

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: CS/SB 466

INTRODUCER: Regulated Industries Committee and Senator Flores

SUBJECT: Low-voltage Alarm Systems

DATE: March 17, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>Imhof</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>White</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 466 amends the definition of Low-voltage Alarm Systems, reduces the maximum permit fee for those systems, and eliminates permit requirements for wireless burglar alarms and smoke detectors. Any electrical device or signaling device used to signal or detect a burglary, fire, robbery, or medical emergency is an alarm system. A system that is hardwired and operates at low voltage (with or without home-automation equipment, thermostats, and video cameras) is a low-voltage alarm system. The bill excludes wireless alarm systems (burglar alarms and smoke detectors) from all permitting requirements of any local enforcement agency with jurisdiction over building inspections and code enforcement, such as a local government, school board, community college, or university.

In addition to providing that permits may not be required in order to install, maintain, inspect, replace or service wireless alarm systems, the bill reduces the maximum charge for a uniform basic permit for a hardwired, low-voltage alarm system from \$55 to \$40. The bill deletes permit fee provisions that expired on January 1, 2015. The bill prohibits a local enforcement agency from requiring the payment of any additional amount associated with the installation or replacement of a hardwire, low-voltage alarm system. The bill authorizes local enforcement agencies to coordinate inspections with the owner or customer of low-voltage alarm system projects to ensure compliance with applicable codes and standards. However, the obligation to take corrective action if a project fails an inspection remains with the alarm system contractor.

The bill provides a July 1, 2015, effective date.

II. Present Situation:

Part II of ch. 489, F.S., regulates electrical and alarm system contracting. 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.¹ Licensure of electrical and alarm systems contractors is required, and applicants must have sufficient technical experience and be tested on technical and business matters.

Section 489.505, F.S., contains references to various types of contractors that may lay out, fabricate, install, maintain, alter, repair, monitor, inspect, replace or service alarm systems. An alarm system contractor means a person whose business includes the execution of contracts requiring the ability, experience, science, knowledge, and skill to conduct all alarm services for compensation, for all types of alarm systems for all purposes.² The term also means any person, firm, or corporation that engages in the business of alarm contracting under an expressed or implied contract or that undertakes, offers to undertake, or submits a bid to engage in the business of alarm contracting.³

An alarm system contractor whose business includes all types of alarm systems for all purposes is designated as an alarm system contractor I; the business of an alarm system contractor II is identical except that it does not include fire alarm systems.⁴

Alarm system contractors may also hold certificates of competency from the Department of Business and Professional Regulation, which are geographically unlimited.⁵ Holders of those certificates are certified alarm system contractors, and the scope of certification is limited to specific alarm circuits and equipment.⁶ There is no mandatory licensure requirement created by the availability of certification.⁷

A certified electrical contractor, a certified fire alarm system contractor, a registered fire alarm system contractor, a journeyman electrician licensed by any local jurisdiction, or an alarm technician licensed by a local jurisdiction that requires an examination and experience or training as licensure qualifications, is not required to complete the training required for fire alarm system agents. A registered electrical contractor is not required to complete the training, provided he or she is only doing electrical work up to the alarm panel.⁸

¹ See s. 489.505(1), F.S.

² See s. 489.505(2), F.S.

³ *Id.*

⁴ *Id.*

⁵ See ss. 489.505(4) and 489.505(5), F.S.

⁶ Section 489.505(7), F.S., describes the limitations as those circuits originating in alarm control panels, equipment governed by the Articles 725, 760, 770, 800, and 810 of the National Electrical Code, Current Edition, and National Fire Protection Association Standard 72, Current Edition, as well as the installation, repair, fabrication, erection, alteration, addition, or design of electrical wiring, fixtures, appliances, thermostats, apparatus, raceways, and conduit, or any part thereof not to exceed 98 volts (RMS), when those items are for the purpose of transmitting data or proprietary video (satellite systems that are not part of a community antenna television or radio distribution system) or providing central vacuum capability or electric locks.

⁷ *Id.*

⁸ See s. 489.5185(2), F.S.

Part II of ch. 553, F.S., constitutes the Florida Building Codes Act (act). The act provides a mechanism for the uniform adoption, updating, amendment, interpretation, and enforcement of the Florida Building Code, consisting of a single set of documents that apply to the design, construction, erection, alteration, modification, repair, or demolition of public or private buildings, structures, or facilities, and to the enforcement of such requirements, for effective and reasonable protection for public safety, health, and general welfare at the most reasonable cost to the consumer.⁹

Pursuant to s. 553.88, F.S., the current edition of the following standards are in effect for the purpose of establishing minimum electrical and alarm standards in Florida:

- National Electrical Code, NFPA¹⁰ No. 70;
- Underwriters' Laboratories, Inc. (UL), Standards for Safety, Electrical Lighting Fixtures, and Portable Lamps, UL 57 and UL 153;
- Underwriters' Laboratories, Inc., Standard for Electric Signs, UL 48;
- The provisions of the following which prescribe minimum electrical and alarm standards:
 - NFPA No. 56A, Inhalation Anesthetics;
 - NFPA No. 56B, Respiratory Therapy;
 - NFPA No. 56C, Laboratories in Health-related Institutions;
 - NFPA No. 56D, Hyperbaric Facilities;
 - NFPA No. 56F, Nonflammable Medical Gas Systems;
 - NFPA No. 72, National Fire Alarm Code;
 - NFPA No. 76A, Essential Electrical Systems for Health Care Facilities;
- The rules and regulations of the Department of Health, entitled "Nursing Homes and Related Facilities Licensure; and
- The minimum standards for grounding of portable electric equipment, ch. 8C-27, F.A.C., as recommended by the Division of Workers' Compensation, Department of Financial Services.

