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Honorable Chair
North Carolina Locksmiths Board
P.O. Box 10972
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PETITION FOR RULEMAKING

To the Honorable Chair, North Carolina Locksmiths Board PO Box 10972 Raleigh, NC 27605

Date: July 24, 2025

Petitioner: Kenneth Wayne

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License Number: 2137

Pursuant to G.S. 150B-20 and 21 NCAC 29 .0601, the undersigned respectfully petitions the North Carolina Locksmiths Board to adopt and amend administrative rules as detailed below. This petition seeks **eleven** specific changes:

I. Amendment to 21 NCAC 29 .0802 to Remove the Age-Based Continuing Education Exemption

(a) Citation for Rule to be Amended: 21 NCAC 29 .0802, "REQUIREMENTS"

(b) Draft of Proposed Amended Rule:

The current text of 21 NCAC 29 .0802(a) reads: (a) Every licensee shall obtain 16 contact hours of continuing education during each 3-year renewal cycle, except: (1) Persons exempted from eight contact hours in Rule .0805 of this Section; and (2) Persons who: (A) are at least 62 years of age; (B) have at least 15 years of experience as locksmiths; (C) have been North Carolina licensed locksmiths for at least nine years; and (D) are not subject to an investigation by the Board.

The petitioner requests that 21 NCAC 29 .0802(a)(2) be amended to remove the age requirement, as follows: (a) Every licensee shall obtain 16 contact hours of continuing education during each 3-year renewal cycle, except: (1) Persons exempted from eight contact hours in Rule .0805 of this Section; and (2) Persons who: (A) have at least 15 years of experience as locksmiths; (B) have been North Carolina licensed locksmiths for at least nine years; and (C) are not subject to an investigation by the Board.

(c) Statement of Effect and Rationale for Proposed Amendment:

This proposed amendment seeks to eliminate the arbitrary age requirement for continuing education exemptions, ensuring that eligibility is based solely on demonstrated experience and professional conduct.

Rationale for Removing the Age Limit:

- **Arbitrary Nature of Age:** The 62-year age limit is an arbitrary benchmark that does not inherently correlate with a locksmith's competence, knowledge, or need for continuing education. Professional competence is maintained through ongoing practical experience and adherence to ethical standards, which are already robustly covered by the existing criteria of 15 years of overall locksmith experience and 9 years of North Carolina licensure in good standing. This aligns with broader legislative efforts in North Carolina to reassess and potentially reduce continuing education burdens for licensed professionals, as exemplified by North Carolina Senate Bill 451.
- **Focus on Ability, Not Age:** The intent of continuing education exemptions should be to acknowledge long-term, proven competence. Basing this on an individual's ability and established track record, rather than a specific chronological age, aligns with principles of fairness and non-discrimination. The spirit of laws like the federal Age Discrimination in Employment Act (ADEA) emphasizes evaluating individuals based on their ability, not age, for opportunities related to their profession. While ADEA is primarily employment-focused, its underlying principle of preventing arbitrary age discrimination is highly relevant to occupational licensing requirements that directly impact a person's ability to practice their trade.
- **Fairness and Equity:** The current rule creates an unfair distinction among highly experienced and long-term licensed locksmiths. A locksmith who has fulfilled the 15 years of experience and 9 years of NC licensure, and who is not under investigation, possesses the same level of demonstrated expertise whether they are 61 or 62 years of age. Exempting one but not the other based solely on age is inequitable.

Effect of the Proposed Amendment on Existing Rules or Decisions:

- This amendment would streamline the continuing education exemption criteria, making them solely experience- and conduct-based.
- It would bring the North Carolina Locksmiths Board's rules into closer alignment with the practices of other North Carolina professional licensing boards, such as the North Carolina Board of Examiners for Engineers and Surveyors (21 NCAC 56 .1707), which grant continuing education exemptions based on factors other than age (e.g., new licensure, military service, disability, inactive status). It would also align with other states like Georgia for cosmetology and barbers who have purely experience-based exemptions.
- Furthermore, this amendment compliments the broader legislative intent of North Carolina Senate Bill 451, which, if passed, would require the North Carolina Locksmith Licensing Board (among other boards) to reduce its continuing education and professional development hour requirements by 50%. While Senate Bill 451 focuses on the amount of CE, this proposed rule change addresses who is eligible for an exemption, creating a more cohesive and modernized regulatory framework.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Eligibility:** More experienced locksmiths who meet the substantial experience and licensure duration criteria, but are currently under 62 years of age, would become

eligible for the CE exemption, recognizing their accumulated knowledge and practical skills.

- **Modernization of Regulations:** This change reflects a more modern and equitable approach to professional regulation, prioritizing demonstrated competence and experience over an arbitrary age threshold.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **North Carolina Licensed Locksmiths** under 62 years of age who meet the 15 years of experience and 9 years of North Carolina licensure criteria would directly benefit from this amendment.
- **The North Carolina Locksmiths Board** would administer a more equitable and defensible rule.
- **The Locksmith Profession in North Carolina** would be perceived as more inclusive and merit-based.

