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HOUSE BILL 149

50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

INTRODUCED BY

Thomas A. Anderson

AN ACT

RELATING TO LICENSURE; ENACTING THE LOCKSMITH LICENSING ACT;
REQUIRING LICENSURE OF LOCKSMITHS AND LOCKSMITH BUSINESSES;
REQUIRING REGISTRATION OF LOCKSMITH EMPLOYEES AND APPRENTICES;
MAKING EXCEPTIONS; CREATING A BOARD; PROVIDING POWERS AND
DUTIES; PRESCRIBING FEES; REQUIRING BONDS AND INSURANCE;
CREATING A FUND; PROHIBITING CERTAIN ACTS; PRESCRIBING
PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SHORT TITLE.--This act may be cited as the
"Locksmith Licensing Act".

SECTION 2. FINDINGS AND PURPOSE.--

A. The legislature finds that it will benefit and
protect the residents of the state to require the licensing of
locksmiths and locksmith businesses and to prohibit the use of

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1 the designation "locksmith" by unlicensed persons.

2 B. The purpose of the Locksmith Licensing Act is to
3 provide uniform procedures and qualifications for licensing and
4 regulation of locksmiths and to protect the safety and security
5 of persons and property by assuring that persons offering
6 locksmith services are trained and qualified to perform those
7 services.

8 SECTION 3. DEFINITIONS.--As used in the Locksmith
9 Licensing Act:

10 A. "board" means the locksmith licensing board;

11 B. "branch office" means any location other than
12 the principal place of business of a locksmith business;

13 C. "change key" means a key planed and cut to
14 operate a specific lock or a group of specific locks that all
15 have the same combination of tumblers, pins or wafers;

16 D. "code book" means a compilation, in any form, of
17 key codes;

18 E. "department" means the regulation and licensing
19 department;

20 F. "fund" means the locksmith licensing fund;

21 G. "key blank" means a key that has not been
22 altered or cut and does not include depth keys;

23 H. "key machine" means a tool whose only capability
24 is to manufacture a new key by using an existing key as a
25 guide, including any of the following:

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1 (1) a standard key duplication machine that is
2 limited to duplication of a metallic key from an existing
3 metallic key, standard single- or double-sided key or plastic
4 credit-card-type emergency key;

5 (2) a high-security key machine that is
6 capable of duplicating restricted keys, including sidwinder
7 and laser-cut style of key machines; and

8 (3) a transponder cloning or reprogramming
9 machine that transfers electronic codes and signals and
10 successive technology to keys, fobs and door and ignition
11 operating devices;

12 I. "lock" means any mechanical, electromechanical,
13 electronic or electromagnetic device or similar device,
14 including any peripheral hardware, that is designed to control
15 access from one area to another or that is designed to control
16 the use of a locked object, including a safe, strongbox, safe
17 deposit box, vault or similar object;

18 J. "lock picking tool" means any tool or
19 combination of tools that is designed by the manufacturer of
20 the tool or intended by the user to be used to open a lock by
21 means other than that which is intended by the manufacturer of
22 the lock for normal operation;

23 K. "locksmith" means a natural person who engages,
24 directly or indirectly and as a primary or secondary object, in
25 the business of offering locksmith services;

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1 L. "locksmith services" means:

2 (1) repairing, rebuilding, repinning,
3 recombining, servicing, adjusting or installing a lock, safe
4 or vault;

5 (2) operating a lock, safe, strongbox, safe
6 deposit box, vault or similar object by means other than those
7 intended by the manufacturer for normal operation; or

8 (3) rekeying, installing, repairing, opening
9 or modifying locks, including electronic cloning of transponder
10 keys and any other electronic programming of automotive keys
11 and electronic operating devices such as key fobs, door and
12 ignition key devices and successive electronic and other high-
13 security key technology;

14 M. "locksmith tool" means:

15 (1) any tool that is designed by the
16 manufacturer of the tool or intended by the user to be used to
17 open, bypass, alter, rekey, service or repair a lock;

18 (2) any tool that is designed by the
19 manufacturer of the tool or intended by the user to be used to
20 open a safe, strongbox, safe deposit box, vault or similar
21 object; or

