

**ALARM COMPANY EMPLOYEE LICENSING**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: John L. Valentine

---

---

**LONG TITLE**

**Committee Note:**

The Business and Labor Interim Committee recommended this bill.

**General Description:**

This bill modifies provisions relating to the licensing of alarm company employees.

**Highlighted Provisions:**

This bill:

- ▶ modifies the definition of "alarm company agent" to exclude certain alarm company employees from licensing requirements; and
- ▶ enacts a definition of "sensitive alarm system information."

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

**AMENDS:**

**58-55-102**, as last amended by Laws of Utah 2012, Chapter 25

---

---

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **58-55-102** is amended to read:

**58-55-102. Definitions.**



28 In addition to the definitions in Section 58-1-102, as used in this chapter:

29 (1) (a) "Alarm business or company" means a person engaged in the sale, installation,  
30 maintenance, alteration, repair, replacement, servicing, or monitoring of an alarm system,  
31 except as provided in Subsection (1)(b).

32 (b) "Alarm business or company" does not include:

33 (i) a person engaged in the manufacture and sale of alarm systems when that person is  
34 not engaged in the installation, maintenance, alteration, repair, replacement, servicing, or  
35 monitoring of alarm systems, and the manufacture or sale occurs only at a place of business  
36 established by the person engaged in the manufacture or sale and does not involve site visits at  
37 the place or intended place of installation of an alarm system; or

38 (ii) an owner of an alarm system, or an employee of the owner of an alarm system who  
39 is engaged in installation, maintenance, alteration, repair, replacement, servicing, or monitoring  
40 of the alarm system owned by that owner.

41 (2) "Alarm company agent":

42 (a) except as provided in Subsection (2)(b), means any individual employed within this  
43 state by [a person engaged in the] an alarm business[-]; and

44 (b) does not include an individual who:

45 (i) is not engaged in the sale, installation, maintenance, alteration, repair, replacement,  
46 servicing, or monitoring of an alarm system; and

47 (ii) does not, during the normal course of the individual's employment with an alarm  
48 business, use or have access to sensitive alarm system information.

49 (3) "Alarm system" means equipment and devices assembled for the purpose of:

50 (a) detecting and signaling unauthorized intrusion or entry into or onto certain  
51 premises; or

52 (b) signaling a robbery or attempted robbery on protected premises.

53 (4) "Apprentice electrician" means a person licensed under this chapter as an  
54 apprentice electrician who is learning the electrical trade under the immediate supervision of a  
55 master electrician, residential master electrician, a journeyman electrician, or a residential  
56 journeyman electrician.

57 (5) "Apprentice plumber" means a person licensed under this chapter as an apprentice  
58 plumber who is learning the plumbing trade under the immediate supervision of a master

59 plumber, residential master plumber, journeyman plumber, or a residential journeyman  
60 plumber.

61 (6) "Approved continuing education" means instruction provided through courses  
62 under a program established under Subsection 58-55-302.5(2).

63 (7) "Board" means the Electrician Licensing Board, Alarm System Security and  
64 Licensing Board, or Plumbers Licensing Board created in Section 58-55-201.

65 (8) "Combustion system" means an assembly consisting of:

66 (a) piping and components with a means for conveying, either continuously or  
67 intermittently, natural gas from the outlet of the natural gas provider's meter to the burner of the  
68 appliance;

69 (b) the electric control and combustion air supply and venting systems, including air  
70 ducts; and

71 (c) components intended to achieve control of quantity, flow, and pressure.

72 (9) "Commission" means the Construction Services Commission created under Section  
73 58-55-103.

74 (10) "Construction trade" means any trade or occupation involving:

75 (a) (i) construction, alteration, remodeling, repairing, wrecking or demolition, addition  
76 to, or improvement of any building, highway, road, railroad, dam, bridge, structure, excavation  
77 or other project, development, or improvement to other than personal property; and

78 (ii) constructing, remodeling, or repairing a manufactured home or mobile home as  
79 defined in Section 15A-1-302; or

80 (b) installation or repair of a residential or commercial natural gas appliance or  
81 combustion system.