II. Adoption of a New Rule Requiring License Renewal Notifications

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0901, "LICENSE RENEWAL NOTIFICATION," to be added under a suitable section governing administrative procedures or license administration.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0901 LICENSE RENEWAL NOTIFICATION (a) The Board shall, as a courtesy, send an electronic reminder notification to each licensee at the email address on file with the Board at least 60 days prior to the expiration date of their license. (b) Licensees are responsible for ensuring the Board has their current and accurate contact information, including a valid email address. Failure to receive a reminder notification does not relieve the licensee of their obligation to renew their license by the expiration date.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to improve licensee compliance and foster a more supportive relationship between the Board and its licensees by mandating a courtesy notification for license renewal.

Rationale for Mandating Notifications:

- **Promote Compliance and Reduce Lapses:** In the absence of reminder notices, licensees can inadvertently miss their renewal deadlines due to various professional and personal commitments. Proactive reminders would significantly reduce unintentional lapses in licensure, ensuring that more locksmiths remain properly licensed and in good standing. This, in turn, benefits public safety by maintaining a readily identifiable pool of currently licensed professionals.

- **Fairness and Professional Standard:** Numerous other professional licensing boards in North Carolina (e.g., North Carolina Medical Board, North Carolina Board of Chiropractic Examiners, North Carolina Social Work Certification and Licensure Board, North Carolina Board of Psychology) already provide courtesy renewal notifications to their licensees. Implementing such a policy for locksmiths would align the Board's administrative practices with prevailing professional standards and best practices for regulatory bodies across the state.
- **Reduce Unnecessary Penalties:** The current fee structure of the North Carolina Locksmiths Board includes substantial penalties for late or expired renewals (\$350 if postmarked less than 30 days before expiration, \$500 if already expired). While licensees bear ultimate responsibility for renewal, the absence of reminders, coupled with these significant penalties, can lead to licensees incurring substantial and avoidable fees. This practice can be perceived as the Board generating revenue through non-compliance rather than actively facilitating compliance.
- **Enforce Importance of Staying Current:** Proactive reminders emphasize the importance of maintaining a current license and encourage timely renewals, thereby supporting the overall goal of ensuring that locksmiths are always in compliance with licensing requirements, rather than relying solely on post-expiration penalties.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would establish a clear administrative procedure for the Board regarding license renewal communications.
- It would necessitate the Board to implement and maintain a system for sending automated electronic notifications to licensees, which is a standard technological capability for most modern licensing bodies.
- It could potentially lead to a reduction in the revenue generated from late and expired license fees, as more licensees would renew on time.

Industry or Regulatory Practices Likely to be Affected:

- **Improved Licensee Compliance Rates:** It is anticipated that a significantly higher percentage of licensees will renew their licenses on time, leading to a more consistently licensed workforce.
- **Enhanced Professional Relationship:** This demonstrates a proactive and supportive approach from the regulatory body towards its licensees, fostering greater trust and cooperation within the profession.
- **Minor Administrative Adjustment for Board:** Requires the Board to dedicate resources to developing and maintaining the notification system.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **All North Carolina Licensed Locksmiths:** This entire class of licensees would directly benefit from receiving timely courtesy reminders, reducing the likelihood of accidental lapses and associated penalties.

- **The North Carolina Locksmiths Board:** Would experience a shift in administrative effort towards proactive communication and potentially a reduction in processing delinquent renewals.

III. Adoption of a New Rule Regarding Newsletter Communication Frequency

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0902, "NEWSLETTER COMMUNICATION," to be added under a suitable section governing administrative procedures or board communications.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0902 NEWSLETTER COMMUNICATION (a) The Board shall publish and distribute an electronic newsletter to all licensees at least three (3) times per calendar year, but no more than six (6) times per calendar year. (b) The newsletter shall contain relevant updates, regulatory changes, continuing education opportunities, and other information pertinent to the locksmith profession in North Carolina.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to significantly enhance communication between the Board and its licensees, fostering greater engagement and ensuring licensees are consistently well-informed.

Rationale for Mandating Newsletter Frequency:

- **Enhanced Engagement and Information Dissemination:** More frequent communication, specifically through a quarterly electronic newsletter, will keep licensees better informed about board activities, regulatory changes, new continuing education opportunities, and other pertinent industry news. This regular flow of information fosters a stronger sense of connection and ensures licensees are aware of important developments impacting their profession.
- **Building Trust and Community:** Providing consistent and valuable updates demonstrates the Board's commitment to its licensees beyond just regulatory enforcement. It cultivates a more collaborative and supportive relationship, addressing the sentiment that the Board "genuinely cares about its licensees."
- **Cost-Effectiveness in the Digital Age:** In "today's day and age," electronic newsletters incur minimal material or distribution costs. This makes increasing communication frequency a highly efficient and fiscally responsible way to improve licensee relations without significant financial burden on the Board.
- **Modern Communication Standard:** For professional organizations and regulatory bodies, frequent and accessible digital communication is a standard expectation. Moving from potentially one newsletter per year to three or four aligns the Board's practices with modern communication best practices.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would establish a clear administrative procedure for the Board regarding the frequency and content of its licensee communications.
- It would necessitate the Board to allocate resources for the consistent creation and distribution of newsletter content.
- It does not directly impact existing licensing or continuing education rules but significantly enhances the overall communication framework between the Board and its licensees.

