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105TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT 105–6

ARMORED CAR RECIPROCITY AMENDMENTS OF 1997

FEBRUARY 25, 1997.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BLILEY, from the Committee on Commerce, submitted the following

REPORT

[To accompany H.R. 624]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, to whom was referred the bill (H.R. 624) to amend the Armored Car Industry Reciprocity Act of 1993 to clarify certain requirements and to improve the flow of interstate commerce, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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39–006

PURPOSE AND SUMMARY

The bill clarifies certain requirements of the Armored Car Industry Reciprocity Act of 1993 (P.L. 103–55, codified at 15 U.S.C. 5902 et seq.) and improves the flow of interstate commerce.

BACKGROUND AND NEED FOR LEGISLATION

Armored car companies continue to be an important part of our nation's economy, transporting billions of dollars annually in valuable goods, including currency, coin, negotiable securities, food stamps, and other valuables. For interstate shipments, the Federal government continues to be one of the armored car industry's largest customers, using private companies to transport food stamps, currency and coin, and other negotiable documents from central printing and distribution points to localities across the country. Typical shipments carried by armored car can range in value from $100,000 to $40 million. While most shipments are made within a 350-mile area, the value of cargoes shipped interstate tends to be higher, making them more lucrative targets for thieves and domestic terrorists.

The dangers faced by armored car crew members are significant. According to statistics from the Federal Bureau of Investigation's (FBI's) Violent Crimes Section, the FBI investigated 68 attempted robberies of armored vehicles during Fiscal Year 1995 and another 30 attempted robberies in the first six months of calendar year 1996. The National Armored Car Association estimates that there were 107 attempted robberies during calendar year 1995. Further, the Committee received testimony that, due to increased violence among juvenile offenders, there has been an increasing number of fatalities of armored car crew members during robbery attempts. Clearly there continues to be a need for these crew members to be armed to protect both themselves and their valuable cargoes.

There are approximately 13,000 people employed nationwide as armored car crew members, although only approximately 3,000 regularly travel in interstate commerce. However, until Congress enacted the Armored Car Industry Reciprocity Act of 1993, there was no standardized method of obtaining weapons permits from those States in which armored car crews needed to travel. Each State had different requirements and procedures for obtaining weapons permits, which either placed a great burden on armored car companies to obtain licenses in every State in which a crew member conceivably might travel, or required the crews to travel without the necessary permits, an outcome which neither the crew members, the companies, nor law enforcement officials desired. These problems are discussed in greater detail in the Committee's report on the original Act (H. Rpt. 103–62).

The Armored Car Industry Reciprocity Act of 1993 entitled certain armored car crew members with a weapons permit issued by the State in which they were primarily employed to lawfully carry a weapon in any State while protecting the security of valuable goods in interstate commerce in the service of an armored car company. However, reciprocity was only granted to crew members from those States requiring criminal background checks and regular weapons safety and marksmanship training.

In the several years since passage of the original Act, a number of technical problems and drafting ambiguities have come to light. The first problem was that some States require a "private security officer's license" in addition to a weapons license. Although individuals with a license issued by a State which met the requirements in the original Act would be granted reciprocity with respect to their weapons license, it was unclear to State regulators as to whether the requirement for a private security officer's license was superseded as well. While the clear intent of the original Act was to allow armored car crew members to travel freely in interstate commerce, State regulators have requested clarification of this issue.

The second problem raised was an inconsistency between the annual reporting requirement for criminal background checks and training information required in the Act. Most States have instituted two-year renewal cycles for weapons permits, primarily as a cost-saving measure. In light of this fact, the annual requirement for training and criminal background checks would have imposed an additional burden on the States. While the States have indicated they believe that both continuing training and background monitoring are important, they have requested the flexibility to collect that information in accordance with their own preexisting procedures.

The third major problem arose from a drafting ambiguity in the original Act which required the permit holder to provide the criminal background information. Since virtually every State requires the issuing agency to conduct background checks of permit applicants, this requirement was inconsistent with the normal practice and procedure employed by the responsible agencies. This does not reflect the intent of the Congress and requires clarification.

Currently, of the 33 States which require regular criminal background checks and weapons training as requirements for the issuance of weapons permits, only 5—Illinois, Louisiana, Maryland, North Carolina, and Virginia—meet the definitions set forth in the Act as originally enacted. After passage of H.R. 624, armored car crew members in an additional 28 States would qualify for reciprocity, and the Committee believes that the amended Act will serve as an incentive to other States to upgrade their licensing regimes.

The intent of the Congress in enacting the original Act was to lift the burden on interstate commerce created by the diverse State licensing schemes in place at the time. With the changes contained in H.R. 624, the Act will better achieve that purpose.