22 (3) any burglar tool designed or commonly used
23 for burglary as provided in Section 30-16-5 NMSA 1978;

24 N. "manipulation key" means a key other than a
25 change key or master key that can be viably positioned or

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1 manipulated in a keyway to operate a lock and includes a wiggle
2 key;

3 O. "master key" means a key planed and cut to
4 operate all locks in a series or group of locks, each lock
5 having its own change key and each lock constructed as an act
6 of the series or group for operation with the master key,
7 including a submaster key, a grand master key, a great grand
8 master key, an emergency key, a maid's master key, an
9 overriding key or any other similar key;

10 P. "safe opening tool" means any tool that is
11 designed by the manufacturer of the tool or intended by the
12 user to be used to open a safe, strongbox, safe deposit box,
13 vault or similar object by means other than that which is
14 intended by the manufacturer for normal operation;

15 Q. "try-out key" means a manipulation key, which
16 may be one of a set of similar keys, used for a specific
17 series, keyway or brand of lock; and

18 R. "vehicle opening tool" means a tool that is
19 designed by the manufacturer of the tool or intended by the
20 user to be used to open a motor vehicle by means other than
21 that which is intended by the manufacturer of the vehicle.

22 SECTION 4. LICENSURE OR REGISTRATION REQUIRED--CURRENT
23 LOCKSMITHS AND LOCKSMITH EMPLOYEES OR APPRENTICES
24 GRANDFATHERED--APPLICABILITY--EXCEPTIONS.--

25 A. Except as otherwise provided in this section, a

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1 person shall not engage in or make any representation as being
2 a locksmith or as offering locksmith services without first
3 being licensed as a locksmith or registered as a locksmith
4 employee or apprentice. Unless licensed as a locksmith or
5 registered as a locksmith employee or apprentice, a person
6 shall not:

7 (1) except for locksmith employees or
8 apprentices working under the supervision of a locksmith,
9 provide locksmith services;

10 (2) use the title or make a representation as
11 being a licensed locksmith or a registered locksmith employee
12 or apprentice or use any other title, abbreviation, letters,
13 figures, signs or devices that indicate that the person is
14 licensed or registered to offer locksmith services; or

15 (3) advertise, hold out to the public or
16 represent in any manner that the person is authorized to
17 provide locksmith services.

18 B. The Locksmith Licensing Act does not apply to a
19 person whose activities are limited to making a duplicate key
20 from an existing key using a key blank.

21 C. Nothing in the Locksmith Licensing Act shall be
22 construed to prevent qualified members of other recognized
23 professions and occupations that are licensed, certified or
24 registered under New Mexico law or rule from rendering services
25 within the scope of their license, certificate or registration;

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1 provided that they do not represent themselves as holding a
2 locksmith license or registration. Nothing in the Locksmith
3 Licensing Act shall be construed to prevent law enforcement
4 personnel from rendering services within the scope of their
5 official duties. The following persons are expressly exempted
6 from the provisions of the Locksmith Licensing Act:

7 (1) an individual property owner personally
8 installing locks on the owner's residence or other building
9 owned by the property owner;

10 (2) a property owner, or the owner's agent,
11 maintaining a file of key cutting data for a master key system
12 for the owner's property;

13 (3) retail stores or catalog sales that sell
14 locks, safes, strongboxes, vaults or similar objects and do not
15 offer locksmith services or sell locksmith tools;

16 (4) locksmith trade publications or equipment
17 manufacturers or distributors not providing direct locksmith
18 services to the public;

19 (5) contractors licensed in New Mexico who
20 provide direct sales or installation of lock hardware, but who
21 derive less than twenty-five percent of their gross annual
22 revenue from such business;

23 (6) architects and engineers not providing
24 direct sales, adjustment or installation of locks;

25 (7) new car dealers cutting keys by code for

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1 the products of their affiliated new car manufacturer;

2 (8) tow truck operators opening vehicles for
3 the sole purpose of towing; and

4 (9) federal, state, local or tribal law
5 enforcement agents or fire and rescue personnel performing
6 emergency openings in their official line of duty when a
7 natural person's life is at risk.

