

STORAGE NAME: h1307a.brc

DATE: April 17, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS REGULATION AND CONSUMER AFFAIRS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1307

RELATING TO: Alarm System Contracting

SPONSOR(S): Representative Heyman

STATUTE(S) AFFECTED: Part II of chapter 489, F.S.

COMPANION BILL(S): CS/SB 1794 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

(1) BUSINESS REGULATION AND CONSUMER AFFAIRS YEAS 7 NAYS 0

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I. SUMMARY:

In 1996, the Legislature enacted ch. 96-298, L.O.F., containing several provisions designed to address a documented law enforcement problem with false burglar alarms. The law includes requirements for training, criminal background checks, and identification cards for alarm system agents.

This bill addresses implementation problems with the legislation adopted in 1996, eliminating unnecessary regulation inadvertently created by that legislation. Significant changes include:

1. Redefining an alarm system agent as a "burglar alarm system agent" (thereby excluding fire alarms).
2. Clarifying that persons who do only monitoring or sales need not complete the training, and that persons who perform monitoring at an out-of-state location and persons who perform proprietary burglar alarm system agent duties need not comply with the criminal background check requirement.
3. Providing that state certified electrical or alarm contractors or locally licensed journeymen electricians or alarm technicians are not required to complete the training. Nonsupervising employees working under the direction of a certified electrical or alarm system contractor, a locally licensed journeyman electrician or alarm technician, or a qualified alarm system agent are also not required to complete the training.
4. Providing that burglar alarms with visual or auditory sensors do not require an alarm verification call.
5. Baring local jurisdictions from requiring a business to obtain an additional occupational license for an alarm system contractor, simply because the business has obtained alarm system contractor qualifications to install its own alarms.

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II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Electrical and alarm system contractors are regulated by the Electrical Contractors' Licensing Board (ECLB) within the Department of Business and Professional Regulation, pursuant to Part II of chapter 489, F.S. Contractors either must be certified (i.e., licensed by the state to contract statewide), or registered (i.e., licensed by a local jurisdiction and registered by the state to contract within the geographic confines of the local jurisdiction only). Section 489.505(25), F.S., defines "licensure" to mean both certification and registration.

Alarm system contracting is within the scope of a certified electrical contractor's license; however, it is not within the scope of a registered electrical contractor's license. Registered electrical contractors must be separately licensed as either certified or registered alarm system contractors in order to engage in alarm system contracting.

In 1996, the Legislature enacted ch. 96-298, L.O.F., containing several provisions designed to address a documented law enforcement problem with false burglar alarms. The law includes requirements for training, criminal background checks, and identification cards for alarm system agents.

An "alarm system agent" is defined in s. 489.505, F.S., to mean an individual employed by a licensed electrical or alarm system contractor who installs, services, sells, or monitors alarm systems. Section 489.518, F.S., prohibits an electrical or alarm system contractor from employing an alarm system agent unless the agent has completed a minimum of 12 hours of training and has not been convicted of a crime relating to the alarm business or certain drug offenses, as evidenced by an FDLE criminal background check obtained by the employer. In addition, an alarm agent must carry an identification card specifying the name of the cardholder and the name and license number of the employing alarm or electrical contractor. The ECLB must approve training providers and must adopt criteria for the approval of training programs and providers by rule. The board may adopt criteria for accepting nonclassroom education for the training requirement.

Chapter 96-298, L.O.F., provides a time frame for individuals who were already engaging in or applying for alarm system agent work on the effective date of the law (January 1, 1997) to comply with the training and criminal background check requirements. These individuals had 60 days from the effective date (March 1, 1997) to meet the requirements. If the requirements were not met on time, the law requires the employee to be terminated immediately.

In addition to alarm system agent requirements, ch. 96-298, L.O.F., requires a verification call to the premises for burglar alarms with central monitoring prior to contacting a law enforcement agency for dispatch (s. 489.529, F.S.). It also requires all audible alarm systems installed by a licensed contractor to have a device that automatically terminates the audible signal within 15 minutes of activation (s. 489.530, F.S.).

Several problems have arisen with the implementation of the alarm agent requirements in ch. 96-298, L.O.F., including: lack of clarity as to whether the requirements apply to

fire alarm systems as well as burglar alarm systems; insufficient time for the board to approve training providers and for currently employed alarm system agents to obtain the 12 hours of training; lack of specificity regarding whether the criminal background checks and identification card requirements apply to employees who only monitor alarm systems at locations outside the state; and lack of clarity regarding the application of the requirements to businesses who use their employees to install, maintain and monitor their own alarm systems (proprietary alarm systems).

Businesses that install, maintain or monitor their own alarm systems (e.g., department stores and banks) must be licensed as either electrical or alarm system contractors, under the definitions of electrical and alarm system contracting in s. 489.505, F.S. Apparently, some local governments have required these businesses to obtain separate occupational licenses for the operation of an electrical or alarm business, in addition to whatever occupational license is required for the operation of their main business (e.g., retail store).

