

**Private Investigator Act Fee Adjustment Summary Sheet
January 2019**

Private Investigator (PI) license fees have remained unchanged since at least 1993. Per the U.S. Inflation Calculator (www.usinflationcalculator.com) **the cumulative inflation rate from 1993 to 2018 is 74%**. Using the inflation calculator, the initial PI application and license fees, totaling \$225.00, would be \$393.00 today based on inflation alone. However, as noted in the audit report, PI license fee amounts have not been appropriately set to cover all Bureau expenditures related to the enforcement of the PI Act. The proposed fee increases would reflect adjustments attributable to inflation, an appropriate alignment of revenue and expenditures, and increased costs identified in the audit report, as well as additional statewide pro-rata (Fi\$Cal) and increased CalPERS expenses not reflected in the auditor's report.

As with the Private Security Services (PSS) Fund fee increases, the Bureau would like to establish a fee floor amount and a ceiling amount in statute. The proposed floor amounts would result in an overall PI Fund revenue increase of 175%. The ceiling fee amounts would reflect an additional 10% increase. Proposed language would align with that used for the fee increases supporting the PSS Fund. Below is an example of the language used to establish the new security guard registration fee.

A registration fee for a security guard shall be at least fifty-five dollars (\$55) and may be increased to an amount not to exceed sixty dollars (\$60).

The "shall be" fee floor amounts would establish the new fees in statute which enables them to become effective upon the operational date of the enacted legislation. The "not to exceed" reflects the ceiling amount and to increase the fee from the floor would require the Bureau to promulgate regulations. The promulgation of regulations is a public process.

As with the fee increases to the PSS Fund, the Bureau continues to pursue efforts to decrease application deficiencies, increase operational efficiencies, and better educate licensees on the requirements of the practice acts to help keep the Bureau's overall expenditures as low as reasonably feasible to push back the need for a future ceiling fee adjustment.

Given the current condition of the PI Fund, legislation needs to be enacted in 2019 to enable the floor amounts to go into effect January 1, 2020. The table below details current and proposed floor/ceiling fees amounts for applicable PI license types.

| | Initial | | | Renewal | | |
|---|----------|----------|----------|----------|----------|----------|
| | Current | Floor | Ceiling | Current | Floor | Ceiling |
| PI License | \$225.00 | \$825.00 | \$907.50 | \$125.00 | \$325.00 | \$357.50 |
| PI Assignment of License | \$125.00 | \$400.00 | \$440.00 | | | |
| PI Branch Registration | \$30.00 | \$125.00 | \$137.50 | \$30.00 | \$125.00 | \$137.50 |
| Certificate of Licensure ¹ | \$50.00 | \$25.00 | \$25.00 | | | |
| Endorsed Verification of Licensure ^{1,2} | -- | \$25.00 | \$25.00 | | | |
| Replacement License ¹ | \$10.00 | \$25.00 | \$25.00 | | | |
| Re-examination Fee ¹ | \$15.00 | \$60.00 | \$66.00 | | | |

- 1) Aligns these fees with comparable fees that support PSS Fund to cover costs associated with activities.
- 2) The PI Act does not currently authorize the issuance of an Endorsed Verification of Licensure

Comparison of Proposed PI License Fees to PI License Fees in Other States

| State | Initial | Renewal |
|-----------------|----------------------------------|----------------|
| Proposed PI Fee | \$825 | \$325 |
| Washington | \$600 (unarmed) \$700 (armed) | \$350 |
| Oregon | \$619 | \$550 |
| Nevada | \$1,555 ¹ | \$600 (annual) |
| Arizona | \$672 ¹ | \$272 |
| Florida | \$542 ¹ | \$450 |
| New York | \$400-\$500 | \$400-\$500 |
| New Mexico | \$400 | \$300 |

1) Includes fingerprint processing fee/background investigation costs

Comparison of Proposed PI License Fees to Other BSIS License Fees

| State | Initial | Renewal |
|---|---------|---------|
| Proposed PI Fee | \$ 825 | \$325 |
| Private Patrol Operator (PPO) | \$1,320 | \$900 |
| Alarm Company Operator ¹ | \$1,320 | \$750 |
| Repossession Agency ¹ | \$1,320 | \$750 |
| Locksmith Company ² | \$ 500 | \$500 |
| Firearms Training Facility ³ | \$ 800 | \$750 |
| Baton Training Facility ³ | \$ 700 | \$500 |

- 1) PI and PPO have QM as part of company application. Alarm and Repo have separate QM certificate. Fee amounts listed include QM certificate fee.
- 2) Locksmith Act does not provide for QM; therefore, application does not include a QM applicant review.
- 3) Training Facilities do not have a QM but require an instructor to be associated as a condition for maintenance of the certification. The fee for a Firearms or Baton instructor certification is \$350.