

DATE ISSUED: September 1, 2004

REPORT NO. ~~04-159~~  
Corr Report No. 04-157

ATTENTION: Honorable Mayor and City Council  
Docket of September 7, 2004

SUBJECT: Amendments to the Regulation of Alarm Systems in San Diego,  
Municipal Code Division 37

REFERENCE: Manager's Report No. 99-205, dated May 31, 2000

### SUMMARY

Issues – Should the City of San Diego amend the Municipal Code regulating alarm systems?

Manager's Recommendation – Approve the proposed amendment.

Other Recommendations – The Small Business Advisory Board voted on January 31, 2001, to support the proposed amendment along with other steps as detailed in this Report.

Fiscal Impact – The proposed amendment will generate revenue increases and soft cost savings in the first full year after the adoption of the ordinance. Revenue increases are estimated at \$1,112,305.00 due to improvements in securing alarm user permits and higher fines. An estimated 15% reduction in calls for service will generate a soft cost savings of approximately \$374,723.00.

### BACKGROUND

On October 27, 1999, the Public Safety and Neighborhood Services (PS&NS) Committee considered proposed amendments to the Regulation of Alarm Systems in San Diego, Municipal Code Division 37. The amendment proposed to reduce the number of false alarms. False alarms comprise 99% of the alarms to which Police Officers respond, resulting in response cost to the City of nearly \$2.4 million. The proposed amendment to Division 37 was intended to target chronic false alarm abusers, bring unpermitted users into compliance, place increased

responsibility on alarm businesses for educating and training users, and require alarm monitoring companies to follow verification procedures.

Some business interests objected to PS&NS, stating the proposed ordinance did not take into account certain concerns. These concerns pertained to the definition of a false alarm, the administration of permit fees, whether the definition of “alarm business” included retail and internet vendors, the circumstances in which misdemeanor citations may be issued. Additional concerns included whether a system based on permit revocations will have the desired effect of reducing the number of false alarm responses as compared with a system of fines as adopted in other cities and proposed in a national model ordinance. PS&NS agreed to delay further consideration of the ordinance until the City’s Small Business Advisory Board (SBAB) could conduct a public hearing on the matter. That hearing, held on July 26, 2000, raised further issues and SBAB recommended that an ad hoc working group, composed of representatives of the Police Department, small business owners, alarm companies, and SBAB, meet to resolve these issues and return to PS&NS.

The “False Alarm Task Force” had a series of meetings, and consensus was reached on numerous detail changes, including specific clarifications and word changes, as summarized in City Manager’s Report No. 99-205. In addition, consensus was reached on the following substantive provisions:

The specific changes to Division 37 as recommended are as follows:

- The number of false alarms prior to revocation of a permit would be reduced by one;
- Revocation fines were substantially increased to more effectively target chronic abusers;
- Chronic abusers whose permits have been revoked and who fail to correct the false alarm problem would be deemed a public nuisance, and once deemed a public nuisance, there would be no police dispatches to alarm signals that are not robbery or call-for-help alarms; upon the user reinstating the permit and correcting the false alarm problem, police response would resume in response to alarm signals;
- Alarm businesses would be required to obtain the alarm user permit on behalf of their customers prior to activation of an alarm system;
- The permit application would include a signed certification by both the user and alarm business, stating the alarm user has been given written operating instructions for the alarm system, guidelines on how to avoid false alarms, and training on how to operate the system; the certification must also include the City Business Tax Certificate number of the alarm business;
- Alarm businesses would not be required to provide a customer list to the Police Department;

- An alarm monitoring company would have the responsibility to ensure, prior to any conversion of an alarm system, that an alarm user permit has been obtained for the alarm user;
- An alarm monitoring company would also have the responsibility to ensure that an alarm user permit has been obtained by any alarm user who has taken over control of an existing monitored alarm system previously controlled by another alarm user;
- An owner or property manager of an apartment complex would have the responsibility to ensure that an alarm user permit has been obtained for a tenant prior to the activation of an alarm system serving the tenant; if an individual unit is vacant and the system remains active, the owner or property manager would be responsible for both the permit and any false alarm activations within the unit;
- An alarm monitoring company would have the responsibility to verify an alarm prior to requesting a police response to an alarm signal, except “duress or robbery” alarms, and would be allowed to verify the alarm by telephone or other electronic means, whether or not actual contact with a person is made, to avoid an unnecessary alarm dispatch.

