

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 595                      Consumer Services  
**SPONSOR(S):** Poppell  
**TIED BILLS:** None                      **IDEN./SIM. BILLS:** SB 1300

---

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture		Kaiser	Reese
2) Agriculture & Environmental Appropriations			
3) Appropriations			
4)			
5)			

---

### SUMMARY ANALYSIS

HB 595 deals with the private security, investigative, and recovery industries, for which the Department of Agriculture and Consumer Services (department) provides oversight and regulation.

This legislation expands the definition of the term "repossession" to ensure that all repossessions are subject to the regulations and guidelines set forth in Chapter 493, F.S. In addition, the bill requires all recovery activities to be performed by individuals licensed with the department. Insurance requirements are modified to more accurately reflect the coverage needed by the recovery agents. And lastly, due to the change in the term "repossession," disciplinary actions will now apply to all repossession activity.

This bill has no fiscal impact on state or local funds and is effective October 1, 2004.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

**STORAGE NAME:** h0595.ag.doc  
**DATE:** February 9, 2004

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |   |  |   |
|--------------------------------------|---|--|---|
| 1. Reduce government?                | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. Lower taxes?                      | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/>            |
| 4. Increase personal responsibility? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/>            |
| 5. Empower families?                 | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a “no” above, please explain:

**Reduce Government:** This bill removes the exemption for licensing of certain individuals employed in the recovery industry.

#### B. EFFECT OF PROPOSED CHANGES:

The Department of Agriculture and Consumer Services (department) provides oversight and regulation for the private security, investigative, and recovery industries. Currently, due to the narrowly defined term “repossession,” only certain classes of property (i.e. motor vehicles, mobile homes, and motorboats) must be recovered by licensed recovery agents. This legislation expands the definition of the term “repossession” to include aircraft, personal watercraft, all-terrain vehicles, farm equipment, and industrial equipment. Thus, all repossessions are subject to the regulations and guidelines set forth in Chapter 493, F.S.

Individuals who are employed solely and exclusively by used auto dealerships, banks and credit unions are currently exempt from the licensing requirements and operational standards of Chapter 493, F.S. This bill eliminates that exemption, thereby requiring all recovery activities to be performed by individuals licensed in accordance with said chapter.

Currently all licensed security, recovery and private investigative agencies must carry a minimum of \$300,000 general comprehensive liability insurance coverage. This requirement restricts competition and creates a hardship on smaller agencies that are least likely to be able to afford the high cost of premiums. In addition, the high premiums have the potential to increase the cost of professional services without delivering an equivalent public benefit. This legislation would remove certain aspects of the insurance coverage required (i.e. false arrest, detention, libel, slander, etc.).

And lastly, the bill amends the grounds for disciplinary action to reflect the change in the term “repossession”. Disciplinary actions will now apply to all repossession activity, as defined in s. 493.6101(22), F.S.

#### C. SECTION DIRECTORY:

**Section 1:** Amends s. 493.6101, F.S.; expanding the definition of the term “repossession” and providing a definition for “industrial equipment.”

**Section 2:** Amends s. 493.6102, F.S.; removing exemption for recovery agents from abiding by standards set forth in Chapter 493, F.S.

**Section 3:** Amends s. 493.6110, F.S.; amending insurance coverage required for agencies providing private investigative and recovery services.

**Section 4:** Amends s. 493.6118, F.S.; expanding disciplinary action due to change in definition of term "repossession."

**Section 5:** Providing an effective date of October 1, 2004.

## 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:

None

2. Expenditures:

None

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

None

### D. FISCAL COMMENTS:

None

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

### B. RULE-MAKING AUTHORITY:

None

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None

#### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None