CHARGED AGAINST THE AGENCY UNTIL THE DAY THE LICENSE
35 EXPIRES, AT WHICH TIME THE AGENCY SHALL BE CONSIDERED CLOSED;

1 (V) THAT AN AGENCY MAY NOT BE ISSUED A LICENSE UNDER THIS
2 TITLE UNTIL ALL OUTSTANDING OBLIGATIONS ARE SATISFIED WITH THE
3 SECRETARY; AND

4 (VI) THAT THE SUBMISSION OF A FALSE STATEMENT IN THE
5 RENEWAL APPLICATION OR THE SUBMISSION OF ALTERED OR FALSE DOCUMENTS
6 THAT ARE OTHERWISE REQUIRED IS CAUSE FOR REVOCATION OF THE AGENCY
7 LICENSE.

8 (D) AN AGENCY PERIODICALLY MAY RENEW THE LICENSE FOR AN
9 ADDITIONAL 3-YEAR TERM, IF THE LICENSE HOLDER:

10 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

11 (2) PAYS TO THE SECRETARY:

12 (I) A RENEWAL FEE OF \$100;

13 (II) THE COST OF A FINGERPRINT CARD RECORD CHECK BY THE
14 FEDERAL BUREAU OF INVESTIGATION; AND

15 (III) ANY LATE FEE REQUIRED UNDER THIS SUBTITLE; AND

16 (3) SUBMITS TO THE SECRETARY:

17 (I) A RENEWAL APPLICATION ON THE FORM THAT THE SECRETARY
18 PROVIDES; AND

19 (II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH ANY OTHER
20 REQUIREMENTS UNDER THIS SECTION FOR LICENSE RENEWAL.

21 (E) EXCEPT AS PROVIDED IN SUBSECTION (F) OF THIS SECTION, BEFORE
22 RENEWING A LICENSE, THE SECRETARY SHALL CONDUCT A NATIONAL CRIMINAL
23 RECORDS CHECK FOR EACH LICENSEE WHO APPLIES FOR RENEWAL OF A LICENSE.

24 (F) THE SECRETARY MAY WAIVE THE NATIONAL CRIMINAL RECORDS CHECK
25 REQUIRED UNDER SUBSECTION (E) OF THIS SECTION FOR AN APPLICANT WHO WAS
26 ISSUED A LICENSE UNDER § 18-303 (G) OF THIS SUBTITLE IF THE APPLICANT PAYS TO
27 THE SECRETARY A PROCESSING FEE OF \$100.

28 (G) IF THE RENEWAL APPLICATION WAS SUBMITTED AS REQUIRED IN § 18-307
29 (D) OF THIS SUBTITLE AND THE NATIONAL CRIMINAL RECORDS CHECK REQUIRED
30 UNDER THIS SECTION IS NOT COMPLETED BEFORE THE LICENSEE'S LICENSE
31 EXPIRES, THE SECRETARY SHALL ALLOW THE LICENSEE TO OPERATE IN A
32 TEMPORARY LICENSE STATUS IF THE LICENSEE OTHERWISE MEETS THE
33 REQUIREMENTS OF THIS SECTION.

34 (H) A LICENSEE MAY OPERATE IN A TEMPORARY LICENSE STATUS AT THE
35 TIME OF RENEWAL ONLY IF THE RENEWAL APPLICATION AND ALL REQUIRED

1 DOCUMENTS AND FEES WERE SUBMITTED BY THE EXPIRATION DATE OF THE
2 LICENSE.

3 (I) THE TEMPORARY LICENSE STATUS SHALL EXPIRE AT THE EARLIER OF:

4 (1) THE COMPLETION OF THE NATIONAL CRIMINAL RECORDS CHECK OF
5 THE APPLICANT; OR

6 (2) THE RENEWAL OR DENIAL OF THE LICENSE.

7 (J) THE SECRETARY SHALL RENEW THE LICENSE OF EACH APPLICANT WHO
8 MEETS THE REQUIREMENTS OF THIS SECTION.

9 18-309.

