

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		Whittier	De La Paz
3) Finance & Taxation			
4) Agriculture & Environment Appropriations			
5) Appropriations			

SUMMARY ANALYSIS

Chapter 493, F.S., addresses private investigative, private security, and repossession services, which are regulated by the Department of Agriculture and Consumer Services (department)

Currently, licensing required under s. 493.6106., F.S., provides that licensees for private investigative, private security, and repossession services be at least 18 years old. The bill increases the minimum age required for a private investigator and a private investigative agency manager from 18 to 21.

HB 1119 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.

The bill provides that 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 July 1, 2004.

The bill further 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 as pass an examination to be administered by the department or an approved examination provider.

This legislation does not appear to have a significant fiscal impact on local governments. For the fiscal impact on state government, it appears that the revenues and expenditures balance offset each other resulting in a negligible fiscal impact on the state.

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

STORAGE NAME: h1119b.ps.doc
DATE: March 23, 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 checked="" 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. The Department of Agriculture and Consumer Services is directed to establish rules and implement continuing education requirements, examinations, develop curriculum, and provider expertise requirements, etc., to implement this bill.

B. EFFECT OF PROPOSED CHANGES:

Chapter 493, F.S., addresses private investigative, private security, and repossession services, which are regulated by the Department of Agriculture and Consumer Services (department)

Currently, licensing required under s. 493.6106., F.S., provides that licensees for private investigative, private security, and repossession services be at least 18 years old. The bill increases the minimum age required for a private investigator and a private investigative agency manager from 18 to 21.

The bill revises insurance requirements for security agencies to require *commercial* general liability coverage instead of *comprehensive* general liability. According to the department, commercial general liability is a much more appropriate type of insurance for this type of service. Private investigators and repossession services were removed from this section because they each have their own type of coverage that is more specific to their service. For example, recovery agencies already have what is referred to as “garage-keeper’s liability” which has a much larger coverage than what is specified by statute.¹ Upon license renewal, security agencies must submit evidence of insurance to the department. Failure by a security agency to maintain adequate commercial general liability insurance is grounds for disciplinary action.

Currently, there is no requirement for continuing education for private investigative, private security, and repossession services. However, Class “G” license holders (those with a statewide firearms license such as armed security officers) must be recertified every two years.

The bill provides for certain classes of licensees to participate in continuing education training prior to license renewal each biennium. The bill gives the 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.

¹ See s. 493.6110, F.S.

The bill further requires private investigators to pass an examination prior to licensure. 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. \$100 fees are established for examinations for private investigators and private investigator interns.

The bill exempts 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 within the past 12 months of application for licensure, a minimum 40-hour course relating to general investigative techniques and provisions of Chapter 493, F.S., from an institution regulated by the Department of Education. 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 or an examination provider that is 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:

The following information was provided by the Department of Agriculture and Consumer Services, based on the dates that they can implement the provisions of the bill. According to the department, they cannot implement the provisions by July 1, 2004 (with the exception of the insurance portion of the bill).

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
Private Investigator Intern Exams	<u>-</u>	<u>\$70,917**</u>	<u>\$85,200</u>
Total	\$46,900*	\$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

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

**Costs shown are 10/12 of annualized estimates (if 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 Examinations

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

Cost analysis to determine the private sector cost for the 40-hour Private Investigator Intern course and the 4-hour and 2-hour Continuing Education courses was 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. If this is the case, the estimated cost for coursework could increase drastically.

	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>FY 06-07</u>
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
Private Investigator exam fee	<u>\$46,900*</u>	\$93,800	\$93,800

Private Investigator Intern exam fee	\$70,917**	\$85,200
40-hour Private Investigator Intern course	\$106,375**	\$127,800
4-hour/2-hour P.I. continuing education course	<u>\$258,333**</u>	<u>\$289,700</u>
Total	\$46,900*	\$529,425
		\$596,500

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

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

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:

Section 493.6104, F.S., currently gives the department authority to adopt rules necessary to administer the chapter.

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 and establishing criteria for the approval of courses and providers, including requirements relating to course contents and provider expertise.

It is given rule-making authority for establishing the general content of the training and criteria for the examination to be taken by private investigators and private investigator interns prior to licensure.

C. DRAFTING ISSUES OR OTHER COMMENTS:

According to the department, they cannot implement the provisions by July 1, 2004 (with the exception of the insurance portion of the bill). The bill sponsor is aware of this and is working with the department on dates that will give the department adequate time for proper implementation of the provisions of the bill. The fiscal analysis given by the department was formulated using dates that are feasible for the implementation.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.