

FINAL BILL ANALYSIS

BILL #: CS/HB 7209

FINAL HOUSE FLOOR ACTION:

113 Y's 0 N's

SPONSOR: Rep. Crisafulli

GOVERNOR'S ACTION: Approved

COMPANION BILLS: CS/CS/SB 1916

SUMMARY ANALYSIS

CS/HB 7209 passed the House on April 28, 2011, and subsequently passed the Senate on May 6, 2011. The bill was approved by the Governor on June 21, 2011, chapter 2011-205, Laws of Florida, and becomes effective July 1, 2011. The bill conforms statutory requirements to existing practices of the Department of Agriculture and Consumer Affairs (DACs) and federal law in the security industry, including removing a requirement that certain fees paid by Security Industry licensees be by certified check.

The bill makes the following technical changes to be consistent with current law:

- Corrects references to occupational licenses, now referred to as business tax receipts.
- Changes references in the security industry from 'repossessors' to 'recovery agents'.
- Conforms terminology used by the DACs to that used by the Department of Revenue.

The bill also transfers duplicative authority for regulation and enforcement of the Lemon Law and Price Gouging from the Department of Agriculture and Consumer Services to the Department of Legal Affairs.

Additionally, the bill authorizes the direct sale of certain homemade foods to consumers and provides definitions and requirements for such practices.

The bill is anticipated to have an insignificant negative fiscal impact on state trust funds. See fiscal section.

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

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Security Industry

Current Situation

The security industry is regulated by the Division of Licensing within the DACS. This industry includes private security, private investigative and recovery services to the public. Additionally, the division manages concealed weapon or firearm licenses. Currently, there are 940,401 licensees or permits in Florida.

Each class of license holder must pay at least a license fee and fingerprint fee. Currently, license holders are required to pay all fees by certified check or money order.¹

DACS is required to conduct investigations of applicants for licensure in the security industry.² Such investigation includes an examination of fingerprint records and police records, an inquiry to determine if the applicant has been adjudicated incompetent or has been committed to a mental institution, and any other investigation the department deems necessary.

DACS also investigates the general physical fitness of the Class G applicant to bear a weapon or firearm, and mental history and current mental and emotional fitness of any Class G applicant, and may deny such a license on the basis of a history of mental illness or drug or alcohol abuse. However, if a legible set of fingerprints, as determined by Florida Department of Law Enforcement (FDLE), cannot be obtained after two attempts, DACS may determine the applicant's eligibility based on a criminal history record check under the applicant's name conducted by FDLE and the Federal Bureau of Investigation.

DACS may enforce the licensure requirements, regardless of where a violation occurs.³ To accomplish this, the DACS is given statutory access to a program operated by FDLE to provide criminal history record information to licensed gun dealers, manufacturers, and exporters. DACS pays the general fees associated with accessing the program.

Aliens

A Permanent Resident Alien is an alien admitted to the United States as a lawful permanent resident. Permanent residents are also commonly referred to as immigrants; however, the Immigration and Nationality Act (INA) broadly defines an immigrant as any alien in the United States, except one legally admitted under specific nonimmigrant categories.⁴ An illegal alien who entered the United States without inspection, for example, would be strictly defined as an immigrant under the INA but is not a permanent resident alien.⁵

¹ See, e.g., Fla. Stat. ss. 493.6107(3), 493.6202(3), 493.6302(3).

² Section 493.6108, F.S.

³ Section 493.6121, F.S.

⁴ INA section 101(a)(15)

⁵ See <http://www.visaportal.com/glossary/term.asp?id=45>.

Non-permanent resident aliens are citizens of another country who reside in the U.S. under a Conditional Resident Alien Card, Temporary Resident Card, work visa, student visa or some other permit for some specified period of time.

However, there are more than 75 classifications of nonimmigrant visas – each based on the reason for entering the United States and having different terms of admission. The U. S. Citizenship and Immigration Services data further indicates that in 2004, the United States received almost 173 million nonimmigrant visits.⁶

Firearm licensure

Any person who carries a firearm while on duty must have a Statewide Firearm License in addition to his private investigator, security officer or manager's license. Applicants for a Statewide Firearm license (G) must have 28 hours of range and classroom training taught and administered by a Class K firearm instructor.