8 D. Nothing in the Locksmith Licensing Act prevents
9 a current or former locksmith, the agent of an incapacitated
10 locksmith or the personal representative of the estate of a
11 deceased locksmith from transferring locksmith tools and
12 supplies by sale or gift to anyone licensed pursuant to the
13 Locksmith Licensing Act or to anyone exempted from the
14 provisions of that act.

15 E. A person who is offering locksmith services as a
16 locksmith on the effective date of the Locksmith Licensing Act
17 but who does not meet the requirements for licensure as a
18 locksmith may continue to provide locksmith services until July
19 1, 2013 if the person:

20 (1) owns a locksmith business or is employed
21 as a locksmith; and

22 (2) is actively seeking the educational
23 requirements for licensure under the Locksmith Licensing Act.

24 F. A person who provides locksmith services as an
25 employee or apprentice of a locksmith on the effective date of

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1 the Locksmith Licensing Act but who does not meet the
2 requirements for registration as a locksmith employee or
3 apprentice may continue to provide locksmith services until
4 January 1, 2013 if the person is actively seeking registration
5 under the Locksmith Licensing Act.

6 SECTION 5. LOCKSMITH LICENSING BOARD--CREATED--MEMBERS--
7 TERMS.--

8 A. The "locksmith licensing board" is created. The
9 board is administratively attached to the department. The
10 board consists of five members appointed by the governor for
11 staggered terms of three years and appointed in such a manner
12 that the term of one member expires on December 31, 2013, the
13 terms of two members expire on December 31, 2014 and the terms
14 of two members expire on December 31, 2015. Thereafter,
15 members shall be appointed for terms of three years or less in
16 such a manner that the terms of not more than two members
17 expire on December 31 of each year. A vacancy on the board
18 shall be filled by appointment by the governor for the
19 unexpired term. A board member may serve consecutive terms.

20 B. All members of the board shall be residents of
21 the state. No more than two members shall be appointed from
22 the same congressional district. Except for the initial
23 members of the board, three members shall be licensed
24 locksmiths and two members shall be chosen to represent the
25 public and shall not have been licensed as locksmiths or have a

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1 significant financial interest, direct or indirect, in the
2 occupation regulated. The locksmith members of the initial
3 board shall have provided locksmith services in New Mexico for
4 at least five years.

5 C. The board shall meet and organize within sixty
6 days of its appointment and shall elect a chair and a vice
7 chair. A member who misses three consecutive regularly
8 scheduled meetings is deemed to have vacated the position, and
9 the board shall request the governor to appoint a replacement.
10 Members of the board are entitled to per diem and mileage as
11 provided in the Per Diem and Mileage Act and shall receive no
12 other compensation, perquisite or allowance.

13 SECTION 6. BOARD POWERS AND DUTIES.--

14 A. The board shall:

15 (1) administer and enforce the provisions of
16 the Locksmith Licensing Act and investigate allegations of
17 violations of that act;

18 (2) adopt and promulgate rules to carry out
19 the provisions of the Locksmith Licensing Act, including rules
20 relating to professional conduct and ethical standards of
21 practice; standards of performance; examination and licensure;
22 continuing education requirements; and application, renewal and
23 late fees;

24 (3) require a licensee, as a condition of
25 license renewal, to meet continuing education requirements as

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- 1 provided in the Locksmith Licensing Act;
- 2 (4) require all license and registration
- 3 applicants to submit to criminal background checks;
- 4 (5) maintain official rosters showing the
- 5 name, address and license or registration number of each
- 6 licensee and registrant;
- 7 (6) keep records and minutes of its
- 8 proceedings; and
- 9 (7) enter into an agreement with the
- 10 department for administrative services to be provided by the
- 11 department to the board's satisfaction; provided that the board
- 12 shall confirm actions taken by the department in the board's
- 13 name at the next meeting of the board.
- 14 B. The board may:
- 15 (1) adopt a common seal for use by locksmiths;
- 16 (2) issue, deny, suspend, revoke or refuse to
- 17 renew a locksmith license or registration pursuant to the
- 18 Locksmith Licensing Act and the Uniform Licensing Act;
- 19 (3) discipline a licensee or registrant as
- 20 provided in the Uniform Licensing Act and rules of the board;
- 21 (4) work with the apprenticeship council to
- 22 establish locksmith apprenticeship programs; and
- 23 (5) do all things reasonable and necessary to
- 24 carry out the provisions of the Locksmith Licensing Act.

