

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 662

(Senators Middleton and Benson)

Finance

Economic Matters

**Business Regulation – Wireless Security Systems – Local Government Licenses
and Permits**

This bill prohibits a local government from requiring an electrical license or an electrical permit to install, maintain, inspect, replace, or service specified low-voltage wireless security systems. The prohibition only applies if the wireless security system does not require the submission of a fire protection plan review to a local government for compliance with State or local building codes. A local government may require a person to comply with a local alarm ordinance or to obtain an alarm business registration, alarm system registration, or permit under specified circumstances but *cannot* require the person to obtain an electrical permit. Wireless security systems are not exempt from existing State licensing requirements and must comply with any State or local building codes.

Fiscal Summary

State Effect: None. The bill affects only local government.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Security system” means any burglary alarm system or robbery alarm system, and includes the service of monitoring the property to which a security system is attached in case of an alarm sounding. “Wireless security system” means a security system that is designed to carry a voltage of 50 volts or less and not hardwired. It includes ancillary

low-voltage components that are either wireless or battery operated and supplementary smoke detectors as defined in a specified fire alarm and signaling code.

Current Law/Background: Generally, a person may not engage, or solicit to engage, in the business of providing security systems services in the State unless the person obtains a license from the Department of State Police and meets specified requirements. Similarly, an individual may not personally provide security systems services unless the individual is registered as a security systems technician. There are limited exceptions. State law does not preempt local governments from licensing or regulating security systems agencies or security system users. The bill specifies that wireless security systems are *not* exempt from existing licensing and registration requirements.

The Maryland Association of Counties (MACO) advises that counties may require alarm systems to meet certain international fire and building standards, and they may also require that such systems be registered with the county. Registration provides counties with key contact information for alarm systems. Counties also depend on cooperation from alarm system providers (a private industry) to mitigate disruptions or false alarms caused by their products.

Local Fiscal Effect: The bill prohibits a local government from requiring an electrical license or an electrical permit to install, maintain, inspect, replace, or service certain low-voltage wireless security systems. As defined in the bill, this includes the monitoring services provided for such systems. According to MACO, local governments do not require electrical licenses or electrical permits to install low-voltage wireless security systems. Further, a local government may still require a person to comply with a local alarm ordinance or to obtain an alarm business registration, alarm system registration, or permit under specified circumstances. Therefore, while the bill adds clarity to local licensing and permitting requirements, it does not materially affect local government finances or operations.

Additional Information

Prior Introductions: None.

Cross File: HB 645 (Delegate Branch, *et al.*) - Economic Matters.

Information Source(s): Department of State Police; Department of Housing and Community Development; Montgomery and Garrett counties; cities of Frederick and Havre de Grace; Maryland Association of Counties; Department of Legislative Services

Fiscal Note History: First Reader - February 14, 2018
mm/mcr Third Reader - March 22, 2018
Revised - Amendment(s) - March 22, 2018

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510