Firearm instructors include any licensed instructor providing classroom or range instruction to applicants for a Statewide Firearms license. Applicants for a firearm instructor (K) license must have one of the following certificates:

- The Florida Criminal Justice Standards and Training Commission Firearms Instructor Certificate;
- The National Rifle Association Police Firearm Instructor Certificate;
- The National Rifle Association Security Firearm Instructor Certificate; or
- A Firearm Instructor's Certificate from a federal, state, county or municipal police academy in this state recognized as such by the Criminal Justice Standards and Training Commission or by the Department of Education.

Private Security Services

Security agencies are defined as any business that, for a fee, furnishes security services, armored car services, or transports prisoners. This includes businesses who utilize dogs and individuals to provide security services.

Security officers are defined as any person who, for a fee, provides or performs bodyguard services or otherwise guards persons or property; attempts to prevent theft or unlawful taking of goods, wares, and merchandise; or attempts to prevent the misappropriation or concealment of goods, wares or merchandise, money, bonds, stocks, choses in action, notes, or other documents, papers, and articles of value or procurement of the return thereof. The term also includes armored car personnel and those personnel engaged in the transportation of prisoners.

There are two types of licenses available to individuals; both licenses are valid for two years. An individual can become licensed as a security officer (D license) or a manager of a security agency (M or MB license). These are defined as:

- Security Officer (D) - An individual who performs security. Must own or be employed by a licensed Class "B" Security Agency or branch office.
- Manager of a Security Agency (M or MB) - Any person who directs the activities of licensed security officers at any agency or branch office. Each licensed location must

⁶ U.S. Citizenship and Immigration Services, Temporary Migration to the United States: Nonimmigrant Admissions under U. S. Immigration Law, January 2006.

have a designated, properly licensed manager and a licensed manager may only be designated as manger of one location.

Security Agencies' licenses are valid for three years. Three licenses are available for security agencies:

- Security agency (B) – Any business which advertises as, or is engaged in, the business of furnishing security services, armored car services, or transporting prisoners for compensation is a security agency. Class B agencies may enter into subcontractor agreements with other licensed agencies.
- Security Agency Branch Office (BB) – Additional location for an agency where security business is actively conducted.
- Combined Security and Private Investigative Agency Branch office (AB).

For individuals to be licensed, applicants must be at least 18 years of age, be of good moral character, not have a disqualifying criminal history or a disqualifying history of mental illness, drug or alcohol abuse and must be authorized to work in this country. Each applicant must disclose contact and background information and submit to a federal background check.

Additionally, class D Security Officer applicants must have a minimum of 40 hours professional training at a school or training facility licensed by DACS.

Class B Security Agency applicants must have at least \$300,000 commercial general liability coverage for death, bodily injury, property damage and personal injury coverage.

Currently, any school, training facility, or instructor who offers the training must submit a signed and notarized application to DACS containing certain information outlined in s. 493.6304, F.S.

Private Investigative Services

Private investigation is defined as the investigation by a person or persons for the purpose of obtaining information with reference to any of the following matters:

- Crime or wrongs done or threatened against the United States or any state or territory of the United States, when operating under express written authority of the governmental official responsible for authorizing such investigation.
- The identity, habits, conduct, movements, whereabouts, affiliations, associations, transactions, reputation, or character of any society, person, or group of persons.
- The credibility of witnesses or other persons.
- The whereabouts of missing persons, owners of unclaimed property or escheated property, or heirs to estates.
- The location or recovery of lost or stolen property.
- The causes and origin of, or responsibility for, fires, libels, slanders, losses, accidents, damage, or injuries to real or personal property.
- The business of securing evidence to be used before investigating committees or boards of award or arbitration or in the trial of civil or criminal cases and the preparation thereof.

Private investigators are defined as any person who, for a fee, provides or performs private investigation. Private investigation agencies engage in the business of furnishing private investigation services.

Individual private investigator licenses are valid for 2 years. Three types of individual licenses are available:

- Private Investigator (C) - An individual, except an in-house investigator, who performs investigative services. Must own or be employed by a licensed Class A Private Investigative Agency or Class AA or AB branch office.
- Private Investigator Intern (CC) - Any individual who performs investigative services as an intern under the direction and control of a designated sponsoring Class C licensee or designated sponsoring Class M or MA Agency Manager licensee.
- Manager of a Private Investigative Agency (M or MA) - Any individual who performs the services of a manager for a Class A Investigative Agency or a Class AA Branch Office. A Class C licensee may be designated as a manager.

