

SUBJECT: Regulating certain private security companies and occupations

COMMITTEE: Homeland Security and Public Safety — committee substitute recommended

VOTE: 7 ayes — Phillips, Nevárez, Burns, Johnson, Metcalf, Moody, Wray
0 nays
2 absent — Dale, M. White

WITNESSES: For — Chris Russell, Texas Burglar and Fire Alarm Association;
(*Registered, but did not testify:* Kyle Beller, North Texas Alarm Association; Chip Bird, Jeff Bright, Malcolm Reed, Paul Rusch, Texas Burglar and Fire Alarm Association; Brandon Blevins)

Against — David Groves; Darren Reaman, CEDIA; (*Registered, but did not testify:* Jim Sheer, Texas Retailers Association)

On — (*Registered, but did not testify:* RenEarl Bowie, Steve Moninger, Texas Department of Public Safety; Sherrie Zgabay, Texas Department of Public Safety - Regulatory Services)

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 systems companies, private investigators, security guards, locksmiths, and guard dog companies.

DIGEST: CSHB 2161 would define “camera systems company” to mean a person who installed, serviced at the place of installation, or sold a closed circuit television or still camera system for a fee or performed these services for a fee. A person acting as a camera systems company would be required to hold a license as a security services contractor.

The bill would require a person employed as a camera systems installer to register and obtain the appropriate permit to perform services for a camera

systems company by January 1, 2016. The bill would establish that a person acts as an alarm systems monitor if the person monitors a closed circuit television or still camera system. A person would be considered a camera systems installer under the Private Security Act if they perform the acts of a camera systems company, or advertise services to the public or represent to the public that the person is a camera systems installer.

The bill would establish criteria showing that a person was not considered an installer under Private Security Act and would exempt certain persons from regulation under the act, including:

- a person who installs or maintains a closed circuit television or still camera system on their own property or on property owned or managed by the person's employer;
- an employee performing investigative services for a federally insured financial institution;
- a retailer, wholesaler, or other person who sells closed circuit television or still camera systems and does not perform installations or service for the public outside of the person's premises; or claims to act as a camera systems company;
- certain persons in the construction industry as long as they do not service or maintain the systems;
- a person who installs a system for the protection of the person's personal property located on another person's property and does not install systems as a normal business practice nor performs any other act under this security services chapter that requires a license;
- a person who sells these systems online, over the counter, or by mail order; or
- a local government entity that installs or has a licensed contractor install a system for the purpose of public safety.

The bill would allow alarm systems installers to sell, install, maintain, repair, or service a camera system. It would remove from the definition of an “alarm system” under the Private Security Act a television camera or still camera system.

The bill would require the Texas Private Security Board to adopt rules to implement this bill by January 1, 2016. The bill would only apply to applications for license, registration, or endorsement submitted to the board on or after January 1, 2016.

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, 2015.

**SUPPORTERS
SAY:**

CSHB 2161 would be a necessary update to an outdated law that does not recognize the use of camera systems today in all aspects of life, including monitoring traffic conditions, medical practices, police cars, court room surveillance, videoconferences, and private security. Current law does not recognize a difference between a burglar system that employs cameras and a camera recording system used for other purposes.

The bill would assure the general public that businesses offering camera system services were properly vetted when installing security or surveillance cameras or monitoring cameras at someone's residence. The bill would require installers to be subject to the same background check, insurance, and license requirements as any other licensed security services contractor. This would protect families from having felons in their homes installing and monitoring camera systems.

CSHB 2161 would not be too broad because it would exempt individuals who installed their own camera systems themselves and would exempt other technology from regulation, such as iPads and smartphones that have video camera capabilities. The bill would not create a new license or add to organizations that are required to be licensed because the individuals installing and monitoring these systems are already required under current law to be licensed.

The bill would allow currently licensed alarm system installers to continue offering services for camera systems. The author plans to offer an amendment to specify that alarm system installers may also represent themselves to be camera systems installers without having to obtain a

different license to do so. The bill would not create a duplicate licensing system and would only require licenses for those individuals who did not already have a license as an alarm system installer.

This bill would not disproportionately affect smaller security companies because many larger security and technology companies currently send employees to residences to install camera systems who are not properly licensed and vetted.

**OPPONENTS
SAY:**

CSHB 2161 is unnecessary because most companies already require the same licensing and background check requirements for individuals who install and monitor these camera systems. The bill would create a duplicate permitting system because individuals performing services for alarm companies are already required to have permits and be licensed. Individuals are responsible for protecting their own safety and should have a choice about whether to hire staff from a licensed camera systems company.

The bill could cause smaller security systems companies to go out of business due to the added costs the bill would add for background checks and licensing requirements.

The bill would not be consumer friendly, as it could cause prices for camera installation and monitoring services to increase. If smaller businesses went out of business, the big companies would likely absorb those customers and charge more for the same services. Some consumers might no longer be able to afford security and surveillance systems for their homes.

NOTES:

The author plans to offer two floor amendments. One would allow an alarm systems installer to offer or advertise camera system services and represent to the public that the person was a camera systems installer. The other would make technical changes to the way part of the bill is drafted.