Industry or Regulatory Practices Likely to be Affected:

- **Improved Information Flow:** Licensees will receive more timely and comprehensive updates, leading to better compliance and a more informed professional community.
- **Enhanced Professionalism and Responsiveness:** The Board will be perceived as more proactive, transparent, and supportive of its licensees.
- **Administrative Adjustment for Board:** Requires the Board to establish a content calendar and a reliable system for producing and distributing the newsletters on a quarterly basis.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **All North Carolina Licensed Locksmiths:** This entire class of licensees would directly benefit from receiving more frequent and relevant updates, leading to increased awareness and engagement.
- **The North Carolina Locksmiths Board:** Would need to manage content creation and distribution, but would benefit from improved licensee relations, potentially fewer inquiries due to better information dissemination, and a more positive public image.

IV. Adoption of a New Rule Regarding Public Access to Licensee Information

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0903, "PUBLIC LICENSEE INFORMATION," to be added under a suitable section governing administrative procedures or public information.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0903 PUBLIC LICENSEE INFORMATION (a) The Board shall ensure that its public-facing licensee verification system provides readily accessible and useful information to the public when a licensee number is entered. (b) This information shall include, but not be limited to: the licensee's company name (if applicable), physical address of any storefront, primary business phone number, confirmation of current licensure status, license expiration date, and an indication of whether all requirements to operate a business in North Carolina (such as tax ID and general liability insurance) have been met, to the extent such information is collected and verified by the Board and is permissible for public disclosure under North Carolina law. (c) The Board

shall regularly review and update the information provided through this system to ensure its accuracy and utility for public safety and consumer confidence.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to significantly improve public access to critical information about licensed locksmiths, enhancing consumer confidence and public safety.

Rationale for Mandating Public Information:

- **Enhanced Public Safety and Consumer Confidence:** When a member of the public inputs a licensee number (which is required on all advertisements), they should be able to access useful, credible information to verify a locksmith's legitimacy and operational details. The current system's lack of comprehensive information hinders the public's ability to make informed decisions and can undermine trust. Providing details such as company name, address, phone number, and confirmation of essential business requirements (like general liability insurance) directly supports public safety by allowing consumers to verify reputable and compliant businesses.
- **Transparency and Accountability:** A robust public verification system promotes transparency within the locksmith profession. It holds licensees accountable for maintaining their business credentials and allows the public to easily confirm that a locksmith meets all necessary requirements to operate legally in North Carolina.
- **Industry Best Practice:** Many other professional licensing boards provide more detailed public verification portals, recognizing the importance of accessible information for consumer protection. Aligning with this standard will elevate the professionalism and credibility of the North Carolina locksmith industry.
- **Support for Lawful Business Operations:** By making it easier for the public to identify fully compliant businesses, this rule indirectly supports locksmiths who adhere to all regulations, potentially deterring unlicensed or non-compliant operators.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would mandate an enhancement of the Board's existing licensee verification system (e.g., Certemy) to include more comprehensive public information.
- It would require the Board to ensure that the necessary data fields are collected from licensees and made publicly accessible, adhering to privacy laws.
- It may require a review of current data collection practices and potential updates to the Board's technological infrastructure for public data dissemination.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Public Trust:** The public will have greater confidence in the North Carolina locksmith profession due to improved transparency and ease of verification.
- **Improved Market Integrity:** Legitimate and compliant locksmith businesses will be more easily identifiable, potentially reducing the impact of unlicensed or fraudulent operators.

- **Administrative Adjustment for Board:** Requires the Board to work with its technology provider (e.g., Certemy) to expand the scope of publicly displayed information and ensure data accuracy.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **The General Public in North Carolina:** Consumers seeking locksmith services would directly benefit from readily available and comprehensive information, enabling them to make safer and more informed choices.
- **North Carolina Licensed Locksmiths:** Those who are fully compliant and operate legitimate businesses would benefit from increased public trust and easier verification of their credentials.
- **The North Carolina Locksmiths Board:** Would need to oversee the implementation and maintenance of the enhanced public information system, but would benefit from increased public confidence and a stronger regulatory reputation.

V. Adoption of a New Rule Regarding Master Key System Information Ownership

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0904, "MASTER KEY SYSTEM INFORMATION OWNERSHIP," to be added under a suitable section governing professional conduct or client relations.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0904 MASTER KEY SYSTEM INFORMATION OWNERSHIP (a) For any master key system or bitting list created for a client's property, the information contained within such system or list shall be deemed the intellectual property of the client. (b) Upon a written request from the client or their authorized representative, a licensee shall turn over all records pertaining to the master key system or bitting list for that client's property within a reasonable amount of time, not to exceed [e.g., 10 business days] from the date of the request. (c) This rule is intended to ensure the continuity and integrity of a client's security system and to protect their proprietary information.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to clarify the ownership of critical security information, ensuring clients retain control over their master key systems and related data.

Rationale for Mandating Information Turnover:

- **Protection of Client Intellectual Property:** Master key system designs and bitting lists contain sensitive and proprietary information crucial to a client's security. This information is specifically developed for their property and should therefore be recognized as their intellectual property, not that of the locksmith who performed the service.

- **Ensuring System Continuity and Future Maintenance:** By mandating the turnover of these records, clients can ensure the long-term integrity and maintainability of their security systems. This allows them to build upon the existing system, perform necessary repairs, or engage other licensed professionals for future work without being held captive by a single locksmith's proprietary retention of essential data.
- **Preventing Undue Dependence:** Without access to this information, clients may be forced to rely solely on the original locksmith for all future services related to the master key system, potentially leading to inflated costs or limited options. This rule promotes fair business practices and client autonomy.
- **Enhancing Trust and Professionalism:** Clarifying data ownership and mandating its release upon request will enhance trust between locksmiths and their clients. It demonstrates a commitment to client interests and elevates the professional standards of the locksmith industry in North Carolina.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would establish a clear professional obligation for licensees regarding the handling and release of client-specific master key system data.
- It may require licensees to maintain more organized and accessible records of master key systems and bitting lists for their clients.
- It does not directly impact licensing or continuing education rules but adds a significant component to professional conduct and client relations.

