

State of Arizona  
Senate  
Fiftieth Legislature  
Second Regular Session  
2012

# SENATE BILL 1245

AN ACT

AMENDING SECTIONS 32-2601, 32-2606, 32-2613, 32-2617, 32-2635 AND 32-2640,  
ARIZONA REVISED STATUTES; RELATING TO SECURITY PERSONNEL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-2601, Arizona Revised Statutes, is amended to  
3 read:

4 32-2601. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Advertising" means submitting bids, contracting or making known by  
7 any public notice, publication or solicitation of business, directly or  
8 indirectly, that services regulated under this chapter are available for  
9 consideration.

10 2. "Agency license" means a certificate that is authenticated by the  
11 department and that attests that a qualifying party is authorized to conduct  
12 the business of ~~private~~ security guard service in this state.

13 3. "Applicant" means a person who has submitted a completed  
14 application and all required application and fingerprint processing fees.

15 4. "Armed security guard" means a registered security guard who wears,  
16 carries, possesses or has access to a firearm at any time during the course  
17 of employment.

18 5. "Associate" means a person who is a partner or corporate officer in  
19 a security guard agency.

20 6. "Board" means the private investigator and security guard hearing  
21 board established pursuant to section 32-2404.

22 7. "Conviction" means an adjudication of guilt by a federal, state or  
23 local court resulting from trial or plea, including a plea of no contest,  
24 regardless of whether or not the adjudication of guilt was set aside or  
25 vacated.

26 8. "Department" means the department of public safety.

27 9. "Director" means the director of the department of public safety.

28 10. "Emergency action" means a summary suspension of a license pending  
29 revocation, suspension or probation in order to protect the public health,  
30 safety or welfare.

31 11. "Employee" means an individual who works for an employer, is listed  
32 on the employer's payroll records and is under the employer's direction and  
33 control.

34 12. "Employer" means a person who is licensed pursuant to this chapter,  
35 who employs an individual for wages or salary, who lists the individual on  
36 the employer's payroll records and who withholds all legally required  
37 deductions and contributions.

38 13. "Identification card" means a card issued by the department to a  
39 qualified applicant for an agency license, to an associate or to a  
40 registrant.

41 14. "Letter of concern" means an advisory letter to notify a licensee  
42 or registrant that while there is insufficient evidence to support probation,  
43 suspension or revocation of a license or registration the department believes  
44 the licensee or registrant should modify or eliminate certain practices and  
45 that continuation of the activities that led to the information being

1 submitted to the department may result in further disciplinary action against  
2 the person's license or registration.

3 15. "Licensee" means a person to whom an agency license is granted  
4 pursuant to article 2 of this chapter.

5 ~~16. "Private security guard service" means any agency, individual or  
6 employer in the business of furnishing to the public for hire, fee or reward  
7 dogs, watchmen, patrol service, private security guards or other persons to  
8 protect human life or to prevent the theft or the misappropriation or  
9 concealment of goods, wares, merchandise, money, bonds, stocks, notes, choses  
10 in action or other property, valuable documents, papers and articles of  
11 value.~~

12 ~~17.~~ 16. "Proprietary company" means a company that employs security  
13 ~~guards~~ PERSONNEL or armed security ~~guards~~ PERSONNEL solely for use of and  
14 service to itself, ITS SUBSIDIARIES AND RELATED COMPANIES OR TO ANY LOCATIONS  
15 OR FACILITIES THAT ARE OWNED OR CONTROLLED BY THE COMPANY, and not for  
16 others.