Private investigation agency licenses are valid for 3 years. Two types of agency licenses are available:

- Private Investigative Agency (A) - Any company that engages in business as an investigative agency for each location.
- Private Investigative Agency Branch Office (AA) - Each branch office of a Class A agency shall have a Class AA license.

Individual applicants must be at least 18 years of age, be of good moral character, not have a disqualifying criminal history or a disqualifying history of mental illness, drug or alcohol abuse and must be authorized to work in this country. Each applicant must disclose contact and background information and submit to a federal background check.

In addition, Class C -Private Investigator applicants must have 2 years of verifiable, full-time experience or training in one, or a combination, of:

- Private investigative work or related fields of work that provided equivalent experience or training.
- College course work related to criminal justice, criminology, or law enforcement administration, or successful completion of any law enforcement-related training received from any federal, state, county, or municipal agency, except that no more than one (1) year may be used from this category.
- Work as a licensed Class CC intern.

A Class CC-Private Investigator Intern applicant must complete at least 24 hours of a 40-hour training course, focusing on general investigative techniques and Florida law, and pass an initial examination. Completion of the course and a second examination are due within 180 days of application.

Class M and MA-Manager of a Private Investigative Agency applicants must pass an examination that covers the provisions of Florida law.

Recovery Services

Section 493.6101, F.S., defines “recovery agent” as “any individual who, for consideration, advertises as providing or performs repossessions.” In some places, the statutes refer to recovery agents as repossessors.

Effect of the Bill

The bill conforms statutory requirements to existing practices within DACS by:

- Providing that applications for initial licensure must be verified by the applicant under oath, instead of being notarized, must list all criminal convictions, not only 'convictions,' and must disclose findings of guilt, pleas of guilt or nolo contendere, regardless of adjudication of guilt.
- Standardizing various photo requirements for application by requiring that all applicants submit one passport type color photo taken within six months prior to application submission.
- Allowing payment of fees by regular check instead of only by certified check. Payment by electronic funds transfer is also allowed, but at the discretion of DACS.
- Removing the requirement that the Federal Bureau of Investigation (FBI) be included in a criminal history records check using the applicant's name without fingerprints in instances when a legible set of fingerprints cannot be obtained after two attempts.
- Removing language granting DACS access to the program operated by FDLE for providing criminal history information to licensed gun dealers, manufacturers, and exporters.

The bill amends s. 493.6106, F.S., as it relates to citizenship and residency qualifications for all licenses for security guard, private investigator, and recovery agents, to include related businesses and schools, to require all applicants be either a citizen or a permanent legal resident alien of the U.S. or have appropriate authorization issued by the United States Citizenship and Immigration Services of the United States Department of Homeland Security.

A new provision is created to require individual licensees – not businesses or schools – to require applicants who are not U.S. citizens to provide proof of current employment authorization or proof that they are a permanent resident alien.

This section also requires applicants for a Class G statewide firearms license or a Class K firearms instructor license who are not a U.S. citizen to submit proof that he or she is deemed a permanent legal resident alien together with additional documentation establishing that he or she has resided in the state shown on the application for at least 90 consecutive days before the date that the application is submitted.

In addition, an applicant for an agency or school license who is not a U.S. citizen or permanent resident alien is required to submit documentation issued by the U.S. citizenship and Immigration Services stating that he or she is lawfully in the U.S. and is authorized to own and operate the type of agency or school for which he or she is applying.

Firearm licensure

Applicants seeking a Class "G" (statewide firearm license) or "K" (firearms instructor) license who are younger than 24 years of age would be required to provide a statement disclosing previous acts of delinquency in any state, territory, or country which would be a felony if committed by an adult, punishable by a prison term exceeding a year.

The bill requires DACS to only accept 3 third-party issued firearm proficiency certificates:

- The Florida Criminal Justice Standards and Training Commission Instructor Certificate and written confirmation by the commission that the applicant possesses active firearm certification.
- The National Rifle Association Private Security Firearm Instructor Certificate.
- A firearms Instructor Certificate issued by a federal law enforcement agency.

The bill would disqualify applicants for Class G or K licensure, if they are prohibited from purchasing or possessing a firearm by federal or state law. Likewise, the bill would provide grounds for disciplinary action for Class G or K applicants or licensees who are prohibited from purchasing or possessing a firearm pursuant to state or federal law.

