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# Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, Tennessee Code Annotated, Section 4-5-204. For questions and copies of the notice, contact the person listed below.

<b>Agency/Board/Commission:</b>	Tennessee Alarm Systems Contractors Board
<b>Division:</b>	Division of Regulatory Boards Department of Commerce and Insurance
<b>Contact Person:</b>	Andrew H. Simpson
<b>Address:</b>	Davy Crockett Tower, 5 <sup>th</sup> Floor 500 James Robertson Pkwy. Nashville, Tennessee 37243
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Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

<b>ADA Contact:</b>	Don Coleman
<b>Address:</b>	500 James Robertson Pkwy., Davy Crockett Tower, 5 <sup>th</sup> Floor.
<b>Phone:</b>	(615) 741-0481
<b>Email:</b>	Don.coleman@tn.gov

**Hearing Location(s)** (for additional locations, copy and paste table)

<b>Address 1:</b>	710 James Robertson Parkway, Andrew Johnson Tower		
<b>Address 2:</b>	2 <sup>nd</sup> Floor Conference Room		
<b>City:</b>	Nashville		
<b>Zip:</b>	37243		
<b>Hearing Date :</b>	2/24/2011		
<b>Hearing Time:</b>	9:00 A.M.	<input checked="" type="checkbox"/> X CST	<input type="checkbox"/> EST

**Additional Hearing Information:**

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**Revision Type (check all that apply):**

- Amendment  
 New  
 Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0090-01	General Provisions
Rule Number	Rule Title
0090-01-.02	Definitions
0090-01-.03	Restrictions and Exclusions
0090-01-.05	Employee Registration Requirements

0090-01-.06	Qualifying Agent Requirements
0090-01-.07	Alarm Systems Contractor Requirements
0090-01-.08	Insurance Requirements
0090-01-.10	Renewal of Certification and License
0090-01-.12	Fingerprinting

<b>Chapter Number</b>	<b>Chapter Title</b>
0090-05	Continuing Education
<b>Rule Number</b>	<b>Rule Title</b>
0090-05-.01	Continuing Education Requirements

Chapter 0090-01  
General Provisions

Amendments

Rule 0090-01-.02 Definitions is amended by deleting the text of the rule in its entirety and substituting instead the following language so that, as amended, the rule shall read:

Rule 0090-01-.02 Definitions

- (1) **ACCESS CONTROL** – Electronic, electrical, or computer-based devices, designed to detect or signal an alarm, which control the access of a person, vehicle, or object through a door, gate, or entrance into the controlled area of a residence or business. For licensing and certification purposes, access control would be considered a burglar alarm system. The term does not include:
  - (a) A mechanical device, such as a deadbolt or lock; or
  - (b) An operator for opening or closing a commercial gate or door or an accessory, such as a fixed or portal transmitter, if the operator or accessory is used only to activate the gate or door and is not monitored by an alarm system.
- (2) **ALARM RUNNER** – An employee of a licensed contract security company or alarm systems contractor whose primary responsibility is direct response to an alarm condition at the premises where the alarm signal originated.
- (3) **BOARD** – The Alarm Systems Contractors Board as established by T.C.A., Title 62, Chapter 32.
- (4) **BRANCH OFFICE** – Any physical location at which an alarm systems contractor conducts any activity relative to the sale, installation, servicing and/or monitoring of alarm systems, including but not limited to offices where administrative, marketing and/or other alarm business functions are performed. The only exceptions shall be as follows:
  - (a) Warehouse facilities which are utilized solely for storage purposes; and,
  - (b) Locations not accessible to the general public which have no signage, advertising or other outward indication to the public that the alarm systems contractor conducts its business there and from which no direct sales, marketing or installations take place.
- (5) **BURGLAR ALARM SYSTEM** – An alarm or monitoring system, including but not limited to access control, which has the primary function of detecting and/or responding to emergencies other than fire.
- (6) **CERTIFICATION** – The authority granted by the Board to a business entity to do business as an alarm systems contractor.
- (7) **CLERICAL EMPLOYEE** – An employee of an alarm systems contractor whose primary responsibility is maintenance of records, letters, or correspondence related to specific alarm systems.
- (8) **CLOSED CIRCUIT TELEVISION** – An alarm system that provides video surveillance of events primarily by means of transmission and recording of visual signals through the use of film, cameras, receivers, and other visual imaging systems. Closed circuit television systems may also include as secondary functions audio and related electrical signals.
- (9) **DESIGNATED QUALIFYING AGENT** – The Qualifying Agent designated by the certified contractor to be responsible for compliance with state law.
- (10) **LICENSURE** – The authority granted by the Board for an individual to serve as a Qualifying Agent.