10 Subject to the hearing provisions of § 18-310 of this subtitle, the Secretary may
11 deny a license to any applicant, reprimand any licensee, fine a licensee, or suspend or
12 revoke a license if the applicant or licensee, or a firm member or employee of an
13 applicant or licensee that is a firm:

14 (1) fraudulently or deceptively obtains or attempts to obtain a license for
15 the applicant or licensee or for another;

16 (2) fraudulently or deceptively uses a license;

17 (3) has a similar license denied, suspended, or revoked in another
18 jurisdiction;

19 (4) pleads guilty or nolo contendere to or is convicted of a felony, theft
20 offense, or crime of moral turpitude;

21 (5) aids an individual in obtaining or attempting to obtain fraudulently
22 or deceptively licensure under this title as a security systems technician;

23 (6) while not licensed, solicits to engage in or willfully engages in a
24 business providing security systems services;

25 (7) while not licensed, willfully advertises as a security systems
26 technician;

27 (8) willfully makes a false statement or misrepresentation in any
28 renewal application or in any other document that the Secretary requires to be
29 submitted; or

30 (9) violates any other provision of this title OR ANY REGULATION
31 ADOPTED BY THE SECRETARY UNDER THIS TITLE.

1 [18-3A-07.

2 (a) Unless a registration is renewed for a 2-year term as provided in this
3 section, the registration expires on April 1 of the first odd-numbered year after the
4 effective date of the registration.

5 (b) At least 1 month before a registration expires, the Secretary shall mail to
6 the registrant, at the last known address of the registrant:

7 (1) a renewal application form; and

8 (2) a notice that states:

9 (i) the date on which the current registration expires;

10 (ii) the date by which the Secretary must receive the renewal
11 application for the renewal to be issued and mailed before the registration expires;
12 and

13 (iii) the amount of the renewal fee.

14 (c) Before the registration expires, the registrant periodically may renew it for
15 an additional 2-year term, if the registrant:

16 (1) otherwise is entitled to be registered;

17 (2) pays to the Secretary a renewal fee that is the higher of \$15 or an
18 amount the Secretary determines based on actual processing costs;

19 (3) pays the cost of any background checks;

20 (4) if a national criminal records check is required, pays to the Secretary
21 or to the licensed security systems agency which employs or intends to employ the
22 registrant as a security systems technician, for forwarding to the Secretary, the
23 mandatory processing fee required by the Federal Bureau of Investigation for the
24 records check; and

25 (5) submits to the Secretary:

26 (i) a renewal application on the form that the Secretary provides;

27 (ii) a set of legible fingerprints of the registrant on forms approved
28 by the Criminal Justice Information System Central Repository and the Director of
29 the Federal Bureau of Investigation; and

30 (iii) satisfactory evidence of compliance with any other
31 requirements under this section for renewal of registration.

32 (d) Except as provided in subsection (e) of this section, the Secretary shall
33 conduct a national criminal records check for each registrant who applies for a
34 renewal of registration.

1 (e) The Secretary may waive the national criminal records check required
2 under subsection (d) of this section for a registrant who was registered under this
3 subtitle, if the registrant:

4 (1) provides adequate evidence that:

5 (i) the registrant's license or registration issued by another state
6 was renewed by that other state within 1 year of the expiration date of the license or
7 registration issued under this title; and

8 (ii) the renewal occurred after the registrant submitted to a
9 national criminal records check; and

10 (2) pays to the Secretary a processing fee of \$15.

11 (f) If the national criminal records check required under subsection (d) of this
12 section is not completed before a registration expires, the Secretary shall issue a
13 temporary registration to a registrant who otherwise meets the requirement of this
14 section.

15 (g) A temporary registration issued under subsection (f) of this section shall
16 expire at the earlier of:

17 (1) the completion of the national criminal records check of the
18 registrant; and

19 (2) the renewal or the denial of the renewal of the registration.

20 (h) The Secretary shall renew the registration of each registrant who meets
21 the requirements of this section.]

22 18-3A-07.

23 (A) BY REGULATION, THE SECRETARY SHALL STAGGER THE TERMS OF THE
24 REGISTRATIONS UNDER THIS SUBTITLE.

25 (B) UNLESS A REGISTRATION IS RENEWED FOR A 3-YEAR TERM AS PROVIDED
26 IN THIS SECTION, THE REGISTRATION EXPIRES ON THE DATE THE SECRETARY SETS.