Section 553.71(5), F.S., provides that a local enforcement agency¹¹ is an agency 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. A number of local governments require permitting or registration of burglar alarm systems, often to address the volume of false alarms reported to law enforcement. Local governments that may have permit requirements for burglar alarm systems include:

- The counties of Alachua, Lee, Martin, Palm Beach, and St. Lucie; and

⁹ See s. 553.72(1), F.S.

¹⁰ NFPA is the acronym for the National Fire Protection Association, which is an international nonprofit organization established in 1896. Its mission is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes, standards, research, training and education. NFPA develops, publishes, and disseminates more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. See <http://www.nfpa.org/about-nfpa> (last visited Mar. 13, 2015).

¹¹ Section 553.71(5), F.S., of the Florida Building Codes Act defines local enforcement agency as 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.

- The cities of Boca Raton, Cape Coral, Clearwater, Cutler Bay, Deerfield Beach, Doral, Gainesville, Hollywood, Largo, Miami, Miami Beach, Miami Gardens, Miramar, North Lauderdale, North Miami Beach, Palatka, Palm Bay, Pembroke Pines, Plantation, Pompano Beach, Riviera Beach, St. Petersburg, Sarasota, Sunny Isles, and West Palm Beach.¹²

Many of these local governments require a permit to be submitted to the local law enforcement agency. For example, the County of Palm Beach requires a permit to be submitted to the Palm Beach County Sheriff's Office with a \$25 application fee. The permit must be renewed annually. Failure to submit an application for a permit results in a "no response" to the alarm system and a fine of \$260.00 per "incident."¹³ The purpose of these types of permits is to:

In concert with the county sheriff's office commitment to problem solving policing, the purpose of this article is to prevent false alarm activations that require the sheriff's office to respond. Deputies responding to false alarms are more wisely utilized preventing crime and solving neighborhood crime problems. This article is a cooperative effort among the board of county commissioners, the Alarm Association of Florida and the county sheriff's office to prevent false alarm activations in the most effective manner.¹⁴

One industry company report on fees for basic hardwire installation reflected that as of 2013, permitting fees ranged from \$25 to fees of several thousand dollars.¹⁵ In accordance with the provisions of ch. 2013-203, Laws of Florida, as of October 1, 2013, the charges that could be made for low-voltage alarm system permits were limited. For local enforcement agencies that charged:¹⁶

- More than \$55 for those permits before January 1, 2013, the same amount could still be charged but only until January 1, 2015; and
- More than \$175 for those permits before January 1, 2013, only a maximum of \$175 could still be charged, but only until January 1, 2015.

After January 1, 2015, the maximum charge that may be imposed by any local enforcement agency is \$55.¹⁷

¹² For a longer list, compiled by an alarm system industry merchant, see Geoarm, *Florida Alarm Monitoring Permits for Emergency Dispatch Services*, available at <http://www.geoarm.com/florida-alarm-monitoring-permits.html> (last visited Mar. 13, 2015).

¹³ See http://www.pbso.org/documents/Burglar_Alarm_Permit_Form.pdf (Last visited Mar. 13, 2015) and Palm Beach County Ordinance 2008-038, codified at art. III, s. 16-51 et seq., Code of Ordinances, Palm Beach County, at https://www.municode.com/library/fl/palm_beach_county/codes/code_of_ordinances?searchRequest=%7B%22searchText%22:%22part%20III,%20section%2016%22,%22pageNum%22:1,%22resultsPerPage%22:25,%22booleanSearch%22:false,%22stemming%22:true,%22fuzzy%22:false,%22synonym%22:false,%22contentTypes%22:%5B%22CODES%22%5D,%22productIds%22:%5B%5D%7D&nodeId=PABECOCO_CH16LAEN_ARTIII.A. (Last visited Mar. 13, 2015).

¹⁴ Section 16-52, Purpose, Code of Ordinances, Palm Beach County.

¹⁵ E-mail from Jorge Chamizo, Floridian Partners, LLC to B. Imhof, Staff Director (Apr. 7, 2013) (on file with the Senate Committee on Regulated Industries).

¹⁶ See s. 553.793(4), F.S.

¹⁷ *Id.*

III. Effect of Proposed Changes:

The definition of a low-voltage alarm system project is amended to exclude wireless burglar alarm and smoke detector systems. The bill amends the requirements for permitting by a local enforcement agency, by providing that permits for the installation, maintenance, inspection, replacement or servicing of wireless burglar alarm and smoke detector systems are not required. Local enforcement agencies may not charge more than \$40 for a permit, and may not require any other charge, for installation or replacement of new or existing hardwired, low-voltage alarm system. The bill deletes permit fee provisions that expired on January 1, 2015.

