

## **BILL ANALYSIS**

C.S.H.B. 75  
By: Fletcher  
Homeland Security & Public Safety  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Business owners, schools, day care facilities, and homeowners use camera systems to remotely monitor activities, often through Internet access. Interested parties note that companies that install such systems may not conduct criminal background checks on employees and that it is possible for felons, including convicted child molesters or other serious criminals, to be installing these systems in schools, homes, day care facilities, and critical infrastructure locations. Concern has been raised that these systems often allow the installer to remotely access the system for service and diagnostics, which could allow the installer to use the system for illegitimate reasons.

The interested parties contend that legislation is needed to require an unlicensed camera systems company and its installation personnel to comply with the current licensing requirements imposed under the Private Security Act on alarm companies, guard companies, private investigators, and locksmith companies that conduct business in Texas and to update other language in the act. C.S.H.B. 75 seeks to address these issues by making statutory changes relating to the regulation of certain private security companies and occupations.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Private Security Board in SECTION 12 of this bill.

### **ANALYSIS**

C.S.H.B. 75 amends the Occupations Code to establish that a person acts as a camera systems company for purposes of the Private Security Act if the person sells, installs, or services a closed circuit television or still camera system or offers to perform such services. The bill prohibits a person from acting as or offering to perform the services of a camera systems company unless the person holds a license as a security services contractor. The bill establishes that an individual acts as a camera systems installer for purposes of the Private Security Act if the individual installs, maintains, or repairs a closed circuit television or still camera system or advertises or offers such services to the public or represents to the public that the person is a camera systems installer. The bill requires a camera systems installer to obtain the appropriate endorsement required to perform any activity regulated by the Private Security Act and in accordance with related administrative rules. The bill specifies that a person is not required to obtain registration or endorsement as a camera systems installer before January 1, 2014.

C.S.H.B. 75 authorizes an alarm systems company to sell, install, maintain, or service an electronic access control device or a lock that is capable of activation through a wireless signal or to offer to perform those acts with respect to such a device or lock. The bill expands the activities that an alarm systems installer is authorized to perform to include selling or servicing an electronic access control device, and selling, installing, maintaining, repairing, or servicing a lock that is capable of activation through a wireless signal.

C.S.H.B. 75 expands the activities performed by an individual under which that individual is considered to be acting as an alarm systems monitor for purposes of the Private Security Act to include monitoring a closed circuit television or still camera system. The bill establishes that a license holder acting as an alarm systems company does not have to provide the recipient of services notice required under the Private Security Act when such a company enters into a contract for services regulated by the Texas Private Security Board with another alarm systems company or alarm systems monitor if the contact information, including the address and telephone numbers for the alarm systems company, has not changed.

C.S.H.B. 75 exempts from the Private Security Act a person who on the person's own property or on property owned or managed by the person's employer installs, changes, or repairs a closed circuit television or still camera system and a retailer, wholesaler, or other person who sells closed circuit television or still camera systems who does not install or service closed circuit television or still camera systems for the public outside of the person's premises or does not claim to act as a camera systems company. The bill exempts from the Private Security Act a local governmental entity that installs or has a licensed contractor install a closed circuit television or still camera system for purposes of public safety. The bill exempts from the Private Security Act a person who owns and installs a closed circuit television or still camera system on the person's own property or who installs the system for the protection of the person's personal property located on another person's property and clarifies that this exemption for persons who own and install security systems applies if the person does not perform any other activity that requires a license under the act. The bill includes a closed circuit television or still camera in the exemption from the Private Security Act for certain persons engaged in the construction trade and clarifies that the exemption from the act for a person selling certain systems and devices exclusively by e-commerce, over the counter transactions, or mail order applies if the person does not perform any other activity that requires a license under the act. The bill redefines "electronic access control device" to remove the specification that the controlled area to which the device allows access is an area of a business.

