

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 Fiscal Policy

BILL: CS/CS/SB 768

INTRODUCER: Community Affairs Committee; Regulated Industries Committee; and Senator Flores

SUBJECT: Alarm Systems

DATE: February 23, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kraemer</u>	<u>Caldwell</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>Present</u>	<u>Yeatman</u>	<u>CA</u>	<u>Fav/CS</u>
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	<u>Pre-meeting</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 768 creates a uniform process and application form for registration of home and business alarm systems. The new uniform process and registration is only required where alarm system registration is required by a local ordinance, regulation, or rule.

The bill establishes a maximum fee of \$25 that may be charged by a local governmental entity for registration of an alarm system.

Registrations are valid for as long as the registrant occupies the property. However, upon transfer of possession of the property, a registration application must be filed by the new occupant. The bill creates an obligation for licensed electrical and alarm system contractors to advise consumers that there may be an obligation to register the system with the local governmental entity when an alarm system is installed.

The bill provides that fines or penalties for failure to register an alarm system or for excessive false alarms are the responsibility of the owner, lessee, or occupant of the property. Further, a local ordinance, regulation, or rule may not impose such fines or penalties against an alarm contractor or alarm monitoring company.

The bill provides that a customer of an alarm monitoring company may authorize the company to immediately contact a law enforcement agency when an alarm signal is received. The customer is liable for any penalties for false alarms signals.

The bill provides an exemption for a person who performs only sales or installations of wireless alarm systems, other than fire alarm systems, in a single-family residence from the initial training requirements for burglar alarm system agents.

The bill has no fiscal impact on state funds. See Section V. for additional impacts.

II. Present Situation:

Part II of ch. 489, F.S., regulates electrical and alarm system contracting. An alarm system is an electrical device, signaling device, or combination of electrical devices used to signal or detect a burglary, fire, robbery, or medical emergency.¹ A low-voltage alarm system is hardwired and operates at low voltage (with or without home-automation equipment, thermostats, and video cameras).² Wireless alarm systems are burglar alarm systems or smoke detectors that are not hardwired.³

Licensed Alarm System Contractors

Florida law requires alarm systems contractors to be licensed, have sufficient technical experience in the trade prior to licensure, and be tested on technical and business matters.⁴ An alarm system contractor is 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. An alarm system contractor is also any person, firm, or corporation that engages in the business of alarm contracting or that undertakes, offers to undertake, or submits a bid to engage in the business of alarm contracting.⁵

Alarm system contractors may also hold a certificate of competency issued by the Department of Business and Professional Regulation (department).⁶ The scope of the certification is limited to specific alarm circuits and equipment and the certificate is geographically unlimited.⁷ There is no mandatory licensure requirement created by the availability of a certificate of competency.⁸

¹ Section 489.505(1), F.S.

² See s. 553.793(1)(b), F.S.

³ Section 553.793(1)(c), F.S.

⁴ See s. 489.501, F.S.

⁵ Section 489.505(2), F.S. 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.

⁶ See ss. 489.505(4), 489.505(5), 489.505(6), and 489.505(7), F.S.

⁷ Section 489.505(7), F.S., Specifically, the scope of the certification is limited to those circuits originating in certain alarm control panels and equipment governed by the National Electrical Code, Current Edition, and National Fire Protection Association Standard 72, Current Edition, and includes 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.

⁸ *Id.*

Alarm System Standards

Section 553.88, F.S., adopts specific standards and codes for the purpose of establishing minimum electrical and alarm standards in the Florida Building Code.⁹ Local enforcement agencies with jurisdiction, inspect buildings and enforce the minimum electrical and alarm standards.¹⁰

Local Alarm System Registration

Local enforcement agencies may require a permit or registration of a burglar alarm system to address the volume of false alarms reported to law enforcement.¹¹ For example, Palm Beach County requires an application to be submitted to the Palm Beach County Sheriff's Office with a \$25 application fee for a burglar alarm permit.¹² 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 \$250.00 per incident.¹³ The purpose of the Palm Beach County alarm permitting process is to prevent false alarm activations that require the sheriff's office to respond. The ordinance states that "[d]eputies responding to false alarms are more wisely utilized preventing crime and solving neighborhood crime problems."¹⁴

After July 1, 2015, the maximum amount that may be imposed by any local enforcement agency for a permit to install or replace a new or existing alarm system is \$40.¹⁵

Burglar Alarm System Agents

A licensed electrical or alarm system contractor may hire a burglar alarm system agent to perform elements of alarm system contracting. A burglar alarm system agent is defined as a person:

- Who is employed by a licensed alarm system contractor or licensed electrical contractor;
- Who is performing duties which are an element of an activity which constitutes alarm system contracting requiring licensure under this part; and

⁹ Section 553.88, F.S.

¹⁰ Section 553.71(5), F.S., 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.

¹¹ Staff of the Senate Regulated Industries Committee conducted research in 2015 and found that 5 counties (Alachua, Lee, Martin, Palm Beach, and St. Lucie) and 25 cities (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) require permits for burglar alarm systems.

¹² See Palm Beach County Sheriff's Office, *Burglar Alarm Permit*, available at: http://www.pbso.org/documents/Burglar_Alarm_Permit_Form.pdf (last visited Feb. 11, 2016) and Palm Beach County, Code of Ordinances, Ord. No. 08-038, s. 16-54, available at: https://www.municode.com/library/fl/palm_beach_county/codes/code_of_ordinances?nodeId=PABECOCO_CHI6LAEN_ARTIIIAL (last visited Feb. 11, 2016).

¹³ *Id.*

¹⁴ Palm Beach County, Code of Ordinances, Ord. No. 08-038, s. 16-52.

¹⁵ Section 553.793(4), F.S., and ch. 2015-50, L.O.F.

