

BSIS Fee Adjustments Summary Sheet July 2017

The Bureau is proposing an approximate 35% increase in overall revenue at this time for the Private Security Services (PSS) Fund and not the full 45% recommended by the independent auditor. As we have discussed, the Bureau wants to start at the lower increase, which should keep the PSS Fund relatively okay until FY 2020-21, and see what impact the Bureau's efforts to decrease application deficiencies, increase operational efficiencies, and better educate licensees on the requirements of the practice acts have on the Bureau's overall expenditures.

The Bureau's proposal would provide specific "floor" fee amounts through "shall be" language, with the fees going into effect on the operational date of the enacted legislation, and provide specific "ceiling" fee amounts through "may be increased to an amount not to exceed" language, which would require the Bureau to promulgate regulations for the ceiling amounts to go into effect. Establishing licensing fees with a ceiling amount is the common practice and all current BSIS licensing fees reflect this framework. Below is an example of the Bureau's proposed language to establish the floor and ceiling fee amounts.

A "license type" shall be XX dollars (\$XX) and may be increased to an amount not exceed XX dollars (\$XX).

If legislation is enacted this year, the operational date for the "floor" amounts would be July 1, 2018. If legislation is not enacted until next year, the "floor" amounts would go into effect January 1, 2019.

Private Security Services Act

	Initial			Renewal		
	Current	Floor	Ceiling	Current	Floor	Ceiling
Security Guard Registration	\$50	\$55	\$60	\$35	\$40	\$44
Private Patrol Operator Company: Application/License	\$1,200	\$1,320	\$1,452	\$700	\$900	\$990
PPO Branch	\$250	\$250	\$275	\$75	\$150	\$165
Firearms Training Facility	\$500	\$800	\$880	\$500	\$750	\$825
Baton Training Facility	\$500	\$700	\$770	\$500	\$550	\$605
Firearm Training Instructor	\$250	\$350	\$385	\$250	\$300	\$330
Baton Training Instructor	\$250	\$350	\$385	\$250	\$275	\$303
Firearm Permit	\$80	\$100	\$110	\$60	\$80	\$88
Baton Permit	\$50	\$60	\$66			

- Security guard initial/renewal registration fees were last increased in 2002. Per the inflation calculator, **the cumulative inflation rate from 2002 to 2017 is 36%**. Using the inflation calculator, the \$50.00 initial registration fee would be \$68.10 and the \$35.00 renewal fee would be \$47.61 today based on inflation alone. The Bureau's proposed floor increases are less than the rate of inflation increase.

- Private Patrol Operator initial/renewal license fees were last increased in 2002. Per the inflation calculator, **the cumulative inflation rate from 2002 to 2017 is 36%**. Using the inflation calculator, the \$1,200 initial application/license fee would be \$1,632.46 and the \$700 renewal fee would be \$952.27 today based on inflation alone. The Bureau's proposed floor increases are less than the rate of inflation increase.
- Firearms/Baton Training Facility initial/renewal certificate fees were established no later than 1995. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$500 initial and renewal certificate fees would be \$802.93 today based on inflation alone. The Bureau's proposed floor increases for initial and renewal Baton Training Facility fees are less than the rate of inflation increase. The Bureau's proposed floor increase for initial Firearms Training Facility is equitable to the rate of inflation increase, and the proposed floor increase for renewal is less than the rate of inflation increase.
- Firearms/Baton Training Instructor initial/renewal certificate fees were established no later than 1995. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$250 initial and renewal certificate fees would be \$401.46 today based on inflation alone. The Bureau's proposed floor increases for Firearms/Baton Training Instructor initial and renewal certificates are less than the rate of inflation increase.
- The PPO Branch initial/renewal registration fees were established in 2002 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 2002 to 2017 is 36%**. Using the inflation calculator, the \$250.00 initial fee would be \$340.10 and the \$75.00 renewal would be \$102.03 today based on inflation alone. The Bureau is not proposing an increase in the PPO Branch initial registration fee. The Bureau's proposed PPO Branch renewal registration fee is greater than the rate of inflation increase.
- Baton Permit initial fee was established no later than 1994. Per the inflation calculator, **the cumulative inflation rate from 1994 to 2017 is 65.1%**. Using the inflation calculator, the \$50 initial permit fee would be \$82.57 today based on inflation alone. The Bureau's proposed floor increase for initial Baton Permit fee is less than the rate of inflation increase.
- Firearm Permit initial/renewal fees were established no later than 1996. Per the inflation calculator, **the cumulative inflation rate from 1996 to 2017 is 56%**. Using the inflation calculator, the \$80 initial permit fee would be \$124.78 today based on inflation alone. The Bureau's proposed floor increases for initial and renewal Firearm Permit fees are less than the rate of inflation increase.