C.S.H.B. 75 requires the Texas Private Security Board, not later than January 1, 2014, to adopt rules to implement the bill's provisions. The bill's provisions apply only to an application for an original or renewal license, registration, or endorsement submitted to the Texas Private Security Board on or after January 1, 2014.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 75 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Section 1702.002, Occupations Code, is amended by amending Subdivisions (1) and (6-a) and adding Subdivisions (4), (4-a), and (13-a) to read as follows:

- (1) "Alarm system" means:
- (A) electronic equipment and devices designed to detect or signal:
- (i) an unauthorized entry or attempted

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 1702.002, Occupations Code, is amended by amending Subdivisions (1) and (6-a) and adding Subdivisions (4), (4-a), and (4-b) to read as follows:

- (1) "Alarm system" means:
- (A) electronic equipment and devices designed to detect or signal:
- (i) an unauthorized entry or attempted entry

entry of a person or object into a residence, business, or area monitored by the system; or

(ii) the occurrence of a robbery or other emergency; or

(B) electronic equipment and devices using a computer or data processor designed to control the access of a person, vehicle, or object through a door, gate, or entrance into the controlled area of a residence or business[~~;~~~~or~~

~~[(C) a television camera or still camera system that:~~

~~[(i) records or archives images of property or individuals in a public or private area of a residence or business; or~~

~~[(ii) is monitored by security personnel or services].~~

(4) "Camera systems company" means a person who performs the activities described by Section 1702.1057.

(4-a) "Closed circuit television or still camera system" means a device or system of devices that:

(A) records or transmits, including transmission by an intranet or Internet device, an image or series of images;

(B) is monitored by security personnel or an alarm systems monitor for the purposes of security or surveillance; and

(C) is not used exclusively:

(i) to view or monitor traffic conditions on public roads;

(ii) to detect motor vehicle violations on public roads;

(iii) for telephone or video conferencing;

(iv) to monitor a manufacturing process;

(v) for a medical purpose by medical practitioners;

(vi) by a courtroom reporter for recording or archiving depositions or testimony;

(vii) in the course of an ongoing investigation, when installed by and remaining under the control of a licensed investigations company; or

(viii) by a law enforcement agency to monitor criminal activity.

(6-a) "Electronic access control device" means an electronic, electrical, or computer-based device, including a telephone entry system, that allows access

of a person or object into a residence, business, or area monitored by the system; or

(ii) the occurrence of a robbery or other emergency; or

(B) electronic equipment and devices using a computer or data processor designed to control the access of a person, vehicle, or object through a door, gate, or entrance into the controlled area of a residence or business[~~;~~~~or~~

~~[(C) a television camera or still camera system that:~~

~~[(i) records or archives images of property or individuals in a public or private area of a residence or business; or~~

~~[(ii) is monitored by security personnel or services].~~

(4) "Camera systems company" means a person who performs the activities described by Section 1702.1057.

(4-a) "Closed circuit television or still camera system" means a device or system of devices that:

(A) records or transmits, including transmission by an intranet or Internet device, an image or series of images **for the purpose of security or surveillance; or**

(B) is monitored by security personnel or an alarm systems monitor for the purposes of security or surveillance.

(4-b) For purposes of Subdivision (4-a), the term "closed circuit television or still camera system" does not include a device or system of devices that is used exclusively:

(A) to view or monitor traffic conditions on public roads;

(B) to detect motor vehicle violations on public roads;

(C) for telephone or video conferencing;

(D) to monitor a manufacturing process;

(E) for a medical purpose by medical practitioners;

(F) by a courtroom reporter for recording or archiving depositions or testimony;

(G) in the course of an ongoing investigation, when installed by and remaining under the control of a licensed investigations company; or

(H) by a law enforcement agency to monitor criminal activity.

(6-a) "Electronic access control device" means an electronic, electrical, or computer-based device, including a telephone entry system, that allows access to a controlled

to a controlled area [~~of a business,~~] but that is not monitored by security personnel or services and does not send a signal to which law enforcement or emergency services respond. The term does not include:

- (A) a mechanical device, such as a deadbolt or lock; or
- (B) an operator for opening or closing a commercial gate or door or an accessory, such as a fixed or portable transmitter, card-reader, or keypad, if the operator or accessory is used only to activate the gate or door and is not connected to an alarm system.

