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SENATE BILL DRS15160-NNf-29A

Short Title: Licensing Certain Fire Safety Equip. Work. (Public)

Sponsors: Senators Lazzara and Barnes (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REQUIRE LICENSING AND PERMITTING FOR INDIVIDUALS AND FIRMS
THAT INSTALL AND SERVICE PORTABLE FIRE EXTINGUISHERS AND FIRE
SUPPRESSION SYSTEMS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 58 of the General Statutes is amended by adding a new Article
to read:

"Article 82C.

"Licensing and Permitting for the Installation and Servicing of Portable Fire Extinguishers and
Fire Suppression Systems.

"§ 58-82C-1. Definitions.

The following definitions apply in this Article:

- (1) Engineered special hazard fire suppression system. – A fire suppression system having pipe lengths, number of fittings, number and types of nozzles, suppression agent flow rates, and nozzle pressures calculated based on appropriate standards of the National Fire Protection Association. An engineered fire suppression system may include other components, including, but not limited to, detection devices, alarm devices, and control devices as tested and approved by a nationally recognized testing laboratory, where the component's manufacturer determines the component is compatible with the fire suppression system.
- (2) Fire suppression system. – Any firefighting system employing a suppression agent with the purpose of controlling, suppressing, or extinguishing a fire in a specific hazard, including pre-engineered kitchen fire suppression systems, pre-engineered industrial fire suppression systems, and engineered special hazard fire suppression systems.
- (3) Firm. – Any business, person, partnership, organization, association, corporation, contractor, subcontractor, or individual.
- (4) Industrial fire suppression system. – A pre-engineered automatic fire extinguishing system provided for the protection of property or equipment as described by the manufacturer other than those systems covered under the definition of kitchen fire suppression system.
- (5) Kitchen fire suppression system. – An automatic fire extinguishing system provided for the protection of grease removal devices, hoods, duct systems, and cooking equipment. This term also includes "restaurant fire suppression system."



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- (6) License. – The document issued by the State Fire Marshal which authorizes a firm to engage in the business of installation, repair, recharging, inspection, service, or testing of fire suppression systems or portable fire extinguishers.
- (7) Permit. – The document issued by the State Fire Marshal which authorizes an individual to install, inspect, repair, recharge, service, or test fire suppression systems or portable fire extinguishers.
- (8) Portable fire extinguisher. – A portable device containing an extinguishing agent that can be expelled under pressure for the purpose of suppressing or extinguishing a fire.
- (9) Pre-engineered fire suppression system. – Any system having predetermined flow rates, nozzle pressures, and quantities of an extinguishing agent.
- (10) State Fire Marshal. – The head of the North Carolina Office of the State Fire Marshal as defined in G.S. 58-78A-1(c).
- (11) Suppression agent. – A currently recognized agent or water additive required to control, suppress, or extinguish a fire.

"§ 58-82C-2. State Fire Marshal to administer Article; rules and regulations.

(a) The State Fire Marshal, through the Office of the State Fire Marshal, shall have full power and authority to administer the provisions of this Article, including adopting rules to enforce the purposes and provisions of this Article.

(b) The State Fire Marshal shall establish rules for the following:

- (1) Proper installation, inspection, recharging, repairing, servicing, or testing of fire suppression systems or portable fire extinguishers.
- (2) Required specifications as to the number, type, size, shape, color, and information and data contained thereon of service tags to be attached to all portable fire extinguishers and fire suppression systems covered by this Article when they are installed, inspected, recharged, repaired, serviced, or tested.

(c) The State Fire Marshal may adopt by rule the applicable standards of the National Fire Protection Association or another nationally recognized organization if the standards are judged by the State Fire Marshal to be suitable for the enforcement of this Article. All fire suppression systems and portable fire extinguishers covered by G.S. 58-82C-3 shall be installed, inspected, recharged, repaired, serviced, or tested in compliance with this Article and with the State Fire Marshal's rules.

(d) The State Fire Marshal may adopt rules to require an applicant for a license or permit to take an examination as to the applicant's competence to be licensed or permitted under this Article. If required, the applicant must take and pass the examination according to requirements prescribed by the State Fire Marshal.