82 (11) "Construction trades instructor" means a person licensed under this chapter to  
83 teach one or more construction trades in both a classroom and project environment, where a  
84 project is intended for sale to or use by the public and is completed under the direction of the  
85 instructor, who has no economic interest in the project.

86 (12) (a) "Contractor" means any person who for compensation other than wages as an  
87 employee undertakes any work in the construction, plumbing, or electrical trade for which  
88 licensure is required under this chapter and includes:

89 (i) a person who builds any structure on the person's own property for the purpose of

90 sale or who builds any structure intended for public use on the person's own property;

91 (ii) any person who represents that the person is a contractor by advertising or any  
92 other means;

93 (iii) any person engaged as a maintenance person, other than an employee, who  
94 regularly engages in activities set forth under the definition of "construction trade";

95 (iv) any person engaged in any construction trade for which licensure is required under  
96 this chapter; or

97 (v) a construction manager who performs management and counseling services on a  
98 construction project for a fee.

99 (b) "Contractor" does not include an alarm company or alarm company agent.

100 (13) (a) "Electrical trade" means the performance of any electrical work involved in the  
101 installation, construction, alteration, change, repair, removal, or maintenance of facilities,  
102 buildings, or appendages or appurtenances.

103 (b) "Electrical trade" does not include:

104 (i) transporting or handling electrical materials;

105 (ii) preparing clearance for raceways for wiring; or

106 (iii) work commonly done by unskilled labor on any installations under the exclusive  
107 control of electrical utilities.

108 (c) For purposes of Subsection (13)(b):

109 (i) no more than one unlicensed person may be so employed unless more than five  
110 licensed electricians are employed by the shop; and

111 (ii) a shop may not employ unlicensed persons in excess of the five-to-one ratio  
112 permitted by this Subsection (13)(c).

113 (14) "Elevator" has the same meaning as defined in Section 34A-7-202, except that for  
114 purposes of this chapter it does not mean a stair chair, a vertical platform lift, or an incline  
115 platform lift.

116 (15) "Elevator contractor" means a sole proprietor, firm, or corporation licensed under  
117 this chapter that is engaged in the business of erecting, constructing, installing, altering,  
118 servicing, repairing, or maintaining an elevator.

119 (16) "Elevator mechanic" means an individual who is licensed under this chapter as an  
120 elevator mechanic and who is engaged in erecting, constructing, installing, altering, servicing,

121 repairing, or maintaining an elevator under the immediate supervision of an elevator contractor.

122 (17) "Employee" means an individual as defined by the division by rule giving  
123 consideration to the definition adopted by the Internal Revenue Service and the Department of  
124 Workforce Services.

125 (18) "Engage in a construction trade" means to:

126 (a) engage in, represent oneself to be engaged in, or advertise oneself as being engaged  
127 in a construction trade; or

128 (b) use the name "contractor" or "builder" or in any other way lead a reasonable person  
129 to believe one is or will act as a contractor.

130 (19) (a) "Financial responsibility" means a demonstration of a current and expected  
131 future condition of financial solvency evidencing a reasonable expectation to the division and  
132 the board that an applicant or licensee can successfully engage in business as a contractor  
133 without jeopardy to the public health, safety, and welfare.

134 (b) Financial responsibility may be determined by an evaluation of the total history  
135 concerning the licensee or applicant including past, present, and expected condition and record  
136 of financial solvency and business conduct.

137 (20) "Gas appliance" means any device that uses natural gas to produce light, heat,  
138 power, steam, hot water, refrigeration, or air conditioning.

139 (21) (a) "General building contractor" means a person licensed under this chapter as a  
140 general building contractor qualified by education, training, experience, and knowledge to  
141 perform or superintend construction of structures for the support, shelter, and enclosure of  
142 persons, animals, chattels, or movable property of any kind or any of the components of that  
143 construction except plumbing, electrical work, mechanical work, work related to the operating  
144 integrity of an elevator, and manufactured housing installation, for which the general building  
145 contractor shall employ the services of a contractor licensed in the particular specialty, except  
146 that a general building contractor engaged in the construction of single-family and multifamily  
147 residences up to four units may perform the mechanical work and hire a licensed plumber or  
148 electrician as an employee.

