

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 413 Low-Voltage Alarm Systems  
**SPONSOR(S):** Business & Professions Subcommittee; B. Cortes and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 466

| REFERENCE                                | ACTION              | ANALYST | STAFF DIRECTOR or<br>BUDGET/POLICY<br>CHIEF |
|--|---------------------|---------|---|
| 1) Business & Professions Subcommittee   | 13 Y, 0 N, As<br>CS | Anstead | Luczynski                                   |
| 2) Local Government Affairs Subcommittee | 10 Y, 0 N           | Darden  | Miller                                      |
| 3) Regulatory Affairs Committee          |                     |         |   |

### SUMMARY ANALYSIS

The bill amends current law related to permits required for low-voltage alarm system installation.

The bill clarifies that current law applies to “all” low-voltage alarm system projects for which a permit is required by local government or “local enforcement agencies,” including both residential and commercial low-voltage alarm systems.

The bill clarifies that a permit is not required to install or service a “wireless alarm system,” and defines “wireless alarm system” as a burglar alarm system or smoke detector that is not hardwired.

The bill lowers the maximum permitting fee from \$55 to \$40 per permit label and removes the exception from the statute that expired on January 1, 2015, which allowed some local governments to charge a fee up to \$175 per permit label.

The bill clarifies that the local enforcement agency may not require the payment of any additional fees, charges, or expenses associated with the installation or replacement of a new or existing alarm system.

The bill clarifies that local enforcement agencies may coordinate directly with the owner or customer to inspect a low-voltage alarm system project to ensure compliance with applicable codes and standards and also clarifies the contractor may not be required to submit “any” information other than identification and proof of licensure as a contractor when purchasing the permit label.

The bill clarifies that local governments may not have “any” rule regarding low-voltage alarm system projects that conflict with state law.

The bill provides for an effective date of July 1, 2015.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Present Situation

Florida currently has a uniform system for alarm system permitting. A local government agency may not adopt an ordinance or rule regarding a low-voltage alarm system that conflicts with state law.<sup>1</sup> In order to install a low-voltage alarm system in Florida, current law requires contractors to obtain a permit label from a local government agency when such permit is required by local ordinance or rule. Current law also caps the fee for such permits.

#### The Florida Building Code, local enforcement agencies, and electrical and alarm system contractors

The Florida Building Code applies statewide to all construction.<sup>2</sup> The intent of the Florida Building Code is to create a single source of uniform standards for all aspects of construction. The Florida Building Commission is responsible for its general administration.<sup>3</sup> With certain exceptions, state and local agencies can enforce the Florida Building Code.<sup>4</sup>

A “local enforcement agency” is an agency of local government, a local school board, a community college board of trustees, or a university board of trustees in the State University System with jurisdiction to make inspections of buildings and to enforce the codes which establish standards for design, construction, erection, alteration, repair, modification, or demolition of public or private buildings, structures, or facilities.<sup>5</sup>

The Electrical Contractor’s Licensing Board within the Department of Business and Professional Regulation (DBPR) generally handles the licensing and regulation of electrical and alarm system contractors.<sup>6</sup>

#### Low-voltage alarm systems

Uniform state law controls the installation of low-voltage alarm system projects, including home-automation equipment, thermostats, and video cameras. An alarm system is any electrical device, signaling device, or combination of electrical devices used to signal or detect a burglary, fire, robbery, or medical emergency.<sup>7</sup>

Uniform state law applies to low-voltage alarm system projects for which a permit is required by a local enforcement agency. Local enforcement agencies determine whether to require permitting for low-voltage alarm systems. If a local enforcement agency requires that a permit be obtained by an alarm system contractor for a low-voltage alarm system project in the jurisdiction, then the local government cannot charge more than \$55 for the permit label.<sup>8</sup> Those labels are valid for one year from the date of purchase and may only be used in the jurisdiction that issued it.<sup>9</sup>

#### History of permit labels

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<sup>1</sup> S. 553.793(9), F.S.

<sup>2</sup> See ch. 553, Part IV, F.S.

<sup>3</sup> See s. 553.74, F.S.

<sup>4</sup> S. 553.80, F.S.

<sup>5</sup> S. 553.71(5), F.S.

<sup>6</sup> Department of Business and Professional Regulation, *Electrical Contracting: Frequently Asked Questions*, available at <http://www.myfloridalicense.com/dbpr/pro/elboard/documents/elecfaqs.pdf>.

<sup>7</sup> S. 489.505(1), F.S.

<sup>8</sup> S. 553.793(4), F.S.

<sup>9</sup> S. 553.793(4)(b), F.S.

