

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 28, 2005

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB568 by Deuell (Relating to private security and personal emergency response system providers; providing penalties.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would create a chapter in the Health and Safety Code regarding regulation of personal emergency response system providers by the Department of State Health Services (DSHS), a function already performed by the agency. The bill clarifies that the new chapter would apply only to personal emergency response system providers, not security services contractors or alarm system companies. DSHS would be required to conduct criminal history checks that relates to each applicant for a license or registration.

The bill would authorize a municipality that requires an alarm system permit before a person may use an alarm system in the municipality to impose an annual permit fee of \$50 for a residential location. The type of location the \$50 maximum annual fee applies to is not specified in current statute.

A permit could be revoked or not renewed if the alarm system has had eight or more false alarms in the previous 12 months. The municipality would be authorized to impose a penalty for a false alarm if in the preceding 12 months there were at least three false alarms. The fees would range from \$50 to \$100, depending on the number of false alarms in a 12-month period.

A municipality would be authorized to require an alarm system monitor to attempt to contact the occupant of the alarm system location twice before the municipality responds to the alarm signal. A municipality would not be held liable for damages that may occur relating to the cause of the alarm signal as a result of not responding to an alarm signal.

The bill would create as a Class C misdemeanor the act by an alarm company of violating requirements to distribute certain information to the occupant of the alarm system location and of notifying the municipality in which the system is located of an installation or activation of an alarm system within 30 days of installation or activation.

The bill would require the private security board (a part of the Department of Public Safety) to adopt rules applicable to a license holder acting as an alarm systems company. Minimum rules requirements are established in the provisions of the bill. It is assumed that added rulemaking requirements and enforcement could be absorbed within existing resources.

All affected agencies report that increased activity that would result from the bill could be absorbed within existing resources.

The bill would take effect September 1, 2005. The bill would apply only to an alarm system installed or activated on or after January 1, 2006.

Local Government Impact

The bill would restrict political subdivisions from acting as alarm system companies, except under certain conditions including if activities were initiated prior to September 1, 1999.

The fiscal impact to municipalities relating to the regulation of alarm systems and independent alarm systems companies would vary, but is not anticipated to be significant.

Source Agencies: 537 Department of State Health Services, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 529 Health and Human Services Commission

LBB Staff: JOB, BW, KJG, KF, CL, PP