149 (b) The division may by rule exclude general building contractors from engaging in the  
150 performance of other construction specialties in which there is represented a substantial risk to  
151 the public health, safety, and welfare, and for which a license is required unless that general

152 building contractor holds a valid license in that specialty classification.

153 (22) (a) "General engineering contractor" means a person licensed under this chapter as  
154 a general engineering contractor qualified by education, training, experience, and knowledge to  
155 perform construction of fixed works in any of the following: irrigation, drainage, water, power,  
156 water supply, flood control, inland waterways, harbors, railroads, highways, tunnels, airports  
157 and runways, sewers and bridges, refineries, pipelines, chemical and industrial plants requiring  
158 specialized engineering knowledge and skill, piers, and foundations, or any of the components  
159 of those works.

160 (b) A general engineering contractor may not perform construction of structures built  
161 primarily for the support, shelter, and enclosure of persons, animals, and chattels.

162 (23) "Immediate supervision" means reasonable direction, oversight, inspection, and  
163 evaluation of the work of a person:

164 (a) as the division specifies in rule;

165 (b) by, as applicable, a qualified electrician or plumber;

166 (c) as part of a planned program of training; and

167 (d) to ensure that the end result complies with applicable standards.

168 (24) "Individual" means a natural person.

169 (25) "Journeyman electrician" means a person licensed under this chapter as a  
170 journeyman electrician having the qualifications, training, experience, and knowledge to wire,  
171 install, and repair electrical apparatus and equipment for light, heat, power, and other purposes.

172 (26) "Journeyman plumber" means a person licensed under this chapter as a  
173 journeyman plumber having the qualifications, training, experience, and technical knowledge  
174 to engage in the plumbing trade.

175 (27) "Master electrician" means a person licensed under this chapter as a master  
176 electrician having the qualifications, training, experience, and knowledge to properly plan,  
177 layout, and supervise the wiring, installation, and repair of electrical apparatus and equipment  
178 for light, heat, power, and other purposes.

179 (28) "Master plumber" means a person licensed under this chapter as a master plumber  
180 having the qualifications, training, experience, and knowledge to properly plan and layout  
181 projects and supervise persons in the plumbing trade.

182 (29) "Person" means a natural person, sole proprietorship, joint venture, corporation,

183 limited liability company, association, or organization of any type.

184 (30) (a) "Plumbing trade" means the performance of any mechanical work pertaining to  
185 the installation, alteration, change, repair, removal, maintenance, or use in buildings, or within  
186 three feet beyond the outside walls of buildings of pipes, fixtures, and fittings for:

187 (i) delivery of the water supply;

188 (ii) discharge of liquid and water carried waste; or

189 (iii) the building drainage system within the walls of the building.

190 (b) "Plumbing trade" includes work pertaining to the water supply, distribution pipes,  
191 fixtures and fixture traps, soil, waste and vent pipes, and the building drain and roof drains  
192 together with their devices, appurtenances, and connections where installed within the outside  
193 walls of the building.

194 (31) (a) "Ratio of apprentices" means, for the purpose of determining compliance with  
195 the requirements for planned programs of training and electrician apprentice licensing  
196 applications, the shop ratio of apprentice electricians to journeyman or master electricians shall  
197 be one journeyman or master electrician to one apprentice on industrial and commercial work,  
198 and one journeyman or master electrician to three apprentices on residential work.

199 (b) On-the-job training shall be under circumstances in which the ratio of apprentices  
200 to supervisors is in accordance with a ratio of one-to-one on nonresidential work and up to  
201 three apprentices to one supervisor on residential projects.