Class K license applicants, like Class G license applicants, would be required to submit to investigations into mental history and current mental and emotional fitness and their applications may be denied due to a history of mental illness or drug or alcohol abuse.

The bill increases the licensing period for Class K Firearm instructor licenses from two years to three years.

Private Security Services

The bill requires that only Class B private security agencies furnish proof of insurance and deletes the requirement that private investigative agencies and recovery agencies provide certification of insurance. This change is consistent with s. 493.6110, F.S., which requires commercial general liability coverage of only Class B licensees.

The bill provides that effective January 1, 2012, an applicant for a Class D license (private security officer) must submit proof of completion of a minimum of 40 hours of professional training, consisting of 2 parts; one 24 hour course and one 16 hour course. Those who were licensed before January 1, 2007, would be exempt from the additional training requirement. The bill also provides a grandfathering period for applications for licensure received on or after January 1, 2007 through December 31, 2011, who have not completed the 16-hour required training course. If the grandfathered applicant does not submit proof of completion of the course within 180 days of submitting the application, the license is automatically suspended until proof is submitted.

The bill amends the requirements for application for licensure by security officer schools and training facilities and requires that the school, training facility or instructor offering the training for Class D applicants must file with DACS, an application that must be verified by the applicant under oath.

Private Investigative Services

The bill amends the license requirements for private investigative licenses to stipulate that performing bodyguard services is not creditable toward the experience requirements for licensure for a Class MA (manager of a private investigative agency) or Class C (private investigator) license.

The bill provides that effective January 1, 2012, an applicant for a Class CC license (private investigator intern) must submit proof of completion of a minimum of 40 hours of professional training, consisting of 2 parts; one 24 hour course and one 16 hour course. DACS is required to determine by rule the general content of the professional training and the examination criteria.

Those who were licensed before August 31, 2008, would be exempt from the additional training requirement. The bill provides a grandfathering period for applications for licensure received between September 1, 2008, and December 31, 2011, who have not completed the 16-hour required training course. If the grandfathered applicant does not submit proof of completion of the course within 180 days of submitting the application, the license is automatically suspended until proof is submitted.

Recovery Services

The bill changes terminology from “repossessor” to “recovery agent” to conform to the current statutory definition.

Bedding

Current Situation

Currently, s. 501.145, F.S., may be cited as the Bedding Label Act. It defines the “department” to mean DACS, and “enforcing authority” to mean the DACS or the Department of Legal Affairs. It provides:

All bedding manufactured and sold in the state that contains any previously used materials must bear a conspicuous label notifying the consumer of that fact. The label must be at least 1 inch by 2 inches in dimension, specifically describe the used materials contained in the bedding, and declare the amount present in the bedding. The label must be stitched or otherwise firmly attached to the bedding in such a manner that it may be seen by consumers prior to purchase. Used material does not mean new components that are made from recycled material.

It also provides that the ‘enforcing authority’ may bring an action for injunctive relief against any person who violates the provisions of s. 501.145, F.S.

Effect of the Bill

The bill deletes the definition of ‘department,’ which is not used in the act.

Petroleum Inspection

Current Situation

Petroleum fuel is defined by statute as all gasoline, kerosene (except when used as aviation turbine fuel), diesel fuel, benzene, other like products of petroleum under whatever name designated, or an alternative fuel used for illuminating, heating, cooking, or power purposes, sold, offered, or exposed for sale in this state.⁷

All manufacturers, wholesalers, and jobbers must file with DACS before selling or offering for sale any petroleum fuel in the state.⁸ Each manufacturer, wholesale and jobbers files an affidavit that they desire to do business in this state, and the name and address of the

⁷ Section 525.01, F.S.

⁸ Section 525.01, F.S.

manufacturer of the petroleum fuel, and an affidavit stating that the petroleum fuel is in conformity with the standards prescribed by DACS rule.

It is unlawful to mix, blend, compound, or adulterate the liquid fuel, lubricating oil, grease, or similar product of a manufacturer or distributor with a product of the same manufacturer or distributor of a character or nature different from the character or nature of the product so mixed, blended, compounded, or adulterated, and expose for sale, offer for sale, or sell the same as the unadulterated product of such manufacturer or distributor or as the unadulterated product of any other manufacturer or distributor.⁹ Ethanol-blended fuels, containing unleaded gasoline and up to 10 percent denatured ethanol, may be sold at retail service stations for use in motor vehicles.

