

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Commerce and Consumer Services Committee

BILL: SB 2340

SPONSOR: Senator Argenziano

SUBJECT: Private Investigative, Private Security, and Repossession Services

DATE: April 18, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Siebert	Cooper	CM	Favorable
2.	_____	_____	ED	_____
3.	_____	_____	GA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill increases the minimum age required for a private investigator and a private investigative agency manager from 18 to 21. This bill removes the requirement that Class “A” and “R” licensees maintain comprehensive general liability insurance coverage. This bill also requires certain licensees of ch. 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.

This bill amends sections 493.6106, 493.6110, 493.6113, 493.6202, 493.6203, of the Florida Statutes.

II. Present Situation:

The department regulates the private investigative, private security, and repossession services. Current licensing requirements under s. 493.6106, F.S., for private investigative, private security and repossession services include that the applicant:

- Be at least 18 years of age.
- Be of good moral character.
- Not be adjudicated incapacitated.
- Not be a chronic and habitual user of alcoholic beverages to the extent normal faculties are impaired.
- Not have been committed for controlled substances or found guilty of a crime under ch. 893, F.S.

- Be a citizen or legal resident alien of the U.S.¹

A licensee must file with the department a certification of insurance before a license will be issued.² The coverage must be \$300,000 and include comprehensive general liability coverage for death, bodily injury, property damage, and personal injury coverage including false arrest, detention or imprisonment, malicious prosecution, libel, slander, defamation of character, and violation of the right of privacy.³

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.⁴

III. Effect of Proposed Changes:

Section 1 amends s. 493.6106, F.S., to increase the minimum age required for a private investigator and private investigative agency manager from 18 to 21.

Section 2 amends s. 493.6110, F.S., to provide that insurance requirements for security agencies to require commercial general liability coverage instead of comprehensive general liability.

Section 3 amends s. 493.6113(3), F.S., to remove the requirement that private investigators and repossessioners maintain comprehensive general liability insurance coverage.

This section is amended to require “adequate commercial general liability insurance” rather than comprehensive general liability insurance coverage. 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.

Paragraph (3)(e) is created to require that certain classes of licensees are required to participate in relevant continuing education training prior to license renewal each biennium. This section also requires licensees who hold more than one license to complete the continuing education only once during any biennium.

Paragraph (3)(e) is created to also provide the department with rule-making authority to establish criteria for approval of courses and course instructors.

Paragraph (3)(f) is created to require the continuing education training 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.

¹ Section 493.6106(1), F.S.

² Section 493.6110, F.S.

³ *Id.*

⁴ Section 493.6113(3)(b), F.S.

Section 4 amends s. 493.6202, F.S., to provide a fee of \$100 for the private investigators exam, and \$200 biennial fee for provider of the continuing education coursework.

Section 5 creates subsection (5) of s. 493.6203, F.S., to require private investigators to pass an examination prior to licensure. The examination, administered by the department or a provider approved by the department, must cover provisions of ch. 493, F.S. The licensee must pass the examination before his/her license may be issued.

This subsection 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.

Further, subsection (6) is created to require private investigator interns to complete within the past 12 months of application for licensure, a minimum 40-hour course relating to general investigative techniques and provisions of ch. 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. This section 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.

Section 6 provides an effective date of July 1, 2005.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There will likely be costs associated with the required continuing education courses. Generally, public institutions provided a lower course rate compared to private providers. If there are not enough applicants needing to take coursework, public institutions may not

become providers. If this is the case, costs estimated for coursework could drastically increase. The department estimates that the continuing education courses will cost the following:

- Private investigator exam: \$100
- 40-hour private investigator intern course/exam: \$150
- 4/2-hour continuing education course: \$150

The department also anticipates a savings for the private sector for the elimination of the certification of insurance for Class “A” and “R” licensees as follows:

- For Fiscal Year 05-06: \$1,866,250
- For Fiscal Year 06-07: \$1,245,575
- For Fiscal Year 07-08: \$1,236,150

C. Government Sector Impact:

The department anticipates the following recurring Licensing Trust Fund revenues:

- For Fiscal Year 05-06
 - Revenue from Private Investigator Exams: \$35,500
 - Revenue from Continuing Education Provider: \$40,000
- For Fiscal Year 06-07
 - Revenue from Private Investigator Exams: \$107,300
 - Revenue from Continuing Education Provider: \$10,000
- For Fiscal Year 07-08
 - Revenue from Private Investigator Exams: \$108,100
 - Revenue from Continuing Education Provider: \$20,000

The department anticipates recurring costs associated with printing certificates, applications, manual, and service charges to General Revenue as follows:

- For Fiscal Year 05-06: \$20,828
- For Fiscal Year 06-07: \$23,879
- For Fiscal Year 07-08: \$24,667

The department anticipates incurring non-recurring funds of \$159,600 for start-up costs. These costs include:

- Cost to administer test in regional offices: \$14,400
- Cost to develop/integrate new data requirements into existing document management system: \$112,800

- Cost to develop the curriculum of the 40-Hour Private Investigator Intern course and the 6-hour Continuing Education course: \$32,400

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

VIII. Summary of Amendments:

None.

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