

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 Regulated Industries

BILL: SB 1442
 INTRODUCER: Senator Lee
 SUBJECT: Alarm System Contracting and Permitting
 DATE: April 8, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Kraemer	Imhof	RI	Pre-meeting
2.	_____	_____	CJ	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

SB 1442 creates s. 553.793, F.S., regarding Alarm System Contracting and Permitting. The bill defines a low-voltage alarm system project and states requirements for permitting by a local enforcement agency. The bill includes a format for a uniform notice of installation of an alarm system and establishes a maximum cost for uniform basic permit labels of \$60 per label.

The bill prohibits a municipality, county, district, or other local government entity from adopting or maintaining an ordinance or rule regarding a low-voltage alarm system project that is inconsistent with the provisions of s. 553.793, F.S.

The bill provides an October 1, 2013 effective date.

The bill creates section 553.793, Florida Statutes.

II. Present Situation:

Section 489.113(1), F.S., provides that any person desiring to engage in contracting on a statewide basis must first establish competency and qualifications to be certified. To establish competency, a person must pass an appropriate examination approved by the Electrical Contractors' Licensing Board (board) and be certified by the Department of Business and Professional Regulation (department).¹

Any person desiring to engage in contracting on other than a statewide basis must first be registered, unless exempted.² Section 489.105(10), F.S., defines registered contractor as any

¹ Section 489.113(1), F.S.

² *Id.*

contractor who has registered with the department pursuant to fulfilling the competency requirements in the jurisdiction for which the registration is issued. Registered contractors may contract only in such jurisdictions.³ Those classes of persons exempted from certification or registration are described in s. 489.103, F.S.

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.⁴ Licensure of electrical and alarm systems contractors is required, and applicants must have sufficient technical experience and be tested on technical and business matters.

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 (all alarm services) 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.⁵ 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.⁶

An alarm system contractor I (contractor I) means an alarm system contractor whose business includes all types of alarm systems for all purposes, and an alarm system contractor II (contractor II) means an alarm system contractor whose business includes all types of alarm systems for all purposes, with the exception of fire alarm systems.⁷

Alarm system contractors may also hold certificates of competency from the Department of Business and Professional Regulation (department), which are geographically unlimited.⁸ Holders of those certificates are certified alarm system contractors, and the scope of certification is limited to specific alarm circuits and equipment.⁹ There is no mandatory licensure requirement created by the availability of certification.¹⁰

Section 489.505(12), F.S., defines the terms electrical contractor and unlimited electrical contractor as a person who, in part, conducts business in the electrical trade field with the experience, knowledge, and skill to undertake the installation, repair, alteration, or design of

³ Section 489.105(10), F.S.

⁴ Section 489.505(1), F.S.

⁵ Section 489.505(2), F.S.

⁶ *Id.*

⁷ *Id.*

⁸ Sections 489.505(4) and 489.505(5), F.S.,

⁹ 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.

¹⁰ *Id.*

electrical wiring, fixtures or appliances, in compliance with applicable plans, specifications, codes, laws, and regulations.¹¹ Section 489.505(8), F.S., defines certified electrical contractor as an electrical contractor who possesses a certificate of competency issued by the department.

Section 489.505(9), F.S., defines contracting as a person engaging in business as a contractor or performing electrical or alarm work for compensation, except if exempted.¹² A contractor is a person who is qualified to engage in the business of electrical or alarm system contracting pursuant to a certificate or registration issued by the department.¹³

A registered alarm system contractor I is an alarm system contractor registered with the department whose business includes all types of alarm systems for all purposes, but who may only in the jurisdictions for which the registration is issued.¹⁴ A registered alarm system contractor II is an alarm system contractor registered with the department whose business includes all types of alarm systems for all purposes with the exception of fire alarm systems, but who may contract only in the jurisdiction for which his or her registration is issued.

Section 489.505(23), F.S., defines registered residential alarm system contractor as an alarm system contractor registered with the department whose business is limited to burglar alarm systems in single-family residential, quadruplex housing, and mobile homes of a residential occupancy class (as defined by rule of the board), but who may contract only in the jurisdiction for which his or her registration is issued.

Alarm system agents are also defined. Section 489.505(25) provides that a burglar alarm system agent is 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 monitoring¹⁵ an intrusion or burglar alarm system for compensation.

Section 489.505(28), F.S., defines fire alarm system agent as a person:

- Who is employed by a licensed fire alarm contractor or certified unlimited electrical contractor;

¹¹ See Section 489.505(12), F.S., for the complete definition.

¹² See Section 489.103, F.S.

¹³ See Section 489.505(10), F.S.

¹⁴ See Section 489.505(21), F.S.