(13-a) "Lock" means a fastening device that:

(A) is used to secure, regulate, activate, or control a door, gate, drawer, cabinet, safe, or automobile by means of a mechanical or electric device, including a latch, bolt, key, transmitter, card-reader, keypad, or proximity key fob; and

(B) is not monitored by security personnel or services and does not send a signal to which law enforcement or emergency services respond.

SECTION 2. Section 1702.021(a), Occupations Code, is amended to read as follows:

(a) The Texas Private Security Board consists of nine [~~seven~~] members appointed by the governor with the advice and consent of the senate as follows:

- (1) five [~~four~~] public members, each of whom is a citizen of the United States;
- (2) one member who is licensed under this chapter as a private investigator;
- (3) one member who is licensed under this chapter as an alarm systems company; [and]
- (4) one member who is licensed under this chapter as the owner or operator of a guard company; and
- (5) one member who is licensed under this chapter as a locksmith.

SECTION 3. Section 1702.102(a), Occupations Code, is amended.

SECTION 4. Section 1702.1056(a),

area [~~of a business,~~] but that is not monitored by security personnel or services and does not send a signal to which law enforcement or emergency services respond. The term does not include:

- (A) a mechanical device, such as a deadbolt or lock; or
- (B) an operator for opening or closing a commercial gate or door or an accessory, such as a fixed or portable transmitter, card-reader, or keypad, if the operator or accessory is used only to activate the gate or door and is not connected to an alarm system.

**No equivalent provision.**

SECTION 2. Same as introduced version.

**No equivalent provision.**

Occupations Code, is amended to read as follows:

(a) A person acts as a locksmith company for the purposes of this chapter if the person:

(1) for a fee and with legal authorization, sells, installs, services, [Ø] maintains, bypasses, or defeats electronic access control devices or [offers to sell, install, service, or maintain,] mechanical security devices, including deadbolts and locks;

(2) advertises services traditionally offered by a [the] company using the term "locksmith"; or

(3) includes the term "locksmith" in the company's name.

**No equivalent provision.**

SECTION 5. Subchapter F, Chapter 1702, Occupations Code, is amended by adding Section 1702.1057 to read as follows:

Sec. 1702.1057. CAMERA SYSTEMS COMPANY. A person acts as a camera systems company for purposes of this chapter if the person:

(1) sells, installs, services, **or monitors** a closed circuit television or still camera system; or

(2) offers to perform a service described by Subdivision (1).

SECTION 6. Section 1702.221(b), Occupations Code, is amended.

SECTION 7. Section 1702.2227(a), Occupations Code, is amended to read as follows:

(a) An individual acts as a locksmith for

SECTION 3. Section 1702.105, Occupations Code, is amended to read as follows:

Sec. 1702.105. **ALARM SYSTEMS COMPANY.** (a) A person acts as an alarm systems company for the purposes of this chapter if the person sells, installs, services, monitors, or responds to an alarm system or detection device.

(b) An alarm systems company may sell, install, maintain, or service, or offer to sell, install, maintain, or service, an electronic access control device or a lock that is capable of activation through a wireless signal.

SECTION 4. Subchapter F, Chapter 1702, Occupations Code, is amended by adding Section 1702.1057 to read as follows:

Sec. 1702.1057. CAMERA SYSTEMS COMPANY. A person acts as a camera systems company for purposes of this chapter if the person:

(1) sells, installs, or services a closed circuit television or still camera system; or

(2) offers to perform a service described by Subdivision (1).

SECTION 5. Same as introduced version.

**No equivalent provision.**

the purposes of this chapter if the person:  
(1) for a fee and with legal authorization, sells, installs, services, [ø] maintains, bypasses, or defeats electronic access control devices or mechanical security devices, including deadbolts and locks; or  
(2) advertises or offers locksmith services to the public or represents to the public that the person is a locksmith.

SECTION 8. Subchapter J, Chapter 1702, Occupations Code, is amended by adding Section 1702.2228.

No equivalent provision.

SECTION 9. Section 1702.224(a), Occupations Code, is amended.