PPO License Fee Alignment: Unlike the Collateral Recovery Act and the Alarm Company Act, the qualified manager (QM) in the PSS Act does not hold a separate license. The QM is a conditional requirement for a PPO license. The proposed initial and renewal PPO fee adjustments align with the total comparable fee amounts for a Repossession Agency and Repossession Agency QM initial and renewal license fees and Alarm Company Operator and Alarm Company QM initial and renewal license fees.

Collateral Recovery Act

	Initial			Renewal		
	Current	Floor	Ceiling	Current	Floor	Ceiling
Repossession Agent Employee (Initial & Re-registration)	\$75	\$75	\$82	\$60	\$40	\$44
Repossession Agency	\$825	\$970	\$1,067	\$715	\$750	\$825
Repo Agency Qualified Manager	\$325	\$350	\$385	\$450	\$225	\$248

- Repo Agent Employee registration fees were established in 1995. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$75.00 initial registration fee would be \$120.44 and the \$60.00 renewal fee would be \$96.35 today based on inflation alone. The Bureau's proposed floor amounts reflect no increase for initial and a 33% decrease for renewal.
- Repo Agency initial/renewal license fees were established in 1995. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$825.00 initial application fee would be \$1,324.83 and the \$715.00 renewal fee would be \$1,148.19 today based on inflation alone. The Bureau's proposed floor increases are less than the rate of inflation increase.
- Repo Agency Qualified Manager initial/renewal certificate fees were established in 1995. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$325 initial fee would be \$521.90 and the \$450 renewal fee would be \$722.64 today based on inflation alone. The Bureau's proposed floor increases for initial are less than the rate of inflation increase and the proposed floor fees for renewal represent a 50% decrease.

Alarm Company Act

	Initial			Renewal		
	Current	Floor	Ceiling	Current	Floor	Ceiling
Alarm Agent Registration (Alarm Company Employee)	\$17	\$55	\$60	\$7	\$40	\$44
Alarm Company Operator (Amount reflects application and license fees combined)	\$315	\$970	\$1,067	\$335	\$750	\$825
Alarm Company Qualified Manager	\$105	\$350	\$385	\$120	\$225	\$248
Alarm Company Branch Office	\$35	\$250	\$275	\$35	\$150	\$165

- Alarm Agent Registration fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$17.00 initial Alarm Agent Registration fees would be \$27.30 and the \$7.00 renewal fee would be \$11.24 today based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See ***License Fee Alignment*** below).
- Alarm Company Operator initial/renewal license fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$315.00 initial license fee would be \$505.85 today and the \$335 renewal application and license fee would be \$537.96 today based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See ***License Fee Alignment*** below).
- Alarm Company Qualified Manager initial/renewal application fees were established in 1995 and have not been adjusted since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$105.00 initial application fee would be \$168.62 today, and the \$120 renewal application would be \$192.70 today, based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See ***License Fee Alignment*** below).
- The Alarm Company Branch initial/renewal registration fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$35.00 initial/renewal Alarm Branch registration fees would be \$56.00 today, based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See ***License Fee Alignment*** below).