Industry or Regulatory Practices Likely to be Affected:

- **Improved Client Relations:** Locksmiths who comply will foster greater trust and client satisfaction.
- **Standardization of Data Handling:** It will encourage a more consistent approach to managing and releasing sensitive client security information across the industry.
- **Potential for Administrative Disputes:** While intended to clarify, there might be initial disputes over what constitutes a "reasonable amount of time" or the scope of "written request," which the Board may need to clarify through guidance.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **Clients of North Carolina Licensed Locksmiths:** Property owners and businesses utilizing master key systems would directly benefit from having guaranteed access to their system's proprietary information.
- **North Carolina Licensed Locksmiths:** Would be required to adhere to the new standard for data retention and release, ensuring they are prepared to turn over records upon client request.
- **The North Carolina Locksmiths Board:** Would be responsible for enforcing this rule and potentially providing guidance on its implementation.

VI. Adoption of a New Rule Regarding Advertising by Exempt Entities

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0905, "ADVERTISING BY EXEMPT ENTITIES," to be added under a suitable section governing advertising standards or general conduct.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0905 ADVERTISING BY EXEMPT ENTITIES (a) Any person or entity, including those otherwise exempt from the licensing requirements of the North Carolina Locksmiths Board, who advertises or offers locksmith services for compensation to the general public in North Carolina, shall be subject to the advertising standards set forth in the Board's rules. This includes, but is not limited to, the mandatory display of a valid North Carolina Locksmith License number in all such advertisements, as explicitly required by G.S. 74F-12(b). Failure to comply with these advertising standards by any person or entity, regardless of their licensing status, constitutes a violation of Board rules and Chapter 74F of the General Statutes, and may result in appropriate enforcement actions by the Board as permitted by G.S. 74F-15 and other applicable law. (b) For the purposes of this Rule, "locksmith services" shall include, but not be limited to, the programming of vehicle keys, replacement of keys for high-security systems, or any other service that falls within the statutory definition of locksmithing as defined in G.S. 74F. (c) This rule clarifies that while certain entities may be exempt from the requirement to hold a locksmith license, such exemption does not grant immunity from the advertising regulations when performing or offering services that constitute locksmithing.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to clarify advertising responsibilities for entities offering locksmith-type services, ensuring transparency for consumers and fair competition within the industry.

Rationale for Mandating Advertising Compliance:

- **Consumer Protection:** When the public sees an advertisement for "locksmith services," they reasonably expect to be dealing with a regulated professional. The absence of a license number in such advertisements, even from an otherwise exempt entity, can be misleading and prevent consumers from verifying the legitimacy or accountability of the service provider. This rule ensures that consumers have access to critical verification information regardless of who is advertising the service.
- **Fair Competition:** Licensed locksmiths are legally required to display their license numbers in all advertisements. Allowing exempt businesses to advertise identical or similar "locksmith services" without this requirement creates an unfair competitive advantage and undermines the regulatory framework intended to protect the public.

- **Clarity and Consistency in Regulation:** This rule closes a loophole where businesses can operate in a grey area, offering services that clearly fall under the definition of locksmithing while claiming blanket immunity from all Board regulations due to a licensing exemption. It establishes that advertising standards apply to the *activity* being advertised, not solely to the *licensing status* of the advertiser.
- **Preventing Misleading Practices:** Advertising "locksmith services" without the associated professional identifier (license number) can be seen as a deceptive practice, as it implies a level of oversight and qualification that may not be present or easily verifiable by the consumer.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would clarify the scope of the Board's advertising regulations, extending their applicability to any entity that advertises locksmith services for compensation, regardless of its licensing exemption status.
- It would require exempt businesses that choose to advertise locksmith-type services to either obtain a locksmith license or cease advertising such services if they cannot meet the advertising requirements.
- It does not alter the conditions for licensing exemptions but defines the responsibilities associated with advertising services that fall under the Board's purview.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Transparency in Advertising:** The public will have clearer information when seeking locksmith services, regardless of the provider type.
- **More Equitable Market Conditions:** Licensed locksmiths will operate on a more level playing field with businesses offering similar services.
- **Administrative Oversight:** The Board would need to monitor advertising practices more broadly to ensure compliance with this new rule.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **The General Public in North Carolina:** Would benefit from clearer, more verifiable advertising for locksmith services.
- **North Carolina Licensed Locksmiths:** Would benefit from fairer competition and reduced confusion in the market.
- **Retail stores, hardware stores, auto parts stores, and similar entities** that are currently exempt from locksmith licensing but advertise locksmith-type services for compensation: These entities would need to ensure their advertising complies with the Board's rules along with the statute, including displaying a license number, or modify their advertising to avoid implying locksmith services.
- **The North Carolina Locksmiths Board:** Would be responsible for enforcing this rule and providing guidance on its interpretation.

