

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

House Bill 1369 (Delegate McHale)

Commerce and Government Matters

**Regulation of Alarm Systems - Registration of Alarm System Contractors,
Monitors, and Users**

This bill provides for the registration and regulation of alarm system “contractors,” “monitors,” and “users” by local law enforcement agencies. Local law enforcement agencies are required to: (1) impose civil penalties and fines for false alarms and unregistered contractors, monitors, and users; (2) establish regulations for registration and fees; (3) provide exemptions from the issuance of civil citations and penalties for false alarms; and (4) establish an appeals process for contractors, monitors, and users. The bill also authorizes local law enforcement agencies to revoke a registration or assess a lien on an alarm user’s property for any unpaid fees.

Fiscal Summary

State Effect: The bill’s requirements could be handled with the existing budgeted resources of the Maryland State Police.

Local Effect: Minimal. Most jurisdictions would be able to cover their additional expenditures with the revenue raised from the registration fees and fines collected under the bill’s provisions. ***This bill imposes a mandate on a unit of local government.***

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill creates uniform fines and penalties for failure to register an alarm system, false alarm calls, and any other violation of its provisions. Unregistered

users will be assessed \$500 for each alarm call to the police, increasing to \$1,000 after the third offense. Fines for false alarms are assessed against users on a graduated schedule beginning with a \$50 fine for the third offense (the first two offenses are not assessed). The fines increase in \$50 increments up to the eighth offense after which it increases by \$100 for each offense. A flat fine of \$1,000 is assessed for 14 or more offenses. Contractors or monitors who violate any part of the bill's provisions would be assessed a fine of \$500 for each offense, increasing to \$1,000 after the third offense. Users of alarm systems are required to register installed alarm systems with the appropriate law enforcement agency before it is activated for a police response.

Local law enforcement agencies must adopt regulations establishing an alarm reduction school for users who would have one false alarm fee waived upon completion. Users are also exempted if they have their alarm system inspected by a registered contractor or monitor and it is certified to be functioning properly. Law enforcement agencies are authorized to petition for an injunction if a user has more than five false alarms in a one-year period. Law enforcement agencies are required to establish an appeals board procedure for contractors, monitors, and users who wish to appeal registration revocations, fine assessments, or other penalties. Also, the bill repeals provisions in current law authorizing Frederick and Calvert counties to implement local regulations regarding the use of alarm systems.

An alarm system contractor is defined as a person engaged in the business of installing, maintaining, altering, inspecting, administering, selling, or servicing alarm systems. An alarm system monitor is defined as a person engaged in monitoring alarm systems to report any alarm activations to the appropriate law enforcement agency.

Current Law: Alarm system contractors and monitors are required to obtain a certificate from the Maryland State Police before operating in the State. There are currently 475 licensed alarm system contractors and monitors in the State. Frederick and Calvert counties are authorized by State law to impose their own regulatory schemes for alarm system use in their jurisdictions.

Local Fiscal Effect: The bill requires law enforcement agencies to establish a registration fee for alarm system contractors, monitors, and users and impose a monetary penalty for repeated false alarms or other abusive uses of emergency services. Revenues could increase depending upon the number of registrants, the number of false alarms or abuses, and the amount of the fees and fines. The number of registrants and the amount of the license fees for each county cannot be reliably estimated at this time.

The cost of the appeals procedure for violators would be minimal and could be handled within most agencies' existing resources. Similarly, enforcement could be handled with

existing personnel. It is assumed that any costs associated with registration of alarm system contractors, monitors, and users would be covered by the fees. If the imposition of fines decreases the number of false alarms in the counties, expenditures could decrease due to fewer responses by law enforcement agencies.

Frederick County advises that initial outlays to implement the bill would be higher than revenues generated from the program in fiscal 2002, resulting in an \$113,890 net increase in expenditures. This estimate includes expenditures for an additional administrative assistant to handle the lien procedures under the bill. The remainder of the counties surveyed by the Department of Legislative Services advise that expenditures under the bill would be offset by revenues generated from registration fees and fines.

Small Business Effect: Small businesses with security systems that report false alarms could experience an increase in costs. The increase would depend upon the amount of the fines and the frequency of false alarms. Alarm system contractors and monitors would experience a minimal increase in costs due to the registration fee.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of State Police, Office of Administrative Hearings, Calvert County, Charles County, Frederick County, Washington County, Department of Legislative Services

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jm/jr

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