

Calendar No. 538

105TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 105-297

ARMORED CAR INDUSTRY RECIPROCITY ACT

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

H.R. 624



SEPTEMBER 1, 1998.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FIFTH CONGRESS

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Mr. MCCAIN, from the Committee on Commerce, Science, and
Transportation, submitted the following

REPORT

[To accompany H.R. 624]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (H.R. 624) “An Act 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, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

H.R. 624 clarifies certain requirements of the Armored Car Industry Reciprocity Act of 1993 (P.L. 103-55, 15 USC 5902 et seq.).

BACKGROUND AND NEEDS

The armored car industry transports billions of dollars annually in currency and valuable goods, including food stamps, jewelry, rare metals and negotiable instruments. Typical shipments carried by armored cars range in value from \$100,000 to \$40 million. Because armored cars frequently transport such valuable cargoes, they have become attractive targets for criminals. As a result, crew members have been the victims of violent crimes and large amounts of valuables have been lost. According to statistics from the Federal Bureau of Investigation’s (FBI’s) Violent Crime 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 1996.

In an effort to protect themselves from criminal attack armored car crew members carry firearms. Of the approximately 13,000 peo-

ple employed nationwide as armored car crew members, more than 3,000 of these crew members regularly travel through numerous states, with their valuable shipments, subjecting themselves to a variety of weapons licensing requirements in each and every state through which they travel. These differing requirements subject crew members and their employers to unreasonable burdens, requiring them to obtain licenses in all states in which they may be required to travel. That proved impossible for many, because of the length of time required to obtain such licenses.

In 1993, Congress enacted the Armored Car Industry Reciprocity Act, P.L. 103-55, in order to alleviate these burdens resulting from the varying weapons permit requirements. P.L. 103-55 entitled armored car crew members, holding valid weapons permits from the states where they are primarily employed, to lawfully carry a weapon in any state while protecting the valuables in interstate commerce, while in the service of an armored car company. Congress only authorized reciprocity for crew members licensed in states which required a criminal records background check and training in the use of weapons.

Since passage of the original Act, a number of technical problems and drafting ambiguities have come to light. P.L. 103-55 did not result in granting many crew members the benefits of reciprocity intended by Congress. Because many states require armored car crews to hold "private security licenses" in addition to weapons permits, it was not clear that the statute would grant reciprocity on those security licenses. So, 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 with regards to the "private security licenses."

Another difficulty with the Act is its requirement for annual background checks and training. Most states, as a costs-savings matter, grant licenses for two year periods. Therefore, the requirement for annual training and background checks places an unreasonable burden on these states. State officials have requested Congress to conform the law to the two year cycle.

Finally, H.R. 624 corrects a drafting error. The original Act required the individual applying for a weapons permit to supply his or her own criminal background information. Since nearly every State requires the issuing agency to conduct background checks of permit applicants, this language was inconsistent with the normal practice and procedures of the various State agencies.

Clearly, this was not what Congress intended. 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. With the changes contained in H.R. 624, the Act will better achieve that purpose.

Currently, 33 States require regular criminal background checks and weapons training, as requirements for the issuance of weapons permits. Only 5 States; Illinois, Louisiana, Maryland, North Carolina and Virginia meet the definitions, as originally set forth in the Act. Upon passage of this bill, 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 the other remaining States to upgrade their licensing regimes.

LEGISLATIVE HISTORY

Representative Whitfield introduced H.R. 624 and the bill was referred to the House Committee on Commerce on February 6, 1997. The Committee reported the bill by voice vote on February 13, 1997. On February 26, 1997, the bill was called up by the House, under suspension of the rules, and passed by a vote of 416-0.

On February 27, 1997, H.R. 624 was received in the Senate, read twice and referred to the Committee on Commerce, Science, and Transportation. On November 4, 1997, the Committee in open executive session ordered the bill to be reported favorably and without amendment by unanimous voice vote.

SUMMARY OF MAJOR PROVISIONS

H.R. 624 clarifies the requirements under which states would provide reciprocal recognition of weapons licenses issued to armored car crew members. It does so by providing 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 service of such company, and the State meets the statutes 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.

The bill also clarifies the minimum requirements needed for a State in order to be granted reciprocity. States are required to determine if applying crew members have received both classroom instruction and range training in weapons safety and marksmanship, from a qualified instructor, during the current year. States must determine that receipt or possession of a weapon by the crew member will not violate any Federal laws. Furthermore, when issuing renewal licenses States must determine that the crew member received continuing training from a qualified instructor, and that the receipt of a weapon will not violate any Federal laws.

Finally, States seeking reciprocity for their weapons licenses, under the Act, may not issue either initial or renewal licenses for a period exceeding two years, unless such States enacted a law prior to October 1, 1996, which provided for a longer issuance period. If this is the case then the license may be issued for a period no longer than five years.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 624—Armored Car Reciprocity Amendments of 1997

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*H.R. 624—Armored Car Reciprocity Amendments of 1997*

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 armored 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 crew 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 requir-

ing 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.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

The bill, as reported, would clarify certain requirements within the Armored Car Industry Reciprocity Act of 1993, and it would improve the flow of interstate commerce. The bill would help to reduce the financial burden on armored car companies who are required to obtain licenses or permits in every State in which an armored car crew may travel. The bill would have no effect on the number of individuals already regulated or on the personal privacy of such individuals.

SECTION-BY-SECTION ANALYSIS

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 section 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 service 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 section 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 the receipt or possession of a weapon by the crew member would not violate any Federal law, as determined on the basis of 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 exceeding 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 bill.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, 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 material is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 15. COMMERCE AND TRADE

CHAPTER 85. ARMORED CAR INDUSTRY RECIPROCITY

§ 5902. 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.