VII. Adoption of a New Rule Regarding Transparency in Legislative Proposals

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0906, "LEGISLATIVE TRANSPARENCY AND NOTIFICATION," to be added under a suitable section governing administrative procedures or board communications.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0906 LEGISLATIVE TRANSPARENCY AND NOTIFICATION (a) The Board shall notify all licensees of any legislative bill it proposes or actively supports related to locksmithing in North Carolina. (b) This notification shall be sent electronically to the email address on file with the Board within a reasonable timeframe, not to exceed 10 business days, of the bill's official introduction or public endorsement by the Board. (c) The notification shall include the bill number, a brief summary of its contents, and information on how licensees can access the full text of the bill and track its progress.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to significantly increase transparency regarding legislative efforts undertaken or supported by the North Carolina Locksmiths Board, fostering better communication and trust with its licensees.

Rationale for Mandating Legislative Transparency:

- **Enhanced Transparency and Awareness:** Legislative bills directly impact the legal framework within which locksmiths operate, affecting their practice, responsibilities, and potential liabilities. Proactive notification about such proposed legislation ensures licensees are aware of significant changes that could affect their livelihoods and professional practice.
- **Empowering Licensees:** While the Board is not legally required to solicit input on every bill, providing timely information empowers licensees to review, understand, and potentially engage with legislative matters that affect them. This fosters a sense of inclusion and respect within the professional community.
- **Improved Board-Licensee Relations:** By voluntarily providing information beyond what is legally mandated, the Board demonstrates a commitment to open communication and a genuine interest in its licensees' well-being. This can significantly build trust and improve the overall relationship between the regulatory body and the professionals it oversees, addressing concerns about a lack of transparency and perceived inconsistencies in information dissemination (as reportedly occurred with House Bill 829, where the Board initially claimed inability to disseminate information to licensees due to "lobbying" concerns, yet shared it with the NC Locksmith Association and later, when forced, notified licensees of a bill it supported).
- **Preventing Surprises and Misinformation:** Proactive and official communication from the Board can prevent licensees from learning about critical legislative developments through unofficial channels or after a bill has already advanced significantly, which can lead to frustration and a feeling of being uninformed. The instance of House Bill 829 clearly

demonstrated the negative impact of delayed or incomplete communication, where licensees were first informed by a peer, ultimately compelling the Board to issue a belated notification.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would establish a new administrative procedure for the Board, requiring it to actively monitor legislative developments and disseminate information to its licensees.
- It would necessitate the Board to implement a system for tracking relevant bills and issuing timely electronic notifications.
- It does not alter the Board's legislative powers but adds a layer of communication responsibility.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Licensee Engagement:** Expect greater awareness and potentially more informed feedback from licensees on legislative issues.
- **Strengthened Professional Community:** A more informed and engaged licensee base can contribute to a stronger and more unified locksmith profession in North Carolina.
- **Administrative Adjustment for Board:** Requires the Board to dedicate resources to legislative monitoring and communication.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **All North Carolina Licensed Locksmiths:** Would directly benefit from timely and comprehensive information regarding legislative proposals impacting their profession.
- **The North Carolina Locksmiths Board:** Would take on an additional administrative duty but would benefit from improved licensee relations, increased trust, and a more transparent public image.

VIII. Amendment to 21 NCAC 29 .0502 Regarding Misleading Advertising of Physical Addresses and Required Signage

(a) Citation for Rule to be Amended: 21 NCAC 29 .0502, "FAIR BUSINESS PRACTICES"

(b) Draft of Proposed Amended Rule:

The current text of 21 NCAC 29 .0502 includes provisions on conducting business in compliance with laws, refraining from association with fraud or misrepresentation, and avoiding misrepresentation of services. The petitioner requests that new subsections be added to 21 NCAC 29 .0502 to specifically address misleading physical addresses in advertising and required physical signage, as follows:

21 NCAC 29 .0502 FAIR BUSINESS PRACTICES (f) Locksmiths shall not use, or allow the use of, any physical address in advertising (including but not limited to websites, online directories, or physical signage) that is not a genuine, regularly staffed business location or a verifiable registered

office, if such use is intended to deceive customers into believing the locksmith operates from a storefront or fixed location when they primarily operate as a mobile service. All advertising shall accurately represent the nature of the locksmith's business operations and physical presence. (g) Any licensed locksmith operating a retail store, brick-and-mortar shop, or other fixed physical location for the purpose of providing locksmith services to the public shall display permanent, clearly visible signage at the entrance or on the exterior of the premises. This signage shall prominently feature the registered business name associated with the licensed locksmith or locksmith company, allowing consumers to easily identify and confirm the physical existence of the business at that location.

(c) Statement of Effect and Rationale for Proposed Amendment:

This proposed amendment aims to prevent deceptive advertising practices by mobile locksmiths who misrepresent their physical presence and to ensure transparency for consumers by requiring clear physical signage for legitimate storefront locksmith businesses, thereby enhancing consumer protection and ensuring fair business practices.