(e) The State Fire Marshal is authorized to apply for and receive grants for the administration of this Article from parties interested in upgrading and improving the quality of fire protection provided by portable fire extinguishers or fire suppression systems.

"§ 58-82C-3. Compliance with this Article; license and permit requirement.

(a) Except as otherwise provided by this Article, no firm may install, inspect, repair, service, or test any of the following fire suppression systems or portable fire extinguishers that are required by the State Fire Marshal's rules or by other State or local fire safety rules, unless the firm is licensed under the provisions of this Article:

- (1) Portable fire extinguishers.
- (2) Pre-engineered kitchen fire suppression systems.
- (3) Pre-engineered industrial fire suppression systems.
- (4) Engineered special hazard fire suppression systems.

(b) Except as otherwise provided by this Article, no individual may install, inspect, repair, recharge, service, or test any of the following fire suppression systems or portable fire

extinguishers that are required by the State Fire Marshal's rules or by other State or local fire safety rules, unless the individual is permitted under the provisions of this Article:

- (1) Portable fire extinguishers.
- (2) Pre-engineered kitchen fire suppression systems.
- (3) Pre-engineered industrial fire suppression systems.
- (4) Engineered special hazard fire suppression systems.

(c) It shall be unlawful for an individual to install, inspect, recharge, repair, service, or test any portable fire extinguisher or fire suppression system without attaching the required tag or tags completed in detail, including the actual month, day, and year the work was performed, or to use a tag not meeting the specifications set forth by the State Fire Marshal.

(d) The permit established by subsection (b) of this section shall not be required for any individual employed by any firm or governmental entity that engages only in installing, inspecting, recharging, repairing, servicing, or testing of portable fire extinguishers or fire suppression systems owned by the firm and installed on property under the control of the firm. These individuals shall remain subject to the rules and regulations adopted pursuant to this Article.

(e) The provisions of this Article do not apply to any of the following:

- (1) Fire chiefs, fire marshals, fire inspectors, or insurance company inspectors with regard to the routine visual inspection of pre-engineered fire suppression systems or portable fire extinguishers.
- (2) Any firm that engages only in the routine visual inspection of fire suppression systems or portable fire extinguishers owned by the firm and installed on property under the control of the firm.

"§ 58-82C-4. License and permit fees.

(a) A nonrefundable license fee of two hundred fifty dollars (\$250.00) shall be paid to the State Fire Marshal with each application for the issuance of a license under this Article.

(b) A nonrefundable permit fee of one hundred dollars (\$100.00) shall be paid to the State Fire Marshal with each application for the issuance of a permit under this Article.

(c) The fees required by this Article shall not apply to employees of federal, State, or local governments or to a member of a legally organized fire department while acting in the member's official capacity.

"§ 58-82C-5. Requirements for issuance of license.

(a) Before approving a license for a firm pursuant to G.S. 58-82C-3, the State Fire Marshal shall find that the firm has:

- (1) Submitted a completed application pursuant to G.S. 58-82C-8.
- (2) Submitted to the State Fire Marshal evidence of registration as a North Carolina corporation.
- (3) Not committed any act that is a ground for denial, suspension, probation, revocation, or nonrenewal set forth in G.S. 58-82C-11.
- (4) Satisfied all requirements of this Article.
- (5) Been determined, by inspection of the State Fire Marshal, to possess the equipment required for the activities the applicant requests to be licensed to perform. If the applicant includes in the request the high-pressure hydrostatic testing of equipment, the applicant must submit a copy of its United States Department of Transportation approval and renewals.
- (6) Submitted to the State Fire Marshal proof of a valid comprehensive liability insurance policy purchased from an insurer authorized to do business in North Carolina. The coverage must include bodily injury and property damage, products liability, completed operations, and contractual liability. The proof of insurance must also be provided before any license can be renewed. The minimum amount of the coverage shall be one million dollars (\$1,000,000) or

any other amount as specified by the State Fire Marshal. An insurer which provides this coverage shall notify the State Fire Marshal of any change in coverage.

(7) Paid the applicable fees set forth in G.S. 58-82C-4.

(8) Paid a nonrefundable filing fee fixed by rule of the State Fire Marshal when filing an application for an examination if the State Fire Marshal requires an examination pursuant to this Article.