In 2013, an industry report<sup>10</sup> concluded that 40 percent of local Florida jurisdictions did not require permits for low-voltage alarm systems while 60 percent did (or 182 required permits out of 304 local jurisdictions that address residential permit requirements for basic hardwire installation). In March 2013, residential permit prices ranged from \$0 to \$300.<sup>11</sup>

Another industry report in February 2015 showed 33 percent of jurisdictions are issuing permits in the manner allowed by s. 553.793, F.S., while 36 percent have permitting requirements that are not in compliance and 31 percent do not require permitting at all.<sup>12</sup> The prices charged by local governments for residential and/or small business permits still range from \$0 to \$300.<sup>13</sup>

### **Effect of Proposed Changes**

The bill amends current Florida law related to the permitting and installation of low-voltage alarm systems.

#### **Applicability**

The bill clarifies that current Florida law applies statewide to “all” low-voltage alarm system projects for which a permit is required by local enforcement agencies. This would include both residential and commercial systems.

#### **Clarification of what “low-voltage alarm system” means and exclusion of “wireless alarm system”**

The bill modifies the definition of “low-voltage alarm system project” to limit it to “hardwired” alarm systems. The bill clarifies that a permit is not required to install, maintain, inspect, replace, or service a “wireless alarm system,” including any ancillary components or equipment attached to the system. The bill defines “wireless alarm system” as a burglar alarm system or smoke detector that is not hardwired.

#### **Local permit label requirement and local enforcement agencies**

The bill requires local enforcement agencies that require permits to provide permit labels to the contractor for a fee that may not exceed \$40. The bill lowers the permitted fee from \$55 to \$40 per permit label and deletes the exception which expired on January 1, 2015, which allowed some local governments to charge a fee up to \$175 per permit label.

The bill clarifies that the local enforcement agency may not require the payment of any additional fees, charges, or expenses associated with the installation or replacement of a new or existing alarm system.

The bill clarifies that local enforcement agencies may coordinate directly with the owner or customer to inspect a low-voltage alarm system project to ensure compliance with applicable codes and standards. It also clarifies that in order to purchase the permit label, the contractor may not be asked to submit any information other than identification and proof of licensure as a contractor.

## **B. SECTION DIRECTORY:**

Section 1: Amends s. 553.793(1) and (2), F.S.:

- clarifies applicability to residential and commercial systems;
- clarifies that only “hardwired” systems require conformity;

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<sup>10</sup> Email from Jorge Chamizo, Floridian Partners, LLC, and Stephanie Wagner, ADT Licensing & Compliance Manager, Field Operations Training and Support – Eastern Regions, RE: Permitting Data for the State of Florida (03/15/2013). Email retained by House Business and Professions Subcommittee staff.

<sup>11</sup> Id.

<sup>12</sup> Email from Jorge Chamizo, Floridian Partners, LLC, RE: Florida Permitting Jurisdictions (02/05/2015). Email retained by House Business and Professions Subcommittee staff. 89 of 272 jurisdictions (32.72%) require permit labels in compliance with s. 553.793, F.S..

<sup>13</sup> Id.

- clarifies that permits are not required for wireless alarm systems; and
- defines “wireless alarm system.”

Amends s. 553.793(4), F.S.:

- lowers the permit label fee from \$55 to \$40;
- removes the expired exception related to the fee cap; and
- clarifies that no additional fees may be charged.

Amends s. 553.793(8), F.S.:

- clarifies that local enforcement agencies may coordinate with the owner or customer for inspections.

Amends s. 553.793(9), F.S.:

- clarifies that the contractor purchasing the permit label may not be asked for any information other than identification and proof of licensure.

Section 2: Provides an effective date of July 1, 2015.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill would reduce the ability of certain local jurisdictions to raise revenue, specifically reducing the ability of certain jurisdictions to charge more than \$40 per permit for low-voltage alarm system projects.

There has been no Revenue Estimating Conference on this bill. See Fiscal Comments, D., below.

2. Expenditures:

Local enforcement agencies that require permitting would be required to continue to make permit labels available for purchase, which would still require local expenditures.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments, D., below.

### D. FISCAL COMMENTS:

The bill requires those local enforcement agencies that require permitting for low-voltage alarm systems to issue a permit label to a contractor for a fee of not more than \$40. It is anticipated the bill would lower fees currently imposed by certain local jurisdictions, resulted in an indeterminate negative fiscal impact.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill may reduce the authority that counties or municipalities have to raise revenues in the aggregate; however, the insignificant fiscal impact exemption may apply.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

None.

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

None.

### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On February 10, 2015, the Business & Professions Subcommittee adopted amendments that clarified that a local enforcement agency may not require the payment of any additional fees, charges, or expenses associated with the installation or replacement of a new or existing alarm system, pursuant to s. 553.793, F.S., and removed "law" from the phrase "local law enforcement agency" to conform to the defined term "local enforcement agency" pursuant to current law. The bill was reported favorably as a committee substitute.

The staff analysis is drafted to reflect the committee substitute.