- (11) **MANAGERIAL EMPLOYEE** – An employee of an alarm systems contractor whose primary responsibility is supervising the activity of other employees.
- (12) **MONITORING CENTER EMPLOYEE** – An employee of an alarm systems contractor whose primary responsibility is to monitor alarm systems and/or receive signals and provide an appropriate response to an alarm condition.
- (13) **NATIONALLY RECOGNIZED TRAINING PROGRAM** – A course or educational training program as further described in Chapter 0090-3 of the Board's rules, for one or more segments of the alarm industry that is recognized for high quality training of alarm professionals.
- (14) **PORTABLE INVESTIGATIVE EQUIPMENT** – Surveillance equipment, devices and associated wiring that is not permanently attached to a building or other structure.
- (15) **QUALIFYING AGENT** – An individual licensed by the Board whose qualifications have been demonstrated to the Board for overseeing and supervising alarm systems contractor operations of fire, burglar, closed circuit television, and/or monitoring.
- (16) **REGISTRANT** – An individual employee of an alarm systems contractor, other than a Qualified Agent, who has been found to meet the requirements established by the Board for their job classification.
- (17) **RESPONSIBLE CHARGE** – Capable of answering questions relevant to the technical and business decisions regarding alarm systems contracting in sufficient detail as to leave little doubt as to the Qualifying Agent's proficiency for the work performed and familiarity with the alarm systems contractor's day to day business operations.
- (18) **SALES REPRESENTATIVE** – An employee of an alarm systems contractor whose primary responsibility is direct contact with an existing or potential customer with the intent to sell alarm equipment or services.
- (19) **SERVICE** – The inspection, maintenance or repair of an alarm system.
- (20) **TECHNICAL EMPLOYEE** – An employee of an alarm systems contractor whose primary responsibility is the installation, service, or repair of equipment used in alarm systems.

Authority: T.C.A. §§62-32-304(b) and 62-32-307(a).

Paragraph (5) of Rule 0090-01-.03 Restrictions and Exclusions is amended by deleting the text of the paragraph in its entirety and substituting instead the following language so that, as amended, paragraph (5) shall read:

- (5) A licensed private investigator or private investigation company may sell a closed circuit television system to a client without obtaining a certification from the Board only under the following circumstances:
  - (a) The system was initially installed for a client on a temporary basis to aid in an investigation that was being performed by the licensed private investigator or private investigation company; and,
  - (b) The client subsequently made a request to purchase the system.

Authority: T.C.A. §§62-32-303(1)(A) and (2), 62-32-305(7) and 62-32-307(a).

Rule 0090-01-.03 Restrictions and Exclusions is amended by adding new paragraphs (9), (10), (11), (12), (13), (14), (15), and (16) as follows:

- (9) Manually activated fire suppression (extinguishing) systems and fire suppression systems not connected to a fire alarm system are not alarm systems as defined by T.C.A. §62-32-303(1)(A). Fire alarm systems that activate fire suppression systems are considered alarm systems as defined by T.C.A. §62-32-303(1)(A).

