

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: General Government Appropriations Committee

BILL: CS/SB 726

INTRODUCER: General Government Appropriations Committee and Senator Argenziano

SUBJECT: Private Investigative, Private Security, and Repossession Services

DATE: April 19, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Earlywine</u>	<u>Cooper</u>	<u>CM</u>	Favorable
2.	<u>Harkey</u>	<u>Matthews</u>	<u>ED</u>	Favorable
3.	<u>Blizzard</u>	<u>Hayes</u>	<u>GA</u>	Fav/CS
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill increases the minimum age required to be a licensed private investigator, private investigative agency manager, and private investigative/security agency manager from 18 to 21 years. Applicants for initial licensure as a private investigator must also complete specific coursework and pass an examination. In addition, private investigators must complete specific continuing education prior to renewal of licensure. The continuing education courses must be provided by an institution regulated by the Department of Education (DOE). This bill provides for the Department of Agriculture and Consumer Services (department) to establish criteria for the course and the course provider. There is a revision to the information required on an application for licensure as a repossession services school or training facility to allow distance learning.

This bill amends the following sections of the Florida Statutes: 493.6106, 493.6113, 493.6202, 493.6203, and 493.6406.

II. Present Situation:

Private investigators perform investigations and verify facts in a variety of areas, and many specialize in a particular type of investigation. According to the U.S. Department of Labor:

- Legal investigators specialize in cases involving the courts and are normally employed by law firms or lawyers.
- Corporate investigators conduct internal and external investigations for corporations.
- Financial investigators may be hired to develop confidential financial profiles of individuals or companies that are prospective parties to large financial transactions.

- Store detectives, also known as loss prevention agents, safeguard the assets of retail stores by apprehending anyone attempting to steal merchandise or destroy store property.¹

The department regulates 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.²

Private investigative agencies, security agencies, and recovery agencies must file with the department a certification of liability insurance. The coverage must be in an amount of at least \$300,000 and include coverage for death, bodily injury, property damage, and personal injury.³

Currently, there is no requirement for an exam or 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 submit proof that he or she has received, during each year of the license period, a minimum of four hours of firearms recertification training.⁴

According to DOE, most courses for private investigators are offered through private institutions. One community college, Miami Dade College, offers a private investigator course.

As of February 28, 2006, 9,250 private investigators were licensed by the state. Of those licensees, 7,190 were private investigators and 2,060 were private investigator interns. There were 91 private investigative agency managers and 531 private investigative/security agency managers.

III. Effect of Proposed Changes:

Section 1 amends s. 493.6106, F.S., to increase the minimum age required to be a licensed private investigator (Class C license), private investigative agency manager (Class MA license), and private investigative/security agency manager (Class M license) from 18 to 21 years. The bill appears to be prospective in application and would not require the surrender of an

¹ U.S. Department of Labor Occupational Outlook Handbook 2006-2007 edition.
<http://www.bls.gov/oco/ocos157.htm#nature>

² Section 493.6106(1), F.S.

³ *Id.*

⁴ Section 493.6113(3)(b), F.S.

individual's current license if the individual does not meet the age threshold. However, the ability of these individuals to retain their license at renewal may be jeopardized.

Section 2 amends s. 493.6113(3), F.S., to remove the requirement that private investigative agencies (Class A license) and recovery agencies (Class R license) maintain adequate commercial general liability insurance coverage. This change would make this section consistent with s. 493.6110, F.S., which requires such coverage for security agencies (Class B license) only. This provision retains the requirement that security agencies submit evidence of such coverage to the department. Under s. 493.6188(91)(h), F.S., a security agency that fails to maintain adequate commercial general liability insurance is subject to disciplinary action.

The bill requires licensed private investigators (Class C), private investigator interns (Class CC), private investigative/security agency managers (Class M), Private Investigative Agency Managers (Class MA), recovery agents (Class E), recovery agent interns (Class EE), recovery agent managers (Class MR), and recovery agent school instructors (Class RI) to present proof that they have completed not less than six hours of continuing education in Florida law and rules regulating the professions during the biennium since the issuance of the last renewal license. The six hours of instruction may include two hours of terrorism awareness presented by approved providers. Licensees who hold more than one license must complete the continuing education only once during any biennium.

