

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 782
SENATE BILL 249

1 AN ACT TO PROVIDE FOR THE LICENSING OF PRIVATE DETECTIVES IN NORTH
2 CAROLINA.

3
4 The General Assembly of North Carolina do enact:

5
6 **Section 1.** Chapter 66 of the General Statutes entitled "Commerce and Business" is
7 hereby amended by adding thereto a new Article following Article 9 to be numbered Article 9A
8 and to read as follows:

9 "Article 9A.

10 "Private Detectives.

11 **"§ 66-49.1. License required.** No private person, firm or corporation shall engage in the
12 detective business within this State without having first obtained a license as provided in this
13 Article.

14 **"§ 66-49.2. Definitions.** As used in this Article unless the context otherwise requires, the term:

15 (1) 'Detective business' means:

- 16 a. Engaging in the business of or accepting employment to obtain or
17 furnish information with reference to:
- 18 1. Crimes or wrongs done or threatened against the United
19 States of America or any state or territory thereof;
 - 20 2. The identity, habits, conduct, business, occupation, honesty,
21 integrity, credibility, knowledge, trustworthiness, efficiency,
22 loyalty, activity, movement, whereabouts, affiliations,
23 associations, transactions, acts, reputation or character of any
24 person;
 - 25 3. The location, disposition or recovery of lost or stolen
26 property;
 - 27 4. The cause or responsibility for fires, libels, losses, accidents,
28 damage or injury to persons or property; or
 - 29 5. The securing of evidence to be used before any court, board,
30 officer or investigating committee;
- 31 b. Engaging in business as or accepting employment as a private patrol
32 or guard service for consideration on a private contractual basis and
33 not as an employee.

34 'Detective business' shall not include:

- 35 c. Insurance adjusters legally employed as such and who engage in no
36 other investigative activities unconnected with adjustment of claims
37 against an insurance company;
- 38 d. Persons employed exclusively and regularly by only one employer in
39 connection with the affairs of such employer only and where there
40 exists an employer-employee relationship;
- 41 e. An officer or employee of the United States or of this State or any
42 political subdivision thereof, while such officer or employee is
43 engaged in the performance of his official duties;

1 f. A person engaged in the business of obtaining and furnishing
2 information as to the financial rating of persons; or g. An attorney at
3 law licensed to practice in North Carolina, or his agent.

4 (2) 'Director' means the Director of the State Bureau of Investigation.

5 (3) 'Bureau' means the State Bureau of Investigation.

6 (4) 'Person' includes individuals, firms, associations, companies, partnerships
7 and corporation.

8 **"§ 66-49.3. Application for license; investigation; examination; issuance.** (a) Any person,
9 firm, or corporation desiring to carry on a detective business in this State shall make application
10 in writing to the Director of the State Bureau of Investigation for a license therefor.

11 "(b) The application shall include:

12 (1) The full name and business address of the applicant;

13 (2) The name under which the applicant intends to do business;

14 (3) A statement as to the general nature of the business in which the applicant
15 intends to engage;

16 (4) If an applicant is a person other than an individual, the full name and address
17 of each of its partners, officers and directors and its business manager, if
18 any;

19 (5) The names of not less than three unrelated and disinterested persons, as
20 references, of whom inquiry can be made as to the character, standing and
21 reputation of the person, firm or corporation making the application,
22 including at least one judge or solicitor of a court of record in this State or at
23 least one municipal chief of police or county sheriff in this State; and

24 (6) Such other information, evidence, statements or documents as may be
25 required by the Director.

26 "(c) Upon receipt of an application the Director shall cause an investigation to be made
27 in the course of which the applicant shall be required to show that he meets all the following
28 requirements and qualifications hereby made prerequisites to the obtaining of a license:

29 (1) That he is at least 21 years of age;

30 (2) That he is a citizen of the United States;

31 (3) That he is of good moral character and temperate habits;

32 (4) That he has had at least two years' experience in private investigative work
33 or as an insurance adjuster or, in lieu thereof, at least one year's experience
34 as a member of the Federal Bureau of Investigation, the State Bureau of
35 Investigation, any municipal police department in this State or any county
36 sheriff's department in this State; or comply with such other qualifications as
37 the Director may by regulation fix.

38 "(d) Following investigation, the Director may require an applicant to demonstrate his
39 qualifications by a written or oral examination or a combination of both.

40 "(e) Upon a finding that: the application is in proper form; the investigation has shown
41 the applicant to possess all the necessary qualifications and requirements; and the applicant has
42 successfully completed any examination required, the Director shall issue to the applicant a
43 license upon a showing by the applicant that he has paid the license tax provided for in
44 G.S. 105-42, unless following a hearing the Director shall have found that the applicant has:

45 (1) Committed some act which if committed by a licensee would be grounds for
46 the suspension or revocation of a license under this Article;

47 (2) Committed an act constituting dishonesty or fraud;

48 (3) A bad moral character, intemperate habits or a bad reputation for truth,
49 honesty and integrity;

50 (4) Been convicted of a felony or some other crime involving moral turpitude or
51 involving the illegal use, carrying or possession of a dangerous weapon;

- 1 (5) Been refused a license under this Article or has had a license revoked;
- 2 (6) Been an officer, director, partner or manager of any person who has been
- 3 refused a license under this Article or whose license has been revoked; or
- 4 (7) Knowingly made any false statement in his application.