25 SECTION 7. LOCKSMITHS--REQUIREMENTS FOR LICENSURE.--

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1 A. Each applicant for licensure as a locksmith
2 shall apply to the board on a form provided by the board.
3 Except as otherwise provided in the Locksmith Licensing Act,
4 each applicant shall take and pass an examination approved by
5 the board. Each applicant shall pay the cost of the required
6 criminal background check. Each application shall include two
7 sets of color photographs of acceptable quality for
8 identification. One set of photographs shall be kept with the
9 application and one set of photographs shall be used for the
10 license and identification card.

11 B. The board shall grant a locksmith license to a
12 person who:

- 13 (1) is at least eighteen years of age;
14 (2) is of good moral character;
15 (3) has not been convicted of a felony, an
16 offense involving dishonesty or an offense involving an
17 intentional violent act or the illegal use or possession of
18 drugs or deadly weapons and who has not otherwise violated
19 ethical standards as defined by the board;
20 (4) has not had a prior locksmith license
21 denied, suspended or revoked by the board or any other
22 licensing agency, except as the board may provide;
23 (5) has completed a course of study approved
24 by the board or has at least three years' experience as a
25 locksmith providing actual locksmith services, which experience

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1 has been acquired within the five years next preceding the
2 filing of the application with the board; provided that years
3 of qualifying experience and the precise nature of that
4 experience shall be substantiated by written certification from
5 employers and shall be subject to independent verification by
6 the board as it deems warranted; and provided further that the
7 burden of proving necessary experience is on the applicant;

8 (6) has passed the examination required by the
9 board or holds a valid locksmith license issued in another
10 jurisdiction having licensure requirements that are equal to or
11 exceed requirements in New Mexico, as determined by the board;

12 (7) has provided proof of United States
13 citizenship and residency or proof of lawful presence in the
14 United States;

15 (8) provides the required number of sets of
16 fingerprints on standard cards and the cost of performing a
17 background check;

18 (9) has submitted proof of surety and general
19 liability insurance required by the Locksmith Licensing Act;

20 (10) has paid the required fees; and

21 (11) has met all other requirements of the
22 board.

23 C. The board may establish categories of locksmith
24 licensure, such as general locksmith, safe and vault mechanic
25 and motor vehicle locksmith, that may have different education,

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1 examination and continuing education requirements and may have
2 differential licensing fees for categories; provided that the
3 fees do not exceed the locksmith licensing and renewal fees
4 provided by law.

5 D. The board may require a personal interview with
6 an applicant to evaluate that person's qualifications for a
7 license.

8 SECTION 8. LICENSE WITHOUT EXAMINATION.--

9 A. If a person applies for licensure within one
10 year after the effective date of the Locksmith Licensing Act
11 and that person has successfully completed at least five years
12 of full-time, diversified experience as a locksmith, that
13 person may be issued a license without examination. Licensure
14 pursuant to this subsection is subject to the board's
15 discretionary review of the experience qualification.

16 B. The board may accept, in lieu of examination,
17 satisfactory evidence of licensure in another state where the
18 qualifications are equal to or exceed those required by the
19 Locksmith Licensing Act and rules adopted in accordance with
20 that act; provided that the applicant holds a current license
21 in the other jurisdiction and has complied with all other
22 requirements of that act.

23 SECTION 9. LOCKSMITH BUSINESS--REQUIREMENTS FOR
24 LICENSURE.--

25 A. The board shall issue a license for a locksmith

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1 business to a person that files a completed application on the
2 form provided by the board, accompanied by the required fees,
3 and that submits satisfactory evidence that:

4 (1) if an individual, the applicant has met
5 the requirements of Section 7 of the Locksmith Licensing Act;
6 or

7 (2) if a legal business entity, the owners,
8 officers or directors of the business, either singly or
9 collectively:

10 (a) are of good moral character;

11 (b) have not been convicted of a felony
12 offense or an offense involving intentional violent acts or the
13 illegal use or possession of drugs or deadly weapons and have
14 not been found to have violated professional ethical standards;

