

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 807 Consumer Services

SPONSOR(S): Poppell

TIED BILLS: IDEN./SIM. BILLS: SB 1438

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture Committee	_____	Kaiser	Reese
2) Business Regulation Committee	_____	_____	_____
3) Governmental Operations Committee	_____	_____	_____
4) State Resources Council	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 807 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. Insurance requirements are modified to more accurately reflect the coverage needed by the recovery agents. And lastly, the bill amends several sections in Chapter 493, F.S., reflecting the change in the term “repossession.”

There is no anticipated fiscal impact on local or state government. The bill goes into effect October 1, 2005.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House Principles.

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.

Currently, all licensed security, recovery and private investigative agencies must carry a minimum of \$300,000 general comprehensive liability insurance coverage. This requirement appears to restrict competition and create 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 removes certain aspects of the insurance coverage required (i.e. false arrest, detention, libel, slander, etc.).

And lastly, the bill amends several sections in Chapter 493, F.S., reflecting the change in the term "repossession."

C. SECTION DIRECTORY:

Section 1: Amends s. 493.6101, F.S.; expands the definition of "repossession" and creates a definition for "industrial equipment."

Section 2: Amends s. 493.6110, F.S.; amends insurance coverage required for agencies providing private investigative and recovery services.

Section 3: Amends s. 493.6118, F.S.; reflects change in definition of term "repossession."

Section 4: Amends s. 493.6403, F.S.; reflects change in definition of term "repossession."

Section 5: Amends s. 493.6404, F.S.; reflects change in definition of term "repossession."

Section 6: Amends s. 493.6405, F.S.; reflects change in definition of term "repossession."

Section 7: Provides an effective date of October 1, 2005.

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 & COMBINED BILL CHANGES