

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/CS/SB 768

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

SUBJECT: Alarm Systems

DATE: February 8, 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>FP</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. Any applicable local governmental entity that is responsible for handling alarm system registrations must use the new process if registration of alarm systems is required by a local ordinance, regulation, or rule.

Alarm systems are electrical devices or signaling devices used to detect a burglary, fire, robbery, or medical emergency. A low-voltage alarm system is hardwired and operates at low voltage (with or without home-automation equipment, thermostats, and video cameras). Wireless alarm systems are burglar alarm systems or smoke detectors that are not hardwired.

In addition to setting forth a uniform application for registration of alarm systems, the bill establishes a maximum fee of \$25 that may be charged by a local governmental entity for registration of an alarm system. The application must be filed within 20 days of 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 local governmental entity must be notified within 30 days by the owner, lessee, or occupant or their 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 local governmental entity when an alarm system is installed.

The bill provides that penalties and fines 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 penalties or fines for excessive false alarms 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.

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.²

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.³ 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.⁴

An alarm system contractor whose business includes all types of alarm systems for all purposes is designated as an alarm system contractor I (contractor I); the business of an alarm system contractor II (contractor II) is identical except that it does not include fire alarm systems.⁵

Alarm system contractors may also hold certificates of competency from the Department of Business and Professional Regulation (department), which are geographically unlimited.⁶ Holders of those certificates are certified alarm system contractors, and the scope of certification

¹ See Section 489.505(1), F.S.

² *Id.*

³ See Section 489.505(2), F.S.

⁴ *Id.*

⁵ *Id.*

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

is limited to specific alarm circuits and equipment.⁷ There is no mandatory licensure requirement created by the availability of certification.⁸

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, and a registered electrical contractor is not required to complete that training, provided he or she is only doing electrical work up to the alarm panel.⁹

Part IV 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.¹⁰

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, NFPA11 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;

⁷ 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.

⁸ *Id.*

⁹ See Section 489.5185(2), F.S.

¹⁰ See Section 553.72(1), F.S.

¹¹ 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 Feb. 4, 2016).

- 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 agency¹² 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. According to a recent Internet search, these local governments were identified as requiring permits for burglar alarm systems:

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

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.¹³ 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.”¹⁴ Palm Beach County provides the following explanation for the permitting process:

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.¹⁵

¹² 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.

¹³ See http://www.pbso.org/documents/Burglar_Alarm_Permit_Form.pdf (last visited Feb. 4, 2016) 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%22%5D%22&nodeId=PABECOCO_CH16LAEN_ARTIII (last visited Feb. 4, 2016).

¹⁴ *Id.*

¹⁵ Section 16-52, Purpose, Code of Ordinances, Palm Beach County.

After July 1, 2015, the maximum charge that may be imposed by any local enforcement agency for a permit to install or replace a new or existing alarm system is \$40.¹⁶

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
- 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.¹⁷

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.¹⁸

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.¹⁹

The department has not had any disciplinary cases brought against burglar alarm agents during the 2012-2015 fiscal years.²⁰

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.

¹⁶ See s. 553.793(4), F.S.

¹⁷ Section 489.505(25), F.S.

¹⁸ Section 489.518(1), F.S.

¹⁹ Section 489.518(5), F.S.

²⁰ Department of Business and Professional Regulation, *Eliminating Duplicative and Excessive Regulation* (October, 2015).

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

Alarm systems are electrical devices or signaling devices used to detect a burglary, fire, robbery, or medical emergency. A low-voltage alarm system is hardwired and operates at low voltage (with or without home-automation equipment, thermostats, and video cameras).²¹ Wireless alarm systems are burglar alarm systems or smoke detectors that are not hardwired.²²

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;
- 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 their authorized representative, certifying that the information in the application is true and accurate.

In addition to setting forth a uniform application for registration of alarm systems, 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, or occupant or their 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 penalties and fines 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 penalties or fines for excessive false alarms against an alarm contractor or alarm monitoring company.

²¹ See s. 553.793(1)(b), F.S.

²² Section 553.793(1)(c), F.S.

Section 4 provides an effective date of 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:

The bill provides that the maximum fee for registration of a home or business alarm system with the applicable local government entity is \$25. Costs associated with the registration of alarm systems in jurisdictions that currently require registration of these systems may be reduced. Local government entities will no longer be authorized to impose penalties and fees for excessive false alarms against alarm contractors and alarm monitoring companies.

The property owner, lessee, or occupant is responsible for any fines or penalties for failure to register an alarm system or excessive false alarms. The procedure for alarm verification calls is modified to allow customers to authorize alarm monitoring companies to immediately contact a law enforcement agency when an alarm signal is received. Customers providing such authorization are liable for any penalties for false alarms signals.

Persons who perform only sales or installations of wireless alarm systems, other than fire alarm systems, in a single-family residence may see cost savings because they no longer

need to complete the 14-hour initial training requirements for burglar alarm system agents.

C. **Government Sector Impact:**

Revenues of local governmental entities may be impacted by imposition of a maximum fee of \$25 for registration of alarm systems, and by the requirement that they impose penalties and fines 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 section 489.529 of the Florida Statutes.

This bill creates section 553.7931 of the Florida Statutes.

IX. Additional Information:

A. **Committee Substitute – Statement of 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.