Effective 1/1/2027

Chapter 94
Alarm Company Licensing Act

Effective 1/1/2027

Part 1
General Provisions

Effective 1/1/2027

58-94-101 Definitions.

As used in this chapter:

(1)
(a) "Alarm company" means a person that installs, maintains, alters, repairs, replaces, services, or monitors an alarm system.
(b) "Alarm company" does not include:
(i) a person that manufactures or sells an alarm system unless:
(A) that person installs, maintains, alters, repairs, replaces, services, or monitors the alarm system;
(B) the manufacture or sale occurs at a location other than the person's established place of business; or
(C) the manufacture or sale involves a site visit where the alarm system will be installed; or
(ii) the owner of an alarm system, or an employee of the owner of an alarm system, who installs, maintains, alters, repairs, replaces, services, or monitors the alarm system.

(2)
(a) "Alarm company agent" means an individual that an alarm company employs within this state that sells, installs, maintains, alters, repairs, replaces, services, or monitors an alarm system.
(b) "Alarm company agent" does not include an individual who does not use or have access to sensitive alarm system information.

(3) "Alarm company officer" means:
(a) a governing person, as defined in Section 16-20-101, of an alarm company;
(b) an individual appointed as an officer of an alarm company that is a corporation in accordance with Section 16-10a-830;
(c) a general partner, as defined in Section 16-19-101, of an alarm company; or
(d) a partner, as defined in Section 16-18-101, of an alarm company.

(4) "Alarm company owner" means:
(a) a shareholder, as defined in Section 16-10a-102, who owns directly, or indirectly through an entity controlled by the individual, 5% or more of the outstanding shares of an alarm company that:
(i) is a corporation; and
(ii) is privately owned; or
(b) an individual who owns directly, or indirectly through an entity controlled by the individual, 5% or more of the equity of an alarm company that is not a corporation.

(5) "Alarm company proprietor" means the sole proprietor of an alarm company that is registered as a sole proprietorship with the Division of Corporations and Commercial Code.

(6) "Alarm company trustee" means a person with control of or power of administration over an alarm company held in trust.

(7)

(a) "Alarm system" means equipment for detecting and signaling unauthorized intrusion or entry into or onto a protected premises.
(b) "Alarm system" includes a battery-charged suspended-wire system or fence that interfaces with an alarm system.
(8) "Board" means the Alarm System Security and Licensing Board created in Section 58-94-201.
(9) "Control position" means a person that exercises direct or indirect control over an entity.
(10) "Control position" includes:
(a) a corporate officer or a director;
(b) a shareholder who owns 25% or more of the stock;
(c) a partner or a member; and
(d) a qualifier.
(11) "Employee" means an individual the division defines by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, giving consideration to the definition adopted by the Internal Revenue Service and the Department of Workforce Services.
(12) "Qualifier" means the individual who has the license that allows an alarm company to engage as a licensed alarm company.
(13) "Responsible management personnel" means:
(a) a qualifier;
(b) an operations manager; or
(c) a site manager.
(14) "Sensitive alarm system information" means:
(a) a passcode or other code used in the operation of an alarm system;
(b) the location of alarm system components at the premises of a customer of the alarm company providing the alarm system;
(c) information that would allow the compromise of an alarm system of a customer of the alarm company providing the alarm system; or
(d) other similar information that the division by rule determines to be information that an individual an alarm company employs should use or have access to only if the individual is licensed in accordance with this chapter.
(15) "Substance use disorder" means the same as that term is defined in the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.
(16) "Unlawful conduct" means the same as that term is defined in Sections 58-1-501 and 58-94-501.
(17) "Unprofessional conduct" means the same as that term is defined in Sections 58-1-501 and 58-94-502 and as may be further defined by rule.
(18) "Wages" means amounts due to an employee for labor or services whether the amount is fixed or ascertained on a time, task, piece, commission, or other basis for calculating the amount.

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58-94-102 Surcharge.
(1)
(a) The division shall collect a $1 surcharge from each applicant for an initial license, a renewal of a license, or a reinstatement of a license.

(b) The surcharge described in Subsection (1)(a) is in addition to other fees this chapter or the division authorizes in accordance with Section 63J-1-504.

(2)

(a) The division shall deposit the surcharge into the General Fund as a dedicated credit.

