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Draft of November 1, 2011

112th CONGRESS

1ST SESSION

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

To ensure that entities providing alarm monitoring services
operate with sound and consistent nationwide licensing
standards.

IN THE SENATE/HOUSE OF REPRESENTATIVES OF THE UNITED STATES

Date

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

A BILL

To ensure that nationwide Alarm Monitoring Organizations
operating interstate, regionally or nationwide, can provide
alarm monitoring services across state lines pursuant to sound
and consistent licensing standards, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Alarm Monitoring Model Licensing
Act of 2011.

SEC. 2. FINDINGS.

The Congress hereby finds -

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

1 (b) That electronic Alarm Monitoring Organizations operate
2 consistent with national standards and predominantly provide
3 their services on a regional or nationwide basis with facilities
4 and operations in one state or a few states and frequently
5 serving a large number of customers in some or all states.

6 (c) That duplicative requirements for testing and for
7 fingerprint analysis and verification by the various states and
8 other public agencies impose unnecessary expenditures of time,
9 travel for testing, money, and other resources which increase
10 costs to taxpayers, employers and consumers, and impede the
11 ability of Alarm Monitoring Organizations to serve customers
12 efficiently and provide homeland security.

13 (d) That because Alarm Monitoring Organizations have become an
14 increasingly important private sector partners in the provision
15 of homeland security, there exists a need for Alarm Monitoring
16 Organizations to operate across state lines without licensing or
17 regulatory restrictions that impede the interstate provision of
18 electronic alarm monitoring services.

19 **SEC. 3. PURPOSES.** The purposes of this Act are -

20 (a) To permit the monitoring of alarm signals and systems by
21 Alarm Monitoring Organizations operating monitoring facilities
22 meeting national standards, whether located in one or more
23 states and to provide alarm monitoring to all states by
24 achieving licensing in one "Home State" which meets the Model
25 Licensing Standard.

26 (b) To ensure protection of the safety interests of alarm
27 monitoring customers while achieving increased efficiencies and
28 reduced costs by eliminating duplicative or inconsistent
29 requirements by state or local governmental jurisdictions
30 regulating Alarm Monitoring Organizations doing business in
31 several or all states.

32 (c) To establish model licensing and regulatory standards for
33 Alarm Monitoring Organizations to create uniformity in the
34 licensing and regulation of Alarm Monitoring Organizations by
35 the states by allowing Alarm Monitoring Organizations to use a
36 license from any state that has a licensing act consistent with
37 this Model Act and operates consistent with national standards.

38 (d) To increase competition in the provision of alarm
39 monitoring services by facilitating the entry of Alarm
40 Monitoring Organizations into additional states by such
41 organizations already licensed in one state without meeting
42 redundant regulations.

1 **SEC. 4. DEFINITIONS.**

2 (a) The term "alarm monitoring" means the receipt of and
3 response to and/or storage of burglar, fire, or other signals
4 transmitted from the alarm system(s) and/or other security
5 equipment at a protected property or other conditions which
6 could jeopardize life or property at a protected property.

7 (b) The term "alarm monitoring facility" means the facility or
8 facilities that provide alarm monitoring services for
9 government, commercial and/or residential purposes, including
10 proprietary alarm monitoring facilities.

11 (c) The term "Alarm Monitoring Organization" is any
12 organization that operates proprietary alarm monitoring
13 facilities or is in the business of alarm monitoring for the
14 benefit of the properties owned by customers.

15 (d) The term "local governmental jurisdiction" is any political
16 subdivision or body politic of a state that has the authority to
17 regulate Alarm Monitoring Organizations.

18 (e) The term "proprietary alarm monitoring facilities" means
19 alarm monitoring facilities which -

20 (1) provide alarm monitoring services for a specific company's
21 facilities, franchises, its personnel or for its own line of
22 business or for property which it owns or in which it has an
23 interest; and

24 (2) are not utilized to provide such services to the public or
25 for general commercial purposes.

26 (f) The term "alarm system" means a device or series of devices
27 that emit or transmit signals to an alarm monitoring facility
28 for the purposes of notifying emergency personnel and those
29 designated to respond to each event.

