

DEPARTMENT OF CONSUMER AFFAIRS
TITLE 16. PROFESSIONAL AND VOCATIONAL REGULATIONS
DIVISION 7

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES
NOTICE OF PROPOSED REGULATORY ACTION CONCERNING:
Fees

NOTICE IS HEREBY GIVEN that the Bureau of Security and Investigative Services is proposing to take the action described in the Informative Digest below, after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Bureau has not scheduled a public hearing on this proposed action. However, the Bureau will hold a hearing if it receives a written request for a public hearing from any interested person, or the interested person's authorized representative, no later than 15 days prior to the close of the written comment period. A hearing may be requested by making such request, in writing, addressed to the individuals listed under "Contact Person" in this Notice.

WRITTEN COMMENT PERIOD

Written comments relevant to the action proposed, including those sent by mail or e-mail to the addresses listed under "Contact Person" in this Notice, must be **received by the Bureau at its office no later than 5:00 p.m. by Tuesday, April 1, 2025**, or must be received by the Bureau at the hearing, should one be scheduled.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by sections 6980.7, 6980.79, 7501.6, 7511, 7515, 7570, 7574.11, 7574.13, 7574.36, 7581, 7588, 7591.6 and 7599.70 of the Business and Professions Code (BPC), the Bureau is considering amending sections 638, 639, 640, 641, 642, & 642.5 of Title 16 of the California Code of Regulations (CCR).

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

The Bureau of Security and Investigative Services is a licensing bureau within the Department of Consumer Affairs. The Bureau regulates licensed locksmiths, private investigators, private security services, alarm company operators and agents, repossessors, and proprietary private security. The protection of the public shall be the highest priority for the Bureau in exercising its licensing, regulatory, and disciplinary functions.

BPC sections 6980.7, 6980.79, 7501.6, 7511, 7515, 7570, 7574.11, 7574.13, 7574.36, 7581, 7588, 7591.6 and 7599.70 authorize the Bureau to set fees by regulation and sets forth the minimum and maximum fee ranges for application, examination,

reexamination, original license and renewal, initial registration, employee initial registration, branch certificates, processing for assignment, firearms permit and renewal, qualified manager certificate and renewal, initial baton permit and renewal, and delinquency and reinstatement for all licensees regulated by the Bureau.

Existing regulations at §§ 638 through 642.5 of Article 8 of Division 7 of the CCR set fees for locksmiths, private investigators, private security services, alarm company operators and agents, collateral recovery, and proprietary private security officers.

The Bureau is seeking to amend the fees charged for locksmiths, private investigators, private security services, alarm company operators and agents, collateral recovery, and proprietary private security officers related to application, examination, reexamination, original license and renewal, initial registration, employee initial registration, branch certificates, processing for assignment, firearms permit and renewal, qualified manager certificate and renewal, initial baton permit and renewal, and delinquency and reinstatement.

This proposal is necessary to help ensure the Bureau has additional resources to maintain the highest priority of consumer safety and protection and to help to recover costs for administration and enforcement.

The Bureau has a structural imbalance identified in 2022. The imbalance is primarily due to increased costs related to Bureau operations and an increase in licensing and enforcement-related costs including, Attorney General and Office of Administrative Hearing costs related to disciplinary actions.

The Bureau is projected to become insolvent if no action is taken and the Bureau fully expends its appropriation. In 2017, the Bureau conducted an audit and received authority to increase existing fees by 40%. The Bureau determined to increase fees by 30% and reserve the remaining 10% for a later date. Given the increase in labor, complexity of applications, and applicants, the Bureau deemed it necessary to impose the additional 10% fee increase.

The Bureau's Advisory Committee began discussing the process of increasing fees in 2023.

The fee increases are necessary to alleviate the structural imbalance the Bureau currently faces and help ensure the Bureau can meet its consumer protection goals by having the funding to administer and enforce the Bureau's practice Acts and related regulations.

Anticipated Benefits of Proposal

The Bureau has determined that this regulatory proposal will have the following benefits to the welfare and public safety of California residents:

This action benefits California consumers because setting new fee amounts will help the Bureau to recover administrative costs, reduce the Bureau's structural imbalance, ensure the Bureau has sufficient funds to carry out its consumer protection mandate of overseeing licensees in the security industry, and continue the Bureau's daily functions, enforcement,

and licensing operations without interruption to help ensure public safety and protection.

