

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1119 Private investigative, private security, and repossession services
SPONSOR(S): Rep. Needelman
TIED BILLS: None **IDEN./SIM. BILLS:** SB 1300, HB 595

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture	10 Y, 2 N	Kaiser	Reese
2) Public Safety & Crime Prevention			
3) Finance & Taxation			
4) Agriculture & Environment Appropriations			
5) Appropriations			

SUMMARY ANALYSIS

HB 1119 revises many of the requirements regarding licensing of private investigative, private security and repossession services.

The bill increases the minimum age required for a private investigator license from 18 to 21 years of age. The bill also revises insurance requirements for security agencies to ensure commercial general liability coverage. In addition, upon license renewal, security agencies must submit evidence of insurance.

The proposed legislation requires certain licensees of Chapter 493, F.S., to complete specific continuing education prior to renewal of licensure. The bill provides for the Department of Agriculture and Consumer Services (department) to establish criteria for the course and the course provider. Each licensee must submit proof of successful course completion with the application for license renewal.

In addition, the bill provides that, effective July 1, 2004, applicants for a private investigator license must first pass a written examination regarding the provisions of Chapter 493, F.S., administered by the department. This provision does not apply to persons holding a valid private investigators license on or before said date.

And lastly, the bill provides that, effective July 1, 2004, applicants for a private investigator intern license must first complete specified coursework from an educational institution regulated by the Department of Education, as well an examination to be administered by the department.

This legislation does not appear to have any fiscal impact on local governments. For the fiscal impact of this legislation on state government and the private sector, please refer to Section II., Fiscal Analysis and Economic Impact Statement, on page 3 of this analysis. This legislation will become effective July 1, 2004.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1119a.ag.doc
DATE: March 16, 2004

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Reduce Government: This legislation requires applicants for certain licenses to pass course work and/or an examination prior to licensing and/or renewal.

B. EFFECT OF PROPOSED CHANGES:

HB 1119 revises many of the requirements regarding licensing of private investigative, private security and repossession services.

The bill increases the minimum age required for a private investigator license from 18 to 21 years of age. The bill also revises insurance requirements for security agencies to ensure commercial general liability coverage. In addition, upon license renewal, security agencies must submit evidence of insurance.

The bill further provides for certain classes of licensees to participate in continuing education training prior to license renewal each biennium. The bill gives the Department of Agriculture and Consumer Services (department) rule-making authority to establish criteria for approval of courses and course instructors. The bill requires the continuing education training to be conducted at various locations within or outside the state at times convenient for licensees. The course providers must verify the identity and license number of each licensee receiving the training and issue a certificate of completion to the licensee upon successful completion of the course. The certificate of completion must then be submitted to the department with the application for license renewal.

The proposed legislation states that failure by a security agency to maintain adequate commercial general liability insurance is grounds for disciplinary action. In addition, fees are established for examinations for private investigators and private investigator interns.

The bill further requires private investigators to pass an examination prior to licensure, effective July 1, 2004. The examination, which will be administered by the department or a provider approved by the department, will cover provisions of Chapter 493, F.S. The licensee must pass the examination before his/her license may be issued.

The bill preempts the examination requirements for those persons holding valid private investigator licenses prior to July 1, 2004. Persons whose private investigator licenses have been invalid, for any reason, for more than one year prior to July 1, 2004 must successfully pass the examination.

And lastly, the bill requires private investigator interns to have completed a minimum 40-hour course, which relates to general investigative techniques and provisions of Chapter 493, F.S., from an institution regulated by the Department of Education within the past 12 months of application for licensure. Upon successful completion of course work, the university shall issue a certificate of completion to the applicant, which must be submitted to the department with the application for licensure.

In addition, the private investigator intern licensee must also pass an examination established and administered by the department. The examination may be administered by a provider approved by the department. The bill requires the person administering the examination to verify the identity of each applicant taking the exam.