27 (C) AT LEAST 90 DAYS BEFORE A REGISTRATION EXPIRES, THE APPLICANT
28 SHALL DELIVER TO THE SECRETARY:

29 (1) A RENEWAL APPLICATION FORM;

30 (2) THE AMOUNT OF THE RENEWAL FEE; AND

31 (3) THE AMOUNT OF ANY LATE FEE, AS DETERMINED BY THE
32 SECRETARY.

33 (D) AN INDIVIDUAL PERIODICALLY MAY RENEW A REGISTRATION FOR AN
34 ADDITIONAL 3-YEAR TERM IF THE INDIVIDUAL:

1 (1) OTHERWISE IS ENTITLED TO BE REGISTERED;

2 (2) PAYS TO THE SECRETARY:

3 (I) A RENEWAL FEE THAT IS THE HIGHER OF \$15 OR AN AMOUNT
4 WHICH THE SECRETARY DETERMINES BASED ON THE ACTUAL PROCESSING COSTS;

5 (II) PAYMENT FOR THE COST OF A FINGERPRINT CARD RECORD
6 CHECK BY THE FEDERAL BUREAU OF INVESTIGATION; AND

7 (III) ANY LATE FEE REQUIRED UNDER THIS SUBTITLE; AND

8 (3) SUBMITS TO THE SECRETARY:

9 (I) A RENEWAL APPLICATION ON THE FORM THE SECRETARY
10 PROVIDES; AND

11 (II) SATISFACTORY EVIDENCE OF COMPLIANCE WITH ANY OTHER
12 REQUIREMENTS UNDER THIS SECTION FOR RENEWAL OF REGISTRATION.

13 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF A COMPLETE
14 APPLICATION FOR RENEWAL OF REGISTRATION AS REQUIRED UNDER THIS
15 SUBTITLE IS NOT RECEIVED BY THE SECRETARY AT LEAST 30 CALENDAR DAYS
16 BEFORE THE CERTIFICATION EXPIRES, THE SECRETARY SHALL ASSESS A LATE FEE
17 OF \$5 PER DAY UNTIL THE APPLICATION IS RECEIVED BY THE SECRETARY.

18 (2) THE TOTAL AMOUNT OF LATE FEES ASSESSED UNDER THIS
19 SUBSECTION MAY NOT EXCEED \$150.

20 (3) THE SECRETARY MAY NOT REGISTER ANY APPLICANT UNDER THIS
21 TITLE IF THE APPLICANT HAS OUTSTANDING LATE FEE OBLIGATIONS.

22 (F) EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, BEFORE
23 RENEWING A REGISTRATION, THE SECRETARY SHALL CONDUCT A NATIONAL
24 CRIMINAL RECORDS CHECK FOR EACH REGISTRANT WHO APPLIES FOR RENEWAL OF
25 A REGISTRATION.

26 (G) THE SECRETARY MAY WAIVE THE NATIONAL CRIMINAL RECORDS CHECK
27 REQUIRED UNDER SUBSECTION (F) OF THIS SECTION FOR AN APPLICANT WHO WAS
28 REGISTERED UNDER § 18-3A-03 OF THIS SUBTITLE IF THE APPLICANT PAYS TO THE
29 SECRETARY A PROCESSING FEE OF \$15.

30 (H) IF THE RENEWAL APPLICATION WAS SUBMITTED AS REQUIRED UNDER
31 THIS SECTION AND THE NATIONAL CRIMINAL RECORDS CHECK REQUIRED UNDER
32 THIS SECTION IS NOT COMPLETED BEFORE A REGISTRATION EXPIRES, THE
33 SECRETARY SHALL ALLOW THE APPLICANT TO OPERATE IN A TEMPORARY
34 REGISTRATION STATUS IF THE APPLICANT OTHERWISE MEETS THE REQUIREMENTS
35 OF THIS SECTION.

1 (I) THE TEMPORARY REGISTRATION STATUS SHALL EXPIRE AT THE EARLIER
2 OF:

3 (1) THE COMPLETION OF THE NATIONAL CRIMINAL RECORDS CHECK OF
4 THE APPLICANT; OR

5 (2) THE RENEWAL OR DENIAL OF THE REGISTRATION.