17 17. "PUBLIC PLACE" MEANS ANY AREA IN WHICH THE PUBLIC IS INVITED OR IN  
18 WHICH THE PUBLIC IS PERMITTED, INCLUDING AIRPORTS, FINANCIAL INSTITUTIONS,  
19 BARS, COMMON AREAS OF APARTMENT BUILDINGS, CONDOMINIUMS OR OTHER MULTIFAMILY  
20 HOUSING FACILITIES, HOTEL AND MOTEL COMMON AREAS, LAUNDROMATS, PUBLIC  
21 TRANSPORTATION FACILITIES, RECEPTION AREAS, RESTAURANTS, RETAIL FOOD  
22 PRODUCTION AND MARKETING ESTABLISHMENTS, RETAIL SERVICE ESTABLISHMENTS,  
23 RETAIL STORES, SHOPPING MALLS, SPORTS FACILITIES, THEATERS AND WAITING ROOMS.

24 18. "Qualifying party" means the individual who meets the  
25 qualifications under this chapter for an agency license.

26 19. "Registrant" means an employee of a licensed agency who is  
27 qualified to perform the services of a security guard.

28 20. "Registration certificate" means a certificate that is  
29 authenticated by the department and that attests that an employee of a  
30 business holding an agency license has satisfactorily complied with article 3  
31 of this chapter.

32 21. "Restructuring" means any change in a business' legal status.

33 22. "Security guard":

34 (a) Means any person employed by a ~~private~~ security guard service or  
35 proprietary company ~~as a watchman, patrolman, bodyguard, personal protection  
36 guard, private security guard or other person who performs security guard  
37 services, but does not include any regularly commissioned police or peace  
38 officer or railroad police appointed pursuant to section 40-856.~~ FOR THE  
39 PURPOSE OF MAINTAINING ORDER IN A PUBLIC PLACE AND WHOSE PRIMARY JOB DUTIES  
40 INCLUDE ANY OF THE FOLLOWING:

41 (i) RESTRAINING OR LIMITING MOVEMENT OF MEMBERS OF THE GENERAL PUBLIC  
42 THAT, IF ESCALATED, INCLUDES THE JUSTIFIED USE OF PHYSICAL FORCE AS DESCRIBED  
43 IN SECTION 13-403, PARAGRAPH 3.

44 (ii) CONDUCTING SEARCHES OF PEOPLE OR PROPERTY, INCLUDING PAT DOWNS OR  
45 MOTOR VEHICLE SEARCHES.

1 (iii) PREVENTING OR TERMINATING THE THEFT, MISAPPROPRIATION OR  
2 CONCEALMENT OF GOODS, WARES, MERCHANDISE, MONEY, BONDS, STOCKS, NOTES, CHOSES  
3 IN ACTION OR OTHER PROPERTY, VALUABLE DOCUMENTS, PAPERS AND ARTICLES OF  
4 VALUE.

5 (iv) PREVENTING OR TERMINATING UNAUTHORIZED ACTIVITY ON THE PROPERTY  
6 THAT THE SECURITY GUARD IS HIRED TO PROTECT.

7 (b) DOES NOT INCLUDE EITHER OF THE FOLLOWING:

8 (i) ANY REGULARLY COMMISSIONED POLICE OR PEACE OFFICER OR RAILROAD  
9 POLICE APPOINTED PURSUANT TO SECTION 40-856.

10 (ii) A PERSON EMPLOYED BY A SECURITY GUARD SERVICE OR PROPRIETARY  
11 COMPANY WHO DOES NOT PRIMARILY PERFORM ANY OF THE FUNCTIONS PURSUANT TO  
12 SUBDIVISION (a) OF THIS PARAGRAPH AND WHO IS PRIMARILY A MEMBER OF GUEST  
13 SERVICES OR SIMILAR EVENT STAFF OR WHO PRIMARILY PERFORMS THE SERVICES OF AN  
14 USHER OR TICKET TAKER AT EVENTS THAT INCLUDE ATHLETIC EVENTS, CONCERTS,  
15 FAIRS, FESTIVALS AND TRADE SHOWS IF THE PERSON DOES NOT WEAR ANY CLOTHING,  
16 BADGE, PATCH OR LETTERING THAT IDENTIFIES THE PERSON AS A PERSON WHO PROVIDES  
17 A SECURITY FUNCTION AT THE EVENT, IS NOT REFERRED TO BY A TITLE WITH SECURITY  
18 CONNOTATIONS SUCH AS "GUARD" OR "SECURITY" AND IS NOT ARMED WITH A DANGEROUS  
19 WEAPON.