30 (g) The term "covered employee" means an employee of the alarm
31 monitoring facility who is required to obtain an Alarm
32 Monitoring Organization employee license or registration in the
33 home state and who actually performs the alarm monitoring and
34 notifies designated responders.

35 (h) The term "home state" means the state in which the Alarm
36 Monitoring Organization has its headquarters, its principal
37 monitoring facility, or holds a monitoring license in a state
38 which meets the model licensing standard.

1 (i) The term "organization" means an entity, whether an
2 individual, sole proprietorship, partnership, company, or
3 corporation or business unit thereof.

4 (j) The term "principal" means the owner, sole proprietor, or
5 every partner or executive officer of the organization who is
6 actively working in or employed by the Alarm Monitoring
7 Organization.

8 **SEC. 5. FEDERAL LICENSING AND REGULATION.**

9 (a) STATE ADOPTION of or compliance with MODEL LICENSING
10 STANDARD. A state may meet the requirements of or adopt the
11 Model Licensing Standard maintained in Section 6 of this Act to
12 oversee Alarm Monitoring Organizations licensed in such state.

13 (b) EQUITABLE TREATMENT OF ALARM MONITORING ORGANIZATIONS.
14 Alarm Monitoring Organizations licensed or registered in any
15 state that has met the requirements of or adopted the Model
16 Licensing Standard in Section 6 of this Act may provide alarm
17 monitoring services which shall be deemed approved to meet the
18 requirement for monitoring alarm systems and signals in any
19 other state or local governmental jurisdiction, so long as such
20 Alarm Monitoring Organizations notify such state or local
21 governmental jurisdiction that they are operating in such
22 jurisdiction, and provides such state or local governmental
23 jurisdiction documentation demonstrating it is in compliance
24 with the Model Licensing Standard requirements of the home
25 state.

26 (c) PROHIBITION. No state or local governmental jurisdiction may
27 restrict an Alarm Monitoring Organization licensed in a state
28 meeting this Model Act by imposing additional requirements or
29 restrictions on alarm monitoring or on Alarm Monitoring
30 Organizations, except as expressly provided in this Act.

31 (d) DISPUTE RESOLUTION. Disputes arising under this Act shall be
32 resolved by an appropriate district court of the United States.

33 (e) STATE AUTHORITY PRESERVED. Any state shall have the
34 authority to enjoin an Alarm Monitoring Organization from doing
35 business in such state for any violation of the Model Licensing
36 Standard or for good cause shown.

37 (f) STATE AUTHORITY REGARDING GENERALLY APPLICABLE FEES.
38 Nothing in this section shall prevent a state or local
39 governmental jurisdiction from requiring Alarm Monitoring
40 Organizations to pay licensing fees that apply generally to all
41 instate Alarm Monitoring Organizations. Alarm Monitoring

1 Organization employees shall be licensed or registered
2 exclusively by the home state.

3

4 **SEC. 6. MODEL LICENSING STANDARD.**

5 The Model Licensing Standard shall include the following
6 provisions -

7 (a) PRINCIPAL and EMPLOYEE REQUIREMENTS

8 (1) PRINCIPALS. All Principals of the Alarm Monitoring
9 Organization shall be at least 18 years of age. Each Principal
10 of the Alarm Monitoring Organization shall meet the standards
11 for an alarm monitoring license or registration in this Act; be
12 of good moral character; and shall not have -

13 (A) been convicted by any court of jurisdiction of any felony,
14 unless at least 10 years have passed from the time of discharge
15 from any sentence imposed for a felony from which no appeal is
16 pending, the time for appeal having elapsed;

17 (B) been in violation of the home state's requirements and
18 programs for chemical, alcohol, or narcotics addiction or
19 dependency in the past year and not presently addicted or
20 dependent;

21 (C) been declared mentally incompetent by any court of
22 competent jurisdiction;

23 (D) been dishonorably discharged from the armed forces within
24 the prior 10 years; nor

25 (E) had an alarm monitoring license or registration permanently
26 revoked or denied, or currently under suspension.