- (10) The manufacture and sale of mobile homes containing alarm systems do not require certification under the Alarm Systems Contractors Licensing Act of 1991. The servicing and monitoring of such systems do require certification.
- (11) Non-profit organizations may furnish and/or install single station smoke detectors, not part of an alarm system, in a residential occupancy without obtaining a certification from the Board.
- (12) For purposes of T.C.A. §62-32-305(13), an affiliate of a hospital shall include, but is not limited to, nursing home facilities, mental health care facilities, home health care agencies, home care agencies, and any other governmental health agency. A Tennessee Home and Community Based Services provider shall be considered an affiliate of a hospital. Companies or organizations which offer medical monitoring services shall be exempt from licensure under this chapter only if such services are made available by a hospital or an affiliate of a hospital.
- (13) A certified alarm systems contractor possessing a classification to engage in one type of alarm system activity (e.g., FIRE, or BURGLAR) may engage in installations outside the designated classification without obtaining an additional classification provided that such work is minor, incidental, and/or supplemental to the performance of work in the classification possessed by the certified alarm system contractor. The submission of bids outside an alarm systems contractor's certified classification shall not be deemed minor, incidental, and/or supplemental to the performance of work in the classification possessed by the certified alarm systems contractor.
- (14) A company installing, servicing, maintaining, and/or monitoring its own burglar and/or fire alarm system(s) on the premises of the company shall not be required to be certified by this Board, so long as the following conditions are satisfied:
  - (a) The alarm system(s) shall be the exclusive property of, or leased by, the company;
  - (b) The alarm system(s) shall be designed to protect only premises owned or leased by the company;
  - (c) Personnel engaging in the installation, servicing, maintenance, and/or monitoring of the alarm system(s) shall be employees of the company;
  - (d) If the company is engaged in the monitoring of its own alarm system(s), such monitoring shall be performed on the premises by the company's own employees upon the premises; and,
  - (e) Such premises are not open to the general public.
- (15) For purposes of T.C.A. §62-32-303(2), the term "alarm systems contractor" shall not include individuals or entities who own contracts or lease documents relative to alarm equipment, installation, and/or monitoring and whose activities are limited as follows:
  - (a) The individual or entity does not actually sell, install, service, or monitor alarm systems; however, they may enter into subcontracts with Tennessee licensed alarm contractors for the provision of equipment servicing and/or monitoring services; and,
  - (b) The individual or the entity, its officers, employees, and/or agents does not have access to sensitive information relative to the system or the system user unless such officer, employee, and/or agent shall have undergone a criminal background check satisfactory to the Alarm Systems Contractors Board.
- (16) Red light violation monitoring systems are not alarm systems as defined in T.C.A. § 62-32-303(1).

Authority: T.C.A. §§62-32-303(1)(A) and (2), 62-32-305(7), and 62-32-307(a).

Rule 0090-01-.05 Employee Registration Requirements is amended by adding new paragraphs (10), (11), and (12) as follows:

- (10) A registration applicant is not eligible to transfer to another alarm systems contractor while still under application. An applicant who does not complete the application process to become a registrant prior to changing alarm contracting companies shall be required to reapply and shall

submit a new application under the new alarm systems contracting company employer, along with the appropriate application fees, fingerprint cards, and photos.

- (11) An active registrant who voluntarily changes employment to another alarm systems contractor must submit a completed transfer form, two (2) photos, and the required fifty dollar (\$50.00) transfer fee.
- (12) Any registrant who works for more than one alarm systems contractor must complete a separate application for each employer, with all required documentation and fees. A separate identification badge will be issued under each company employer.

Authority: T.C.A. §§ 62-32-307(a), 62-32-307(b), 62-32-307(g), 62-32-307(l), 62-32-312, 62-32-312(d), 62-32-318 and 62-32-320.

Rule 0090-01-.06 Qualifying Agent Requirements is amended by adding new paragraphs (10), (11), (12), and (13) as follows:

- (10) A Qualifying Agent applicant is not eligible to transfer to another alarm systems contractor while still under application. Such applicant who does not complete the application process to become a licensed Qualifying Agent prior to changing alarm systems contracting companies shall be required to reapply and shall submit a new application under the new alarm systems contractor employer, along with the appropriate application fees, fingerprint cards, and photos.
- (11) Qualifying Agent applicants who, prior to the issuance of their license, change from an alarm systems contracting company to "independent", or from "independent" to an alarm systems contractor, shall be eligible to transfer one (1) time during the application process by submitting a completed transfer form without the fifty dollar (\$50.00) transfer fee. An applicant must submit a new application along with the appropriate fee for any additional transfers.
- (12) A Qualifying Agent who voluntarily changes employment to another alarm systems contractor must submit a completed transfer form, two (2) photos and the required fifty dollar (\$50.00) transfer fee.
- (13) A Designated Qualifying Agent shall respond in writing within twenty (20) business days to any complaint filed against the Designated Qualifying Agent or the Alarm Systems Contractor by which the Designated Qualifying Agent is employed.

