

# PRIVATE DETECTIVE LICENSING FEES



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FISCAL ANALYSIS

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## SENATE BILL 929 AS PASSED THE SENATE

**Sponsor:** Sen. Philip E. Hoffman

**House Committee:** Criminal Justice

## COMMITTEE ANALYSIS - 5/24/02

**Analyst(s):** Kyle I. Jen

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### SUMMARY

Senate Bill 929 (S-2) would amend the Private Detective License Act of 1965 to increase licensing fees for private detective businesses. The bill would also transfer licensing responsibilities under the act from the Department of State Police to the Department of Consumer and Industry Services (CIS) (outdated provisions currently in the act reference the Secretary of State) and make a number of other changes to the provisions of the act. The bill is tie-barred to Senate Bill 425—which, as it passed the Senate, would increase licensing fees for private security guard businesses and alarm system contractors, among other changes.

The higher fee levels specified in Senate Bill 929 (S-2) would increase licensing fee revenue collected by the state by an estimated \$75,000 to \$125,000 annually.

### BACKGROUND

The licensing fees specified in the act—along with licensing fees for private security guard businesses and alarm system contractors—were increased in Executive Order (EO) 2001-9 to offset a \$250,000 GF/GP reduction applied to the FY 2001-02 State Police budget. These increases are effective only for the current fiscal year. The FY 2002-03 State Police budget (as recommended by the Governor) also assumes \$250,000 in increased fee revenue to offset the GF/GP reduction (the Senate-passed State Police and CIS budget bills reflected transfer of the licensing fee revenue to the CIS budget). Enactment of permanent legislation would be necessary for that revenue to be realized.

### FISCAL ANALYSIS

The table below compares the fees specified in current statute, EO 2001-9, and the Senate-passed version of Senate Bill 929. The bill would increase the effective duration of a license from two years to three years.

Category	Current Statute	EO 2001-9	SB 929 (S-2)
<u>Initial Application</u>			
Private Detective—Firm, Partnership, etc.	200	No change	*750
Private Detective—Sole Proprietorship	100	No change	*750
<u>Three-Year Renewal</u>			
Private Detective—Firm, Partnership, etc.	200	500	300
Private Detective—Sole Proprietorship	50	500	300
<u>Branch Office</u>			
Private Detective	25	No change	125

\*Bill specifies an initial license fee of \$600 and an application processing fee of \$150.

Using current statute as the baseline, the fees specified in Senate Bill 929 (S-2) would result in an estimated \$75,000 to \$125,000 in increased annual revenue collected by the state. The amount of the revenue increase would depend largely on whether the attrition rate of license holders since EO 2001-9 took effect (approximately 25 percent) decreased once the higher fee amounts became permanent.

Increasing the duration of each license from two to three years could result in decreased state expenditures associated with licensing activities, but the amount of any savings is indeterminate.

Also, the bill would require, in addition to the currently required state-level criminal history record check, a federal-level criminal history check for prospective employees. The department currently charges a fee of \$24 for federal-level checks. Increased revenue from this fee would be passed through to the Federal Bureau of Investigation.