

- SUBJECT:** Regulation of certain private security companies and occupations
- COMMITTEE:** Homeland Security and Public Safety — committee substitute recommended
- VOTE:** 7 ayes — Pickett, Fletcher, Dale, Flynn, Lavender, Sheets, Simmons  
0 nays  
2 absent — Cortez, Kleinschmidt
- WITNESSES:** For — Rodney Hooker, Texas Burglar and Fire Alarm Association  
(*Registered, but did not testify:* Jeffrey Bright, Texas Burglar and Fire Alarm Association; Daniel Gonzalez, Texas Association of Realtors)  
  
Against — Darren Reaman, Custom Electronic Design and Installation Association  
  
On — RenEarl Bowie and Steve Moninger, Texas Department of Public Safety; David Mintz, Texas Apartment Association
- BACKGROUND:** Occupations Code, ch. 1702 establishes the Private Security Act, which governs the licensing and regulation of occupations related to private security, such as alarm companies, private investigators, security guards, locksmiths, guard dog companies, and body guards.  
  
Sec. 1702.328 specifies exemptions to the Private Security Act for:
- a person who owns and installs a burglar detection or alarm device on the person's own property;
  - a person who owns and installs, at no charge, a burglar detection or alarm device for the protection of the person's personal property on someone else's property and does not, as a normal business practice, install the systems or devices on the property of another;
  - certain persons in the business of building construction;
  - a person who sells or installs automobile burglar alarm devices and who does not perform any other act requiring a license under the Private Security Act; and
  - a person who sells certain devices exclusively by e-commerce,

over- the-counter transactions, or mail order.

**DIGEST:** CSHB 75 would amend the Private Security Act to address closed circuit television and still camera systems. The bill would add occupations requiring a license, provide definitions and exemptions, and make other changes.

**Occupations requiring license.** CSHB 75 would amend the Private Security Act to add:

- a camera systems company in the list of occupations requiring a license; and
- a camera systems installer to the list of occupations requiring an endorsement.

**Definitions.** The bill would remove television cameras and still camera systems from the definition of “alarm systems” and create the following new definitions.

“Camera systems company” would mean a person who sold, installed, or serviced a closed circuit television system or who offered to perform one of these services.

“Closed circuit television (CCTV) or still camera system” would mean a device or system of devices that recorded or transmitted an image or series of images for the purpose of security or surveillance, or is monitored by security personnel or an alarm systems monitor for the purposes of security or surveillance. It would not include a device or system of devices that was used exclusively:

- to view or monitor traffic conditions on public roads;
  - to detect motor vehicle violations on public roads;
  - for telephone or video conferencing;
  - to monitor a manufacturing process;
  - for a medical purpose by medical practitioners;
  - by a courtroom reporter for recording or archiving depositions or testimony;
  - in the course of an ongoing investigation, when installed by and remaining under the control of a licensed investigations company;
- or

- by a law enforcement agency to monitor criminal activity.

The definition of “electronic access control device” would be amended to remove the requirement that the controlled area it allowed access to be that of a business.

“Camera systems installer” would mean an individual who installed, maintained, or repaired a CCTV or still camera system, or who offered or advertised these services to the public, or represented to the public that they were a camera systems installer.

The bill would specify that an alarm systems company could offer to or actually sell, install, maintain, or service, an electronic access control device or a lock that was capable of activation through a wireless signal.

It would specify that the work of an alarm systems monitor would include monitoring of CCTV or still-camera systems, and that an alarm systems installer could sell and service, in addition to other devices, a lock capable of activation through a wireless signal.

**Exemptions.** CSHB 75 would provide exemptions to the licensing requirements for a person qualifying for any of the existing exemptions in sec. 1702.328 who installed a CCTV or still camera system.

The bill also would add exemptions for:

- a local government entity that installed or had a licensed contractor install a CCTV or still camera system for the purposes of public safety;
- a person who installed, changed, or repaired a CCTV system or still camera system on their own property or on property owned or managed by their employer; and
- a retailer, wholesaler or other person who sold CCTV or still camera systems who did not install or service such systems for the public outside of the person’s premises or claim to act as a camera systems company.

It would add the requirement that a person exempted from licensing under the Private Security Act for the following reasons could not perform any other function that requires a license under the act:

- a person who installs an item on their own property or for the protection of their own property on another's property; and
- a person who sells devices purely by e-commerce, over-the-counter transactions, or mail order in order to be exempted.

The bill would allow an exempted person to charge for installing a device on another's property for the purpose of protecting the exempted person's property.

The bill would remove the requirement for exemption that a person in the business of building construction in certain circumstances must perform the installation under the direct supervision of a licensed person.

**Notice requirement.** CSHB 75 would specify that an alarms system company would not have to provide notice of changes in their contract if their contact information, including their address and telephone numbers had not changed.

**Effective date.** The Texas Private Security Board would need to adopt rules to implement the changes made by the bill not later than January 1, 2014.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013. It would 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.

**SUPPORTERS  
SAY:**

CSHB 75 would update the law to ensure that modern video and camera systems were appropriately regulated and to protect customers of these systems from abuse.

Many modern camera systems allow for remote access so that the customers, installers, and other parties can monitor them remotely or run diagnostics. Currently, many companies install these systems without vetting their employees or running criminal background checks. This means that felons, including child molesters, could be installing camera systems in schools, homes, daycare facilities, or critical infrastructure locations and could be accessing the cameras without the customer's knowledge. The bill would bring these companies into compliance and impose the current licensing and regulation requirements on them to

ensure the safety and privacy of those who utilize camera systems.

The bill would not create an undue burden on camera systems companies or businesspeople. Individual licenses would be cheap and easy to obtain and business licenses would cost about \$500 a year. These costs would be reasonable to ensure the regulation of the industry and protection of customers who use these systems. Licensure would also ensure that these companies had insurance, which would be important to protect small businesses and small business owners.

The author plans to offer a floor amendment that would address concerns about the bill applying to certain monitors or Smart TVs by adding exceptions for certain wireless communication devices and computer equipment.

**OPPONENTS  
SAY:**

CSHB 75 could serve to limit competition in the market. Licensing requirements are sometimes used by big companies to limit their competition and make it harder for small businesses to be profitable or conduct business in the market. Adding more requirements for licensure would increase barriers to the free market and should be limited.

CSHB 75 would overregulate many kinds of monitor and communication systems that should not require licensing and regulation. It is unclear whether the bill would apply to cameras in, for example, baby monitors, Smart TVs, or computer monitors with a camera in them. The bill should be more narrowly construed to prevent overregulation.

**NOTES:**

The author intends to offer a floor amendment that would exempt from the definition of “closed circuit television or still camera system” cameras that, for the purpose of enabling videoconferencing, were integrated with or attached to:

- a wireless communication device that was capable of using a commercial mobile service;
- computer equipment; or
- a television.

The proposed amendment would specify that the chapter did not apply to:

- an employee while performing investigative services that otherwise would be subject to this chapter for an entity regulated by the

National Credit Union Administration;

- a real estate trade association or other private entity that collects and disseminated information regarding real property available for sale that may be accessed only by authorized participants;
- a towing company or other business that unlocks a vehicle and does not otherwise perform locksmith services; or
- an automobile club.