SECTION 10. Section 1702.288, Occupations Code, is amended by adding Subsection (f).

No equivalent provision.

SECTION 6. Same as introduced version.

SECTION 7. Section 1702.223(b), Occupations Code, is amended to read as follows:

(b) An alarm systems installer may sell, install, maintain, [ø] repair, or service an electronic access control device or a lock that is capable of activation through a wireless signal.

SECTION 8. Same as introduced version.

SECTION 9. Same as introduced version.

SECTION 10. Section 1702.324(b), Occupations Code, is amended to read as follows:

(b) This chapter does not apply to:  
(1) a manufacturer or a manufacturer's authorized distributor while selling equipment intended for resale;  
(2) a person engaged exclusively in the business of obtaining and providing information to:  
(A) determine creditworthiness;  
(B) collect debts; or  
(C) ascertain the reliability of information provided by an applicant for property, life, or disability insurance or an indemnity or surety bond;  
(3) a person engaged exclusively in the business of repossessing property that is secured by a mortgage or other security interest;

- (4) a person who is engaged in the business of psychological testing or other testing and interviewing services, including services to determine attitudes, honesty, intelligence, personality, and skills, for preemployment purposes;
- (5) a person who:
  - (A) is engaged in obtaining information that is a public record under Chapter 552, Government Code, regardless of whether the person receives compensation;
  - (B) is not a full-time employee, as defined by Section 61.001, Labor Code, of a person licensed under this chapter; and
  - (C) does not perform any other act that requires a license under this chapter;
- (6) a licensed engineer practicing engineering or directly supervising engineering practice under Chapter 1001, including forensic analysis, burglar alarm system engineering, and necessary data collection;
- (7) an employee of a cattle association who inspects livestock brands under the authority granted to the cattle association by the Grain Inspection, Packers and Stockyards Administration of the United States Department of Agriculture;
- (8) a landman performing activities in the course and scope of the landman's business;
- (9) an attorney while engaged in the practice of law;
- (10) a person who obtains a document for use in litigation under an authorization or subpoena issued for a written or oral deposition;
- (11) an admitted insurer, insurance adjuster, agent, or insurance broker licensed by the state, performing duties in connection with insurance transacted by that person;
- (12) a person who on the person's own property or on property owned or managed by the person's employer:
  - (A) installs, changes, or repairs a:
    - (i) mechanical security device; or
    - (ii) closed circuit television or still camera system;
  - (B) repairs an electronic security device; or
  - (C) cuts or makes a key for a security device;
- (13) security personnel, including security contract personnel, working at a commercial nuclear power plant licensed by the United States Nuclear Regulatory Commission;
- (14) a person or firm licensed as an

accountant or accounting firm under Chapter 901, an owner of an accounting firm, or an employee of an accountant or accounting firm while performing services regulated under Chapter 901;

(15) a retailer, wholesaler, or other person who sells mechanical security devices, including locks and deadbolts, but who does not:

(A) service mechanical security devices for the public outside of the person's premises; or

(B) claim to act as a locksmith;

(16) an employee while performing investigative services that would otherwise be subject to this chapter for an entity regulated by the:

(A) Texas Department of Insurance;

(B) Office of Thrift Supervision;

(C) Securities and Exchange Commission;

(D) Federal Deposit Insurance Corporation; or

(E) Financial Industry Regulatory Authority; ~~[or]~~

(17) a social worker who holds a license issued under Chapter 505 who is engaged in the practice of social work; or

(18) a retailer, wholesaler, or other person who sells closed circuit television or still camera systems who does not:

(A) install or service closed circuit television or still camera systems for the public outside of the person's premises; or

(B) claim to act as a camera systems company.