Rationale for Mandating Truthful Physical Address Advertising and Required Signage:

- **Preventing Consumer Deception:** Consumers often rely on a physical address to gauge the legitimacy and stability of a business. Listing a fake or misleading address (e.g., a P.O. Box or a residential address without clarification, or a virtual office used to imply a storefront) can deceive customers into believing they are dealing with a local, established brick-and-mortar business, which may not be the case. This misrepresentation can lead to a lack of accountability and difficulty for consumers seeking follow-up services or recourse. The requirement for clear physical signage at a storefront further reinforces the authenticity of a fixed business location.
- **Enhancing Public Trust and Safety:** Knowing a locksmith's true operational nature (mobile vs. storefront) and being able to physically verify a storefront location is important for consumer confidence. Misleading addresses or the absence of clear signage can create a false sense of security and make it harder for the public to verify a locksmith's credentials or locate them if issues arise.
- **Fair Competition:** Legitimate storefront locksmiths incur significant overhead costs for their physical locations. Allowing mobile locksmiths to deceptively advertise a non-existent storefront creates an unfair competitive advantage, as they benefit from the perceived legitimacy of a fixed location without bearing the associated costs. Conversely, requiring clear signage for actual storefronts ensures that their investment in a physical presence is clearly communicated to the public.
- **Alignment with Existing Ethical Standards:** This proposed rule aligns with the spirit of existing fair business practices outlined in 21 NCAC 29 .0502, particularly subsections (a) (compliance with laws), (c) (refraining from fraud or misrepresentation), and (d) (not misrepresenting features of service). It clarifies that misrepresenting a business's physical presence and ensuring verifiable storefronts fall under these broader ethical obligations.

Effect of the Proposed Amendment on Existing Rules or Decisions:

- This amendment would explicitly prohibit a specific form of deceptive advertising related to physical addresses and introduce a requirement for clear physical signage for storefront operations, strengthening the Board's enforcement capabilities under "Fair Business Practices."
- It would require locksmiths to review their advertising across all platforms (online and offline) to ensure that any listed physical addresses accurately reflect their business operations. Storefront businesses would need to ensure they have compliant, permanent signage.
- It does not introduce new licensing requirements but clarifies existing ethical and legal obligations regarding truthful representation and verifiable business presence.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Transparency for Consumers:** The public will have a clearer understanding of a locksmith's operational model (mobile vs. storefront) and greater confidence in the authenticity of physical locations.
- **Reduced Deceptive Advertising:** This rule would provide the Board with a stronger basis to address and penalize locksmiths engaging in misleading physical address advertising.
- **Potential for Business Model Adjustments:** Mobile locksmiths who currently use misleading addresses would need to update their advertising to be fully transparent. Storefront locksmiths would need to ensure their physical signage meets the new requirements.
- **More Equitable Market Conditions:** Both mobile and storefront licensed locksmiths will operate on a more level playing field.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **The General Public in North Carolina:** Consumers seeking locksmith services would directly benefit from more accurate and transparent information about the businesses they engage, including the verifiable presence of storefronts.
- **North Carolina Licensed Locksmiths (especially mobile locksmiths):** Would be required to ensure their advertising truthfully represents their physical presence. Those currently using misleading addresses would need to adjust their practices.
- **North Carolina Licensed Locksmiths (especially storefront businesses):** Would be required to ensure their physical locations have clear, permanent signage with the appropriate business name. They would also benefit from a more level playing field and reduced unfair competition from deceptive advertising.
- **The North Carolina Locksmiths Board:** Would be responsible for enforcing this rule and investigating complaints related to misleading physical address advertising and signage.

IX. Adoption of a New Rule Regarding Video Recording and Online Access to Board Meetings

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .0907, "BOARD MEETING TRANSPARENCY AND ACCESSIBILITY," to be added under a suitable section governing administrative procedures or public information.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .0907 BOARD MEETING TRANSPARENCY AND ACCESSIBILITY (a) The Board shall ensure that all public meetings are video recorded. (b) These video recordings shall be made publicly available online through the Board's official website within a reasonable timeframe, not to exceed 10 business days, following the conclusion of each meeting. (c) The purpose of making these recordings available is to provide licensees and the general public with transparent access to Board deliberations and decisions for informational purposes. (d) At its discretion, the Board may consider allowing viewing of these video recordings to count towards a portion of the continuing education credit system, provided clear criteria for verification of viewing and educational value are established.

(c) Statement of Effect and Rationale for Proposed New Rule:

This proposed rule aims to significantly enhance the transparency and accessibility of the North Carolina Locksmiths Board's operations, fostering greater engagement and trust with its licensees and the public.

Rationale for Mandating Video Recording and Online Access:

- **Increased Transparency and Accountability:** While meeting minutes serve as an official record, they are inherently a summary and may not capture the full context or every detail of discussions and presentations. Video recording and online dissemination of board meetings would provide a complete, unedited, and unprecedented level of transparency, ensuring that all deliberations and presentations are fully accessible to the public. This direct visual and auditory record prevents any inadvertent omission of important conversations or the perception of narrative control, fostering greater accountability and trust in the Board's governance by allowing licensees and the public to directly observe board discussions, decision-making processes, and interactions.
- **Enhanced Information for Licensees:** Not all licensees can attend physical board meetings due to geographical distance, work schedules, or other commitments. Providing online video access ensures that all licensees have the opportunity to stay fully informed about critical discussions, policy changes, and other matters directly impacting their profession, regardless of their location. This complements other communication efforts like newsletters.
- **Educational Resource:** Board meetings often involve discussions about regulatory interpretations, industry trends, and professional standards. Making these accessible could serve as a valuable educational resource for licensees, helping them stay current

with the evolving landscape of locksmithing in North Carolina. The suggestion to consider these for CE credit, at the Board's discretion, acknowledges this educational potential while allowing the Board to set appropriate standards. Notably, on December 1st, 2010, the Board previously voted to allow continuing education credits for board service and proctoring exams, and for board members attending at least 75% of meetings to receive 3 hours of credit. This historical precedent demonstrates the Board's prior recognition of the educational value inherent in Board-related activities.