15 (c) have not had a prior locksmith
16 license denied, suspended or revoked by the board or any other
17 licensing agency, except as the board may provide;

18 (d) are United States citizens and
19 residents or are lawfully present in the United States;

20 (e) have provided proof of a valid
21 business license in the municipality or county in which each
22 place of business of the business is located;

23 (f) have submitted proof of surety and
24 fidelity and general liability insurance required by the
25 Locksmith Licensing Act;

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1 (g) have an owner or manager who is a
2 locksmith and who manages the daily operations of the locksmith
3 business and supervises any locksmith employees and
4 apprentices;

5 (h) maintain a physical location in New
6 Mexico where records are maintained and made available for
7 board inspection;

8 (i) maintain a New Mexico registered
9 agent if the applicant is a locksmith business located outside
10 of New Mexico; and

11 (j) meet all other applicable
12 requirements of the board.

13 B. Each owner, officer and director of a locksmith
14 business shall pay the cost of the required criminal background
15 check. An owner, officer or director of a locksmith business
16 who is also a locksmith may use the same criminal background
17 check used for licensure as a locksmith.

18 C. The application shall include one set of color
19 photographs of each owner, officer and director, which shall
20 remain with the application.

21 D. The application shall include the names and
22 license or registration numbers of all locksmiths and locksmith
23 employees and apprentices who work for the locksmith business,
24 either as employees or as contractors. The board shall verify
25 that all named locksmiths are properly licensed and all

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1 locksmith employees and apprentices are properly registered.

2 E. The board may require a personal interview with
3 the individual applicant or the owners, officers or directors
4 of a business entity to evaluate the qualifications for
5 licensure.

6 SECTION 10. LOCKSMITH EMPLOYEES AND APPRENTICES--
7 REQUIREMENTS FOR REGISTRATION.--

8 A. A locksmith employee or apprentice who performs
9 locksmith services for a locksmith or locksmith business,
10 including an employee who has access to code books, records,
11 diagrams, key codes or other sensitive material pertaining to
12 any proposed or installed master key system, any proposed or
13 installed lock or any safe opening procedure, shall meet
14 qualifications of the board and be registered with the board.
15 The application for registration shall include two sets of
16 color photographs of the locksmith employee or apprentice. One
17 set of color photographs shall remain with the registration
18 file of each applicant, and the second set of color photographs
19 shall be used for the registration and identification card.

20 B. The board shall register as a locksmith employee
21 or apprentice a person who:

- 22 (1) is at least eighteen years of age;
23 (2) is of good moral character;
24 (3) has not been convicted of a felony, an
25 offense involving dishonesty or an offense involving an

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1 intentional violent act or the illegal use or possession of
2 drugs or deadly weapons and who has not otherwise violated
3 ethical standards as defined by the board;

4 (4) has not had a prior locksmith employee or
5 apprentice registration denied, suspended or revoked;

6 (5) has provided proof of United States
7 citizenship and residency or proof of lawful presence in the
8 United States;

9 (6) has undergone a criminal background check,
10 at no cost to the board;

11 (7) has submitted a statement of supervision
12 from the locksmith who is responsible for supervising the
13 applicant;

14 (8) has provided the name, address and
15 telephone number of the locksmith or locksmith business for
16 whom the applicant is working;

17 (9) has paid the required fees; and

18 (10) has met all other requirements of the
19 board.

20 C. The board may require a personal interview with
21 an applicant to evaluate that person's qualifications for
22 registration.

23 SECTION 11. LICENSE--REGISTRATION--ISSUANCE--RENEWAL--
24 DENIAL, SUSPENSION OR REVOCATION--DISCIPLINARY ACTIONS--
25 PENALTIES LEVIED BY BOARD.--

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1 A. Each original license authorizes the holder to
2 use the title and be known as a locksmith or locksmith business
3 from the date of issuance to the next renewal date, unless the
4 license is suspended or revoked.