202 (32) "Residential and small commercial contractor" means a person licensed under this  
203 chapter as a residential and small commercial contractor qualified by education, training,  
204 experience, and knowledge to perform or superintend the construction of single-family  
205 residences, multifamily residences up to four units, and commercial construction of not more  
206 than three stories above ground and not more than 20,000 square feet, or any of the components  
207 of that construction except plumbing, electrical work, mechanical work, and manufactured  
208 housing installation, for which the residential and small commercial contractor shall employ  
209 the services of a contractor licensed in the particular specialty, except that a residential and  
210 small commercial contractor engaged in the construction of single-family and multifamily  
211 residences up to four units may perform the mechanical work and hire a licensed plumber or  
212 electrician as an employee.

213 (33) "Residential building," as it relates to the license classification of residential

214 journeyman plumber and residential master plumber, means a single or multiple family  
215 dwelling of up to four units.

216 (34) "Residential journeyman electrician" means a person licensed under this chapter  
217 as a residential journeyman electrician having the qualifications, training, experience, and  
218 knowledge to wire, install, and repair electrical apparatus and equipment for light, heat, power,  
219 and other purposes on buildings using primarily nonmetallic sheath cable.

220 (35) "Residential journeyman plumber" means a person licensed under this chapter as a  
221 residential journeyman plumber having the qualifications, training, experience, and knowledge  
222 to engage in the plumbing trade as limited to the plumbing of residential buildings.

223 (36) "Residential master electrician" means a person licensed under this chapter as a  
224 residential master electrician having the qualifications, training, experience, and knowledge to  
225 properly plan, layout, and supervise the wiring, installation, and repair of electrical apparatus  
226 and equipment for light, heat, power, and other purposes on residential projects.

227 (37) "Residential master plumber" means a person licensed under this chapter as a  
228 residential master plumber having the qualifications, training, experience, and knowledge to  
229 properly plan and layout projects and supervise persons in the plumbing trade as limited to the  
230 plumbing of residential buildings.

231 (38) "Residential project," as it relates to an electrician or electrical contractor, means  
232 buildings primarily wired with nonmetallic sheathed cable, in accordance with standard rules  
233 and regulations governing this work, including the National Electrical Code, and in which the  
234 voltage does not exceed 250 volts line to line and 125 volts to ground.

235 (39) "Sensitive alarm system information" means:

236 (a) a pass code or other code used in the operation of an alarm system;

237 (b) information on the location of alarm system components at the premises of a  
238 customer of the alarm business providing the alarm system;

239 (c) information that would allow the circumvention, bypass, deactivation, or other  
240 compromise of an alarm system of a customer of the alarm business providing the alarm  
241 system; and

242 (d) any other similar information that the division by rule determines to be information  
243 that an individual employed by an alarm business should use or have access to only if the  
244 individual is licensed as provided in this chapter.



245            [~~(39)~~] (40) (a) "Specialty contractor" means a person licensed under this chapter under  
246 a specialty contractor classification established by rule, who is qualified by education, training,  
247 experience, and knowledge to perform those construction trades and crafts requiring  
248 specialized skill, the regulation of which are determined by the division to be in the best  
249 interest of the public health, safety, and welfare.

250            (b) A specialty contractor may perform work in crafts or trades other than those in  
251 which the specialty contractor is licensed if they are incidental to the performance of the  
252 specialty contractor's licensed craft or trade.

253            [~~(40)~~] (41) "Unincorporated entity" means an entity that is not:

- 254            (a) an individual;
- 255            (b) a corporation; or
- 256            (c) publicly traded.

257            [~~(41)~~] (42) "Unlawful conduct" is as defined in Sections 58-1-501 and 58-55-501.

258            [~~(42)~~] (43) "Unprofessional conduct" is as defined in Sections 58-1-501 and 58-55-502  
259 and as may be further defined by rule.

260            [~~(43)~~] (44) "Wages" means amounts due to an employee for labor or services whether  
261 the amount is fixed or ascertained on a time, task, piece, commission, or other basis for  
262 calculating the amount.

---

---

**Legislative Review Note**  
as of 9-20-12 8:03 AM

**Office of Legislative Research and General Counsel**