(b) The division shall use the dedicated credits to provide a licensee with access to an internet-based library of national, state, and local building codes and standards.

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58-94-103 Proof of licensure to begin or maintain litigation.

An alarm company may not bring or maintain a court action to collect compensation for work requiring a license under this chapter unless the alarm company alleges and proves that the alarm company held the required license:

(1) when entering into the contract; and

(2) when the cause of action arose.

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Part 2
Board

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58-94-201 Board.

(1)

(a) There is created the Alarm System Security and Licensing Board consisting of the following members:

(i) three individuals who are alarm company officers or alarm company owners;

(ii) one individual from among nominees of the Utah Peace Officers Association; and

(iii) one individual who is a member of the general public and who has never been an alarm company owner, an alarm company officer, or an alarm company agent.

(b) The Alarm System Security and Licensing Board shall designate a member to:

(i) assist the division in reviewing complaints concerning the unlawful or unprofessional conduct of a licensee; and

(ii) advise the division in the division's investigation of complaints.

(c) A board member who advises in the investigation of a complaint is disqualified from participating with the board when the board serves as a presiding officer in an adjudicative proceeding concerning the complaint.

(2) The duties, functions, and responsibilities of the board include:

(a) recommending rules;

(b) recommending policy and budgetary matters;

(c) approving and establishing a passing score for applicant examinations;

(d) overseeing the screening of applicants for licensing, renewal, reinstatement, and relicensure;

(e) establishing standards of supervision for students or individuals in training to qualify for a license as an alarm company or as an alarm company agent; and

(f) acting as the presiding officer in conducting a hearing associated with an adjudicative proceeding and in issuing recommended orders.

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Part 3
Licensing

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58-94-301 License required -- License classifications -- Scope.

(1)
(a) A person shall obtain a license under this chapter before engaging as an alarm company or an alarm company agent unless the person is exempt from licensure under Section 58-1-307 or 58-94-306.
(b) The only licenses required for the licensee to engage as an alarm company or an alarm company agent are:
(i) a license issued under this chapter; and
(ii) a business license from the local jurisdiction where the licensee maintains the licensee's principal place of business.
(c) The state or a political subdivision may not impose additional requirements on a licensee to do business except:
(i) contract prequalification procedures a state agency requires; or
(ii) the payment of fees a local jurisdiction makes as a condition for doing business.

(2) The division shall issue a license under this chapter to a qualified person in the following classifications:
(a) alarm company; or
(b) alarm company agent.

(3) The installation, repair, maintenance, or replacement of a battery-charged suspended-wire system or fence requires licensure under this chapter when the battery-charged suspended-wire system or fence:
(a) is part of and interfaces with an alarm system for the purposes of detecting and deterring unauthorized intrusion or entry into or onto certain premises;
(b) is located on property that is not designated by a municipality or county for residential use;
(c) is driven by a commercial storage battery that provides no more than 12 volts of direct current;
(d) is capable of producing an electric charge on contact that does not exceed energizer characteristics set for electric fence energizers by the International Electrotechnical Commission;
(e) is surrounded by a nonelectric perimeter fence or wall that is at least five feet in height;
(f) is not more than the higher of:
(i) two feet higher than the height of the nonelectric perimeter fence or wall; or
(ii) 10 feet in height;
(g) is marked with conspicuous warning signs that are located on the battery-charged suspended-wire system or fence at no more than 30-foot intervals and that read "WARNING -- ELECTRIC FENCE"; and

(h) meets rules related to battery-charged suspended-wire systems or fences that the division adopts with the board's concurrence and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

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58-94-302 Licensee names -- License number use -- Qualifier.

(1) The division may not issue a license in a name that the division determines may result in confusion for the name of another licensee.

(2) Except as provided in Subsection (1), the division shall issue a license in the name of an alarm company if the alarm company applicant meets the requirements under this chapter.

(3) The division shall require the alarm company's license number on permit applications, contracts, agreements, or bids that require a license.

(4)

(a) The division shall require an alarm company to have a qualifier.