6 (J) (1) THE SECRETARY SHALL RENEW THE REGISTRATION OF EACH
7 INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

8 (2) WITHIN 5 DAYS AFTER THE SECRETARY REFUSES TO RENEW THE
9 REGISTRATION OF AN INDIVIDUAL UNDER THIS TITLE, THE SECRETARY SHALL SEND
10 WRITTEN NOTICE OF THE REFUSAL TO THE INDIVIDUAL WHO SUBMITTED THE
11 RENEWAL APPLICATION.

12 18-3A-09.

13 Subject to the hearing provisions of § 18-3A-10 of this subtitle, the Secretary
14 may deny registration to any applicant, reprimand any registrant, fine any
15 registrant, or suspend or revoke a registration if the applicant or registrant:

16 (1) fraudulently or deceptively obtains or attempts to obtain a
17 registration for the applicant or registrant or for another;

18 (2) fraudulently or deceptively uses a registration;

19 (3) has a similar license or registration denied, suspended, or revoked in
20 another jurisdiction;

21 (4) pleads guilty or nolo contendere to or is convicted of a felony, theft
22 offense, or crime of moral turpitude;

23 (5) aids an individual in obtaining or attempting to obtain fraudulently
24 or deceptively registration under this title;

25 (6) while not registered as a security systems technician and employed
26 by or under contract with a security systems agency licensed under this title, solicits
27 to engage in or willfully engages in personally providing security systems services;

28 (7) while not registered as a security systems technician and employed
29 by or under contract with a security systems agency licensed under this title, willfully
30 advertises as a security systems technician;

31 (8) willfully makes a false statement or misrepresentation in any
32 renewal application or in any other document that the Secretary requires to be
33 submitted; or

34 (9) violates any other provision of this title OR ANY REGULATION
35 ADOPTED BY THE SECRETARY UNDER THIS TITLE.

1 18-401.

2 (a) In order to obtain a license, an applicant shall:

3 (1) (i) execute a fidelity bond as provided in subsection (c) of this
4 section; or

5 (ii) maintain general liability insurance as provided in subsection
6 (d) of this section; and

7 (2) maintain in an office in the State, documents or other records that
8 are made in the State or relate to a service performed in the State AND MAKE THOSE
9 RECORDS AVAILABLE FOR INSPECTION BY THE SECRETARY FOR COMPLIANCE WITH
10 THIS TITLE.

11 (b) The Secretary may not issue or renew a license or registration unless the
12 applicant, licensee, or registrant submits proof of compliance with subsection (a) of
13 this section.

14 (c) (1) The fidelity bond required by subsection (a)(1) of this section shall
15 cover all individuals who:

16 (i) are licensed to provide security systems services, are registered
17 as security systems technicians, or have access to circumventational information; or

18 (ii) are applicants for a license or registration.

19 (2) The fidelity bond shall be used for the benefit of any person injured
20 on the premises of a consumer of security systems services by any fraudulent or
21 dishonest act of a licensee, a security systems technician, or other individual who has
22 access to circumventational information that is willful or malicious.

23 (3) The applicant for a license or registration shall submit a copy of the
24 fidelity bond to the Secretary with the license or registration application.

25 (4) (i) The amount of the fidelity bond required under subsection (c)(1)
26 of this section shall be at least \$50,000.

27 (ii) The total liability of the surety to all insured persons under the
28 fidelity bond may not exceed the sum of the fidelity bond.

29 (5) (i) If an employer's fidelity bond is canceled, forfeited, or
30 terminated by the surety, the surety shall immediately notify the Secretary.

31 (ii) If a surety fails to notify the Secretary as required by this
32 paragraph, the fidelity bond shall continue in effect until the notice is given to the
33 Secretary.

34 (d) (1) General liability insurance required by subsection (a)(1)(ii) of this
35 section shall be in the amount of at least \$50,000.

1 (2) An applicant for a license or registration shall submit proof of
2 insurance meeting the requirements of paragraph (1) of this subsection to the
3 Secretary with the application.

4 (3) If the general liability insurance required under this section is
5 canceled, the insured shall immediately notify the Secretary.