Violations are punishable as second-degree misdemeanors, for first offences, or first-degree misdemeanors, for subsequent offenses.¹⁰

In 2008, the Legislature adopted a Renewable Fuel Standard requiring that beginning on December 31, 2010, all gasoline sold in the state be blended gasoline, defined as containing a mixture of 90 to 91 percent gasoline and 9 to 10 percent fuel ethanol, by volume. The standard also provides for exceptions, waivers, and extensions.¹¹

Effect of the Bill

The bill adds 'terminal suppliers and importers,' as defined by s. 206.01, F.S., to the list of entities that must file affidavits with the state before selling or offering for sale any petroleum fuel in the state. This conforms to Department of Revenue business classification categories for collection of motor fuel inspection fees and adds no new business entities.

The bill deletes all redundant and obsolete provisions to fuel quality specifications that are now incorporated into department rule, and provides that all gasoline must be blended gasoline.

The bill provides that, if there is no reasonable availability of ethanol or the price of ethanol exceeds the price of gasoline, the T50 and TV/L specifications for gasoline containing between 9 and 10 percent ethanol shall be applicable for gasoline containing between 1 and 10 percent ethanol for up to three deliveries of fuel.

Lemon Law

Current Situation

Commonly known as Florida's "Lemon Law," the Motor Vehicle Warranty Enforcement Act establishes arbitration boards throughout the state to hear and settle complaints between car manufacturers and owners.¹² The Act provides remedies for consumers purchasing or leasing motor vehicles in Florida for personal use that have a manufacturing defect or non-conformity, which substantially impairs the vehicle's value, use or safety.

⁹ Section 526.06, F.S.

¹⁰ Section 526.11, F.S.

¹¹ Chapter No. 2008-227, L.O.F., passed as HB 7135.

¹² Chapter 681, F.S

Although arbitration is completed by a New Motor Vehicle Arbitration Board within the Department of Legal Affairs, the Division of Consumer Services within the Department of Agriculture and Consumer Services (DACS) screens requests for arbitration for eligibility and distributes consumer information on the program.

Effect of the Bill

The bill removes DACS's roles of public education and eligibility determination from the Motor Vehicle Warranty Enforcement Act. The eligibility determination role is transferred to the Department of Legal Affairs, which is given rulemaking authority to administer the act.

The bill also decreases from 30 to 15 the number of days the appealing party has in which to provide a copy of the settlement or the order or judgment of the court to the Department of Legal Affairs.

Price Gouging

Current Situation

Florida prohibits the rental or sale of essential commodities for unconscionable prices during a declared state of emergency.¹³ A commodity includes goods, services, materials, merchandise, supplies, equipment, resources, or other articles of commerce which includes food, water, ice, chemicals, petroleum products, and lumber necessary for consumption or use as a direct result of the emergency. A price is unconscionable if there is a gross disparity between the price charged for the commodity and the average price of that commodity during the 30 days prior to a declaration of a state of emergency, with exceptions.

The law may be enforced by the DACS, the office of the state attorney, or the Department of Legal Affairs. Penalties that may be assessed include a civil penalty of not more than \$1,000 per violation with an aggregate total not to exceed \$25,000 for any 24-hour period.¹⁴

Effect of the Bill

The bill removes the ability of the DACS to enforce the prohibition on charging unconscionable prices for commodities during declared states of emergency.

Homemade Foods

Current Situation

In Florida, food establishments are subject to the licensure and regulatory requirements of the DACS. Florida statute defines food establishment as "any factory, food outlet, or any other facility manufacturing, processing, packing, holding, or preparing food or selling food at wholesale or retail."

DACS has adopted, by reference, provisions of the 2001 FDA Food Code, including the following definition of "food establishment"

¹³ Section 501.160, F.S..

¹⁴ Fla. Stat. s. 501.164.

1-201.10 Statement of Application and Listing of Terms.

(A) The following definitions apply in the interpretation and application of this Code.

(B) Terms Defined.

(36) Food Establishment.

(a) "Food establishment" means an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption.