If this regulatory proposal is not adopted, the Bureau may need to restrict its core operations, including slowing its ability to process applications, restricting investigations, and limiting the Bureau's ability to adjudicate alleged violations of the law by locksmiths, private investigators, private security services, alarm company operators and agents, and repossessioners in an expedient manner. These restrictions to the operations and functions of the Bureau could result in licensing backlogs and compromise the Bureau's ability to achieve its mission and statutory mandate of consumer protection.

This regulatory proposal does not affect the health of California residents, worker safety, or the environment.

Evaluation of Consistency and Compatibility with Existing State Regulations

During the process of developing this regulatory proposal, the Bureau conducted a search of any similar regulations on these topics and has concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

INCORPORATION BY REFERENCE

This rulemaking does not incorporate forms or documents by reference.

DISCLOSURES REGARDING THIS PROPOSED ACTION

The Bureau has made the following initial determinations:

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

The Bureau estimates the proposed regulations will increase revenues by approximately \$1.8 million and help to reduce the structural imbalance.

Because the Bureau currently charges the fees in this proposal and/or performs workload associated with these programs and fees, no additional workload and costs are anticipated.

The Bureau estimates one-time information technology (IT) costs of \$27,000 to update cashiering and accounting software. Any IT costs will be absorbed within existing resources.

The regulations do not result in costs or savings in federal funding to the state.

Nondiscretionary Costs/Savings to Local Agencies: None.

Cost to any Local Agency or School District for which Government Code Sections 17500 - 17630 Require Reimbursement: None.

Mandate Imposed on Local Agencies or School Districts: None.

Significant Effect on Housing Costs: None.

BUSINESS IMPACT ESTIMATES

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Cost Impact on Representative Private Person or Business

The proposed regulations increase fees in CCR 638 as follows:

Locksmith Company Operator:

- Initial Application: Current \$250; Proposed \$275
- Original License: Current \$250; Proposed \$275
- Renewal License: Current \$500; Proposed \$550

Locksmith Company Branch:

- Initial Registration: Current \$250; Proposed \$275
- Renewal Registration: Current \$150; Proposed \$165

Locksmith Employee:

- Initial Registration: Current \$55; Proposed \$60
- Renewal Registration: Current \$40; Proposed \$44

The proposed regulations increase fees in CCR 639 as follows:

Private Investigator:

- Initial Application and Exam: Current \$340; Proposed \$374
- Original License: Current \$385; Proposed \$424
- Assignment: Current \$400; Proposed \$440
- Renewal License: Current \$265; Proposed \$292
- Re-Examination: Current \$60; Proposed \$66

Private Investigator Branch Office:

- Original Branch Certificate: Current \$90; Proposed \$99
- Renewal Branch Certificate: Current \$65; Proposed \$72

Private Investigator Qualified Manager:

- Initial License: Current \$350; Proposed \$385
- Renewal License: Current \$225; Proposed \$248
- Re-Examination: Current \$60; Proposed \$66

Firearms Permit:

- Initial Permit: Current \$100; Proposed \$110
- Renewal Permit: Current \$80; Proposed \$88

The proposed regulations increase fees in CCR 640 as follows:

Private Patrol Operator:

- Initial Application and Exam: Current \$550; Proposed \$605
- Original License: Current \$770; Proposed \$847
- Renewal License: Current \$900; Proposed \$990

Private Patrol Operator Qualified Manager:

- Initial License: Current \$350; Proposed \$385
- Re-Examination: Current \$60; Proposed \$66
- Renewal License: Current \$225; Proposed \$248

Security Guard:

- Initial Registration: Current \$55; Proposed \$60
- Renewal Registration: Current \$40; Proposed \$44

Private Patrol Operator Branch Office:

- Original Certificate: Current \$250; Proposed \$275
- Renewal Certificate: Current \$150; Proposed \$165

Baton Training Facility:

- Initial Certificate: Current \$700; Proposed \$770
- Renewal Certificate: Current \$550; Proposed \$605

Firearms Training Facility:

- Initial Certificate: Current \$800; Proposed \$880
- Renewal Certificate: Current \$750; Proposed \$825

Baton Training Instructor:

- Initial Certificate: Current \$350; Proposed \$385
- Renewal Certificate: Current \$275; Proposed \$303

Firearms Training Instructor:

- Initial Certificate: Current \$350; Proposed \$385
- Renewal Certificate: Current \$300; Proposed \$330

Baton Permit:

- Initial Permit: Current \$60; Proposed \$66
- Renewal Permit: Current \$40; Proposed \$44

Firearm Permit:

- Initial Permit: Current \$100; Proposed \$110
- Renewal Permit: Current \$80; Proposed \$88

