

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1327 Private Investigative, Private Security, and Repossession Services
SPONSOR(S): Needelman
TIED BILLS: **IDEN./SIM. BILLS:** SB 2340

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Agriculture Committee</u>	<u>11 Y, 0 N</u>	<u>Kaiser</u>	<u>Reese</u>
2) <u>Agriculture & Environment Appropriations Committee</u>	<u>11 Y, 0 N</u>	<u>Davis</u>	<u>Dixon</u>
3) <u>State Resources Council</u>	<u>9 Y, 0 N</u>	<u>Kaiser</u>	<u>Hamby</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Chapter 493, Florida Statutes, addresses private investigative, private security, and repossession services, which are regulated by the Department of Agriculture and Consumer Services.

Currently, licensing required under section 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 1327 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 to establish criteria for the course and the course provider. Each licensee must submit proof of course completion with the application for license renewal. Licensees who hold more than one license issued pursuant to Chapter 493, F.S., are required to complete the continuing education only once during any biennium.

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 valid private investigator licenses on or before March 1, 2006.

The bill further provides that, effective September 1, 2006, applicants for a private investigator intern license must first complete specified coursework from an educational institution regulated by the Department of Education.

Please see Section II of this analysis for the fiscal and economic impact information regarding the bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: The legislation requires applicants for certain licenses to pass coursework and/or examination prior to licensing and/or renewal. The Department of Agriculture and Consumer Services is directed to establish rules and implement continuing education requirements and examinations, and to develop curriculum and provider expertise requirements, etc. to implement the bill.

Ensure lower taxes: The applicants for Class “C”, “MA”, and “M” licenses will pay a \$100 fee for an examination for private investigator. In addition, course providers will pay a biennial \$200 fee.

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).

Current licensing requirements under s. 493.6106, F.S., provide 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 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 industry. It doesn't include coverage for slander, libel, etc., issues that are not relative to this type of service industry. Private investigators and repossessioners 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.

Effective September 1, 2006, the bill provides for certain classes of licensees to participate in continuing education training prior to license renewal each biennium. The bill requires licensees who hold more than one license to complete the continuing education only once during any 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 physically verify the personal identity and license number of each licensee receiving the training and issue a certification of completion to the licensee upon completion of the course. The certificate of completion must then be submitted to the department with the application for license renewal.

Effective March 1, 2006, the bill further requires private investigators to pass an examination prior to licensure. The examination, 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

¹ See s. 293.6110, F.S.

his/her license may be issued. A fee of \$100 is established for examinations for private investigators and private investigator interns. A biennial fee of \$200 is established for the provider of said coursework.

The bill exempts the examination requirements for those persons holding valid private investigator licenses prior to March 1, 2006. Persons whose private investigator licenses have been invalid, for any reason, for more than one year prior to March 1, 2006, must pass the examination.

And lastly, the bill requires, effective September 1, 2006, 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. The bill requires any individual whose private investigator intern license has been invalid for any reason for more than one year to complete the training and examination.

C. SECTION DIRECTORY:

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

Section 2: Amends s. 493.6110, F.S.; revises insurance requirements.

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

Section 4: Amends s. 493.6202, F.S.; revises fee schedules.

Section 5: Amends s. 493.6203, F.S.; requires passage of an examination for licensure as a private investigator; provides exemption for certain licensees; requires reexamination under certain circumstances; requires passage of coursework for licensure as private investigator intern; and, requires the department to establish content and criteria for coursework.

Section 6: Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

<u>Recurring:</u>	FY 05-06	FY 06-07	FY 07-08
	Amt/FTE	Amt/FTE	Amt/FTE
Private Investigator Exams	\$ 35,500*	\$107,300	\$108,100
Continuing Education Provider	<u>40,000</u>	<u>10,000</u>	<u>20,000</u>
Total Recurring Revenues	<u>\$75,500</u>	<u>\$117,300</u>	<u>\$128,100</u>

2. Expenditures:

<u>Recurring:</u>			
Printing certificates, applications, manuals	\$15,316	\$ 15,316	\$15,316
Service charge to General Revenue	<u>5,512</u>	<u>8,563</u>	<u>9,351</u>
Total Recurring Costs	20,828	23,879	24,667

	FY 05-06 Amt/FTE	FY 06-07 Amt/FTE	FY 07-08 Amt/FTE
<u>Non-Recurring:</u>			
Administer test in regional offices (computers/furniture)	14,400		
Develop/integrate new data requirements into existing system	112,800		
Curriculum development	<u>32,400</u>		
 Total Non-Recurring Costs	 159,600		

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None
2. Expenditures: None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The department conducted a cost analysis to determine the private sector costs for the 40-hour private investigator intern course and the 6-hour continuing education course. The analysis was done by comparing prices for similar course requirements for the Class "D" training within the division. Also, certain continuing education requirements for several licenses at the Department of Business and Professional Regulation were compared. Generally, public institutions provided a lower course rate compared to private providers. If there are not enough applicants needing coursework, public institutions may not become providers. In this case, costs estimated for coursework could drastically increase.

Cost estimates:

Private investigator exam		\$100	
40-hour private investigator intern course/exam		\$150	
6-hour continuing education course		\$150	

Estimated new applications:

Private investigators	1,065	1,073	1,081
Private investigators interns		923	942

Estimated renewal applications:

Class C, CC, E, EE, M, MA, MR, and RI licenses		2,908	2,908
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Estimated continuing education providers	200	50	100
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Private investigator examination fees	\$35,500	\$107,300	\$108,100
40-hour Private investigator intern course		115,375**	141,300
6-hour Private investigator continuing education course		363,500**	436,200

Continuing education providers	40,000	10,000	20,000
Insurance requirement change	<u>1,941,750</u>	<u>1,941,750</u>	<u>1,941,750</u>

Total cost savings to private sector	\$1,866,250	\$1,345,575	\$1,236,150
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*Costs shown are 4/12 annualized estimates since requirements become effective March 1, 2006.

**Costs shown are 10/12 of annualized estimates since requirements become effective September 1, 2006.

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 493.6113(3)(e), F.S., gives the Department of Agriculture and Consumer Services rule-making authority regarding the establishment of criteria for continuing education and approval of providers for continuing education.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None