20 23. "SECURITY GUARD SERVICE" MEANS ANY AGENCY, INDIVIDUAL OR EMPLOYER  
21 IN THE BUSINESS OF FURNISHING TO THE PUBLIC FOR HIRE OR FOR A FEE OR REWARD  
22 DOGS, WATCHMEN, PATROL SERVICES OR SECURITY GUARDS OR ANY OTHER PERSONS TO  
23 PERFORM THE FUNCTIONS OF A SECURITY GUARD AS DEFINED IN THIS SECTION.

24 ~~23-~~ 24. "Unprofessional conduct" means any of the following:

25 (a) Engaging or offering to engage by fraud or misrepresentation in  
26 activities regulated by this chapter.

27 (b) Aiding or abetting a person who is not licensed or registered  
28 pursuant to this chapter in representing that person as a security guard in  
29 this state.

30 (c) Gross negligence in the practice of a security guard.

31 (d) Failing or refusing to maintain adequate records on a client  
32 containing at least sufficient information to identify the client, the dates  
33 of service, the fee for service and the payments for service.

34 (e) Committing a felony or a misdemeanor involving any crime that is  
35 grounds for denial, suspension or revocation of a security guard agency  
36 license or employee registration certificate. In all cases, conviction by a  
37 court of competent jurisdiction or a plea of no contest is conclusive  
38 evidence of the commission.

39 (f) Making a fraudulent or false statement to the department, the  
40 board or the department's investigators, staff or consultants.

41 Sec. 2. Section 32-2606, Arizona Revised Statutes, is amended to read:  
42 32-2606. Exceptions

43 This chapter does not apply to:

1           1. An officer or employee of the federal government, this state or a  
2 political subdivision of this state while the officer or employee is  
3 performing official duties.

4           2. An individual who performs security related work at:

5           (a) A commercial nuclear generating station that is subject to federal  
6 regulatory requirements.

7           (b) A company that is subject to department of defense regulatory  
8 requirements.

9           3. A PROPRIETARY company that employs security ~~guards solely for use~~  
10 ~~of and service to itself and not for others and that complies with~~ PERSONNEL  
11 OR ARMED SECURITY PERSONNEL IF the following requirements ARE MET:

12           (a) If the company's security ~~guards~~ PERSONNEL are armed, each ~~guard~~  
13 ~~must complete~~ COMPLETES sixteen hours of firearms training initially and  
14 ~~complete~~ COMPLETES an additional eight hours of refresher training each year  
15 thereafter. THE TRAINING DESCRIBED IN THIS SUBDIVISION SHALL MEET THE  
16 REQUIREMENTS OF SECTION 32-2632.

17           (b) If the security ~~guard~~ PERSONNEL wears a uniform or badge, the  
18 uniform or badge ~~must~~ strictly ~~conform~~ CONFORMS to the standards established  
19 by the department pursuant to ~~this chapter~~ SECTION 32-2635.

20           (c) The company ~~must~~ annually ~~submit~~ SUBMITS an affidavit to the  
21 department that attests to the company's compliance with its internal  
22 procedures that require a background investigation for each of its security  
23 ~~guards~~ PERSONNEL.

24           4. The Arizona rangers organization as identified in section 41-4201,  
25 or authorized persons performing official Arizona ranger duties when in the  
26 service of a nonprofit organization recognized under section 501(c)(3) of the  
27 internal revenue code.

28           Sec. 3. Section 32-2613, Arizona Revised Statutes, is amended to read:

29           32-2613. Application for agency license; financial  
30 responsibility; notice and opportunity to supply  
31 additional information

32           A. Every application for an original or renewal agency license to  
33 operate as a ~~private~~ security guard service shall set forth verified  
34 information to assist the department in determining the applicant's ability  
35 to meet the requirements set forth in this chapter and shall include the  
36 following:

37           1. The full name and business address of the applicant.