(b) An individual acting as a qualifier for an alarm company shall demonstrate to the division that the individual is an alarm company officer, an alarm company owner, or manager of the alarm company who exercises material authority in the conduct of the alarm company by:

(i) making substantive technical and administrative decisions relating to the work performed for which a license under this chapter is required;

(ii) hiring, promoting, transferring, laying off, disciplining, directing, or discharging employees of the alarm company; and

(iii) avoiding involvement in other employment or activity that conflict with the individual's duties and responsibilities to ensure the licensee does not jeopardize the public health, safety, and welfare.

(5)

(a) The division may take action against:

(i) an individual licensee that violates the requirements of this section;

(ii) a contractor licensee if the qualifier or contractor licensee violates the requirements of this section; and

(iii) a qualifier if the qualifier or contractor licensee violates the requirements of this section.

(b) The division may consider failure to comply with the requirements of this section to be unprofessional conduct by the licensee, the qualifier, or both.

(6)

(a) If a qualifier for an alarm company ceases association with the alarm company, the alarm company shall notify the division in writing within 10 days after the day on which the association ceases.

(b) If notice is given, the alarm company's license shall remain in force for 60 days after the day on which the association ceases.

(c) The division shall suspend the alarm company's license if the alarm company does not replace the original qualifier with another qualifier within the 60-day period.

(7) The division may suspend the alarm company's license if the alarm company does not notify the division of cessation of association of a qualifier.

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58-94-303 Term of license -- Expiration -- Renewal and reinstatement.

(1)
(a) The division shall issue a license for a term of two years as the division establishes by rule the division makes in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
(b) The division may extend or shorten a license term by up to one year to stagger renewals as the division determines by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(2)
(a) The division shall renew or reinstate an individual license after the applicant:
(i) submits an application in the individual's name; and
(ii) meets all other requirements of this chapter.
(b) The division shall renew or reinstate an alarm company's license after the applicant:
(i) submits the application in the name of and on behalf of an alarm company;
(ii) lists the individual acting as the qualifier for the alarm company;
(iii) provides evidence that the qualifier has passed the required examination; and
(iv) meets all other requirements of this chapter.

(3) Each license expires on the expiration date shown on the license.

(4) In addition to requirements imposed by law, an applicant applying for reinstatement of a license the division suspended or revoked shall:
(a) pay fines the division imposes; and
(b) resolve outstanding citations or disciplinary actions with the division.

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58-94-304 Qualifications for licensure.

(1) Each applicant for a license as an alarm company shall:
(a) submit an application the division approves;
(b) pay the fee the division determines in accordance with Section 63J-1-504;
(c) have a qualifier who:
(i) is an alarm company officer, alarm company owner, alarm company proprietor, alarm company trustee, or other responsible management personnel;
(ii) demonstrates 6,000 hours of experience in the alarm company business;
(iii) demonstrates 2,000 hours of experience as a manager or administrator in the alarm company business or in a construction business;
(iv) passes an examination the division makes in collaboration with the board;
(v) requires that each alarm company officer, alarm company owner, alarm company proprietor, alarm company trustee, and responsible management personnel with direct responsibility for managing operations of the applicant within the state:
(A) provide the individual's name, address, date of birth, social security number, and fingerprints to the division;
(B) consent to, and complete, a criminal background check, described in Section 58-1-301.5;
(C) meet background check standards the division makes by rule under Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and
(D) disclose criminal history the division requests on a form the division approves;
(vi) documents that none of the individuals described in Subsection (1)(c)(v):