6 (E) IF AN AGENCY FAILS TO MAINTAIN THE REQUIRED FIDELITY BOND OR
7 LIABILITY INSURANCE AS REQUIRED IN THIS SECTION, UPON NOTIFICATION, THE
8 SECRETARY:

9 (1) SHALL SUSPEND THE LICENSE; AND

10 (2) MAY NOT REINSTATE THE LICENSE UNTIL THE AGENCY SUBMITS
11 PROOF OF THE REQUIRED BOND OR INSURANCE TO THE SECRETARY.

12 [(e)] (F) In addition to § 18-504 of this title, a court of competent jurisdiction
13 may enjoin the operation of any employer who violates the requirements of this
14 section.

15 19-304.

16 (a) (1) An applicant for a license shall:

17 (i) submit to the Secretary an application on the form that the
18 Secretary provides;

19 (ii) submit the documents required under this section; and

20 (iii) pay to the Secretary the fees required under subsection (b) of
21 this section.

22 (2) If the applicant is a firm, the representative member shall complete
23 the application form and otherwise be responsible for the firm's compliance with this
24 section.

25 (b) (1) An applicant for a license shall pay to the Secretary an application
26 fee of:

27 (i) \$200, if the applicant is an individual; or

28 (ii) \$375, if the applicant is a firm.

29 (2) (i) As part of the application for a license, the applicant shall
30 submit to the Secretary:

31 1. a complete set of the applicant's legible fingerprints taken
32 on standard fingerprint cards; and

33 2. payment for the cost of the fingerprint card record checks.

1 (ii) If the applicant is a firm, the applicant shall pay the cost of the
2 fingerprint card record checks for each firm member.

3 (c) (1) If the applicant is an individual, the application form provided by the
4 Secretary shall require:

5 (i) the name of the applicant;

6 (ii) the age of the applicant;

7 (iii) the address of the applicant; and

8 (iv) the current and previous employment of the applicant.

9 (2) If the applicant is a firm, the application form provided by the
10 Secretary shall require:

11 (i) a list of all of the firm members; and

12 (ii) for each firm member, the same information required regarding
13 an individual applicant under paragraph (1) of this subsection.

14 (3) For all applicants, the application form shall require:

15 (i) the address of the applicant's proposed principal place of
16 business and of each proposed branch office;

17 (ii) any trade or fictitious name that the applicant intends to use
18 while conducting the business of the security guard agency;

19 (iii) the submission of a facsimile of any trademark that the
20 applicant intends to use while conducting the business of the security guard agency;
21 and

22 (iv) as the Secretary considers appropriate, any other information to
23 assist in the evaluation of:

24 1. an individual applicant; or

25 2. if the applicant is a firm, any firm member.

26 (d) The application form provided by the Secretary shall contain a statement
27 advising the applicant that willfully making a false statement on an application is a
28 misdemeanor, subject to a fine or imprisonment or both, as provided under §§ 19-605
29 and 19-607 of this title.

30 (e) (1) If the applicant is an individual, the application form shall be signed,
31 under oath, by the individual.

32 (2) If the applicant is a firm, the application form shall be signed, under
33 oath, by the representative member, as the representative member, [and by all the

1 other firm members] AND SHALL PROVIDE PROOF TO THE SECRETARY THAT THE
2 REPRESENTATIVE MEMBER IS A MEMBER OF THE FIRM.

3 (f) (1) [(i)] If the applicant is an individual, the application shall be
4 accompanied by at least [five written recommendations] THREE NAMES OF
5 INDIVIDUALS WHO CAN ATTEST TO THE CHARACTER of the [individual] APPLICANT.

6 [(ii)] (2) If the applicant is a firm, the application shall be
7 accompanied by at least [five written recommendations of each firm member] THREE
8 NAMES OF INDIVIDUALS WHO CAN ATTEST TO THE CHARACTER OF EACH FIRM
9 MEMBER.

10 [(2)] Each recommendation shall be signed, under oath, by a reputable
11 citizen who owns property in the county where the individual applicant or firm
12 member resides or where the business of the security guard agency is to be conducted.

13 (g) An applicant for a license shall submit with the application form a bond in
14 accordance with the requirements of § 19-503 of this title.]