27 (2) QUALIFIED MANAGER. - The Alarm Monitoring Organization
28 shall have a designated agent who shall -

29 (A) have full responsibility for the operation of the alarm
30 monitoring facilities;

31 (B) have passed an examination approved by the Home State, or
32 who meets the requirements of the home state for licensure;

33 (C) meet the requirements of paragraph (1), (A) through (E),
34 and provide a notarized statement to that effect; and

1 (D) be responsible for ensuring that the Alarm Monitoring
2 Organization fulfills the obligations regarding employee records
3 as set forth in subsection (a)(4), and make such records, or
4 copies thereof, available to an appropriate state official upon
5 request.

6 (3) COVERED EMPLOYEES.

7 (A) QUALIFICATIONS. Covered employees of an Alarm Monitoring
8 Organization shall -

9 (i) apply for a license from or register with the home state as
10 a covered employee prior to beginning employment;

11 (ii) have a valid employee license or registration document (or
12 its equivalent) for alarm monitoring personnel issued by the
13 home state as a condition of continued employment;

14 (iii) be at least 18 years of age; and

15 (iv) meet the requirements of paragraph (1), (A) through (E),
16 and provide a sworn statement to that effect.

17 (B) REQUIRED INFORMATION. No person seeking to be a covered
18 employee may be employed by an Alarm Monitoring Organization
19 until completing, signing, and furnishing to such organization
20 on license application forms of the home state, or substantially
21 equivalent forms, the following information -

22 (i) the employee's full name, age, and residence address;

23 (ii) all employers or occupations engaged in for the 5 years
24 immediately preceding the date of application, including the
25 names and addresses of such employers;

26 (iii) a sworn statement that the applicant has not had an alarm
27 monitoring license or registration revoked, denied, or currently
28 under suspension and meets the basic standards to be licensed or
29 registered;

30 (iv) any conviction of a felony or Class A misdemeanor;

31 (v) any dishonorable discharge from the armed forces; and

32 (vi) any other information readily available to the employee
33 that may be required by the licensing or registering home state
34 to show good character, competency, and integrity.

1 (C) FINGERPRINTS. Each applicant shall submit to home state,
2 along with the applicable fees, two complete sets of
3 fingerprints that are verified to be those of the applicant.

4 (D) EMPLOYEE IDENTIFICATION CREDENTIAL. If the home state does
5 not provide credentials to a covered employee then the Alarm
6 Monitoring Organization shall furnish an employee credential
7 satisfactory to the covered employee's home state to each
8 covered employee within 14 days of the issuance of clearance.

9 (E) PERSONNEL TRAINING.

10 (i) IN GENERAL. All covered employees shall complete training
11 for proficiency in standards, procedures, and operating
12 requirements of their specific job responsibilities within three
13 months of being employed or before they begin unsupervised
14 monitoring of alarm systems, whichever is first.

15 (ii) COVERED EMPLOYEES. All covered employees of an Alarm
16 Monitoring Organization whose responsibilities include actually
17 monitoring alarms and dispatching emergency personnel shall have
18 completed a course which includes a minimum of -

19 (I) 16 hours of on-the-job training covering public safety,
20 facility safety, and the facility's automation system; and

21 (II) 40 hours of performing alarm monitoring while under direct
22 supervision by training or supervisory personnel.

23 (4) ALARM MONITORING ORGANIZATION RECORDS.

24 (A) RECORD RETENTION AND ACCOUNTABILITY REQUIREMENTS. The Alarm
25 Monitoring Organization shall maintain all records as required
26 by its home state.

27 (B) NOTIFICATION OF RESIGNATION OR TERMINATION. When an
28 employee resigns or is terminated, the Alarm Monitoring
29 Organization shall notify the home state of such resignation or
30 termination within 30 days.

31 (C) LIABILITY INSURANCE. - To the extent that its home state
32 requires an Alarm Monitoring Organization to acquire
33 comprehensive liability insurance in an amount less than five
34 million dollars, such organization shall acquire a minimum
35 aggregate coverage of five Million Dollars.