

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 363 Private Investigative, Private Security, and Repossession Services  
**SPONSOR(S):** Needelman  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 726

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| REFERENCE  | ACTION          | ANALYST       | STAFF DIRECTOR |
|--|-----------------|---------------|----------------|
| 1) <u>Agriculture Committee</u>                                  | <u>9 Y, 0 N</u> | <u>Kaiser</u> | <u>Reese</u>   |
| 2) <u>Agriculture &amp; Environment Appropriations Committee</u> | <u></u>         | <u></u>       | <u></u>        |
| 3) <u>State Resources Council</u>                                | <u></u>         | <u></u>       | <u></u>        |
| 4) <u></u>   | <u></u>         | <u></u>       | <u></u>        |
| 5) <u></u>   | <u></u>         | <u></u>       | <u></u>        |

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**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 (department).

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 of age. The bill increases the minimum age required for a private investigator and a private investigative agency manager from 18 to 21.

HB 363 requires certain licensees of Chapter 493, F.S., to complete specific continuing education prior to renewal of licensure. The bill provides for the department 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, 2007.

The bill further provides that, effective September 1, 2007, 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 of age. The bill increases the minimum age required for a private investigator and private investigative agency manager from 18 to 21.

There is no current 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 year.

Effective September 1, 2007, 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, 2007, 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 potential licensee must pass the examination before 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, 2007. Persons whose private investigator licenses have been invalid, for any reason, for more than one year prior to March 1, 2007, must pass the examination.

And lastly, the bill requires, effective September 1, 2007, private investigator interns to have completed within the last 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 institution 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. 493.6113, F.S.; revises renewal application requirements regarding proof of insurance coverage; and, requires continuing education for license renewal for certain licensees.

**Section 3:** Amends s. 493.6202, F.S.; revises fee schedules.

**Section 4:** 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.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

|                          | (FY 06-07)                | (FY 07-08)     | (FY 08-09)     |
|--------------------------|---------------------------|----------------|----------------|
| Licensing Trust Fund:    |                           |                |                |
| Recurring Revenues:      |                           |                |                |
| From education providers | \$ 20,000                 | \$ 20,000      | \$ 10,000      |
| From Class "C" exams     | <u>37,867<sup>1</sup></u> | <u>115,200</u> | <u>116,900</u> |
| Total                    | \$ 57,867                 | \$135,200      | \$126,900      |

2. Expenditures:

|   |               |              |              |
|---|---------------|--------------|--------------|
| Licensing Trust Fund:   |               |              |              |
| Recurring Expenditures:   |               |              |              |
| Cost to print materials   | \$ 15,316     | \$ 15,316    | \$ 15,316    |
| Service charge to General Revenue   | <u>4,224</u>  | <u>9,870</u> | <u>9,264</u> |
| Total Recurring   | 19,540        | 25,186       | 24,580       |
| Non-Recurring Expenditures:   |               |              |              |
| Administer tests in regional offices (computers, furniture)   | \$ 14,400     |              |              |
| Develop and integrate new database requirements into existing database and electronic document management system                              | 195,200       |              |              |
| Cost to develop curriculum/content of the 40-hour Private Investigator Intern course and the 6-hour continuing education course. <sup>2</sup> | <u>32,400</u> |              |              |
| Total Non-Recurring   | 242,000       |              |              |

<sup>1</sup> Class "C" exam beginning 3/1/07 prorated

<sup>2</sup> The Division of Licensing will use voluntary services provided by members of the existing advisory council training committee who are experts in the private investigation industry. Costs for this will include travel, lodging and meeting room expenses.

|                    |                  |                  |                  |
|--------------------|------------------|------------------|------------------|
| Total Expenditures | <u>\$261,540</u> | <u>\$ 25,186</u> | <u>\$ 24,580</u> |
|--------------------|------------------|------------------|------------------|

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Cost analysis to determine the private sector costs for the 40-hour Private Investigator Intern course and the 6-hour Continuing Education course were done by comparing prices 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 compared. Generally, public institutions provided lower course rate compared to private providers. If there are not enough applicants needing to take coursework, public institutions may not become providers. In this case, the cost estimated for coursework might possibly increase.

|  | FY 06-07         | FY 07-08         | FY 08-09         |
|--|------------------|------------------|------------------|
| Licensing cost to providers <sup>3</sup>         | \$ 20,000        | \$ 20,000        | \$ 10,000        |
| Exam costs for Class "C" applicants <sup>4</sup> | 37,867           | 115,200          | 116,900          |
| Costs for Class "CC" applicants <sup>5</sup>     | 0                | 65,333           | 79,000           |
| Costs for continuing education <sup>6</sup>      | 0                | 101,400          | 123,120          |
| Total Expense to Private Sector                  | <u>\$ 57,867</u> | <u>\$301,933</u> | <u>\$329,020</u> |

D. FISCAL COMMENTS:

According to the Division of Licensing, within the Department of Agriculture and Consumer Services, HB 363 has costs noted in Non-Recurring Costs to "develop and integrate new database requirements into an existing database and electronic document management system," which is a correct reflection of costs that would be incurred if this legislation were to pass. Plainly stated, this is a correct estimate of costs that would be needed on a one time basis.

SB 190, relating to Seaport Security, has similar requirements as mentioned above. If both of these bills (HB 363 and SB 190) were to pass, the cost of implementation would be reduced. However, if only one of the bills were to pass, the full amount would still be needed.

<sup>3</sup> According to the Florida Association of Licensed Investigators, approximately 200 individuals are expected to register as providers. Additionally, another 50 providers are expected to renew upon the two year permit. The fee for provider registration is \$200. It is estimated that 100 would apply in FY 06/07 and 100 would apply in FY07/08.

<sup>4</sup> Estimated number of Class "C" applicants multiplied by an exam fee of \$100.

<sup>5</sup> Estimated number of Class "CC" applicants multiplied by a course fee of \$100.

<sup>6</sup> Classes "C", "CC", "M", "MA", "E", "EE", "MR", and "RI" renewal course multiplied by a course fee of \$40.

### 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 rule-making authority regarding:

- establishing a means to prove specified continuing education has been completed;
- establishing criteria for continuing education and approval of providers;
- establishing a form to serve as a certificate of completion; and,
- establishing the general content for training and examination criteria.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES