



Texas Burglar and Fire Alarm Association

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A Member of the National Electronic Security Alliance

Position on HB 538

HB 538 would, if enacted, allow certain municipalities to provide alarm system services.

The Texas Burglar and Fire Alarm Association opposes the adoption HB 538 for many reasons.

- **HB 538 Will Increase Consumer Costs**

- HB 538 will increase the cost to Texas consumers for installation, repair, maintenance, and inspections of fire alarm and burglar alarm systems. Recurring revenue generated from alarm monitoring services subsidizes the cost of systems.
- Consumers will be asked to pay the full cost of the installation at the time of the installation instead of spreading to cost over several years.
- Consumers will be asked to pay the full cost of repairs and maintenance that is now subsidized by monitoring fees.

- **HB 538 Will Increase the Burden on Public Safety**

- Communications center personnel will be asked to perform alarm monitoring taking them away from other duties.
- Because alarm monitoring companies seek to verify each alarm BEFORE they contact public safety the number of dispatch requests will either increase or communications center personnel will be asked to take these verification steps.
- More than 95% of alarm activations are verified as false, and police response is never notified; however, the amount of time dedicated to the "prior to police notification" process is enormous and costly.
- Communications center personnel will need to undergo training to properly monitor alarms.

- **HB 538 Will Decrease Consumer Protection and Decrease Public Safety**

- Private alarm companies are regulated by the State Fire Marshal's office, Texas Department of Insurance and by the Department of Public Safety.
- Local governments would be exempt from the requirements for background checks, education, experience, procedures and consumer protection that serve to protect Texas consumers.
- Localities are unlikely to offer access to rapidly evolving technology that provides more real time information to increase first responder safety

- **HB 538 Will Increase Costs to the Locality**

- Technology, software and equipment used to monitor alarms is anything but stagnant. It has to be continually updated to support new features.
- Many of these features are designed to reduce public safety dispatch requests. If the locality does not keep up, it will not only deprive consumers, but will add to its own burdens by not enjoying the dispatch reductions.

- **HB 538 Will Restrain Trade and Smother Consumer Choice**

- Utilizing tax dollars to build municipal owned businesses is a blatant abuse of public policy.
- Localities enjoy unfair access to consumers and an implied priority response to alarms that gives the locality an unfair advantage over private business.
- Limiting the products and features that private business can offer consumers to only those supported by the technology that the locality chooses to install will limit consumer choice.
- Private alarm monitoring companies routinely offer options for multiple product manufacturers and varied communications methods (including phone, radio, cellular and internet). Localities are unlikely to offer the same level of diversity.
- When the locality decides to purchase monitoring equipment from one manufacturer it will be an implied endorsement of that product and infer an unfair advantage over competing equipment.

In short, HB 538 offers few if any advantages for Texas and many disadvantages, and is bad public policy.