

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 413	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Business & Professions Subcommittee; Cortes, B. and others	115 Y's	0 N's
COMPANION BILLS:	CS/SB 466	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 413 passed the House on April 22, 2015, as CS/SB 466.

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 low-voltage 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 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.

It is anticipated the bill would lower fees currently imposed by some local jurisdictions that require permitting for low-voltage alarm systems, which may result in an indeterminate negative fiscal impact in certain jurisdictions. The Department of Business and Professional Regulation estimates no fiscal impact to state government.

The bill was approved by the Governor on May 21, 2015, ch. 2015-50, L.O.F., and will become effective on July 1, 2015.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF 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.¹ 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, ch. 553, Part IV, F.S., applies statewide to all construction. 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. With certain exceptions, state and local agencies can enforce the Florida Building Code.

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.²

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.

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.³

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.⁴ Those labels are valid for one year from the date of purchase and may only be used in the jurisdiction that issued it.

History of permit labels

In 2013, an industry report 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

¹ s. 553.793(9), F.S.

² s. 553.71(5), F.S.

³ s. 489.505(1), F.S.

⁴ s. 553.793(4), F.S.

jurisdictions that address residential permit requirements for basic hardwire installation).⁵ In March 2013, residential permit prices ranged from \$0 to \$300.⁶

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.⁷ The prices charged by local governments for residential and/or small business permits still range from \$0 to \$300.⁸

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.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
None.

⁵ 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* (Mar. 15, 2013).

⁶ Id.

⁷ Email from Jorge Chamizo, Floridian Partners, LLC, *RE: Florida Permitting Jurisdictions* (Feb. 5, 2015) (89 of 272 jurisdictions (32.72%) require permit labels in compliance with s. 553.793, F.S.).

⁸ Id.

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.

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. Revenues of local enforcement agencies may be impacted based on the reduction in the maximum charge (from \$55 to \$40 each) for a permit for a hardwired low-voltage alarm system, which may not cover the costs associated with the issuance of the permit.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill reduces the maximum amount that may be charged for a permit for a hardwired, low-voltage alarm system by \$15 (from \$55 to \$40), and prohibits any other charges for installation or replacement of such systems. The bill provides that no permits are required for burglar alarm systems or smoke detectors that are not hardwired (wireless alarms and detectors). This will reduce or eliminate permitting costs associated with these systems and detectors.

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, resulting in an indeterminate negative fiscal impact on those jurisdictions.