

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 807 CS

Consumer Services

SPONSOR(S): Poppell

TIED BILLS:

IDEN./SIM. BILLS: SB 1438

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Agriculture Committee</u>	<u>10 Y, 0 N, w/CS</u>	<u>Reese</u>	<u>Reese</u>
2) <u>Business Regulation Committee</u>	<u></u>	<u></u>	<u></u>
3) <u>Governmental Operations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>State Resources Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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

The number of individuals who are currently exempt from the licensing requirements in Chapter 493, F.S., is not known. Therefore, the amount of fiscal impact this bill will have on state government is indeterminate. 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:

Provide limited government: The bill now requires all recovery activities to be performed by individuals licensed in accordance with Chapter 493, F.S.

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 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. 493.6102, F.S.; requires all recovery agents to be licensed with the Department of Agriculture and Consumer Services.

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

Section 4: Amends s. 493.6118, F.S.; reflects change in definition of term "repossession."

Section 5: Amends s. 493.6403, F.S.; reflects change in definition of term "repossession."

Section 6: Amends s. 493.6404, F.S.; reflects change in definition of term "repossession."

Section 7: Amends s. 493.6405, F.S.; reflects change in definition of term "repossession."

Section 8: Provides an effective date of October 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
Indeterminate
2. Expenditures:
Indeterminate

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
Indeterminate
2. Expenditures:
Indeterminate

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate

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

On March 9, 2005, the Committee on Agriculture adopted one amendment to HB 807. The amendment requires all recovery agents to be licensed with the Department of Agriculture and Consumer Services.