¹⁵ Section 489.505(27), F.S. defines monitoring as receiving electrical or electronic signals originating from any structure within or outside the state, whether or not those signals are relayed through a jurisdiction outside the state, where the signals are produced by any security, medical, fire, or burglar alarm, closed circuit television camera, access-control system, or related or similar protective system and are intended by design to initiate a response thereto. A person shall not have committed the act of monitoring if he or she is an occupant or employee working within the protected premises, is responding to hearing or seeing an alarm signal, is acting incidentally to his or her primary responsibilities, and is not employed in a monitoring facility as defined by the National Fire Protection Association.

- Who is performing duties which are an element of an activity that constitutes fire alarm system contracting requiring certification under this part; and
- Whose specific duties include any of the following: altering, installing, maintaining, moving, repairing, replacing, servicing, selling, or monitoring a fire alarm system for compensation.

The provisions of s. 489.518, F.S., include the requirements for alarm system agents, who may not be employed unless the person is at least 18 years of age, provides proof of alarm system training, has not been convicted of a crime within the last 3 years (related to the business of alarms), has a background check, and has not been convicted of a crime for controlled substances within the last 3 years.

Persons who perform only monitoring are not required to complete the training required for burglar alarm system agents, and persons who perform only monitoring at an out-of-state location are not required to comply with background check requirements.¹⁶

Persons who perform proprietary burglar alarm system agent duties for only a single employer, and who do not offer alarm system contracting services to the public, are not required to comply with background check requirements.¹⁷

A certified electrical contractor, a certified alarm system contractor, a registered 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 burglar 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.¹⁸

Section 489.518(2)(d), F.S., provides that a nonsupervising employee working as a helper or apprentice under the direct, onsite, continuous supervision of a certified or registered electrical contractor, a certified or registered alarm system contractor, a journeyman electrician licensed by any local jurisdiction, an alarm technician licensed by a local jurisdiction that requires an examination and experience or training as licensure qualifications, or a qualified alarm system agent, is not required to complete the board training and is not required to be 18 years of age or older.

Each 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 Failure to comply with any of the provisions of s. 489.518, F.S., is grounds for disciplinary action against the contractor as set forth in s. 489.533, F.S.²⁰

The provisions of s. 489.5185, F.S., include the requirements for fire alarm system agents, who may not be employed unless the person is at least 18 years of age, provides proof of fire alarm

¹⁶ Section 489.518(2), F.S.

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *See* Section 489.518(5), F.S.

²⁰ *See* Section 489.518(6), F.S.

system training, has not been convicted of a crime within the last 3 years (related to the business of fire alarms), has a background check, and has not been convicted of a crime for controlled substances within the last 3 years.

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.²¹

Section 489.5185(2)(c), F.S., provides that a nonsupervising employee working as a helper or apprentice under the direct, onsite, continuous supervision of a certified or registered electrical contractor, a certified or registered fire alarm system contractor, a journeyman electrician licensed by any local jurisdiction, an alarm technician licensed by a local jurisdiction that requires an examination and experience or training as licensure qualifications, or a qualified fire alarm system agent, is not required to complete the board training and is not required to be 18 years of age or older.

Persons who perform only monitoring²² are not required to complete the training required for fire alarm system agents.

Each fire alarm system agent must receive 6 hours of continuing education on fire 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.²³ Failure to comply with any of the provisions of s. 489.5185 is grounds for disciplinary action against the contractor as set forth in s. 489.533, F.S.²⁴

Section 489.5315, F.S., provides that businesses that obtain an electrical or burglar alarm system license to work only on their own equipment, and that do not offer electrical or alarm contracting services to the public, are not electrical or burglar alarm system contracting businesses and do not have to obtain a business tax receipt in addition to any they are otherwise required to have.

Part II 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.²⁵

²¹ See Section 489.5185(2), F.S.

²² See *supra* note 15.

²³ See Section 489.5185(5), F.S.

²⁴ See Section 489.5185(6), F.S.

²⁵ See Section 553.72(1), F.S.

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, NFPA 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;
- The rules and regulations of the Department of Health, entitled "Nursing Homes and Related Facilities Licensure";
- 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 agency²⁶ 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.

There are several local governments that require permitting of burglar alarm systems. According to an Internet search, the following local governments were identified as requiring permits for burglar alarm systems: Palm Beach County, City of Largo, City of Plantation, Martin County, Leon County, City of St. Petersburg Alachua County, City of Gainesville, St. Lucie County, City of Cape Coral, City of Sarasota, City of Hollywood, City of Boynton Beach, City of North Miami Beach, City of Palm Bay, City of Miami, City of Miami Gardens, City of Boca Raton, City of Clearwater, and Lee County. These governments have passed false alarm ordinances and the permitting is designed to reduce the instance of false alarms.

