



**City
of
Milwaukee**

*INTERDEPARTMENTAL CORRESPONDENCE
LEGISLATIVE REFERENCE BUREAU*

Memorandum

To: Ald. Robert W. Puente
From: Richard L. Withers ext 8532
Date: March 10, 2010
Re: Private Alarm Business Regulation Research Overview
Private Alarm Systems Task Force – Memo 1

I have been assigned to the Task Force on behalf of the Legislative Reference Bureau to provide research and analysis as requested and to offer drafting services. If the Task Force requests, I can assist in drafting a final report including findings and recommendations.

I have reviewed a number of articles and ordinances including articles compiled in a database search by the Bureau's Library Section, the articles and documents already shared with committee members including the Model Burglar Alarm Ordinance ("Model Ordinance") drafted by the Electronic Life Safety Security & Systems Professionals (NBFAA) and the False Alarm Reduction Association (FARA), and the notes circulated March 9, 2010, reflecting discussion at the meeting of Chris Utter, Mike Horgan, Ann McCarthy and Sgt. Frances Imp on March 8, 2010.

There appears to be a wealth of materials to work with and I understand that one of the challenges for the Task Force will be sorting through and making sense of the variety of programs, approaches, and ordinances already in existence.

It appears upon review that the primary concerns addressed by municipal licensing and regulation are those articulated by Committee Member Christopher Utter (p. 2 of the minutes of the meeting held February 17, 2010). These are:

- Sales techniques
- Licensing
- Alarm installation
- Reducing false alarms

The following materials include a brief review of s. 105-75 entitled Private Alarm Systems and Regulations and a comparison with the ordinances of selected municipalities. I suggest that, if members have questions or need further information, they forward their requests to you. I will be pleased to provide research, including summarizing conversations with

persons in other municipalities about the strengths and weaknesses of local licensing and regulation.

Primary Features of the Milwaukee Ordinance

The Milwaukee ordinance at s. 105-75 is found in ch. 105 entitled Public Safety. The following information summarizes several important features that appear to be of interest to the Task Force. Issues involving direct sales and sales practices fall within other chapters of the Code of Ordinances and I will be happy to provide a review of these addressing applicability and deficiencies, if any, related to the sales of alarm services, if the Task Force wishes.

Definitions

Section 105-75-2 provides relatively few definitions compared with many other municipal alarm system ordinances. Key definitions include the broad definition of “alarm agent” to include employees of an alarm business “...whose duties include the altering, installing, maintaining, repairing, servicing or responding to an alarm system.” References to alarm agents in the remainder of the section appear to refer primarily to responders. The term “agent” is also used in this section in reference to the party filing for a license representing a corporation or limited liability company and in reference to authority to accept service of papers on behalf of a “foreign” corporation.

Additional key elements of the definitions in s. 105-75-2 include:

The definition of “alarm business” excludes any person “...engaged solely in the business of confirming that attempted or actual crimes have occurred....”

The definition of “alarm monitoring service” includes services provided by persons located in or out of state who may monitor for fire as well as robbery and who provide the fire or police department with a message by voice contact.

The definition of “alarm system” includes any mechanical or electrical equipment “...arranged to signal the occurrence of fire, burglary or robbery...requiring immediate fire or police department notification.”

The definition of “alarm user” is any “...person in control of any building, structure or portion thereof in which an alarm system is in operation.”

The definition of “false alarm” excludes alarm activation due to extreme weather including “...high winds, thunder and lightning storms and other systemic electric disturbances.”

The definition of “private first responder service” is a service provided by an alarm business “either with an alarm agent or through a private security company under contract with the business that determines, by means of on-site inspection, whether an attempted or actual crime has occurred....”

The definition of “prompt dispatch” of an alarm agent is arrival “...within 30 minutes under ordinary circumstances.” The term “ordinary circumstances” is not defined or described in the section.

Comments: It is not clear whether excluding alarm agents solely engaged in determining if a crime has occurred or been attempted is a meaningful exclusion from the licensing requirement. The Task Force may wish to explore issues of alarm agent accountability. The definition of “alarm user” differs from a number of other jurisdictions; it may be useful to more clearly define “person in control.” The private first responder requirement of “on-site inspection” rules out reliance on video verification, which has been already noted in Task Force discussion. The 30-minute prompt dispatch definition provides no guidance about what is an ordinary circumstance and what conditions would justify an exception.

License Requirement

The licensing procedures outlined at s. 105-75-3 to 8 are substantially consistent with other licensing procedures in the Milwaukee Code of Ordinances. These procedures include circumstances where a license may not be renewed, may be suspended, or may be revoked.

The exception to the licensing requirement for alarm agents solely engaged in responding for verification has been noted.