License Fee Alignment: The Alarm Company Act license fees were not established at an amount to appropriately support the Bureau's expenditures relating to its regulatory activities for these license types. Further, the fees have not been on par with fees of comparable license types in other Bureau practice acts. The proposed fee adjustments for alarm licenses are designed to bring the fees for similarly situated license types into alignment and to generate revenue that more appropriately aligns with related expenditures.

For example, Alarm Agents registrants are similarly situated as Security Guard registrants, which is the basis for aligning the fees. Applying the inflation calculator to the current security guard registration fees of \$50 initial and \$35 renewal (the fees for guards were most recently considered by the Legislature and went into effect in 2002), the fees would be \$58.97 for initial and \$41.28 for renewal (based on the 17.9% cumulative inflation factor rate).

Locksmith Act

	Initial			Renewal		
	Current	Floor	Ceiling	Current	Floor	Ceiling
Locksmith Employee Registration	\$20	\$55	\$60	\$20	\$40	\$44
Locksmith Company – Application/License	\$75	\$500	\$550	\$45	\$500	\$550
Locksmith Branch	\$35	\$250	\$275	\$35	\$150	\$165

- Locksmith Employee Registration fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$20.00 initial/renewal Locksmith Employee Registration fees would be \$32 today based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See **License Fee Alignment** below).
- Locksmith Company initial/renewal license fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$75.00 initial Locksmith Company license fee would be \$120.00 today, and the \$45.00 license renewal fee would be \$72.00 today, based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See **License Fee Alignment** below).
- The Locksmith Company Branch initial/renewal registration fees were established in 1995 and have not been increased since. Per the inflation calculator, **the cumulative inflation rate from 1995 to 2017 is 60.6%**. Using the inflation calculator, the \$35.00 initial/renewal Locksmith Branch registration fee would be \$56.00 today, based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees have never been appropriately set (See **License Fee Alignment** below).

License Fee Alignment: The Locksmith Act license fees were not established at an amount to appropriately support the Bureau's expenditures relating to its regulatory activities for these license types. Further, the fees have not been on par with fees of comparable license types in other Bureau practice acts. The proposed fee adjustments for locksmith licenses are designed to bring the fees for similarly situated license types into alignment and to generate revenue that more appropriately aligns with related expenditures.

For example, Locksmith Employee registrants are similarly situated as Security Guard registrants, which is the basis for aligning the fees. Applying the inflation calculator to the current security guard registration fees of \$50 initial and \$35 renewal (the fees for guards were most recently considered by the Legislature and went into effect in 2002), the fees would be \$58.97 for initial and \$41.28 for renewal (based on the 17.9% cumulative inflation factor rate).

Proprietary Security Services Act

	Initial			Renewal		
	Current	Floor	Ceiling	Current	Floor	Ceiling
Proprietary Private Security Officer	\$50	\$55	\$60	\$35	\$40	\$44
Proprietary Private Security Employer	\$75	\$350	\$385	\$35	\$350	\$385

- Proprietary Private Security Officer initial/renewal registration fees were established in 2006 and have not been adjusted since. Per the inflation calculator, **the cumulative inflation rate from 2006 to 2017 is 21.4%**. Using the inflation calculator, the \$50.00 initial Proprietary Private Security Officer Registration would be \$60.70 today, and the \$35.00 renewal would be \$42.49 today based on inflation alone. The Bureau's proposed floor increases are less than the rate of inflation increase.
- Proprietary Private Security Employer (PPSE) initial/renewal registration fees were established in 2006 and have not been adjusted since. Per the inflation calculator, **the cumulative inflation rate from 2006 to 2017 is 21.4%**. Using the inflation calculator, the \$75.00 initial Proprietary Private Security Employer Registration would be \$91.05 today and the \$35.00 renewal would be \$42.49 today based on inflation alone. The Bureau's proposed floor increases are greater than the rate of inflation increase; however, the fees never having been appropriately set (See **License Fee Alignment** below).

License Fee Alignment: The PPSE registration fees were not established at an amount to appropriately support the Bureau's expenditures relating to its regulatory activities for this license type. The proposed fee adjustments for PPSE registration are designed to generate revenue that more appropriately aligns with related expenditures.