SECTION 11. Section 1702.328, Occupations Code, is amended to read as follows:

Sec. 1702.328. SECURITY SYSTEMS SALES AND INSTALLATION EXEMPTIONS. This chapter does not apply to:

(1) a person who owns and installs an alarm system, [a burglar] detection [or alarm] device, electronic access control device, lock, or closed circuit television or still camera system on the person's own property or ~~[, if the person does not charge for the device or the installation,]~~ installs the system or device for the protection of the person's personal property located on another person's property and does not, as a normal business practice, install the

SECTION 11. Section 1702.328, Occupations Code, is amended to read as follows:

Sec. 1702.328. SECURITY SYSTEMS SALES AND INSTALLATION EXEMPTIONS. This chapter does not apply to:

(1) a person who owns and installs a burglar detection or alarm device or closed circuit television or still camera system on the person's own property or ~~[, if the person does not charge for the device or the installation,]~~ installs the system or device for the protection of the person's personal property located on another person's property and does not, as a normal business practice, install the systems or devices on the property of another, and who does not perform any other



systems or devices on the property of another, and who does not perform any other act that requires a license under this chapter;

(2) a person in the business of building construction that installs electrical wiring and devices that may include in part the installation of an [a burglar] alarm system, [∅] detection device, electronic access control device, lock, or closed circuit television or still camera system if:

(A) the person is a party to a contract that provides that:

(i) the installation will be performed, [under the direct supervision of, and] inspected, and certified by[;] a person licensed to install and certify the alarm system, [∅] detection device, electronic access control device, lock, or closed circuit television or still camera system; and

(ii) the license holder assumes full responsibility for the installation of the system [alarm] or [detection] device; and

(B) the person does not service or maintain alarm systems, electronic access control devices, locks, closed circuit television or still camera systems, or detection devices;

(3) a person who sells or installs automobile burglar alarm devices and who does not perform any other act that requires a license under this chapter; [∅]

(4) a person who sells exclusively by e-commerce, over the counter transactions, or mail order, alarm systems, electronic access control devices, locks, or detection devices and who does not perform any other act that requires a license under this chapter; or

(5) a local governmental entity that installs or has a licensed contractor install a closed circuit television or still camera system for purposes of public safety.

SECTION 12. (a) The changes in law made by this Act to Chapter 1702, Occupations Code, apply only to an application for an original or renewal license, registration, or endorsement submitted to the Texas Private Security Board on or after January 1, 2014. An application submitted before January 1,

act that requires a license under this chapter;

(2) a person in the business of building construction that installs electrical wiring and devices that may include in part the installation of a burglar alarm or detection device or closed circuit television or still camera system if:

(A) the person is a party to a contract that provides that:

(i) the installation will be performed, [under the direct supervision of, and] inspected, and certified by[;] a person licensed to install and certify the alarm or detection device or closed circuit television or still camera system; and

(ii) the license holder assumes full responsibility for the installation of the system [alarm] or [detection] device; and

(B) the person does not service or maintain alarm systems, electronic access control devices, locks, closed circuit television or still camera systems, or detection devices;

(3) a person who sells or installs automobile burglar alarm devices and who does not perform any other act that requires a license under this chapter; [∅]

(4) a person who sells exclusively by e-commerce, over the counter transactions, or mail order, alarm systems, electronic access control devices, locks, closed circuit television or still camera systems, or detection devices and who does not perform any other act that requires a license under this chapter; or

(5) a local governmental entity that installs or has a licensed contractor install a closed circuit television or still camera system for purposes of public safety.

SECTION 12. (a) The changes in law made by this Act to Chapter 1702, Occupations Code, apply only to an application for an original or renewal license, registration, or endorsement submitted to the Texas Private Security Board on or after January 1, 2014. An application submitted before January 1,

2014, is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

(b) Not later than February 1, 2015, the governor shall appoint the members of the Texas Private Security Board necessary to ensure the composition of the board complies with Section 1702.021, Occupations Code, as amended by this Act.

(c) The Texas Private Security Board shall adopt rules to implement the changes in law made by this Act not later than January 1, 2014. A person is not required to obtain a registration or endorsement under Section 1702.2228, Occupations Code, as added by this Act, before January 1, 2014.

SECTION 13. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

2014, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

(b) The Texas Private Security Board shall adopt rules to implement the changes in law made by this Act not later than January 1, 2014. A person is not required to obtain a registration or endorsement under Section 1702.2228, Occupations Code, as added by this Act, before January 1, 2014.

SECTION 13. Same as introduced version.