- **Modern Governance Practice:** Many public bodies and professional licensing boards across the nation are moving towards greater digital accessibility for their meetings. Adopting this practice would align the North Carolina Locksmiths Board with modern standards of transparent governance.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would establish a new administrative procedure for the Board, requiring the technical infrastructure and personnel to record and upload meeting videos.
- It would necessitate the Board to consider and potentially develop criteria for how viewing meetings might contribute to continuing education credits.
- It does not alter the Board's decision-making authority but enhances the public's ability to observe and understand those decisions.

Industry or Regulatory Practices Likely to be Affected:

- **Greater Public and Licensee Engagement:** Expect increased awareness and understanding of the Board's functions among its licensees.
- **Improved Trust and Confidence:** Transparency in operations often leads to a more positive perception of the regulatory body.
- **Administrative Adjustment for Board:** Requires investment in recording equipment, online hosting, and potentially staff time for managing the video content.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **All North Carolina Licensed Locksmiths:** Would directly benefit from convenient access to board meeting information, enhancing their ability to stay informed and engaged.
- **The General Public in North Carolina:** Would have greater insight into the regulation of locksmith services, fostering consumer confidence.
- **The North Carolina Locksmiths Board:** Would take on new administrative responsibilities but would benefit from increased transparency, improved public relations, and potentially a more informed licensee base.

X. Amendment to 21 NCAC 29 .0802 Regarding Continuing Education Credit for Instructors

- (a) **Citation for Rule to be Amended:** 21 NCAC 29 .0802, "REQUIREMENTS"

(b) Draft of Proposed Amended Rule:

The current text of 21 NCAC 29 .0802(c) reads: (c) Credit for teaching or instructing qualifying courses shall earn continuing education credit for the instructor at the same rate as for participants.

The petitioner requests that 21 NCAC 29 .0802(c) be amended to remove the provision that instructors receive the same continuing education credit for teaching as participants, or to modify it to reflect that repeat instruction does not count for credit, as follows:

(c) Statement of Effect and Rationale for Proposed Amendment:

This proposed amendment seeks to revise the continuing education credit awarded to instructors for teaching qualifying courses, asserting that repeat instruction does not align with the spirit of learning intended by continuing education.

Rationale for Amending Instructor CE Credit:

- **Focus on Learning and Skill Development:** The fundamental purpose of continuing education is to ensure that licensees acquire new knowledge, update their skills, and stay current with evolving industry practices. While preparing and delivering a course can involve learning, repeatedly teaching the same material without new content does not inherently contribute to the instructor's ongoing professional development in the same way that participating in a new course would.
- **Preventing "Passive" Credit Accumulation:** Allowing instructors to accrue the same credit for teaching the same course repeatedly as participants who are actively learning new material creates an inequitable system. It incentivizes the passive accumulation of credits rather than active engagement with new educational content.
- **Fairness and Consistency:** If a licensee were to take the same continuing education course multiple times to fulfill their credit requirements, it is highly unlikely they would be afforded the same credit each time. The same principle should apply to instructors who repeatedly teach identical material; the initial teaching might warrant credit for preparation and delivery, but subsequent, unchanged presentations do not offer the same educational benefit to the instructor.
- **Promoting Instructor Growth:** By limiting or adjusting the credit for repeat instruction, the Board would encourage instructors to develop new courses, update their existing material, or seek out other continuing education opportunities themselves, thereby fostering their own professional growth and bringing fresh perspectives to the education provided to other licensees.

Effect of the Proposed Amendment on Existing Rules or Decisions:

- This amendment would directly impact how continuing education credits are awarded to instructors, potentially requiring them to seek new educational opportunities or develop new course content to meet their CE requirements if they frequently teach the same material.

- It would clarify that the intent of CE is ongoing learning, not merely the act of instruction itself, particularly for repeated courses.
- It may lead to a review of how the Board currently tracks and approves instructor CE credits for taught courses.

Industry or Regulatory Practices Likely to be Affected:

- **Instructor CE Planning:** Instructors who rely on teaching for their CE credits would need to diversify their educational activities or regularly update their course content to qualify for continued credit.
- **Quality of Education:** This could indirectly encourage the development of more varied and current continuing education offerings as instructors seek new material.
- **Administrative Adjustment for Board:** The Board might need to establish clearer guidelines on what constitutes "new" or "updated" course material for repeat instruction to qualify for CE credit.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **Licensed Locksmiths who serve as instructors** for continuing education courses would be directly affected, as their method of earning CE credits for instruction would be altered.
- **All North Carolina Licensed Locksmiths** would benefit from a more equitable and learning-focused continuing education system.
- The **North Carolina Locksmiths Board** would need to adjust its CE credit approval process for instructors and may face initial inquiries regarding the new policy.

XI. Adoption of a New Rule Regarding Business and Advertising Requirements for Locksmiths Offering Services to the Public

(a) Proposed New Rule: The petitioner requests the adoption of a new rule, provisionally titled 21 NCAC 29 .XXXX, "CLARIFICATION OF BUSINESS AND ADVERTISING REQUIREMENTS FOR LOCKSMITHS OFFERING SERVICES TO THE PUBLIC," to be added under a suitable section governing business practices or advertising.