HEARINGS

The Subcommittee on Telecommunications, Trade, and Consumer Protection held a hearing on H.R. 624, the Armored Car Reciprocity Amendments of 1997, on February 11, 1997. The Subcommittee received testimony from Mr. James L. Dunbar, Chairman and Chief Executive Officer of Dunbar Armored, Inc., on behalf of the National Armored Car Association, and Mr. Wayne Rogillio, Executive Secretary, Louisiana State Board of Private Security Examiners, on behalf of the National Association of Security and Investigative Regulators. Both witnesses testified in favor of the legislation.

COMMITTEE CONSIDERATION

On February 11, 1997, the Subcommittee on Telecommunications, Trade, and Consumer Protection met in open markup session and approved H.R. 624, the Armored Car Reciprocity Amendments of 1997, for Full Committee consideration, without amendment, by a voice vote.

On February 13, 1997, the Committee on Commerce met in open markup session and ordered H.R. 624 reported to the House, without amendment, by a voice vote.

ROLL CALL VOTES

Clause 2(l)(2)(B) of Rule XI of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. There were no recorded votes taken in connection with ordering H.R. 624 reported. A motion by Mr. Bliley to order H.R. 624 reported to the House, without amendment, was agreed to by a voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(l)(3)(A) of Rule XI of the Rules of the House of Representatives, the Committee held a legislative hearing and made findings that are reflected in this report.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Pursuant to clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(l)(3)(B) of Rule XI of the Rules of the House of Representatives, the Committee finds that H.R. 624, the Armored Car Industry Reciprocity Improvement Act of 1996, would result in no new or increased budget authority or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, February 24, 1997.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate and intergovernmental mandates statement for H.R. 624, the Armored Car Reciprocity Amendments of 1997. The bill would impose no new private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995.

If you wish further details on these estimates, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), and Leo Lex (for the impact on state and local governments).

Sincerely,

PAUL VAN DE WATER
(For June E. O'Neill, Director).

Enclosures.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

CBO estimates that enacting H.R. 624 would result in no cost to the federal government. Because enactment of H.R. 624 would not affect direct spending or receipts, pay-as-you-go procedures would not apply to the bill.

H.R. 624 would amend the Armored Car Industry Reciprocity Act of 1993 to require reciprocity among states for the weapons license and all other necessary licenses if a member of an armored car crew is licensed and has met all requirements in the state in which he or she is primarily employed. This provision would apply only if the licensing agency meets certain minimum requirements. In order for reciprocity to apply, the bill also would require that a criminal background check be conducted when the armored car crew member is seeking the initial license. Finally, H.R. 624 would repeal the standard for reciprocity requiring that the weapons permit be renewed on an annual basis. Because the provisions of H.R. 624 would not affect federal laws regarding the possession of weapons, CBO estimates that enacting this bill would result in no cost to the federal government.

The CBO staff contact for this estimate is Susanne S. Mehlman. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

CONGRESSIONAL BUDGET OFFICE INTERGOVERNMENTAL MANDATES STATEMENT

Summary

H.R. 624 would amend the Armored Car Reciprocity Act of 1993 to require reciprocity among states for the licensing of members of armored car crews.

Intergovernmental mandates contained in bill

State governments would be required to recognize the validity of licenses and certifications issued by other states for members of ar-

mored car crews, as long as those states comply with minimum federal standards and as long as time limits on the licenses are met.

Estimated direct costs of mandates to State, local, and tribal governments

Do the direct costs exceed the statutory threshold ($50 million in 1996, adjusted annually for inflation)?

No.

Total direct costs of mandates

CBO estimates that the mandate contained in H.R. 624 would impose direct costs on state, local, and tribal governments totaling less than $500,000 annually.

The mandate imposed by H.R. 624 would affect states that have regulations governing the licensing of members of armored car crews that are more stringent than those of other states that meet minimum federal standards. For example, some states require that ever members be certified to carry firearms and that they possess a security guard license. Over 30 states have such requirements that either meet or exceed the federal minimum standards. H.R. 624 would preclude these states with higher standards from requiring out-of-state armored car crew members to acquire additional licenses before traveling through the state.

CBO contacted officials from six states and spoke with industry representatives during the course of preparing this estimate. No state reported issuing a significant number of out-of-state licenses; however, states that license out-of-state crew members may face some cost in terms of lost fee revenue under the terms of H.R. 624. On a state-by-state basis, this cost would be minimal because most crew members travel within a limited area; consequently, few crew members need to acquire more than one out-of-state license. Likewise, individual states receive few applications for such licenses. Approximately 3,000 armored car crew members nationwide travel across state lines. License fees for crew members range from $30 to $150 annually. Assuming that most interstate crew members procure a license from one neighboring state under current law, the aggregate annual revenue loss to states would be less than $500,000. This loss of revenue would be partly offset by reduced costs from issuing fewer licenses.