Comment: In the absence of state licensing or regulation of out-of-state alarm businesses, and due to the limited powers of the Municipal Court, consideration should be given to bonding requirements (enforceable in the Circuit Court) to indemnify alarm users if service is discontinued for any reason and to indemnify the City for enforcement costs and excessive false alarms.

Installation

Section 105-75-11 describes prohibited systems. The chapter does not provide for a permit process for installation of an alarm system or for registration of installed systems. Alarm businesses are responsible for installation in “...in accordance with manufacturer specifications.” There is no process for inspection of installed alarm systems, and no requirement for certified installers. An alarm user may also obtain electronic equipment and self-install. The prohibited systems provisions of the section are therefore difficult to enforce.

Comment: There are many advantages to permit and registration procedures including: education of the alarm user, better tracking of systems in place, better analysis of alarm and false alarm data. Penalties for faulty installation or alarm abuse could be enhanced in the absence of a permit or registration.

Some Key Features of Other City and County Ordinances

The following is a brief description of features of interest in ordinances from other municipalities. I would be happy to investigate any of these that may be of interest to the Task Force. Investigation would include interviews of local officials and business representatives.

Appleton, WI

Appleton has a permit process that applies to altering, installing, leasing, maintaining, repairing or replacing an alarm system. An annual fee is charged. Appleton also has a sliding scale for penalties for multiple false alarms.

Austin, TX

Austin provides for a 12-month permit, with a \$200 misdemeanor penalty for operating without a permit. The regular permit fee for a residence is \$25 and is \$50 for a business. The permit applies to operating an alarm system and not to installation.

Baltimore County, MD

The County of Baltimore provides extensive standards for installation. The installer must provide the user with an installation certificate that must be presented at the time of registration. The system may not be activated until registered. The Baltimore ordinance also provides that alarm businesses provide a list of users to the County. Registrations are for 3 years.

Brea, CA

Brea requires registration of all alarm agents who must also be registered under state regulation. A permit is required to install, replace, maintain, or operate an alarm system. Permits expire each June 30. Alarm “subscribers” are required to have an annual inspection conducted by the alarm business responsible for installation or continuing service once every 12 months.

Cincinnati, OH

Alarm system users are required to register. False alarm fees range from \$50 to \$800. An “Alarm User Awareness School” is offered to users free of charge.

Dallas, TX

Dallas requires a permit for operation of an alarm system. The Chief of Police may decline to respond to an alarm from an unpermitted site. The state provides extensive regulation of the alarm business. Dallas also provides procedures for revoking permits.

Kansas City, KS

Kansas City requires permits in 3 categories. In addition to residential and commercial permits, the City requires a “Master Permit” for apartment complexes of 6 or more units. Failure to obtain a permit is a misdemeanor.

Los Angeles, CA

Los Angeles requires a permit to install, connect, activate, operate or use an alarm system. Permits may be denied, suspended or revoked. Penalties for false alarms are \$115 for each false alarm plus a user penalty of an additional \$50 for a permitted system and \$100 for an unpermitted system. Non-monitored systems require a permit but there is no fee. Permit numbers must be displayed on the premises.

Philadelphia, PA

Philadelphia provides for an annual alarm system registration with a fee of \$35. There is a \$100 fine for use of an unregistered system. A system of monthly meetings between alarm officials and police officials has been implemented.

Pleasant Hill, CA

Extensive regulation is provided for alarm user permits including specifying the information to be included in the permit application. Permits are effective annually for each calendar year. Procedures are provided for suspension, revocation, and reinstatement.

San Antonio, TX

San Antonio provides for 12-month permits with no penalty for the first 5 false alarms in burglaries and no fee to provide services for the first false alarm; service fees may be charged for subsequent responses. There is a \$100 penalty for a second 2nd and 3rd false alarm in the case of robbery, \$150 for the 4th false alarm, and \$250 for subsequent false alarms. Alarm permits cannot be renewed if alarm service fees are unpaid. San Antonio police will respond to alarms from un-permitted systems as well as permitted systems unlike several other Texas jurisdictions.

San Francisco, CA

San Francisco treats alarm system permits as licenses and users as alarm subscribers. The initial license fee is paid by the subscriber to the alarm installation company. If self-installed, the fee is paid to the City Tax Collector. Licenses expire every January 1. Non-licensed alarm systems are subject to a \$100 penalty and penalties of \$250 for each false alarm. Permitted systems are subject to a false alarm penalty for the second false alarm and this penalty is increased by \$50 for each additional false alarm up to 5 or more.

I will be pleased to investigate these jurisdictions further and provide any other information that the Task Force may feel is useful. Please contact me if you have any questions.

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RLW
3/10/2010