The department is directed to establish by rule the criteria for approval of courses and course instructors.

The continuing education training must be conducted by approved providers on-line or live 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 live training. Providers of on-line training must use a security program approved by rule by the department to verify the license number and identity of the licensee. On-line training shall make the six-hour curriculum and a one-hour examination available in hourly increments. A certificate of completion shall be issued to the licensee upon completion of the course or the on-line examination. The certificate of completion must be on a form established by rule of the department and must be submitted to the department with the application for license renewal.

Section 3 amends s. 493.6202, F.S., to provide a fee of \$100 for the private investigators exam and a \$200 biennial fee for approval of a provider of the continuing education coursework.

Section 4 amends s. 493.6203, F.S., to require private investigators to pass an examination prior to initial licensure. This requirement is effective March 1, 2007. 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 or her license may be issued.

This section exempts from the examination requirements those persons holding valid private investigator licenses prior to March 1, 2007. An individual whose private investigator license has been invalid for any reason, for more than one year, must pass the examination.

The periods of professional experience required for licensure must be at least the statutory minimums provided in law. Since the amount of experience required is a minimum, this modification of each requirement does not appear to be substantive.

Section 5 amends s. 493.6406, F.S., to eliminate the requirement that an application for a repossession services school or training facility contain the street address where the training is to be conducted.

Private investigator interns must complete, within the 12 months preceding application for licensure, a minimum 40-hour course relating to general investigative techniques and the provisions of ch. 493, F.S., which relate to the regulation of the profession. The course must be from a school, college, or university regulated by DOE. Most private schools, colleges, and universities that offer these programs are not “regulated” by DOE; rather, they are licensed or exempt from licensure by the Commission for Independent Education, located within DOE. Accordingly, the term “regulation” may need to be clarified.

The training may be provided by live presentation, on-line, or by home study, in accordance with DOE rules and procedures. Upon the applicant’s successful completion of course work, the school, college, or university must issue a certificate of completion to the applicant. The certificate must be submitted to the department with the application for the Class CC license. Any individual whose private investigator intern license has been invalid for any reason for more than one year must complete the training and examination.

The department is required to establish by rule the general content of the training and the examination criteria.

Section 6 provides an effective date of July 1, 2006.

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:

The fee to become a continuing education provider is \$200. The fee to take the private investigator exam is \$100.

The Department of Agriculture and Consumer Services anticipates the following recurring Licensing Trust Fund revenues:

	Revenue from Private Investigator Exams	Revenue from Continuing Education Provider
FY 2006-2007	\$37,867	\$20,000
FY 2007-2008	\$115,200	\$20,000
FY 2008-2009	\$116,900	\$10,000

B. Private Sector Impact:

There will likely be costs associated with the required continuing education courses. According to the Department of Education, private institutions provide most private investigator training. The Department of Agriculture and Consumer Services estimates that the continuing education courses would cost the following:

- Continuing education provider fee: \$200.
- Private investigator exam: \$100.
- 40-hour private investigator intern course: \$100.
- 6-hour continuing education course: \$40.

C. Government Sector Impact:

The Department of Agriculture and Consumer Services anticipates recurring costs associated with printing certificates, applications, manual, and service charges to general revenue as follows:

- For Fiscal Year 2006-2007: \$15,316.
- For Fiscal Year 2007-2008: \$15,316.
- For Fiscal Year 2008-2009: \$15,316.

The Department of Agriculture and Consumer Services anticipates incurring non-recurring funds of \$242,000 for start-up costs. These costs include:

- Administration of the test in regional offices: \$14,400.
- Development or integration of new data requirements into existing document management system: \$195,200.
- Development of the curriculum of the 40-Hour Private Investigator Intern course and the six-hour Continuing Education course: \$32,400.

The Department of Agriculture and Consumer Services anticipates that the fees collected from applicants will offset the costs associated with the exam and continuing education program.

Costs to the Department of Education for developing a curriculum framework for a private investigator course should be minimal.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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