(A) are declared by a court with jurisdiction incompetent by reason of mental defect or disease and not been restored; or
(B) are currently suffering from a substance use disorder;
(vii) files and maintains with the division evidence of:
(A) comprehensive general liability insurance in form and in amounts the division determines by rule made in collaboration with the board in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
(B) workers' compensation insurance that covers employees of the applicant in accordance with applicable Utah law; and
(C) registration as is required by applicable law with the Division of Corporations and Commercial Code, the Unemployment Insurance Division in the Department of Workforce Services for purposes of Title 35A, Chapter 4, Employment Security Act, the State Tax Commission, and the Internal Revenue Service; and
(viii) meets with the division and board if the division or the board requests.
(2) Each applicant for a license as an alarm company agent shall:
(a) submit an application in a form the division approves;
(b) submit fingerprints in a form the division approves;
(c) pay the fee the division determines in accordance with Section 63J-1-504;
(d) consent to and complete a criminal background check described in Section 58-1-301.5;
(e) meet background check standards the division makes by rule under Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
(f) disclose criminal history the division requests on a form the division approves;
(g) attest the applicant has not been declared by a court with jurisdiction incompetent by reason of mental defect or disease and not been restored;
(h) attest the applicant is not currently suffering from a substance use disorder; and
(i) meet with the division and board if the division or the board requests.
(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division may make rules establishing when the division shall check Federal Bureau of Investigation records for an alarm company or an alarm company agent applicant under this section and Section 58-1-301.5.
(4)
(a) The division shall deny an application for licensure under this chapter if:
(i) the applicant has had a previous license issued under this chapter suspended or revoked within two years before the date of the applicant's application;
(ii)
(A) the applicant is a partnership, corporation, or limited liability company; and
(B) a person that serves the applicant entity in a control position previously served in a control position for an entity that held a license the division suspended or revoked less than two years before the date of the application; or
(iii)
(A) the applicant is an individual or sole proprietorship; and
(B) any person that served in a control position in any entity which has had a previous license, which was issued under this chapter, suspended or revoked within two years before the date of the applicant's application.
(b) The board shall review an application for licensure under this chapter before approval if:
(i) the applicant has had a previous license, which was issued under this chapter, suspended or revoked more than two years before the date of the applicant's application;
(ii)

(A) the applicant is a partnership, corporation, or limited liability company; and
(B) a person that serves the applicant entity in a control position previously served in a control position for an entity that held a license the division suspended or revoked less than two years before the date of the application; or
(iii)
(A) the applicant is an individual or sole proprietorship; and
(B) a person that serves the applicant entity in a control position previously served in a control position for an entity that held a license that the division suspended or revoked two years or more before the date of the application.

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58-94-305 Evidence of licensure.

An individual licensed as an alarm company agent shall:
(1) carry a copy of the individual's license issued under this chapter on the individual's person while engaging in an activity for which this chapter requires a license; and
(2) display the license upon the request of a peace officer, a representative of the division, or a representative of a customer of the alarm company.

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58-94-306 Exemptions from licensure.

In addition to the exemptions from licensure in Section 58-1-307, an individual may engage as an alarm company agent without a license if the individual is:
(1) the owner of an alarm system; or
(2) an employee of the owner of an alarm system.

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58-94-307 Temporary permits for alarm company agents.

(1) The division may issue a temporary permit to an applicant for licensure as an alarm company agent if:
(a) the division has received a background check on the applicant from the Bureau of Criminal Identification;
(b)
(i) the applicant is or will be employed at a call center, office, or administrative facility of an alarm company; and
(ii) the applicant's only contact with a customer or potential customer of the alarm company is from the call center, office, or administrative facility; and
(c) the alarm company by which the applicant is or will be employed affirms in writing to the division that the applicant will act only within the scope of the temporary license, as provided in Subsection (1)(b).
(2) A temporary license shall expire on the earlier of:
(a) 90 days after the day on which the division issues the temporary permit;

(b) the date on which the individual to whom the division issues the temporary license leaves the employment of the alarm company in Subsection (1)(b); or
(c) the date on which the division issues a license to the applicant or denies the applicant's application.

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Part 4
License Denial And Discipline

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58-94-401 Investigation of regulated activity.

(1) The division is responsible for the investigation of a person or an activity that violates a provision of this chapter.
(2) A division investigation may include:
(a) a licensee allegedly engaged in unlawful or unprofessional conduct; or
(b) an unlicensed person allegedly engaged in an activity this chapter regulates and for which the division requires a license.
(3) The division shall decline to proceed with investigation of the violation of a provision of this chapter if the division finds there is no apparent material jeopardy to the public health, safety, and welfare.

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Part 5
Unlawful And Unprofessional Conduct

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58-94-501 Unlawful conduct.

A person engages in unlawful conduct if the person:
(1) acts as or represents that the person may act as an alarm company or alarm company agent without holding a license or qualifying for an exemption;
(2) acts as an alarm company beyond the scope of the license the person holds;
(3) willfully or deliberately misrepresents or omits a material fact when applying to obtain or renew a license;
(4) allows another person to use the person's license, except as permitted by statute or rule;
(5) does business under a name other than the name on the license, unless statute or rule allows otherwise;
(6) employs an unlicensed alarm company or an unlicensed individual as an alarm company agent, except as allowed under Section 58-1-307;
(7) files fingerprints with the division that do not belong to the applicant or are false or fraudulent with intent to mislead the division during the licensure process;

(8) allows an employee with a temporary license under Section 58-94-307 to act outside the scope of the temporary license; or
(9) as an alarm company agent with a temporary license under Section 58-94-307, acts outside the scope of the temporary license.