(b) Draft of Proposed New Rule:

The petitioner proposes the following text for the new rule: 21 NCAC 29 .XXXX CLARIFICATION OF BUSINESS AND ADVERTISING REQUIREMENTS FOR LOCKSMITHS OFFERING SERVICES TO THE PUBLIC (a) A licensed locksmith, including one employed by an entity otherwise exempt under G.S. 74F-16 (such as an institutional locksmith or an employee of a private company), who performs or offers to perform locksmith services to the public, whether full-time, part-time, or on the side, shall be deemed to be operating a locksmith business and shall comply with all applicable North Carolina laws and regulations governing the operation of a business. (b) Such compliance shall include, but is not limited to, obtaining all necessary tax identification numbers (e.g., federal EIN), sales and use tax permits, general liability insurance, and any required local business licenses. (c) Furthermore, any

advertising, solicitation, or representation of locksmith services to the public by such a locksmith shall explicitly include their North Carolina locksmith license number, as required by G.S. 74F-12 and 21 NCAC 29 .0502(a)(1), regardless of the scale or frequency of such services. (d) The exemptions provided in G.S. 74F-16 apply solely to locksmith services performed within the scope of employment for the exempt entity and do not extend to services offered or performed independently to the general public for compensation.

(c) Statement of Effect and Rationale for Proposed New Rule: This proposed rule aims to clarify and enforce existing statutory requirements for all licensed locksmiths who offer services to the public, regardless of their primary employment status. It addresses a critical loophole that currently undermines fair competition and public protection.

Rationale for Mandating Compliance for Moonlighting Locksmiths:

- **Ensuring Fair Competition:** Currently, locksmiths who "moonlight" or work on the side, particularly those employed by exempt entities (like institutional locksmiths or private companies), may offer services to the public without fully adhering to all business regulations (e.g., obtaining tax ID numbers, sales tax permits, general liability insurance). This creates an unfair competitive advantage over locksmiths who operate fully compliant businesses, bearing all associated costs and responsibilities. This rule would level the playing field, ensuring all who compete for public business do so under the same regulatory framework.
- **Protecting the Public:** When locksmiths operate without full business compliance, it can expose the public to risks, including lack of appropriate insurance coverage in case of damage or error, and potential issues with tax compliance. Mandating adherence to all business laws ensures a higher standard of professionalism and accountability for all locksmith services offered to the public, thereby enhancing consumer protection. The recent board discussion regarding investigations showing invoices and receipts without sales tax from unlicensed operations underscores this critical need.
- **Clarifying Statutory Intent:** The North Carolina Locksmith Licensing Act (G.S. 74F) broadly states that "No person shall perform or offer to perform locksmith services in this State unless the person has been licensed." The exemptions in G.S. 74F-16 are specific to employment contexts (e.g., an employee working for their employer on the employer's property). This proposed rule clarifies that these employment-based exemptions do not extend to an individual's independent offering of locksmith services to the general public, even if they hold a license through their primary employment. This ensures that the intent of the statute—to regulate all who provide locksmith services to the public—is fully realized.
- **Enforcing Advertising Rules:** G.S. 74F-12 and 21 NCAC 29 .0502(a)(1) require licensed locksmiths to display their license number in all advertising. This rule explicitly extends this requirement to moonlighting locksmiths who advertise their services, ensuring transparency and allowing the public to verify their credentials, which is currently a significant challenge with the existing public registry system.

Effect of the Proposed New Rule on Existing Rules or Decisions:

- This rule would explicitly define the scope of business and advertising compliance for all licensed locksmiths engaging with the public, regardless of their primary employment.
- It would necessitate increased vigilance and enforcement by the Board to ensure that all locksmiths offering services to the public comply with both licensing and general business regulations.
- It could lead to a more transparent and accountable locksmith industry in North Carolina.

Industry or Regulatory Practices Likely to be Affected:

- **Increased Compliance Burden for Moonlighting Locksmiths:** Locksmiths who currently offer services on the side without full business compliance would need to register their business, obtain necessary tax IDs, insurance, and permits, and adhere to advertising rules.
- **Improved Market Fairness:** Legitimate locksmith businesses that already comply with all regulations would benefit from a more level playing field.
- **Enhanced Public Trust:** Clearer regulations and greater compliance would likely increase public trust in the locksmith profession.

Identification of Persons or Class of Persons Most Likely to be Affected:

- **Licensed Locksmiths Employed by Exempt Entities (e.g., institutional locksmiths, private companies):** This class would be directly affected if they currently offer services to the public independently without full business compliance.
- **Existing Locksmith Businesses:** These businesses would benefit from reduced unfair competition.
- **The North Carolina Locksmiths Board:** Would have clearer guidelines for enforcement and a stronger basis for prosecuting non-compliant activities.
- **The General Public:** Would benefit from greater transparency and accountability from all locksmiths offering services.

The petitioner respectfully requests the North Carolina Locksmiths Board to grant this petition for rulemaking, initiating the process to amend 21 NCAC 29 .0802 and 21 NCAC 29 .0502, and adopt new rules regarding license renewal notifications, newsletter communication frequency, public access to licensee information, master key system information ownership, advertising by exempt entities, transparency in legislative proposals, and board meeting transparency and accessibility. These changes will serve to create more equitable, transparent, and supportive regulations for all licensed locksmiths in North Carolina.