(9) Successfully passed any examination if the State Fire Marshal requires an examination pursuant to this Article.

(b) Before approving a permit for an individual pursuant to G.S. 58-82C-3, the State Fire Marshal shall find that the individual has:

(1) Submitted a completed application pursuant to G.S. 58-82C-8.

(2) Not committed any act that is a ground for denial, suspension, probation, revocation, or nonrenewal set forth in G.S. 58-82C-11.

(3) Satisfied all requirements of this Article.

(4) Paid the applicable fees set forth in G.S. 58-82C-4.

(5) Paid a nonrefundable filing fee fixed by rule of the State Fire Marshal when filing an application for an examination if the State Fire Marshal requires an examination pursuant to this Article.

(6) Successfully passed any examination if the State Fire Marshal requires an examination pursuant to this Article.

"§ 58-82C-6. Production of license or permit on demand.

(a) Every permittee must have a valid permit upon his or her person at all times while engaging in the installing, inspection, recharging, repairing, servicing, or testing of fire suppression systems or portable fire extinguishers.

(b) Every licensee or permittee must be able to produce a valid license or valid permit, as appropriate, upon demand by the State Fire Marshal or his or her representatives or by any local authority having jurisdiction for fire protection or prevention or by any individual for whom the licensee or permittee solicits to perform any of the activities covered by this Article.

"§ 58-82C-7. Reciprocity.

The State Fire Marshal may issue a license or permit under this Article to an individual who holds a comparable valid permit, license, or certification issued by another state, provided the minimum requirements of that state are at least equal to the minimum requirements under this Article for the specific license or permit issued and the individual or firm pays the application and filing fees required under this Article.

"§ 58-82C-8. Forms of licenses, permits, and applications; information required.

(a) An individual applying for a license or permit under this Article shall apply on a form prescribed by the State Fire Marshal and declare under penalty of denial, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief.

(b) Permit applications shall include the name of the licensee employing the applicant or the name of the firm or governmental entity pursuant to the exemptions found in G.S. 58-82C-3.

(c) Each license or permit issued by the State Fire Marshal under this Article shall clearly state the activity or activities for which the licensee or permittee has been issued the license or permit to perform. The licensee or permittee shall not perform any activity not noted on a license or permit issued by the State Fire Marshal.

(d) A licensee or permittee shall notify the State Fire Marshal within 30 days of any change to the information provided to the State Fire Marshal on the license or permit application.

(e) The State Fire Marshal shall give an applicant 60 days to correct any deficiencies discovered by inspection.

"§ 58-82C-9. Terms of licenses and permits; failure to renew.

(a) The licenses and permits required by this Article shall be issued by the State Fire Marshal for each license year beginning January 1 and expiring the following December 31.

(b) The failure to renew a license or permit by December 31 will cause the license or permit to become inoperative. A license or permit which is inoperative because of the failure to renew the license or permit shall be restored upon payment of the applicable fee, plus a penalty equal to the applicable fee, if the fees are paid within 90 days of expiration. After 90 days, the former licensees and former permittees must apply for new licenses and permits as required for an initial license or permit.

"§ 58-82C-10. License or permit sanction and denial procedures.

(a) The suspension, placing on probation, revocation, denial, or refusal to renew any license or permit under this Article shall be in accordance with the provisions of Chapter 150B of the General Statutes.

(b) Whenever the State Fire Marshal denies an initial application or an application for a reissuance of a license or permit under this Article, the State Fire Marshal shall notify the applicant and advise, in writing, the applicant of the reasons for the denial of the license. The applicant may also be denied for any reasons for which a license may be suspended or revoked or not renewed under G.S. 58-82C-11.

(c) In order for an applicant to be entitled to a review of the State Fire Marshal's action to determine the reasonableness of the action, the applicant must make a written demand upon the State Fire Marshal for a review no later than 30 days after service of the notification upon the applicant. The review shall be completed without undue delay, and the applicant shall be notified promptly in writing of the outcome of the review.

(d) In order for an applicant who disagrees with the outcome of the review to be entitled to a hearing under Article 3A of Chapter 150B of the General Statutes, the applicant must make a written demand upon the State Fire Marshal for a hearing no later than 30 days after service upon the applicant of the notification of the outcome.