5 B. All licenses and registrations expire annually
6 on a date determined by the board and shall be renewed by
7 submitting a completed renewal application, accompanied by the
8 required fees. Licensees and registrants have a thirty-day
9 grace period after expiration of the license or registration in
10 which to complete the renewal application and pay the required
11 fees, including a late fee. A locksmith, locksmith business or
12 locksmith employee or apprentice who has not completed the
13 renewal application and paid the required fees and who
14 continues to work as a locksmith, locksmith business or
15 locksmith employee or apprentice after the grace period is
16 practicing locksmithing without a license or registration and
17 is in violation of the Locksmith Licensing Act.

18 C. A license shall not be renewed until the
19 licensee submits satisfactory evidence to the board that during
20 the license year, the licensee participated in at least eight
21 hours of continuing education approved by the board. The board
22 shall approve only continuing education that builds upon basic
23 knowledge of locksmithing. The board may make exceptions from
24 the continuing education requirement in emergency or hardship
25 cases.

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1 D. The board may promulgate rules providing for the
2 establishment of an inactive status for licensees temporarily
3 not engaged in locksmithing.

4 E. The board may deny, suspend, revoke or refuse to
5 renew a license or registration when the licensee or registrant
6 has:

7 (1) obtained the license or registration by
8 means of fraud, misrepresentation or concealment of material
9 facts;

10 (2) committed an act of fraud or deceit in
11 professional conduct or been convicted of a felony;

12 (3) made any representation as being a
13 locksmith or locksmith employee or apprentice prior to being
14 issued a license or registration, except as otherwise provided
15 in the Locksmith Licensing Act;

16 (4) been found by the board to have aided or
17 abetted an unlicensed or unregistered person in violating the
18 provisions of the Locksmith Licensing Act; or

19 (5) failed to comply with the provisions of
20 the Locksmith Licensing Act or rules adopted in accordance with
21 that act.

22 F. In addition to denial, suspension or revocation
23 of or refusal to renew a license or registration, the board may
24 issue reprimands, take other disciplinary actions and impose
25 administrative penalties as provided in the Uniform Licensing

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1 Act. An administrative penalty shall not exceed one thousand
2 dollars (\$1,000). The penalty shall be deposited to the credit
3 of the current school fund.

4 SECTION 12. LICENSES AND REGISTRATIONS--DISPLAY--
5 IDENTIFICATION CARDS TO BE SHOWN.--

6 A. Every locksmith and locksmith business shall
7 display their licenses in a conspicuous place in their places
8 of business, including principal and branch offices. A copy of
9 the registration of each locksmith employee and apprentice
10 shall be kept on file in the principal place of business of the
11 supervising locksmith. If a locksmith or locksmith employee or
12 apprentice works for more than one locksmith business, each
13 locksmith business shall have a copy of the license or
14 registration on display or filed as required by this
15 subsection.

16 B. The board shall issue an identification card
17 with each locksmith license and locksmith employee or
18 apprentice registration it issues. The identification card
19 shall include the name of the licensee or registrant; a color
20 photograph of the licensee or registrant; the locksmith
21 business for which the licensee or registrant works; the
22 license or registration number issued by the board; and any
23 other information the board deems necessary. Each licensee and
24 registrant shall display this identification card at all times
25 when working. The identification card shall be worn on the

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1 outside of the licensee's or registrant's clothing so as to be
2 visible to others.

3 C. A locksmith or locksmith business shall notify
4 the board immediately in writing of a change in the mailing or
5 contact address of the locksmith or of the locksmith business's
6 licensees or registrants.

7 D. Failure to notify the board within thirty days
8 of changes required to be reported pursuant to this section or
9 failure to display a license or carry an identification card as
10 required is grounds for suspension or revocation of or refusal
11 to renew a license or registration or for other disciplinary
12 action.

13 SECTION 13. GENERAL OPERATIONS PROVISIONS OF BUSINESSES--
14 MANAGEMENT--LIABILITY FOR EMPLOYEES' CONDUCT--MAINTENANCE OF
15 RECORDS REQUIRED--REQUIRED AND ALLOWED ACTIVITIES--ALLOWED
16 CATEGORIES OF UNLICENSED EMPLOYEES.--

17 A. A locksmith business shall not conduct business
18 under a fictitious name until the business has obtained
19 authorization for use of the name from the board. The board
20 shall not authorize the use of a fictitious name that may
21 generate public confusion with the name of a public office or
22 agency or the name of an existing locksmith business.