(c) "Food establishment" does not include:

(i) An establishment that offers only prepackaged foods that are not potentially hazardous;

(ii) A produce stand that only offers whole, uncut fresh fruits and vegetables;

(iii) A food processing plant;

(iv) A kitchen in a private home if only food that is not potentially hazardous is prepared for sale or service at a function such as a religious or charitable organization's bake sale if allowed by law and if the consumer is informed by a clearly visible placard at the sales or service location that the food is prepared in a kitchen that is not subject to regulation and inspection by the regulatory authority;

DACS has also adopted by reference the following 2001 FDA Food Code prohibition on the sale of homemade food products:

6-202.111 Private Homes and Living or Sleeping Quarters, Use Prohibition.

A private home, a room used as living or sleeping quarters, or an area directly opening into a room used as living or sleeping quarters may not be used for conducting food establishment operations.

Therefore, in Florida, it is illegal to sell homemade foods, except for not potentially hazardous foods, which may only be sold at functions, such as bake sales.

The DACS defines "potentially hazardous foods" as any perishable food that consists in whole or in part of milk or milk products, eggs, meat, poultry, fish, shellfish, edible crustacea, or other ingredients, including synthetic ingredients, in a form:

(a) Capable of supporting rapid and progressive growth of infectious or toxigenic microorganisms; or

(b) Capable of supporting the slower growth of *Clostridium botulinum*.

(c) The term "potentially hazardous food" does not include foods which have a pH level of 4.6 or below or a water activity (*A_w*) value of 0.85 or less, or air-cooled hard-boiled eggs with the shell intact.

Effect of the Bill

The bill:

- Authorizes the direct sale of homemade foods, labeled "cottage foods" and provides requirements.
- Defines "cottage food operation" as a natural person who produces or packages cottage food products only in a kitchen of that person's private residence.
- Defines "cottage food product" as not potentially hazardous food as defined by DACS rule.
- Excludes cottage food operations from the definitions of "food establishment" and "food service establishment."

- Authorizes the DACS to investigate consumer complaints against cottage food operations.

The bill requires cottage food operations meet the following:

- Sales by internet or mail order or at wholesale are prohibited.
- The annual gross sales of a cottage food operation may not exceed \$15,000. The DACS may request in writing documentation to verify the annual gross sales.

The bill provides cottage food products must:

- Be stored at the private residence.
- Be prepackaged.
- Be properly labeled.

The bill provides cottage food product label must include:

- The name and address of the cottage food operation.
- The name of the cottage food product.
- The ingredients of the cottage food product, in descending order of predominance by weight.
- The net weight or net volume of the cottage food product.
- Allergen labeling as specified by federal labeling requirements.
- If any nutritional claim is made, appropriate labeling as specified by federal labeling requirements.
- The following statement: "Made in a cottage food operation that is not subject to Florida food safety regulations."

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Security Industry

There is an anticipated negative fiscal impact on state revenues associated with the decreased fees collected under the new three year renewal cycle for the Class "K" firearm instructor license. DACS anticipates this at \$5,200 for FY 2011-12 and 2012-13, and estimates \$3,467 for FY 2013-14.

Lemon Law

The transfer of duplicative regulatory and enforcement activities related to the Lemon Law from DACS to the Department of Legal Affairs will have a negative fiscal impact to state trust funds within DACS of \$241,227. The revenues generated from this function do not cover the cost to administer the program in the DACS.

2. Expenditures:

Lemon Law

The transfer of duplicative regulatory and enforcement activities related to the Lemon Law from DACS to the Department of Legal Affairs will have a positive fiscal impact to state trust funds within DACS of \$386,415. The savings to DACS will be realized from the reduction in administrative and enforcement functions, including six FTE positions.

Price Gouging

The transfer of duplicative regulatory and enforcement activities related to Price Gouging oversight from DACS to the Department of Legal Affairs will have a positive fiscal impact to state trust funds within DACS of \$58,667. The savings to DACS will be realized from the reduction in administrative and enforcement functions, including one FTE position.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Security Industry

Class K firearm instructors will experience a slight decrease in expenditures to renew their licenses based on the longer renewal period.

D. FISCAL COMMENTS:

DACS will require adequate time to put the necessary infrastructure in place to process electronic funds transfers (EFT) for payment of license fees. This new process may require additional budget authority which would be supported by industry standard EFT processing fees and/or existing program revenue.