(e) A licensee or permittee whose license or permit is suspended, revoked, or not renewed shall surrender the license or permit to the State Fire Marshal within 30 days of the suspension, revocation, or nonrenewal.

(f) During the suspension or revocation of any license or permit, the licensee or permittee whose license or permit has been suspended or revoked shall not engage in or attempt or profess to engage in any transaction or business for which a license or permit is required under this Article or directly or indirectly own, control, or be employed in any manner by any firm, business, or corporation for which a license or permit under this Article is required.

(g) If, during the period between the beginning of proceedings and the entry of an order of suspension or revocation by the State Fire Marshal, a new license or permit has been issued to the individual or firm charged, the order of suspension or revocation shall operate to suspend or revoke, as the case may be, the new license or permit held by the individual or firm.

(h) The State Fire Marshal shall not, so long as the revocation or suspension remains in effect, issue any new license or permit for the establishment of any new firm, business, or corporation of any individual or applicant that has or will have the same or similar management, ownership, control, employees, permittees, or licensees or will use the same or a similar name as the revoked or suspended firm, business, corporation, individual, or applicant.

"§ 58-82C-11. Grounds for denial, suspension, probation, revocation, or nonrenewal of licenses or permits.

The State Fire Marshal may deny, suspend, place on probation, revoke, or refuse to renew any license or permit under this Article, in accordance with the provisions of Article 3A of Chapter 150B of the General Statutes, for any one or more of the following reasons:

- (1) Performing any action for which a license or permit is required under this Article without having first obtained such license or permit.

- (2) Improperly installing, recharging, repairing, servicing, inspecting, or testing a portable fire extinguisher or fire suppression system.
- (3) Rendering inoperative a portable fire extinguisher or pre-engineered or engineered fire suppression system covered by this Article, except during the time the extinguisher or system is being inspected, recharged, repaired, serviced, or tested or except pursuant to court order.
- (4) Material misstatement, misrepresentation, or fraud in obtaining a license or permit under this Article.
- (5) Failing to provide proof of or maintain the minimum comprehensive liability insurance coverage as set forth in G.S. 58-82C-5.
- (6) Failing to notify the State Fire Marshal, in writing, within 30 days after a change of any information required on applications under G.S. 58-82C-8.
- (7) Cheating on an examination for a license or permit, if an examination is required by the State Fire Marshal pursuant to this Article.
- (8) Having any professional license denied, suspended, or revoked in this State or any other jurisdiction for causes substantially similar to those listed in this subsection.
- (9) Failing or refusing to comply with a cease and desist order or any other notice or order to correct a violation related to conduct governed by this Article.
- (10) Retaining an officer, director, stockholder, owner, or individual who has a direct or indirect interest that has had his or her license or permit suspended or revoked under this Article.
- (11) Serving or previously serving as an officer, director, stockholder, or owner of a firm, business, or corporation whose license or permit has been suspended or revoked under this Article, or who has or had a direct or indirect interest in a firm, business, or corporation whose license or permit has been suspended or revoked under this Article.
- (12) While holding a permit or license, using a license or permit or license number or permit number other than his or her own valid license or permit or license number or permit number.
- (13) Using credentials, methods, means, or practices to impersonate a representative of the State Fire Marshal or any local fire chief, fire marshal, or other fire authority having jurisdiction.
- (14) Any cause for which the issuance of the license or permit could have been denied had it been known to the State Fire Marshal at the time of issuance.
- (15) Failing to obtain, retain, or maintain one or more of the qualifications for a license or permit required by this Article.
- (16) Knowingly aiding or abetting others to evade or violate the provisions of this Article.
- (17) Failing to comply with an administrative or court order imposing a child support obligation, after entry of a final judgment or order finding the violation to have been willful.
- (18) Failing to pay State income tax or comply with any administrative or court order directing payment of State income tax, after entry of a final judgment or order finding the violation to have been willful.
- (19) Conviction of a crime involving dishonesty, a breach of trust, or moral turpitude.
- (20) Violating any other provision of this Article or any rule or regulation adopted and promulgated pursuant to this Article.
- (21) Any cause sufficient to deny, suspend, or revoke the license or permit under any other provision of this Article.