15 [(h)] (G) An applicant for a license who intends to employ at least five
16 individuals as security guards shall submit with the application proof of
17 PROFESSIONAL liability insurance, INCLUDING ERRORS AND OMISSIONS COVERAGE,
18 as required under § 19-504 of this title.

19 [(i)] (H) In addition to meeting the other requirements of this section, a
20 nonresident applicant shall submit a consent and any related document, as required
21 by § 19-505 of this title.

22 19-306.

23 (a) (1) The Secretary shall issue a license to each applicant who meets the
24 requirements of this subtitle.

25 (2) The Secretary shall issue an agency license certificate to each
26 licensed security guard agency and a branch office certificate for each proposed
27 branch office.

28 (b) (1) The Secretary shall include on each agency license certificate that
29 the Secretary issues:

30 (i) the full name of the licensee;

31 (ii) the location of the principal office and of each branch office of
32 the licensed security guard agency;

33 (iii) the date of issuance of the license;

34 (iv) the date on which the license expires; and

35 (v) the name [and address] of the representative member, if the
36 licensee is a firm.

- 1 (2) The Secretary shall include on each branch office certificate:
- 2 (i) the full name of the licensee;
- 3 (ii) the location of the principal office of the licensee and of the
4 agency branch office for which the certificate is issued;
- 5 (iii) the date of issuance of the branch office certificate;
- 6 (iv) the date on which the license of the licensee expires; and
- 7 (v) the name and AGENCY address of the representative member, if
8 the licensee is APPLYING ON BEHALF OF a firm.

9 19-308.

10 (a) By regulation, the Secretary shall stagger the terms of the licenses.

11 (b) Unless a license is renewed for a [2-year] 3-YEAR term as provided in this
12 section, the license expires on the date the Secretary sets.

13 (c) At least 1 month before a license expires, the Secretary shall mail to the
14 licensee, at the last known address of the licensee:

15 (1) a renewal application form; and

16 (2) a notice that states:

17 (i) the date on which the current license expires;

18 (ii) that the Secretary must receive the renewal application and the
19 statements required under § 19-309 of this subtitle, at least 15 days before the license
20 expiration date, for the renewal to be issued and mailed before the license expires;

21 (iii) the amount of the renewal fee;

22 (iv) that, if the statements required under § 19-309 of this subtitle
23 are not received at least 15 days before the license expiration date, a fee of \$10 per
24 day shall be charged against the licensee until the statements are received; and

25 (v) that the submission of a false statement in the renewal
26 application or in the annual statements is cause for revocation of the license.

27 (d) A licensee periodically may renew the license for an additional [2-year]
28 3-YEAR term, if the licensee:

29 (1) otherwise is entitled to be licensed;

30 (2) pays to the Secretary:

31 (i) a renewal fee of:

1 1. \$200, if the licensee is an individual; or

2 2. \$400, if the licensee is a firm; [and]

3 (II) PAYMENT FOR THE COST OF A FINGERPRINT CARD RECORD
4 CHECK BY THE FEDERAL BUREAU OF INVESTIGATION; AND

5 [(ii)] (III) any late fee required under § 19-309 of this subtitle; and

6 (3) submits to the Secretary:

7 (i) a renewal application on the form that the Secretary provides;

8 [and]

9 (ii) A COMPLETE SET OF THE APPLICANT'S LEGIBLE FINGERPRINTS
10 TAKEN ON FEDERAL FINGERPRINT CARDS;

11 (III) the statements required under § 19-309 of this subtitle AND
12 ANY OTHER DOCUMENTATION THAT MAY BE REQUIRED BY THE SECRETARY TO
13 RENEW THE AGENCY LICENSE UNDER THIS SUBTITLE; AND

14 (IV) TWO PHOTOGRAPHS OF THE APPLICANT IN A FORMAT
15 APPROVED BY THE SECRETARY.

16 (e) The Secretary shall renew the license of each licensee who meets the
17 requirements of this section.

18 19-309.