## DISCUSSION

In response to PS&NS’s direction, the Police Department began the process of conducting an analysis of the respective costs and benefits of the alternative enforcement approaches. The Department was able to estimate the probable costs and benefits of implementing the ordinance through a permit revocation system. The permit revocation/fine system addresses the chronic false alarm abuser with escalating fines, evidence of correction and deems the abuser a public nuisance. The process also affords the alarm permit user an appeal process through the City Manager’s Office.

In considering a cost/benefit analysis of a fine system with no permit requirement, the Police Department first encountered difficulties in quantifying the Data Processing Corporation’s cost of reprogramming the computerized alarm tracking system, the Police Department staff costs for training and operating the new tracking system and administering a schedule of fines, the Treasurer’s Office cost of collecting unpaid fines, and the City Attorney’s costs of enforcing violations. The Police Department concluded that it would not be cost-effective for the Department to implement a fine system without permit requirements and appeal processes.

The False Alarm Task Force met in two additional meetings in early 2001. In addition to discussing the cost/benefit issues, the Task Force also continued to consider business interests’ concerns about potential misdemeanor citations. In response to these concerns, the Police Department suggested that the ordinance amendment include procedural safeguards to the exercise of police discretion. Those would include letters of warning, revocation, personal contact, and an administrative appeal process. At the completion of these steps if the alarm user failed to comply they would be declared a “Public Nuisance” or issued a misdemeanor citation. The business interests responded favorably to this approach.

With a consensus on procedural safeguards, the Police Department and the False Alarm Task Force recommended the ordinance go forward for presentation to the City Council.

In 2002, the Police Department decided to look at the verified response program implemented by other law enforcement agencies throughout the United States. A new task force was formed and began a study of the program. Upon presentation of the program to the Chief of Police it was decided to abandon verified response and go forward with the original False Alarm Task Force recommendations with the following additional changes:

Raising the revocation fines higher than originally proposed. These fines were approved by City Council on May 25, 2004.

Users will pay a \$100.00 penalty for each unpermitted alarm dispatch. The Police Department responded to 11,545 unpermitted alarm locations in 2003. Although the above recommendations requiring alarm companies to obtain permits on behalf of their customers will reduce this amount in the future, there will still be alarm users that fail to comply with permit requirements. Residential permits are \$55.00 and commercial permits are \$95.00. The Department is recommending an additional amendment to the ordinance requiring unpermitted alarm users that generate alarm dispatches to pay a penalty fee in conjunction with their alarm permit fee if they fail to obtain the permit within (15) fifteen days of notification.

On May 27, 2004, a meeting was held with the original False Alarm Task Force to review the prior recommendations along with new changes. The Task Force recommends as follows:

1. The City Council adopt the amendment to Division 37, including the numerous changes arrived at by consensus described above;
2. The amendment portion raising revocation fines shall become effective thirty days after the date of adoption of the ordinance;
3. The remaining amendments shall become effective six months after the date of adoption, during which time the Police Department, alarm industry, the Police and Fire Alarm Association, the Business Improvement District Council and other interested parties will design and implement an aggressive education campaign to minimize the number of false alarms;
4. During this six month period, the Police Department will track and document alarm statistics across a range of alarm users and geographies to establish a baseline of statistics to measure reductions in false alarm responses; and
5. Twelve months after the effective date of the ordinance, the False Alarm Task Force will reconvene, review the statistics in light of the ordinance amendment, and make a recommendation to the City Council of any needed changes/amendments.

A recommendation by industry members was to require exempt locations (municipal, county, state, federal or other government industry, or any institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation) to obtain permits or register with the Police Department. Industry members believe exempt locations should pay their fair share of the Department's costs to false alarms. The City Attorney reviewed this recommendation and advised the Department they could not require exempt locations to pay permit fees or register based on the doctrine of separate sovereigns, meaning because they are separate governments we cannot make regulations regarding their activities unless they have consented.

### SUMMARY

The Police Department and the False Alarm Task Force believe the proposed ordinance amendment will reduce alarm calls for service by 15%, and will increase efficiency in both costs and use of officer's time. The Department is seeking to find a way to strike a balance between the needs of alarm owners and the constituents who need other types of police services. The above amendments will help to resolve some of these issues.

### ALTERNATIVE

1. Do not approve the ordinance amendment.
2. Recommend revisions to the proposed ordinance amendment.

Respectfully submitted,

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William M. Lansdowne  
Chief of Police  
Police Department

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Approved: P. Lamont Ewell  
City Manager

LANSDOWNE/PMM

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

- Attachment:
1. Fiscal Impact Statement
  2. Revocation/Appeal Process
  3. SBAB - Letter
  4. Manager's Report – No. 99-205
  5. Draft Ordinance