

ACT 134

H.B. NO. 1869-86

A Bill for an Act Relating to Alarm Businesses.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER
ALARM BUSINESSES**

§ -1 **Definitions.** Whenever used in this chapter, unless the context otherwise requires:

“Alarm business” means any individual, corporation, or other business entity that engages in selling, leasing, maintaining, servicing, repairing, altering, replacing, moving, or installing any alarm system in or on any building, place, or premises, except motor vehicles.

“Alarm system” means any device that is designed for the detection of an unauthorized entry into any building, place, or premises, except motor vehicles, or for alerting others to the commission of an unlawful act, or both, and that emits a sound or transmits a signal or message when activated.

“Audible alarm system” means any alarm system that emits a sound when activated.

“Automatic telephone dialer” means any alarm system that, when activated, dials a programmed telephone number and, when the telephone is answered, plays a recorded message informing the listener of an unauthorized entry or unlawful act.

“False alarm” means any alarm activation that is communicated to the police but that is not in response to an actual or threatened criminal act. False alarms include alarm activations caused by negligence, by improperly installed or maintained equipment, and by efforts to summon the police for a purpose other than that for which the alarm is designed. False alarms shall not include

alarm activations for which the cause cannot be determined, or is in reasonable doubt, or is beyond the control of the alarm user or alarm business.

“False alarm rate” means the total number of false alarms received by the police relative to the total number of alarm systems in operation.

§ -2 **Bond.** (a) Except as provided in subsection (e), each alarm business shall keep in force a surety bond in the sum of \$5,000 during its first five years of operation. The bond shall be in effect from the date that the alarm business begins selling its products or services and shall be continuously maintained for a period of five years from that date.

(b) The bond shall provide for payment, up to the limit of the bond, to any person who is injured or aggrieved or who has sustained loss or damage by the alarm business’ violation of any provision of this chapter or any consumer protection statute, or the business’ failure to faithfully, promptly, and truly refund all fees which were illegally or incorrectly obtained from its customers.

(c) The bond shall give the injured or aggrieved party a direct and independent action on the bond for a period of one year from the date the loss or damage occurred.

(d) An alarm business that has completed five or more continuous years of operation on the date this Act takes effect shall not be required to maintain a bond. An alarm business that has completed less than five continuous years of operation on the date this Act takes effect shall maintain the bond for the remainder of its first five years of operation.

(e) An alarm business shall not be required to maintain a bond if it is engaged only in selling alarm systems and does not provide any of the other services listed in the definition of “alarm business” in section -1.

§ -3 **Records and reports.** Each alarm business that maintains, services, or monitors alarm systems shall keep accurate and up-to-date business records as may be required for at least two years. The records shall include a log of all alarm activations, the date and time of each activation, the reason (insofar as reason can be determined) for each activation, and monthly counts of the number of activations at each alarm user site that are reported to the police.

§ -4 **False alarms; reporting.** Alarm businesses that maintain, service, or monitor alarm systems shall, upon request by the police, share with them the data about false alarms and alarm systems in operation needed to determine the monthly false alarm rate for each alarm business. Data obtained from each alarm business shall be used by the police only for statistical purposes and shall not be released to others. Alarm businesses and the police shall cooperate to reduce to a minimum the number of false alarms reported to the police.

§ -5 **Maintenance.** On or near each alarm system shall be posted the name, address, and telephone number of the alarm business that is maintaining, servicing, or monitoring the system. An alarm system that is not being maintained, serviced, or monitored by an alarm business shall bear the name, address, and telephone number of a person or persons who may be contacted to service or disconnect the system in the event that it malfunctions.

§ -6 **Audible alarm systems.** Every audible alarm system shall have a device to automatically terminate the audible signal within fifteen minutes of activation. No audible alarm system, whether in use prior to or after the effective date of this chapter, shall be used, sold, or leased unless the system complies with this section.

§ -7 Automatic telephone dialers. Automatic telephone dialers shall not be programmed for a municipal emergency number such as 911 or the telephone number of any police facility. No automatic telephone dialer, whether in use prior to or after the effective date of this chapter, shall be used, sold, or leased unless the system complies with this section.

§ -8 Activation. No alarm system shall be activated intentionally except: (1) to report an unauthorized intrusion or the commission of an unlawful act; or (2) to test an installed system with the prior knowledge and consent of the police; or (3) to permit an alarm business to demonstrate a system to a prospective buyer or user.

§ -9 Restitution. Any person who engages in an unlawful act or practice that violates any provision of this chapter may be ordered by a court of proper jurisdiction to make restitution to all individual consumers injured by the act or practice.

§ -10 Penalty. Any person who engages in an unlawful act or practice that violates any provision of this chapter shall be fined not less than \$500 or more than \$2,500 for each unlawful act or practice.”

SECTION 2. This Act shall take effect one hundred eighty days after its approval.

(Approved May 12, 1986.)