Appropriation or other Federal financial assistance provided in bill to cover mandate costs

None.

Other impacts on State, local, and tribal governments

None.

Estimate prepared by: Leo Lex.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee finds the Constitutional authority for this legislation in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title of the bill, the Armored Car Reciprocity Amendments of 1997.

Section 2. Clarification of State reciprocity of weapons licenses issued to armored car company crew members

Subsection (a) amends subsection 3(a) of the Armored Car Industry Reciprocity Act of 1993 (15 U.S.C. 5902(a)) to provide that if an armored car crew member employed by an armored car company has a weapons permit issued by an appropriate State agency in the State in which the crew member is primarily employed to carry a weapon or weapons while in the services of such company, and the State meets the statute's minimum criteria, and has met all other applicable requirements in the State in which the crew member is employed, then that crew member shall be entitled to lawfully carry any weapon authorized by the license and function as an armored car crew member in any State.

Subsection (b) amends subsection 3(b) of the Armored Car Industry Reciprocity Act (15 U.S.C. 5902(b)) to clarify the minimum requirements for States' licenses to be granted reciprocity. When issuing an initial license to an armored car crew member, the State must determine to its satisfaction that (1) the crew member has received both classroom and range training in weapons safety and marksmanship during the current year from a qualified instructor for each weapon that the crew member is licensed to carry, and (2) that receipt or possession of a weapon by the crew member would not violate Federal law, as determined on the basis of a criminal records background check conducted during the current year. When issuing renewal licenses, the State must determine to its satisfaction that (1) the crew member received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry, and (2) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency.

Paragraph (3) of subsection (b) places a further qualification on States seeking reciprocity for their weapons licenses under the Act. In order for a State's license to meet the minimum standards for reciprocity, a State may not issue either an initial or renewal license for a period to exceed two years, unless such State enacted a law prior to October 1, 1996, which provided for a longer issuance period, in which case the license may be issued for no longer than five years.

Section 3. Effective date

Section 3 sets the effective date of the amendments as 30 days after enactment of this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 3 OF THE ARMORED CAR INDUSTRY RECIPROCITY ACT OF 1993

SEC. 3. STATE RECIPROCITY OF WEAPONS LICENSES ISSUED TO ARMORED CAR COMPANY CREW MEMBERS.

[(a) IN GENERAL.—If an armored car crew member employed by an armored car company has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum State requirements under subsection (b), then such crew member shall be entitled to lawfully carry any weapon to which such license relates in any State while such crew member is acting in the service of such company.

[(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if in issuing a weapons license to an armored car crew member described in subsection (a), the agency requires the crew member to provide information on an annual basis to the satisfaction of the agency that—

[(1) the crew member has received classroom and range training in weapons safety and marksmanship during the current year by a qualified instructor for each weapon that the crew member is licensed to carry; and

[(2) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year.]

(a) IN GENERAL.—If an armored car crew member employed by an armored car company—

(1) has in effect a license issued by the appropriate State agency (in the State in which such member is primarily employed by such company) to carry a weapon while acting in the services of such company in that State, and such State agency meets the minimum requirements under subsection (b); and

(2) has met all other applicable requirements to act as an armored car crew member in the State in which such member is primarily employed by such company;

then such crew member shall be entitled to lawfully carry any weapon to which such license relates and function as an armored car crew member in any State while such member is acting in the service of such company.

(b) MINIMUM STATE REQUIREMENTS.—A State agency meets the minimum State requirements of this subsection if—

(1) in issuing an initial weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

(A) the crew member has received classroom and range training in weapons safety and marksmanship during the current year from a qualified instructor for each weapon that the crew member will be licensed to carry; and

(B) the receipt or possession of a weapon by the crew member would not violate Federal law, determined on the basis of a criminal record background check conducted during the current year;

(2) in issuing a renewal of a weapons license to an armored car crew member described in subsection (a), the agency determines to its satisfaction that—

(A) the crew member has received continuing training in weapons safety and marksmanship from a qualified instructor for each weapon that the crew member is licensed to carry; and

(B) the receipt or possession of a weapon by the crew member would not violate Federal law, as determined by the agency; and

(3) in issuing a weapons license under paragraph (1) or paragraph (2), as the case may be—

(A) the agency issues such license for a period not to exceed two years; or

(B) the agency issues such license for a period not to exceed five years in the case of a State that enacted a State law before October 1, 1996, that provides for the issuance of an initial weapons license or a renewal of a weapons license, as the case may be, for a period not to exceed five years.

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