B. EFFECT OF PROPOSED CHANGES:

The bill addresses problems that have arisen in implementing the alarm system agent requirements of ch. 96-298, L.O.F. In order to eliminate unnecessary regulation inadvertently caused by the original regulation, it:

1. Redefines an alarm system agent as a "burglar alarm system agent" (thereby excluding fire alarms).
2. Clarifies that persons who do only monitoring or sales need not complete the training; that persons who perform monitoring at an out-of-state location; and persons who perform proprietary burglar alarm system agent duties need not comply with the criminal background check requirement.
3. Provides that state certified electrical or alarm contractors or locally licensed journeymen electricians or alarm technicians are not required to complete the training. Nonsupervising employees working under the direction of a certified electrical or alarm system contractor, a locally licensed journeyman electrician or alarm technician, or a qualified alarm system agent are also not required to complete the training.
4. Provides that burglar alarms with visual or auditory sensors do not require an alarm verification call.
5. Bars local jurisdictions from requiring a business to obtain an additional occupational license for an alarm system contractor, simply because the business has obtained alarm system contractor qualifications to install its own alarms.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes (reduces).

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes (reduces).

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

Yes.

d. Does the bill reduce total fees, both rates and revenues?

Yes.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Yes.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Yes.

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. SECTION-BY-SECTION RESEARCH:

Section 1. Amends s. 489.505, F.S., to redefine an alarm system agent as a "burglar alarm system agent" (thereby excluding fire alarms).

Section 2. Amends s. 489.518, F.S., to conform to the amended definition of "burglar alarm system agent." The section is also amended to allow qualified employers to train their own employees, if approved by the board. Further, the section is amended to clarify that persons who perform only monitoring or sales need not complete the training and to clarify that persons who perform monitoring at an out-of-state location and persons who perform proprietary burglar alarm system agent duties (that is, for a single employer and not to the public) need not comply with the criminal background check requirement.

In addition, s. 489.518, F.S., is amended to address the difficulties experienced by individuals employed or applying for employment as alarm system agents on January 1, 1997, in meeting the training requirements. Training completed by these individuals

between July 1, 1995, and July 1, 1997, that meets board approved standards will qualify them to be alarm system agents. State certified electrical or alarm contractors or locally licensed journeymen electricians or alarm technicians are not required to complete the training. Nonsupervising employees working under the direction of a certified electrical or alarm system contractor, a locally licensed journeyman electrician or alarm technician, or a qualified alarm system agent are also not required to complete the training.

Section 3. Amends s. 489.529, F.S., to provide that if burglar alarms with central monitoring have properly operating visual or auditory sensors that allow monitoring personnel to verify the alarm signal, then a verification call to the premises is not required prior to contacting a law enforcement agency for dispatch.

Section 4. Creates s. 489.5315, F.S., to provide that a business that obtains an electrical or alarm contractor license to work on its own equipment, but does not offer electrical or alarm contracting services to the public, are not required to obtain an occupational license for an electrical or alarm business, separately from the occupational license for its primary business.

Section 5. Provides an effective date of July 1, 1997.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

It will reduce some revenue raised by those local jurisdictions which force a business that obtain an electrical or alarm contractor license to work on its own equipment (but that does not offer electrical or alarm contracting services to the public) to obtain an occupational license for an electrical or alarm business, separately from the occupational license for its primary business. This practice is apparently not widespread, and the effect would be insignificant.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

Clarifying that the alarm system agent requirements do not apply to fire alarm systems and that the training and criminal background check requirements do not apply to specified individuals will result in a cost savings to the individuals and employers who would incur the costs of meeting the requirements.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does reduce the authority that municipalities or counties have to raise revenues in the aggregate, but only to an extremely insignificant degree..

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

The sponsor has asked that the following be placed in the analysis as legislative intent:

It is the legislative intent that the criminal history checks are primarily for the purpose of INFORMING the employer of any criminal history.

Great weight should be placed upon the judgment of the owner in making his determination as to whether the crime "directly relates to the business."

The idea is that so long as the owner makes sure the criminal history check is done and that he is aware of the criminal history, the department will not, through discipline, tend to "second guess" the employer in his honest effort to understand and interpret the phrase "directly relates to the business."

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The Committee on Business Regulation and Consumer Affairs adopted one "remove everything after the enacting clause" amendment, conforming the bill to its Senate companion (CS/SB 1794), except for one small change relating to the age requirement.

The changes made from the original bill were essentially technical, clarifying, or glitch-fixing, while retaining all of the elements and purposes -- and most of the language -- of the original bill. One *substantive* change in the "remove everything" amendment was to provide that helpers on the job-site are not required to be 18 years of age or older.

VII. SIGNATURES:

COMMITTEE ON BUSINESS REGULATION AND CONSUMER AFFAIRS:

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