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Utah Code 63I-1-103 Reauthorization Review of the Alarm Company Board

Background, Authority and Composition

Licensee Numbers

- 202 Burglar Alarm Companies
- 7,354 Burglar Alarm Agents

Statutory Authority

Utah Code 58-55-201(2), created under 2000 SB 196.

Composition of the Board (Utah Code § 58-55-201)

- Three officers or owners of licensed alarm businesses.
- One nominee of the Utah Peace Officers Association.
- One member of the general public.
- The Board meets every other month (six times per year).

Statutory Considerations for Continuation of the Board (Utah Code § 63I-1-103(3)(a)-(g))

(a) Operation Within the Public Interest

- OPLR will be performing a full review of this profession and Board within the next 36 months.
- The Board operates within public interest under Utah Code §§ 58-55-201 and 58-55-302(3)(k)(v) by:
 - Recommending and advising on rules.
 - Advising on changes to industry business practices and technology.
 - Overseeing the screening of applicants for licensing including:
 - Setting standards for the supervision of people in training to become licensees;
 - Establishing passing examination scores; and
 - Acting as the presiding officer in hearings relating to agency actions against licensees.
 - Assisting the Division in reviewing and investigating complaints.
 - Acting as subject matter experts for Division.

(b) Alignment with Division Mission

- The Division's mission is: "strengthening trust in Utah's professional workforce through effective licensing, balanced regulation, and consumer engagement to facilitate informed decisions."
- The Board provides the Division with insights into changes within the industry, including business practice and emerging technologies.

- The Division worked with OLRGC to recodify the Construction Trades Licensing Act, including separating the burglar alarm statute into its own chapter. The board provided helpful input and feedback to facilitate the recodification.

(c) Public Participation with the Board

- A Board seat is reserved for a member of the public (Utah Code § 58-55-201(2)(a)(3)).
- Board meetings are open to the public under the Utah Open and Public Meetings Act (Utah Code § 52-4-101).
- Meetings are held in a hybrid format to increase public access to board meetings and rule hearings, and the public regularly attends.
- As a policy, DOPL holds a rule hearing even if the public doesn't make comments on a rule.

(d) Uniqueness of Operational Goals and Authority

- The Division was created to administer and enforce all licensing laws (Utah Code § 58-1-103).
- Alarm company and agent licensing is solely administered by the Division with guidance from the Board.
- The Board is the only board advising the Division specifically on matters relating to alarm companies and agents.

(e) Alignment with Public Benefit

- **Technological Development**
 - Internet proliferation advanced burglar alarm technology rapidly over the last 25 years.
 - New advances in AI suggest that the industry's technologic evolution will continue for the foreseeable future.
 - The Board keeps the Division abreast of new technology and helps the Division formulate proper regulatory responses.
- **Criminal Background Reviews and Enforcement**
 - Criminal background checks are required for new licensees.
 - Division policies typically determine whether license denial is appropriate.
 - When ambiguity arises, the Division relies on Board input.
 - The Board advises on penalties, precedent for misrepresentation (including in sales literature), and criminal history.

(f) Adverse Impact of Termination

- Without the Board's advisory function, the Division may fall behind a rapidly changing industry—leading to outdated and ineffective regulation and enforcement, especially with recent advances in technology and AI.

(g) Other Matters Relevant to the Review

- Every alarm company must employ a “qualifying agent” to be in responsible charge of the day-to-day activities of the company.
- The Board interviews individuals seeking to act as qualifying agents to ensure adequate oversight of each alarm company and no conflicts of interest are present.
- This oversight increases competition and mitigates the risk of monopoly.