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58-94-502 Penalty for unlawful conduct.

An individual commits a class A misdemeanor by:
(1) violating Subsections 58-91-501(1) through (4), or Subsections 58-91-501(6) through (9); or
(2) failing to comply with a final citation issued under this section.

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58-94-503 Unprofessional conduct.

A person engages in unprofessional conduct if the person:
(1) commits, causes, or directs a willful, fraudulent, or deceitful act that causes material injury to another person;
(2) commits a contract violation that threatens or potentially threatens the public health, safety, or welfare, including when the person fails to deposit funds for the benefit of an employee as required under a written contractual obligation;
(3) as an alarm company, fails to notify the division when the company's qualifier ceases to perform or fails to replace the qualifier as required under Subsection 58-91-303(6);
(4) as an alarm company agent, fails to carry or display a copy of the agent's license as required under Section 58-94-305;
(5) fails to comply with operating standards the division makes by rule;
(6) as an alarm company or alarm company agent, fails to inform a potential customer, before the customer purchases an alarm system or alarm service, about the policy of the county, city, or town where the customer resides about priority levels for responding to alarm signals transmitted by the alarm system; or
(7) fails to continuously maintain insurance and registration as required under Subsection 304(1)(c)(vii).

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58-94-504 Citations -- Fines -- License suspension-- License revocation.

(1) As used in this section, "qualifying violation" means a violation of:
  (a) Subsections 58-91-501(1) through (4), Subsection 58-91-501(6), or Subsections 58-91-501(8) through (9); or
  (b) Subsection 58-91-503(1).
(2)
  (a) If an investigation shows a person committed a qualifying violation, or broke a related rule or order the division issued regarding a qualifying violation, the division shall:
    (i) issue a citation;
    (ii) attempt a stipulated settlement; or

(iii) require the person to appear in an adjudicative proceeding under Title 63G, Chapter 4, Administrative Procedures Act.

(b) The division may assess a fine and issue a cease-and-desist order based on:

(i) an uncontested citation;

(ii) a stipulated settlement; or

(iii) a violation finding in an adjudicative proceeding.

(3)

(a) Each citation shall:

(i) be in writing;

(ii) describe the violation with specific reference to statute, rule, or order;

(iii) instruct the recipient to request a hearing in writing within 20 calendar days after the day on which the citation is issued if the recipient contests; and

(iv) state the consequences of failing to contest or pay fines.

(b) The division may serve the citation:

(i) according to the Utah Rules of Civil Procedure;

(ii) in person or via an agent; or

(iii) by mail.

(c) If the recipient does not request a hearing within 20 calendar days after the day on which the citation is issued, the citation becomes a final division order.

(d) The division may extend the 20-calendar day period for cause.

(4)

(a) The division may refuse to issue or renew, suspend, revoke, or place on probation the license of a person that does not comply with a final citation.

(b) The division may deny licensure after the applicant fails to comply with a final citation.

(c) The division shall issue a citation within one year of the reported violation.

(5) The director or designee shall assess a fine for a qualifying violation as follows:

(a) first offense: up to $1,000;

(b) for second offense: up to $2,000; and

(c) additional offenses: up to $2,000 per day of continued offense.

(6)

(a) The division considers a violation a second or subsequent offense if:

(i) a prior final order established a qualifying violation; or

(ii) the division initiated an action for a prior offense and later finds a second violation during a new investigation before resolving the initial case.

(b) The division shall follow this section when issuing final orders for repeated violations.

(7) If five or more years pass between violations, the division may not treat a new violation as a subsequent violation.

(8) The division may treat each instance of the same type of violation under Section 58-94-501 as a separate offense and may impose a separate penalty for each.

(9) The division may immediately suspend a license if:

(a) the licensee receives a citation for violating Section 58-94-501; or

(b) the licensee fails to:

(i) apply for a new license for a new classification or business structure; or

(ii) notify the division of a change in qualifier.

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