19 (a) As a condition for license renewal, a licensee shall submit to the Secretary
20 with the renewal application:

21 (1) a certification or, as authorized by the Secretary, other
22 documentation that the licensed security guard agency has paid, for the past [2] 3
23 years, all withholding and Social Security taxes;

24 (2) a certification or, as authorized by the Secretary, other
25 documentation that the licensed security guard agency has paid, for the past [2] 3
26 years, all other obligations payable for the employees of the licensed security guard
27 agency to the State or the federal government;

28 (3) a certificate from an insurance carrier or, as authorized by the
29 Secretary, other documentation showing that the licensed security guard agency has
30 in effect PROFESSIONAL LIABILITY AND workers' compensation insurance for its
31 covered employees, as defined in § 9-101 of the Labor and Employment Article; and

32 (4) a [receipt] CERTIFICATE from the Comptroller's Office or, as
33 authorized by the Secretary, other documentation showing that the State income tax
34 of the licensed security guard agency has been paid for the past [2] 3 years.

1 (b) If the Secretary does not receive the documents required under subsection
2 (a) of this section at least 15 days before the license expiration date, the Secretary
3 shall charge the licensee a late fee of \$10 per day until the documents are received.

4 (c) The Secretary may inspect any of the business records of a licensee that
5 relate to any matter that is subject to certification or documentation under this
6 section.

7 19-310.

8 (a) Each licensee shall maintain an office in the State.

9 (b) Each licensee shall keep in an office in the State all files or other records
10 that:

11 (1) are made in the State; and

12 (2) relate to [an investigation] ANY BUSINESS ACTIVITIES in the State.

13 19-311.

14 (a) (1) Within 5 days after the change, a licensee shall submit to the
15 Secretary written notice of:

16 (i) the addition of a branch office; and

17 (ii) any change in the address OR TELEPHONE NUMBER of an
18 existing office.

19 (2) The licensee shall submit with the notice:

20 (i) the agency license certificate; and

21 (ii) if the proposed change affects an existing branch office, the
22 branch office certificate for that office.

23 (3) The Secretary may:

24 (i) endorse the change on the agency license certificate and, if
25 applicable, on the branch office certificate of the affected branch office; or

26 (ii) issue a new agency license certificate and, if applicable, a new
27 branch office certificate, both of which shall set forth the same date as the original
28 agency license certificate.

29 (b) Within 5 days after the occurrence, a firm shall submit to the Secretary
30 written notice of:

31 (1) the withdrawal of any firm member; and

32 (2) the death of any firm member.

1 19-313.

2 (a) Subject to the hearing provisions of § 19-315 of this subtitle, the Secretary
3 may deny a license to any applicant, reprimand any licensee, fine any licensee or
4 agency, or suspend or revoke a license if the applicant or licensee:

5 (1) fraudulently or deceptively obtains or attempts to obtain a license for
6 the applicant or licensee or for another;

7 (2) fraudulently or deceptively uses a license;

8 (3) aids an individual to obtain or to attempt to obtain fraudulently or
9 deceptively certification under this title as a security guard;

10 (4) while not licensed, solicits to engage in or willfully engages in a
11 business providing security guard services in the State;

12 (5) while not licensed, willfully advertises:

13 (i) as a security guard agency; or

14 (ii) the provision of security guard services;

15 (6) willfully makes a false statement or misrepresentation that an
16 individual is or was in the employ of the applicant or licensee;

17 (7) willfully makes a false statement or misrepresentation in any
18 renewal application, in any annual statement, or in any other report or document that
19 the Secretary requires to be submitted;

20 (8) fails to notify the Secretary about any change among the firm
21 members or in the address of the principal office or any branch office of a licensee;

22 (9) [fails to maintain a bond as required by § 19-503 of this title;

23 (10)] fails to maintain the liability insurance required under § 19-504 of
24 this title; or

25 [(11)] (10) violates any other provision of this title OR ANY REGULATION
26 ADOPTED BY THE SECRETARY UNDER THIS TITLE.

27 (b) For purposes of this section, an act or omission of any principal, agent, or
28 employee of an applicant or licensee may be construed to be the act or omission of the
29 applicant or licensee, as well as of the principal, agent, or employee.

30 19-407.

31 (A) Whenever a security guard is in uniform, the security guard [shall] MAY
32 wear a badge that is:

33 (1) of a design approved by the Secretary; and

1 (2) issued by the licensed security guard agency that employs the
2 security guard.

