

SUBJECT: Raising cap on license fees for private security personnel

COMMITTEE: Law Enforcement — committee substitute recommended

VOTE: 6 ayes — Driver, Jackson, Burnam, Frost, Hegar, Veasey

0 nays

1 absent — Hupp

WITNESSES: None

BACKGROUND: The Private Security Bureau, which is a division of the Department of Public Safety (DPS), has two core statutory functions — the licensing of individuals and companies engaged in the private security industry, and the investigation of allegations of misconduct within the industry by licensed and unlicensed individuals and companies. The bureau acts under the governance of DPS and the Texas Private Security Board (formerly called the Texas Commission on Private Security), a seven-member board appointed by the governor.

The Private Security bureau offers four different types of licenses. The class A license covers the operations of an investigations company. The class B license covers the operations of a security services contractor. The class C license covers the operations included within class A and class B. The class D license covers the operations of an electronic access control device company. The bureau collects fees for licensing, registration, and other services.

DIGEST: CSHB 2303 would increase the maximum allowable amount for various licensing, registration, and other fees for private security personnel. The cap on original and renewal fees for a class A license would be increased from \$250 to \$350, on a class B license from \$300 to \$400, and on a class C license from \$440 to \$540. The maximum fee for a class D license would be \$400.

Maximum registration fees for the following professions would increase from \$20 to \$30 — private investigator, manager, branch office manager, alarm systems installer, security salesperson, and alarm systems monitor.

The cap on the registration fee for noncommissioned security officers would increase from \$25 to \$30. The maximum registration fee for security consultants would increase from \$55 to \$300. The cap on the school approval fee would increase from \$250 to \$350. The cap on the letter of authority fee for private businesses and political subdivisions would increase from \$300 to \$400. The cap on the burglar alarm sellers renewal fee would increase from \$25 to \$30. The cap on a branch office certificate and renewal fee would increase from \$200 to \$300.

The bill also would establish several new fees, including a maximum \$30 registration fee for locksmiths and electronic access control device installers. The bill would establish a maximum \$30 registration fee for employees of license holder. The bill would establish a maximum \$10 fee for a letter of authority for commissioned officers, noncommissioned officers, and personal protection officers for political subdivisions.

CSHB 2303 also would amend the Occupations Code to require DPS to designate a department employee to report to the Private Security Board and to assist the board in the administration of its duties.

Any rules adopted by the board would be subject to approval by the Public Safety Commission. Before adopting a rule, the board would be required to:

- determine that there was a need for the proposed rule;
- work with people who would be affected by the proposed rule to ensure consideration of all relevant issues;
- consult with an attorney in the DPS regulatory licensing service to draft the rule and ensure that the rule complied with statutory requirements for administrative rules; and
- submit the rule to DPS' general counsel, director, and chief accountant for consideration of the impact of the rule on DPS and to ensure the rule was within the board's authority.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

The increase in maximum allowable fees proposed by CSHB 2303 would help provide funding for much needed additional FTEs at the Private Security Bureau. The bureau currently has a backlog of several thousand applications and several hundred investigations. The bureau made an exceptional request in the fiscal 2006-07 budget for 39 additional FTEs,

but this request was not funded. The fees would not automatically be raised by the Private Security Board to the new caps, and current law already prohibits raising fees so high that they produce unnecessary fund balances beyond what is needed.

The companies that would be affected by the increased fees have not expressed opposition to the fees as they would be used to help alleviate the backlog if a rider was passed to appropriate the increased fees to the bureau.

OPPONENTS
SAY:

No apparent opposition.

NOTES:

The bill as introduced would not have added new fees or increased fees.

According to the fiscal note, DPS reports a potential increase in general revenue of \$551,610 in fiscal 2006 and \$624,120 in fiscal 2007 and subsequent years.