23 B. A locksmith business is liable for the conduct
24 of its employees, including the conduct of its locksmith
25 manager and supervising locksmiths. A supervising locksmith is

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1 responsible for the tasks performed by a locksmith employee or
2 apprentice under the locksmith's supervision and is subject to
3 discipline for failure to appropriately supervise the
4 performance of the locksmith employee or apprentice.

5 C. A locksmith business shall maintain records of
6 the qualifications, performance and training of all of its
7 current and former employees as required by the board. The
8 records are subject to inspection by the board upon reasonable
9 notice to the owner or manager.

10 D. A licensee or registrant shall notify the board
11 in writing within thirty days of each change in the licensee's
12 or registrant's employment by filing an amendment to the
13 licensee's or registrant's application obtained from the board.
14 If a licensee or registrant ceases to be employed by a
15 locksmith business, the licensee or registrant shall notify the
16 board in writing within thirty days from the date the licensee
17 or registrant ceases employment with that business. The
18 licensee or registrant shall return the license or registration
19 and identification card along with the notice to the board.

20 E. A locksmith business shall notify the board
21 within thirty days of a change in ownership structure or, if a
22 corporation, a change in the membership of the board of
23 directors.

24 F. Employees of a locksmith business who are
25 engaged exclusively to perform stenographic, typing, word

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1 processing, secretarial, receptionist, accounting, bookkeeping,
2 information technology or other business applications or
3 support functions and who do not perform the work of a
4 locksmith or locksmith employee or apprentice and do not have
5 access to code books, records, diagrams, key codes or other
6 sensitive material pertaining to any proposed or installed
7 master key systems, any proposed or installed lock or any safe
8 opening procedure are not required to be licensed or registered
9 pursuant to the Locksmith Licensing Act.

10 G. A person who is not licensed as a locksmith
11 shall not be employed to perform the duties required of
12 managers of locksmith businesses.

13 SECTION 14. IDENTIFICATION REQUIRED BEFORE OPENING
14 VEHICLES OR PROPERTY.--A licensee or registrant shall not open
15 any lock, safe, strongbox, safe deposit box, vault, vehicle or
16 other personal property, whether or not a fee is charged,
17 without first obtaining personal identification from the person
18 requesting the service. Personal identification may include
19 personal knowledge of the person; a driver's license or other
20 photographic identification that includes an address and a
21 telephone number; personal identification from a reliable
22 source; or a description of specific or unusual items that may
23 be found upon entry. Such identification and information shall
24 be recorded on a work order or invoice and shall be made
25 available to a law enforcement officer with a properly executed

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1 court order at any reasonable time during normal business
2 hours.

3 SECTION 15. SURETY BOND OR EMPLOYEE DISHONESTY BOND--
4 GENERAL LIABILITY INSURANCE--REQUIRED.--

5 A. Every locksmith business and every owner,
6 officer, director and employee of the locksmith business
7 throughout the entire term of their ownership or employment
8 shall be covered by an employee dishonesty bond insuring
9 consumers against loss of money or other personal property.
10 The minimum amount of the bond shall be fifty thousand dollars
11 (\$50,000) for the locksmith business and fifty thousand dollars
12 (\$50,000) for each owner, officer, director or employee of the
13 locksmith business and shall be executed and acknowledged by a
14 corporation that is licensed by the superintendent of insurance
15 to transact the business of fidelity and surety insurance. The
16 bonds shall be in a form acceptable to the board and shall be
17 filed in the board's office.

18 B. No action shall be brought upon any bond or
19 insurance coverage required pursuant to this section after the
20 expiration of three years from the accrual of the cause of
21 action.

22 C. Upon any recovery in an action on a bond
23 required pursuant to this section, the licensee shall file a
24 new bond. Failure to file a new bond within ten days of the
25 recovery on a bond or within ten days after notification by the

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1 board that a new bond is required constitutes sufficient
2 grounds for suspension of the locksmith business's license.

3 D. Every locksmith business shall maintain a
4 general liability certificate of insurance in an amount
5 required by the board.