38           2. The name under which the applicant intends to do business.

39           3. A statement as to the general nature of the business in which the  
40 applicant intends to engage, including identification of armed security guard  
41 training requirements and identification of employees acting as armed  
42 security guards.

43           4. Photographs of the applicant of a number and type prescribed by the  
44 department.

1           5. Fingerprints of the applicant of a quality and number prescribed by  
2 the department for the purpose of obtaining state and federal criminal  
3 records checks pursuant to section 41-1750 and Public Law 92-544. The  
4 department may exchange this fingerprint data with the federal bureau of  
5 investigation. The department may conduct periodic state criminal history  
6 checks to ensure continued qualification under this chapter.

7           6. A verified statement of the applicant's experience and  
8 qualifications.

9           7. Such other information, evidence, statements or documents as may  
10 reasonably be required by the director.

11           B. If the applicant is other than an individual, each of its partners,  
12 resident officers, associates, directors and managers, in addition to its  
13 qualifying party, shall comply with the requirements of subsection A of this  
14 section. If the applicant is other than an individual, the application shall  
15 contain the full name and address of each of its board members, ~~AND~~ AND the  
16 president, vice-president, secretary and treasurer. The person who will  
17 manage the business conducted in this state shall comply in full with the  
18 requirements of subsection A of this section.

19           C. An application for an original or a renewal agency license shall be  
20 accompanied by:

21           1. The fee as prescribed pursuant to section 32-2607.

22           2. A certificate of a liability insurance policy, issued by an  
23 insurance company licensed or authorized to do business in this state. The  
24 minimum limits of such liability insurance policies shall be established by  
25 the department. Any insurer issuing such a policy shall give written notice  
26 to the department of any cancellation of such policy. Such notice shall be  
27 given by the insurer to the director at least ten days before such  
28 cancellation by certified mail.

29           3. A certificate of workers' compensation insurance.

30           4. A completed form describing the agency's training program for  
31 employees as described in section 32-2632, subsection A, including training  
32 requirements for and identification of armed security guards employed by the  
33 agency. The form shall be as prescribed by the director and require such  
34 information as the director deems necessary.

35           D. If an application is incomplete, the department shall notify the  
36 applicant pursuant to section 41-1074. If the department requires additional  
37 information to make a decision on licensure, the department shall notify the  
38 applicant pursuant to section 41-1075. The department shall send notices  
39 under this subsection to the applicant's last known residential address and  
40 shall include sufficient information to assist the applicant to complete the  
41 application process. The applicant has forty-five calendar days from the  
42 date of notification to provide the additional documentation. If the  
43 applicant fails to respond within forty-five calendar days, the application  
44 and any certificates issued are automatically suspended until the department  
45 receives the necessary documentation to approve or deny the application.



1           5. Has knowingly made any false statement in the application.

2           6. Failed to provide adequate verification of required experience.

3           B. The denial of the issuance of an agency license or identification  
4 card under this chapter shall be in writing and shall describe the basis for  
5 the denial. The denial notice shall inform the applicant that if the  
6 applicant desires a hearing by the board to contest the denial, the applicant  
7 shall submit the request in writing to the department within thirty calendar  
8 days after service of the denial. Service is complete on the mailing of the  
9 denial to the address listed on the application.

10          C. Except as provided in section 41-1092.08, subsection H, final  
11 decisions of the director are subject to judicial review pursuant to title  
12 12, chapter 7, article 6.

13          D. If an applicant is denied an agency license, the applicant may  
14 petition the board for a good cause exception.

15          E. If the board granted a licensee a good cause exception pursuant to  
16 section 32-2609, the department may not deny the licensee's renewal  
17 application based on factors already reviewed by the board when granting the  
18 good cause exception.