The bill requires any individual whose private investigator intern license that has been invalid for any reason for more than one year to complete the training and examination.

C. SECTION DIRECTORY:

Section 1: Amending s. 493.6106, F.S.; increasing the minimum age for certain licensees.

Section 2: Amending s. 493.6110, F.S.; revising insurance requirements.

Section 3: Amending s. 493.6113, F.S.; revising renewal application requirements regarding proof of insurance coverage; and, requiring continuing education for license renewal for certain licensees.

Section 4: Amending s. 493.6118, F.S.; revising grounds for disciplinary action to include failure of certain licensees to provide proof of adequate insurance.

Section 5: Amending s. 493.6202, F.S.; revising fee schedules to reflect addition of private investigator and private investigator intern examinations.

Section 6: Amending s. 493.6203, F.S.; requiring passage of an examination for licensure as a private investigator; providing exemption for certain licensees; requiring reexamination under certain circumstances; requiring passage of coursework and examination for licensure as private investigator intern; and, requiring the department to establish content and criteria for coursework and examination.

Section 7: Providing an effective date of July 1, 2004.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

	<u>(FY 04-05)</u>	<u>(FY 05-06)*</u>	<u>(FY 06-07)*</u>
Licensing Trust Fund (Recurring)			
Private Investigator Exams	\$ 46,900**	\$ 93,800	\$ 93,800
P.I. Intern Exams	<u>-</u>	<u>70,917***</u>	<u>85,200</u>
Total	46,000	164,717	179,000

2. Expenditures:

Administration of P.I. & P.I.I. Exams	\$ 43,476	\$152,693	\$165,933
Service Charge to General Revenue	<u>3,424</u>	<u>12,024</u>	<u>13,067</u>
Total	\$ 46,900	\$164,717	\$179,000

*Filling out FY 05-06 and 06-07 columns are necessary only when the full year annualized costs are not indicated in the FY 04-05 column, i.e. use these columns only as needed to reflect recurring or non-recurring costs not picked up in FY 04-05.

**Costs shown are 1/2 of annualized estimates since requirements become effective January 1, 2005.

***Costs shown are 10/12 of annualized estimates since requirements become effective September 1, 2005.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
None

2. Expenditures:
None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Cost Estimates for Exams:

Private Investigator	\$100
Private Investigator Intern	\$100
40-hour P.I. Intern course	\$150
4/2 hour Continuing Education course	\$150

Cost analysis to determine the private sector cost for the 40-hour Private Investigator Intern course and the 4/2 hour Continuing Education course were arrived at by comparing costs for similar course requirements for the Class "D" security officer training within the Division of Licensing. Also, certain continuing education requirements for several licenses at the Department of Business and Professional Regulation were used for comparison purposes. Generally, public institutions provided lower course rates compared to private providers. If the field of applicants for coursework is not great enough, using public institutions as providers may not be an option. In this case, the estimated cost for coursework could increase drastically.

	FY 04-05	FY 05-06	FY 06-07
Estimated new applications:			
Private Investigators	469	938	938
Private Investigator Interns	850	851	852
Estimated renewal applications:			
Class C, CC, E, EE, K, M, MA, MR and RI licenses		3,100	2,897
P.I. exam fee	\$ <u>46,900</u>	\$ 93,800	\$ 93,800
P.I.I. exam fee		70,917	85,200
40-hour P.I.I. course		106,375	127,800
4/2 hour P.I. continuing education course		<u>258,333</u>	<u>289,700</u>
Total	\$ 46,900	\$529,425	\$596,500

D. FISCAL COMMENTS:
None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

The bill gives the Department of Agriculture and Consumer Services (department) rule-making authority regarding establishing forms and criteria for continuing education courses to be taken by certain classes of licensees.

The bill also gives the department rule-making authority regarding establishing forms and criteria for training and examinations to be taken by private investigators and private investigator interns prior to licensure.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None