Authority: T.C.A. §§ 62-32-303, 62-32-304(b), 62-32-307(a), 62-32-307(c), 62-32-307(d), 62-32-307(g), 62-32-307(i), 62-32-307(l), 62-32-313, 62-32-316(b), and 62-32-320.

Rule 0090-01-.07 Alarm Systems Contractor Requirements is amended by adding new paragraphs (12), (13), (14), (15), (16), and (17) as follows:

- (12) An alarm systems contractor must place its certification number on all vehicles which either display the name of the alarm systems contractor or are used by the alarm systems contractor in connection with its business. Such certification number shall be displayed so that the number may be easily read. In order to meet this requirement, the contractor may place a magnetic sign containing the certification number on the vehicle, provided that the magnetic sign is not removed from the vehicle until such time as it is no longer used in connection with the contractor's business.
- (13) Operators and/or dispatchers who monitor burglar or fire alarm systems and/or CCTV systems must be licensed or registered with the Tennessee Alarm Systems Contractors Board, as they are deemed to have access to sensitive information pursuant to T.C.A. § 62-32-312(a).
- (14) An employee of an alarm systems contractor, required to be registered under this Act, is not permitted to engage in alarm systems contracting unless such employee's application has been received by the Board within thirty (30) working days of employment. "Working days" shall be defined as Monday through Friday and shall include any holidays which may fall on those days, except where the thirtieth day falls on a state or federal holiday, in which case the contractor shall have until 4:30 p.m. central time on the next day during which the State of Tennessee offices are open for business to file an application.

- (15) The requirements of T.C.A. § 62-32-316(d) shall apply to all forms of advertising including, but not limited to, print, radio, television, or internet advertising. The term "display" shall include verbal or audio broadcast of the certification number. Signs or letters attached to or in front of a building in which the alarm contractor's place of business is located need not contain the contractor's certification number if intended solely to notify the public of the location of the alarm systems contractor. If such sign contains any other wording regarding specific services and/or specials offered with regard to alarm systems, the sign will be deemed to be an advertisement and must contain the contractor's certification number.
- (16) "Regular place of business at a permanent fixed location," as used in T.C.A. § 62-32-314(a)(1) refers to the permanent physical location of the alarm systems contracting company. The alarm systems contractor must provide the address of the physical location of the alarm contracting company to the Board office upon initial application and within thirty (30) days of a change of business address. Post office boxes and mail drops do not satisfy this requirement.
- (17) An alarm systems contractor shall respond in writing to any complaint filed against the contractor within twenty (20) business days. Failure to respond to such complaint by an alarm systems contractor shall be grounds for discipline, including but not limited to, a civil penalty of up five thousand dollars (\$5,000.00) and/or suspension or revocation of licensure in accordance with T.C.A. § 62-32-320.

Authority: T.C.A. §§ 62-32-307(a), 62-32-307(l), 62-32-314, and 62-32-316(d).

Rule 0090-01-.08 Insurance Requirements is amended by deleting the text of the rule in its entirety and substituting instead the following language so that, as amended, the rule shall read:

- (a) No certification can be issued under this part until the applicant files with the Board, on a form approved by the Board, evidence of insurance that meets all of the requirements as set forth in T.C.A. § 62-32-315.
- (b) All Alarm Systems Contractors Board investigators and any other State of Tennessee Department of Commerce and Insurance investigators may request at any time proof of insurance. Failure by an alarm systems contractor to produce such proof immediately upon request shall be grounds for discipline, including but not limited to, a civil penalty of up to five thousand dollars (\$5,000.00) and/or suspension or revocation of licensure in accordance with T.C.A. § 62-32-320.