6 E. For the purposes of this section, "employee"
7 means any locksmith employed by the locksmith business, any
8 registered locksmith employee and apprentice and any other
9 person in the employ of the locksmith business who is not
10 licensed or registered but who has access to locksmith tools,
11 safe opening tools, code books, records, diagrams, key codes or
12 other sensitive material pertaining to any proposed or
13 installed master key system, any proposed or installed lock or
14 any safe opening procedure.

15 SECTION 16. LICENSE FEES.--The board may provide by rule
16 for the assessment of the following fees in amounts determined
17 by the board not to exceed the amounts provided in this
18 section:

- 19 A. original licensure application fee . . \$400.00;
- 20 B. original registration application fee \$150.00;
- 21 C. renewal license fee \$400.00;
- 22 D. renewal registration fee \$150.00;
- 23 E. certified copies of license or registration for
24 display at multiple locations, per copy \$ 25.00;
- 25 F. identification card replacement fee . \$ 25.00;

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- 1 G. late fee for licensure \$200.00; and
- 2 H. late fee for registration \$ 75.00.

3 **SECTION 17. LOCKSMITH LICENSING FUND.--**The "locksmith
4 licensing fund" is created in the state treasury as a
5 nonreverting fund. The fund consists of appropriations,
6 license and other fees received pursuant to the Locksmith
7 Licensing Act, income from investment of the fund and any
8 grants and donations received by the board. The fund shall be
9 administered by the board. Money in the fund is subject to
10 appropriation by the legislature to the board to carry out the
11 purposes of the Locksmith Licensing Act. Payments from the
12 fund shall be by warrant signed by the secretary of finance and
13 administration pursuant to vouchers signed by the board's
14 administrative services staff from the department as the
15 authorized representative of the chair.

16 **SECTION 18. PROHIBITED ACTS--PENALTIES.--**

17 A. Except as otherwise provided in the Locksmith
18 Licensing Act, a person who is not licensed under that act
19 shall not possess, use, sell, offer to sell or give any
20 locksmith tools, lock picking tools, safe opening tools,
21 vehicle opening tools, code books, key machines, manipulation
22 keys or try-out keys to a person not licensed pursuant to that
23 act.

24 B. A person who is not licensed under the Locksmith
25 Licensing Act shall not design, make, manufacture or install

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1 any master key or any system of change keys and master keys.

2 C. A person shall not engage in or make a
3 representation as engaging in the business of locksmithing in
4 New Mexico without having a license issued pursuant to the
5 Locksmith Licensing Act and without having appropriate
6 employees licensed or registered in accordance with that act.

7 D. A person who is not licensed or registered
8 pursuant to the Locksmith Licensing Act shall not provide any
9 locksmith services in violation of that act or rules adopted in
10 accordance with that act.

11 E. A locksmith shall not participate in a joint
12 venture to provide equipment or services that require licensing
13 pursuant to the Locksmith Licensing Act unless all parties to
14 the joint venture are licensed in accordance with that act.

15 F. A locksmith shall not subcontract the provision
16 of equipment or services requiring a license pursuant to the
17 Locksmith Licensing Act to any unlicensed person.

18 G. A locksmith or locksmith business shall not
19 employ a person required to be licensed or registered if that
20 person is not licensed or registered. A locksmith business
21 shall not retain a licensed locksmith or registered locksmith
22 employee or apprentice who is not of good moral character or
23 who has been convicted of a property-related crime.

24 H. A person who violates the provisions of this
25 section or who conspires with another person to violate the

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1 provisions of this section is guilty of a misdemeanor and shall
2 be sentenced pursuant to Section 31-19-1 NMSA 1978.

3 I. In addition to criminal penalties, a licensee or
4 registrant who is convicted of violating this section shall
5 have the licensee's or registrant's license or registration
6 revoked.

7 SECTION 19. TERMINATION OF AGENCY LIFE--DELAYED REPEAL.--
8 The locksmith licensing board is terminated on July 1, 2017
9 pursuant to the Sunset Act. The board shall continue to
10 operate according to the provisions of the Locksmith Licensing
11 Act until July 1, 2018. Effective July 1, 2018, the Locksmith
12 Licensing Act is repealed.