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. 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 \$260.00 per "incident."²⁷ The purpose of these types of permits is to:

²⁶ 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.

²⁷ See http://www.pbso.org/documents/Burglar_Alarm_Permit_Form.pdf (Last visited April 7, 2013) and Palm Beach County Ordinance 2008-038, codified at art. III, s. 16-51 et seq., code of Ordinances, Palm Beach County, available at <http://library.municode.com/index.aspx?clientId=10323> (Last visited April 7, 2013).

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.²⁸

One industry company report on the length of time for permit processing and associated fees for a basic hardwire installation reflects that permits may be issued in as few as 1 or 2 days, or as many as 10 or 14 days, with permitting fees ranging from \$25 to fees of several thousand dollars.²⁹

III. Effect of Proposed Changes:

The bill defines low-voltage alarm system project (project) as a project related to installation, maintenance, inspection, replacement, or service of an existing or new alarm system operating at low voltage as defined in the National Electrical Code Standard 70.³⁰

The bill defines contractor as a person qualified to engage in the business of electrical or alarm system contracting pursuant to a certificate or registration issued by the department under part II of ch. 489, F.S. (act). No reference is made to the categories of burglar alarm system agents or fire alarm system agents under the act.

The bill requires a local enforcement agency to issue uniform basic permit labels available for purchase by contractors for not more than \$60 per label. The bill does not include a definition for local enforcement agency or a reference to the Florida Building Code definition.³¹ The bill does not define basic permit.

The bill provides that a local enforcement agency may not request any information for issuance of labels for purchase by a contractor other than identification information and proof of registration or licensure as a contractor.

The bill regulates labels and the method of their issuance and use. Labels may be purchased in bulk for unspecified current or future projects. Labels are valid for one year from the date of purchase. Labels must be posted by a contractor in a conspicuous place on the premise of the project site before commencement of work on the project.

The bill provides that a contractor is not required to notify the local enforcement agency before commencing work on a project, but must submit a document titled Uniform Notice of Installation of Alarm System (Uniform Notice) within 21 days after completing the project. The bill sets forth the contents and format of the Uniform Notice, which contains a certification of

²⁸ Section 16-52, Purpose, Code of Ordinances, Palm Beach County.

²⁹ E-mail from Jorge Chamizo, Floridian Partners, LLC to B. Imhof, Staff Director (Apr. 7, 2013) (on file with the Senate Committee on Regulated Industries).

³⁰ See Section 553.88, F.S., for the adoption of minimum electrical and alarm standards, including the current edition of the National Electrical Code, No. 70, established by the National Fire Protection Association.

³¹ See *supra* note 38.

accuracy and requires signature by the owner, contractor or agent. The terms owner and agent are not defined in the bill. The bill requires that the contractor's identifying information, license number and the scope of work be stated in the Uniform Notice.

The Uniform Notice requires disclosure of the owner's name, address, phone number and email address (and the name and address of the fee simple titleholder³² (if the titleholder is a different person than the owner). The term titleholder is not defined in the bill.

The bill provides that failure to timely submit a Notice of Installation may subject a contractor to disciplinary action by a local enforcement agency, but the disciplinary action that may be imposed is not specified.

The bill provides that a local enforcement agency may inspect a project and that coordination of the inspection must be with the owner. The bill requires the contractor to take corrective action if a project fails an inspection, and that a new uniform basic permit label must be contest after each failed inspection until the project passes inspection.

The bill prohibits a municipality, county, district, or other entity of local government may not adopt or maintain in effect an ordinance or rule regarding a low-voltage alarm project which is inconsistent with the provisions of the bill.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

The bill may subject the personal information required by the proposed Uniform Notice of Installation of Alarm System to disclosure under ch. 119, F.S., as public records.³³

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

³² This distinction appears to be based upon the form of Notices of Commencement for improvements to property under s. 713.13, F.S., where a lessee who contracts for the improvements is an owner as defined under s. 713.01(23), F.S., and must be listed as the owner together with a statement that the ownership interest is a leasehold interest.

³³ Section 119.011(12), F.S., defines public records as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any [state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government].

B. Private Sector Impact:

Contractors may benefit from the uniformity of the label format, cost and procedures set forth in the bill.

C. Government Sector Impact:

Revenues of local enforcement agencies may be impacted by the maximum cost of \$60 per uniform basic permit label allowed to be charged.

VI. Technical Deficiencies:

None.

VII. Related Issues:

Local governmental entities must evaluate and amend existing ordinances and rules that regulate low-voltage alarm system project to eliminate any inconsistency with the provisions of the bill. The requirement for the phone and email address of the owner or title holder may result in that information being public records pursuant to Florida law.³⁴

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

³⁴ *Id.*