Authority: T.C.A. §§ 62-32-307(a), and 62-32-315.

Paragraph (4) of Rule 0090-01-.10 Renewal of Certification and License is amended by deleting the text of the paragraph in its entirety and substituting instead the following language so that, as amended, paragraph (4) shall read:

- (4) The Board shall notify every company certificate holder and Qualifying Agent licensee by mail to the last known business address of the date of expiration of such certificate or license and the amount of fee required for its renewal for two (2) years.

Authority: T.C.A. §§62-32-307(a), 62-32-307(c), 62-32-313, and 62-32-317.

Paragraph (9) of Rule 0090-01-.10 Renewal of Certification and License is amended by deleting the text of the paragraph in its entirety and substituting instead the following language so that, as amended, paragraph (9) shall read:

- (9) No company certificate holder or Qualifying Agent licensee shall receive a renewal when such company or agent has been in default in complying with T.C.A. § 62-32-301 et seq. for a period of three (3) months. In such an event, the alarm systems contractor or Qualifying Agent, in order to qualify under the law, shall make new application and meet all current requirements to obtain a new license or certificate.

Authority: T.C.A. §§62-32-307(a), 62-32-307(c), 62-32-313, and 62-32-317.

Rule 0090-01-.12 Fingerprinting is amended by adding a new paragraph (4) as follows:

- (4) In the event an applicant's fingerprint cards are rejected by the TBI or the FBI two (2) times, the applicant shall submit new fingerprint cards along with payment of any fees charged by the TBI or FBI for processing of such fingerprints prior to the third submission.

Authority: T.C.A. §§ 62-32-307(a), 62-32-307(d), 62-32-307(g), 62-32-312(d)(1), 62-32-312(e), 62-32-313(b), and 62-32-318.

Chapter 0090-5  
Continuing Education

Amendments

Paragraph (1) of Rule 0090-05-.01 Continuing Education Requirements is amended by deleting the text of the paragraph in its entirety and substituting instead the following language so that, as amended, paragraph (1) shall read:

- (1) As a prerequisite for the renewal of a license, a Qualifying Agent shall obtain sixteen (16) hours of classroom instruction in the alarm industry during the two (2) year period prior to the expiration of such license.

Authority: T.C.A. §§ 62-32-307(a), and 62-32-313(c).

Paragraph (4) of Rule 0090-05-.01 Continuing Education Requirements is amended by deleting the text the paragraph in its entirety and substituting instead the following language so that, as amended, paragraph (4) shall read:

- (4) For fire alarm licensure, the Qualifying Agent must complete a course in fire alarm installation and monitoring prior to the first renewal of such license unless this certification was presented for approval of initial licensing. For purposes of meeting this requirement, the individual must obtain certification by a national training program approved by the Board for qualifying education in the fire alarm classification.

Authority: T.C.A. §§ 62-32-307(a), and 62-32-313(c).

Rule 0090-05-.01 Continuing Education Requirements is amended by adding a new paragraph (6) as follows:

- (6) The Board shall award Qualifying Agents four (4) hours of continuing professional education credits for attendance at the Alarm Systems Contractors Board meeting. Qualifying Agents who elect to attend a meeting for credit must complete the sign-in sheet for Qualifying Agents prior to the start of the Board meeting. The credits will only be available to Qualifying Agents for two (2) Board meetings per renewal period for a maximum of eight (8) hours of credit.

Authority: T.C.A. §§ 62-32-307(a), and 62-32-313(c).

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 12.30.10

Signature: [Handwritten Signature]

Name of Officer: Andrew Harold Simpson BPR#025078

Title of Officer: Assistant General Counsel - Regulatory Boards



Subscribed and sworn to before me on: December 30, 2010

Notary Public Signature: [Handwritten Signature]

My commission expires on: 5/6/2012

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Filed with the Department of State on: 12/30/10

[Handwritten Signature]

Tre Hargett  
Secretary of State

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