The proposed regulations increase fees in CCR 641 as follows:

Alarm Company Operator:

- Initial Application: Current \$370; Proposed \$407
- Original License: Current \$600; Proposed \$660
- Assignment: Current \$400; Proposed \$440
- Renewal License: Current \$750; Proposed \$825

Alarm Company Branch:

- Original License: Current \$250; Proposed \$275
- Renewal Certificate: Current \$150; Proposed \$165

Alarm Company Employee:

- Initial Registration: Current \$55; Proposed \$60
- Renewal Registration: Current \$40; Proposed \$44

Alarm Company Qualified Manager:

- Initial Certificate and Exam: Current \$350; Proposed \$385
- Re-Examination: Current \$60; Proposed \$66
- Renewal Certificate: Current \$225; Proposed \$248

Firearm Permit:

- Initial Permit: Current \$100; Proposed \$110
- Renewal Permit: Current \$80; Proposed \$88

The proposed regulations increase fees in CCR 642 as follows:

Repossession Agency:

- Initial Application: Current \$970; Proposed \$1,067
- Renewal License: Current \$750; Proposed \$825

Repossession Agency Employee:

- Initial Application: Current \$75; Proposed \$82
- Renewal Application: Current \$40; Proposed \$44

Repossession Agency Qualified Manager:

- Original Certificate: Current \$350; Proposed \$385
- Renewal Certificate: Current \$225; Proposed \$248
- Re-Examination: Current \$60; Proposed \$66

The proposed regulations increase fees in CCR 642.5 as follows:

Proprietary Private Security Employer:

- Initial Registration: Current \$350; Proposed \$385
- Renewal Registration: Current \$350; Proposed \$385

Proprietary Private Patrol Security Officer:

- Initial Registration: Current \$55; Proposed \$60
- Renewal Registration: Current \$40; Proposed \$44

RESULTS OF ECONOMIC IMPACT ASSESSMENT / ANALYSIS

The Bureau has made the initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Impact on Jobs / Businesses

The Bureau has determined that this regulatory proposal will not have any impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California because the proposed fees are anticipated to have minimal impact on businesses because the incremental fee increase is negligible compared to the average salary of licensees.

Benefits of Regulation:

This regulatory proposal will benefit the welfare and safety of California consumers because the proposal will increase the Bureau's revenue and funding available to continue the Bureau's enforcement, investigative, licensing, examination, and public outreach operations. The proposal is not anticipated to benefit worker safety or the state's environment as this proposal is not related to any of those issues.

Business Reporting Requirements

The regulatory action does not require businesses to file a report with the Bureau.

Effect on Small Business

The Bureau has determined that the proposed regulations may affect small businesses because this proposal will increase fees for individual licenses.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Bureau must determine that no reasonable alternative it considered to the regulation or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed; would be as effective and less burdensome to affected private persons than the proposal described in this Notice; or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may submit comments to the Bureau in writing relevant to the above determinations at 2420 Del Paso Road, Suite 270, Sacramento, CA 95834 during the written comment period, or at the hearing if one is scheduled or requested.

AVAILABILITY OF STATEMENT OF REASONS AND RULEMAKING FILE

The Bureau has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Bureau, at 2420 Del Paso Road, Suite 270, Sacramento, CA 95834.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments, the Bureau upon its own motion or at the request of any interested party, may thereafter adopt the proposals substantially as described below or may modify such proposals if such modifications are sufficiently

related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal, with the modifications clearly indicated, will be available for review and written comment for 15 days prior to its adoption from the person designated in this Notice as the Contact Person and will be mailed to those persons who submit written comments or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by contacting the person named below.

You may obtain a copy of the Final Statement of Reasons once it has been prepared by making a written request to the Contact Person named below or by accessing the website listed below.

CONTACT PERSONS

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Briana Goularte
Address: Bureau of Security and Investigative Services
2420 Del Paso Road, Suite 270, Sacramento, CA 95834
Telephone No.: 279-895-1250
E-Mail Address: BSISRegs@dca.ca.gov

The backup contact person is:

Name: Valerie Peterson
Address: Bureau of Security and Investigative Services
2420 Del Paso Road, Suite 270, Sacramento, CA 95834
Telephone No.: 916-623-1049
E-Mail Address: BSISRegs@dca.ca.gov

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons, and the text of the regulations with modifications noted, as well as the Final Statement of Reasons when completed, and modified text, if any, can be accessed through the Bureau's website at https://www.bsis.ca.gov/about_us/laws/prop_regs.shtml