5 **"§ 66-49.4. Form of license; renewal of license.** The license when issued shall be in such
6 form as may be determined by the Director and shall state:

- 7 (1) The name of the licensee;
- 8 (2) The name under which the licensee is to operate;
- 9 (3) The number and date of the license. The license shall be issued for a term of
- 10 one year and shall be renewable on June 30 next following the issuance
- 11 thereof, upon a showing that the licensee has paid the license tax provided
- 12 for in G.S. 105-42 unless the license shall have been previously revoked in
- 13 accordance with the provisions of this Article. Following issuance, the
- 14 license shall at all times be posted in a conspicuous place in the principal
- 15 place of business of the licensee. A license issued under this Article is not
- 16 assignable.

17 **"§ 66-49.5. Bonds required of licensee.** No license shall be issued under this Article unless
18 the applicant files with the Director a surety bond executed by a surety company authorized to
19 do business in this State in a sum of not less than five thousand dollars (\$5,000.00) conditioned
20 upon the faithful and honest conduct of his business by such applicant. The bond shall be taken
21 in the name of the people of the State of North Carolina and every person injured by willful,
22 malicious or wrongful act of the principal thereof may bring an action on the bond in his or her
23 name to recover damages suffered by reason of such willful, malicious or wrongful act;
24 provided, however, that the aggregate liability of the surety for all breaches of the conditions of
25 the bond shall, in no event, exceed the sum of said bond. The surety on such bond shall have a
26 right to cancel such bond upon giving thirty days notice to the Director, provided, however, that
27 such cancellation shall not affect any liability on the bond which accrued prior thereto. The
28 bond shall be approved by the Director as to form, execution and sufficiency of the sureties
29 thereon. Failure to maintain the bond required by this Section shall work an automatic
30 forfeiture of the license provided for by this Article.

31 **"§ 66-49.6. Revocation of license.** (a) The Director may, after hearing, suspend or
32 permanently revoke a license issued under this Article if he determines that the licensee or any
33 officer, director, partner, manager or employee thereof has:

- 34 (1) Made any false statement or given any false information in connection with
- 35 an application for a license or renewal or reinstatement of a license;
- 36 (2) Violated any provision of this Article;
- 37 (3) Violated any regulation promulgated by the Director pursuant to the
- 38 authority contained in this Article;
- 39 (4) Been convicted of a felony or any crime involving moral turpitude or any
- 40 other crime involving the illegal use, carrying or possession of a dangerous
- 41 weapon;
- 42 (5) Committed any act in the course of the licensee's business constituting
- 43 dishonesty or fraud;
- 44 (6) Impersonated or permitted or aided and abetted any other person to
- 45 impersonate a law enforcement officer or employee of the United States or
- 46 of this State or any political subdivision thereof;
- 47 (7) Engaged in or permitted any employee to engage in the detective business
- 48 when not lawfully in possession of a valid license issued under the
- 49 provisions of this Article;

- 1 (8) Willfully failed or refused to render to a client service or a report as agreed
2 between the parties and for which compensation has already been paid or
3 tendered in accordance with the agreement of the parties;
4 (9) Committed an unlawful breaking and entering, assault, battery or
5 kidnapping;
6 (10) Knowingly violated or advised, encouraged or assisted the violation of any
7 court order or injunction in the course of business as a licensee;
8 (11) Committed any other act which is a ground for denial of an application for
9 license under this Article.
10 (12) Undertaking to give legal advise or counsel or to in any wise represent that
11 he is representing any attorney or is appearing or will appear in any legal
12 proceedings or to issue, deliver or utter any simulation of process of any
13 nature which might lead a person or persons to believe that such simulation,
14 written, printed or typed, may be a summons, warrant, writ or court process
15 or any pleading in any court proceeding.

16 "(b) Pending the hearing provided for in Subsection (a) of this Section the Director may
17 suspend a license issued under this Article when he has good reason to believe that grounds for
18 revocation of license exist.

19 **"§ 66-49.7. Miscellaneous regulations.**

20 "(a) Any licensee or officer, director, partner or manager of a licensee may divulge to
21 any law enforcement officer or solicitor or his representative any information he may require as
22 to any criminal offense but he shall not divulge to any other person, except as he be required by
23 law, any information acquired by him except at the direction of the employer or client for
24 whom the information was obtained.

25 "(b) No licensee or officer, director, partner, manager or employee of a licensee shall
26 knowingly make any false report to his employer or client for whom information was being
27 obtained.

28 "(c) No licensee shall conduct a detective business under a fictitious name other than the
29 name under which a license was obtained under the provisions of this Article.

30 "(d) Every advertisement by a licensee soliciting or advertising for business shall contain
31 his name and address as they appear in the records of the Bureau and in which name the license
32 was issued.

33 "(e) Every licensee shall file in writing with the Bureau the address of each of his branch
34 offices, if any, within ten days after the establishment, closing or changing of the location of
35 any branch office.

36 **"§ 66-49.8. Penal provision.** Any person who violates any provision of this Article shall be
37 guilty of a misdemeanor and shall upon conviction be fined or imprisoned or both in
38 the discretion of the court."

39 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

40 **Sec. 3.** This Act shall become effective upon its ratification.

41 In the General Assembly read three times and ratified, this the 14th day of June,

42 1961.