"§ 58-82C-12. Cease and desist orders; period of revocation.

(a) Whenever the State Fire Marshal shall have reason to believe that any individual or firm is or has been violating any provisions of this Article, the State Fire Marshal may issue and deliver to the individual or firm an order to cease and desist the violation.

(b) Any order issued by the State Fire Marshal under this section shall contain or be accompanied by a notice of opportunity for hearing which may provide that a hearing will be held if and only if an individual subject to the order requests a hearing within 30 days of receipt of the order and notice. The order and notice shall be served by hand delivery by the State Fire Marshal or by registered or certified mail.

(c) Failure to comply with a cease and desist order is cause for revocation of any or all permits and licenses issued by the State Fire Marshal for a period of not less than six months and not to exceed five years. If a new permit or license has been issued to the individual or firm, the order of revocation shall operate effectively with respect to the new permits and licenses held by the individual or firm.

(d) In the case of an applicant for a license or permit, violation of any provision of this title may constitute grounds for refusal of the application.

"§ 58-82C-13. Civil penalty; injunction.

(a) Any individual or firm who violates any provision of this Article or any rule or order issued by the State Fire Marshal under this Article shall be subject to a civil penalty imposed by the State Fire Marshal of not more than one thousand dollars (\$1,000) for a first offense, not less than one thousand dollars (\$1,000) and not more than two thousand dollars (\$2,000) for a second offense, and not less than two thousand dollars (\$2,000) or more than five thousand dollars (\$5,000) for a third or subsequent offense.

(b) Prior to subjecting any individual or firm to a fine under this section, the State Fire Marshal shall give written notice to the individual or firm by hand delivery or by registered or certified mail of the existence of the violations. After a reasonable period of time after notice is given, an order may be issued based on this section. The order must be delivered in accordance with the provisions of G.S. 58-82C-12(b) and must notify the individual or firm of the right to a hearing with respect to the order.

(c) In addition to other powers granted to the State Fire Marshal under this Article, the State Fire Marshal may bring a civil action to enjoin a violation of any provision of this Article or of any rule or order issued by the State Fire Marshal under this Article.

"§ 58-82C-14. Criminal penalty.

(a) Any individual or firm that willfully or intentionally violates any provision of this Article or any order or rule of the State Fire Marshal shall be guilty of a Class 1 misdemeanor.

(b) It shall also constitute a Class 1 misdemeanor to willfully or intentionally do any of the following:

- (1) Obliterate the serial number on a fire suppression system or portable fire extinguisher for the purposes of falsifying service records.
- (2) Improperly install a fire suppression system or improperly recharge, repair, service, or test any fire suppression system or portable fire extinguisher.
- (3) While holding a permit or license, allow another individual to use the permit or license or permit number or license number or to use a license or permit or license number or permit number other than his or her own valid license or permit or license number or permit number.
- (4) Use or permit the use of any license by an individual or firm other than the one to whom the license is issued.
- (5) Use any credential, method, means, or practice to impersonate a representative of the State Fire Marshal or any local fire chief, fire marshal, or other fire authority having jurisdiction.

(6) Engage in the business of installing, inspecting, recharging, repairing, servicing, or testing portable fire extinguishers or fire suppression systems except in conformity with the provisions of this Article and the applicable rules and regulations of the State Fire Marshal.

(7) Fail to comply with a cease and desist order under G.S. 58-82C-12.

"§ 58-82C-15. Power of the State and local governments to regulate not limited.

(a) Nothing in this Article limits the power of the State or a unit of local government to require the submission and approval of plans and specifications or to regulate the quality and character of work performed by contractors for the protection of the public health and safety.

(b) No unit of local government shall impose any other requirements on individuals licensed or permitted by the State Fire Marshal as set forth in this Article to prove competency to conduct any activity covered by the license or permit."

SECTION 2. The Office of the State Fire Marshal may adopt temporary rules to implement the provisions of this act. Any temporary rules adopted in accordance with this section shall remain in effect until permanent rules that replace the temporary rules become effective.

SECTION 3. This act becomes effective October 1, 2025.