- Whose specific duties include any of the following: altering, installing, maintaining, moving, repairing, replacing, servicing, selling, or monitoring an intrusion or burglar alarm system for compensation.¹⁶

A licensed electrical or alarm system contractor may not employ a person as a burglar alarm system agent unless that person:

- Is at least 18 years old;
- *Has completed a minimum of 14 hours of specific training from a board-approved provider;*
- Has not been convicted within the previous 3 years of a crime directly related to the employment; and
- Has not been committed for controlled substance abuse or been found guilty of a crime under ch. 893, F.S., within the previous 3 years.¹⁷

Each burglar alarm system agent must receive 6 hours of continuing education on burglar alarm system installation and repair and false alarm prevention every 2 years from a board-approved sponsor of training and through a board-approved training course.¹⁸

Persons who perform only monitoring are not required to complete the training required for burglar alarm system agents.¹⁹

III. Effect of Proposed Changes:

Section 1 amends s. 489.518, F.S., to provide an exemption for a person who performs only sales or installations of wireless alarm systems, other than fire alarm systems, in a single-family residence from the initial training requirements for burglar alarm system agents.

Section 2 amends s. 489.529, F.S., to provide that a customer of an alarm monitoring company may authorize the company to immediately contact a law enforcement agency when an alarm signal is received. The customer is liable for any penalties for false alarms signals.

Section 3 creates s. 553.7931, F.S., to provide a uniform process and application form for registration of home and business alarm systems for any applicable local governmental entity that is responsible for handling alarm system registrations to use if registration of alarm systems is required by a local ordinance, regulation, or rule. The bill defines “applicable local governmental entity” as a local enforcement agency or a local law enforcement agency responsible for the administration of alarm system registration in a jurisdiction.

The bill requires that the uniform registration application contain substantially the following information:

- Name, address, telephone number, and e-mail address of the owner, lessee, or occupant;
- Date of occupancy of the property;
- Name, telephone number, and Florida license number of the alarm contractor;

¹⁶ Section 489.505(25), F.S.

¹⁷ Section 489.518(1), F.S.

¹⁸ Section 489.518(5), F.S.

¹⁹ Section 489.518(2)(a), F.S.

- Name, telephone number, and Florida license number of the alarm monitoring company;
- Emergency contact information (name, address, and telephone number); and
- Signature of the owner, lessee, occupant, or an authorized representative, certifying that the information in the application is true and accurate.

The bill establishes a maximum fee of \$25 that may be charged by the applicable local government entity for registration of an alarm system. The application must be filed within 20 days after the installation or activation of an alarm system or occupancy of a property with an activated alarm system.

Registrations are valid for as long as the registrant occupies the property. However, upon transfer of possession of the property, a registration application must be filed by the new occupant. The applicable local government entity must be notified within 30 days by the owner, lessee, occupant, or an authorized representative of any change to the information previously submitted on a registration application.

The bill creates an obligation for licensed electrical and alarm system contractors to advise consumers that there may be an obligation to register the system with the applicable local government entity when an alarm system is installed.

The bill provides that fines or penalties for failure to register an alarm system or for excessive false alarms are the responsibility of the owner, lessee, or occupant of the property. Further, a local ordinance, regulation, or rule may not impose fines or penalties for excessive false alarms against an alarm contractor or alarm monitoring company.

Section 4 provides that the bill is effective on October 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, subsection 18(b) of the Florida Constitution prohibits the legislature from enacting a general law that reduces the authority that municipalities or counties have to raise revenues in the aggregate, unless each chamber of the Legislature enacts such law by two-thirds vote or unless an exemption applies. Subsection 18(d) provides an exemption for laws determined to have an “insignificant fiscal impact.” The fiscal impact of this bill is indeterminate, but it is likely to have an insignificant impact. If the insignificant threshold is exceeded, the bill will require a two-thirds vote of the membership of each house.

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:

A person may pay a reduced cost for registration of a home or business alarm system because the bill sets a maximum fee for registration of a home or business alarm system of \$25. However, property owners are responsible for any fines or penalties for failure to register an alarm system or excessive false alarms. The bill allows allow customers to authorize alarm monitoring companies to immediately contact a law enforcement agency when an alarm signal is received, which could result in more false alarms and make the customer liable for fines or penalties for false alarms signals.

Alarm contractors and alarm monitoring companies will no longer be liable for fines or penalties for excessive false alarms.

A person seeking to be employed by a licensed electrical or alarm system contractor will benefit from the provision of the bill that allows a person who performs only sales or installations of wireless alarm systems, other than fire alarm systems, in a single-family residence to be exempt from the 14-hour initial training requirements for burglar alarm system agents.

C. Government Sector Impact:

Depending on the current fees charged by a local government entity that requires the registration of alarm systems, the revenues of the local governmental entity may be impacted by imposition of the maximum fee of \$25 for registration. Further, there may be an impact by the requirement to impose fines or penalties for excessive false alarms only against owners, lessees, and occupants, rather than against alarm contractors and alarm monitoring companies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends sections 489.518 and 489.529 of the Florida Statutes.

This bill creates section 553.7931 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/CS by Community Affairs on February 9, 2016:

Exempts a person who performs only sales or installations of wireless alarm systems, other than fire alarm systems, in a single-family residence from the initial training requirements for burglar alarm system agents.

CS by Regulated Industries on January 27, 2016:

- Information to be provided in the uniform application for registration of alarm systems must also include the Florida license numbers for the alarm contractor and the alarm monitoring company.
- The bill amends s. 489.529, F.S., to provide that a customer of an alarm monitoring company may authorize the company to immediately contact a law enforcement agency when an alarm signal is received. The customer is liable for any penalties for false alarms signals.

- B. **Amendments:**

None.