3 (B) WHENEVER A SECURITY GUARD IS IN UNIFORM, THE SECURITY GUARD
4 SHALL CLEARLY DISPLAY AND WEAR THE CLEARANCE CARD ISSUED BY THE
5 SECRETARY WHICH IDENTIFIES THE SECURITY GUARD.

6 19-502.

7 (a) The offices of each security guard agency shall be supervised by an
8 individual who:

9 (1) [is a resident of the State; and

10 (2)] (i) holds, as an individual, the license of the security guard agency;
11 or

12 (ii) is the representative member of the security guard agency
13 appointed under § 19-302(b) of this title; AND

14 (2) HAS BEEN INVESTIGATED AND APPROVED BY THE SECRETARY
15 UNDER THIS TITLE.

16 (b) If a security guard agency is a firm, the agency shall notify the Secretary
17 about:

18 (1) the identity of the individual serving as the representative member of
19 the agency; and

20 (2) each vacancy in that position.

21 (c) (1) Except as provided in paragraph (2) of this subsection, a security
22 guard agency shall appoint a representative member within 90 days after a vacancy
23 occurs in the position.

24 (2) If the vacancy is caused by the death of or an incapacitating injury to
25 the representative member, the security guard agency shall appoint a replacement
26 within 180 days after the vacancy occurs.

27 (d) If a licensed security guard agency fails to appoint a representative
28 member as required under subsection (c) of this section, the license of the security
29 guard agency:

30 (1) is suspended automatically; and

31 (2) shall remain suspended until the agency complies with the
32 requirements.

33 (e) The Secretary may adopt regulations to carry out this section.

1 [19-503.

2 (a) (1) Subject to this section, an applicant for a license shall execute a bond
3 that is conditioned on the faithful and honest conduct of the applicant and runs to the
4 State for the benefit of any person injured by any wrongful act of the applicant that is
5 willful or malicious.

6 (2) The applicant shall submit the bond to the Secretary with the license
7 application.

8 (b) (1) The amount of the bond required under subsection (a) of this section
9 shall be at least:

10 (i) \$3,000, if the applicant is an individual; or

11 (ii) \$5,000, if the applicant is a firm.

12 (2) The total liability of the surety to all insured persons under the bond
13 may not exceed the penal sum of the bond.

14 (c) A licensee shall keep in effect at all times a bond that meets the
15 requirements of this section.

16 (d) (1) If a licensee's bond is canceled, forfeited, or terminated by the surety,
17 the surety immediately shall notify the Secretary.

18 (2) If a surety fails to notify the Secretary as required by this subsection,
19 the bond shall continue in effect until the notice is given to the Secretary.]

20 19-504.

21 (a) A security guard agency that employs five or more individuals as security
22 guards shall:

23 (1) maintain [general] PROFESSIONAL liability insurance in an amount
24 not less than [\$100,000] \$1,000,000, INCLUDING ERRORS AND OMISSIONS COVERAGE;
25 and

26 (2) submit proof of the required insurance to the Secretary.

27 (b) (1) If an applicant for a license intends to employ five or more
28 individuals as security guards, the applicant shall submit proof of the liability
29 insurance required under subsection (a) of this section to the Secretary with the
30 license application.

31 (2) The Secretary may not issue a license to an applicant to whom the
32 insurance requirements of this section would apply unless the applicant submits
33 proof of the insurance.

1 (c) If the insurance required for a security guard agency under this section is
2 canceled, forfeited, or otherwise terminated, both the security guard agency and the
3 insurer shall notify the Secretary.

4 (D) IF A SECURITY GUARD AGENCY FAILS TO MAINTAIN THE LIABILITY
5 INSURANCE REQUIRED UNDER THIS SECTION, THE LICENSE OF THE SECURITY
6 GUARD AGENCY:

7 (1) IS SUSPENDED AUTOMATICALLY;

8 (2) SHALL REMAIN SUSPENDED UNTIL THE AGENCY COMPLIES WITH
9 THE REQUIREMENTS; AND

10 (3) MAY NOT BE REINSTATED UNTIL THE AGENCY SUBMITS PROOF OF
11 THE REQUIRED INSURANCE TO THE SECRETARY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
13 effect October 1, 2002.