The bill provides that a local enforcement agency may not request “any” information for issuance of labels for purchase by a contractor other than identification information and proof of registration or licensure as a contractor. Existing law states that local enforcement agencies may not require “the submission of information other than,” but the meaning of the phrase has been disputed, according to industry representatives.

The bill provides that a local enforcement agency may coordinate with the owner or customer to inspect a low-voltage alarm system project to ensure compliance with applicable codes and standards, but leaves intact the requirement that if the project fails inspections, corrective action must be undertaken by the alarm system contractor.

The bill provides that a municipality, county, district, or other entity of local government may not adopt or maintain in effect “any” ordinance or rule regarding a low-voltage alarm system project inconsistent with s. 553.793, F.S. Existing law states that those entities may not adopt or maintain in effect “an” ordinance or rule inconsistent with s. 553.793, F.S., but the meaning of the phrase has also been disputed, according to industry representatives.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The bill reduces the authority that counties have to raise revenues. Article VII, section 18(b) of the Florida Constitution requires any general law that reduces a local government’s authority to raise revenues in the aggregate to be passed by a two-thirds vote of the membership of each house of the Legislature unless certain exemptions apply.¹⁸

If the fiscal impact of the bill is insignificant, the bill would be exempt under Art. VII, s. 18(d) of the Florida Constitution. Although the Revenue Estimating Commission has not yet estimated the impact of this bill on local revenues, the impact of the bill may be insignificant. An insignificant fiscal impact means an amount not greater than ten cents times the average statewide population for the applicable fiscal year,¹⁹ which equals approximately \$1.95 million.²⁰

¹⁸ FLA. CONST. art. VII, s. 18(b).

¹⁹ FLA. CONST. art. VII, s. 18(d)

²⁰ The population of Florida is reported as 19,507,369. University of Florida Bureau of Economic and Business Research, Population Studies Program, available at <http://www.bebr.ufl.edu/population> (last visited Mar. 13, 2015).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

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.

C. Government Sector Impact:

Revenues of local enforcement agencies may be impacted by the elimination of permitting fees for wireless alarm systems (burglar alarms and smoke detectors), and the reduction in the maximum charge (from \$55 to \$40 each) that may be made for a permit for a hardwired low-voltage alarm system. The Department of Business and Professional Regulation estimates no fiscal impact to state government.²¹

VI. Technical Deficiencies:

None.

VII. Related Issues:

A possible conflict with the requirements of the Florida Building Code regarding smoke detectors has been noted by the Department of Business and Professional Regulation.²² The Florida Building Code, 5th Edition (2014) (the 2014 Florida Building Code), as updated by the Florida Building Commission on November 13, 2014, has been adopted as the building code for the State of Florida, with an effective date of June 30, 2015.²³ The 2014 Florida Building Code is copyrighted, but is available for public inspection and examination at the Department of State.²⁴

²¹ See Department of Business and Professional Regulation, *Legislative Bill Analysis for HB 413* (Feb. 9, 2015), at page 3.

²² *Id.* at page 2, referencing the “2010 Florida Building Code, Residential.”

²³ See Rule 61G20-1.001, F.A.C., at <https://www.flrules.org/gateway/ruleNo.asp?id=61G20-1.001> (last visited Mar. 13, 2015).

²⁴ *Id.* A draft of the 2014 Florida Building Code has been made available in a read-only format by the International Code Council, Inc. (ICC) at http://ecodes.biz/ecodes_support/free_resources/14FloridaDraft/Building/14FL_Building_Draft.html

Part IV of ch. 553, F.S., is titled as the Florida Building Codes Act.²⁵ The bill does not eliminate the requirements set forth in the current or forthcoming 2014 Florida Building Code regarding smoke alarms, as to whether they must be hardwired or may be powered by battery. In the event that a wireless alarm system is installed by an alarm systems contractor, no permit fee may be imposed by the local enforcement agency. However, the local enforcement agency has jurisdiction to regulate building construction and may determine that a wireless alarm system does not meet the requirements of the Florida Building Code in effect.²⁶

VIII. Statutes Affected:

This bill substantially amends section 553.793 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Regulated Industries on March 4, 2015:

Prohibits a local enforcement agency from requiring the payment of any additional amount associated with the installation or replacement of a hardwire, low-voltage alarm system.

- B. **Amendments:**

None.

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

(last visited Mar. 13, 2015). The ICC was founded in 1994 by the Building Officials and Code Administrators International, Inc. (BOCA), International Conference of Building Officials (ICBO), and Southern Building Code Congress International, Inc. (SBCCI). As regional building codes began to lose their usefulness in a national context, the ICC developed International Codes, which are a set of comprehensive, coordinated building safety and fire prevention codes.

²⁵ See ss. 553.70 through 553.898, F.S.

²⁶ See s. 553.80, F.S.