NBFAA WHITE PAPER ON BILLING

FALSE ALARM FINE BILLING PERIODS

An alarm ordinance typically defines a false alarm and how that false alarm is "counted" against the alarm user for penalties or fees. Most ordinances allow the user one or two false alarms and then a fee or penalty is charged for any additional alarm activations. This document is intended to identify the most commonly used methods for counting and billing false alarms.

In determining what billing period will be used, the jurisdiction should be sure that their means of administrating the ordinance, including the software that will be utilized, would accommodate the method chosen.

A. <u>Calendar Year (Fixed Period):</u> A majority of ordinances count false alarms on a calendar year basis, from January 1 to December 31. For any alarm activations that occur between January 1 to December 31 that are over the "free" count, the user is charged.

<u>Example:</u> 1-3 False alarms in a calendar year – no charge
4, 5 & 6 False alarms - $50.00 each
7, 8 & 9 False alarms - $100.00 each

If a user had a false alarm in February 1999 and two false alarms in March 1999, they would be billed for any additional false alarms that occurred through December 31, 1999 of that same year. The user would then "start over" for any false alarm activations occurring in the next calendar year, January 1, 2000 through December 31, 2000.

B. <u>Calendar Quarter:</u> This is a variation of the calendar year. (May also be used for a 60 day or 180 day period.)

<u>Example</u>: 1st false alarm in a calendar quarter - free
2nd, 3rd & 4th - $50.00
5th and over - $100.00

If a user had a false alarm in February 1999 and a second false alarm in March 1999, they would be billed $50.00 for the March false alarm activation. Since the counting would start over again with the next calendar quarter, if the user generated the next false alarm in July 1999 it would be their first activation in that quarter and would not be chargeable.

C. Permit Date Counting Method: Some ordinances count false alarms in a fixed 12-month period from the date of the specific individual alarm user permit date.
   Example: Permit date May 9th, 1999. If the user has a false alarm on September 3, 1999 and three more false alarms in December 1999, they would have a total of four false alarms for the time period of May 9, 1999 through May 8, 2000. If the ordinance used a fee schedule, which allowed for 1-3 free false alarms and a fee of $50 for the fourth false alarm, the fourth false alarm (which occurred in December) would be charged as $50.00.

D. Rolling Method: Some ordinances define the counting period as the number of false alarms that have occurred in a rolling period of time (typically 12 months) prior to any false alarm.
   Example: A false alarm occurs on March 17, 2000. To determine what number the March 17, 2000 activation is, you would count the number of false alarm activations that had occurred from March 18, 1999 to March 17, 2000.

   If a user had false alarms on June 15, 1999, July 13, 1999 and October 4, 1999, the false alarm on March 17, 2000 would be the fourth false alarm and would be subject to the penalties prescribed by the ordinance for the fourth false alarm.

E. Sliding Method: Some ordinance define the counting period within a sliding time period beginning with the first false alarm activation.
   Example: A false alarm occurs on March 17, 2000. Any false alarm activations occurring after March 17, 2000, but before March 17, 2001 would be counted.

   If a user had false alarms on March 17, 2000, May 1, 2000, July 28, 2000 and September 23, 2000, the false alarm on September 23, 2000 would be the fourth false alarm and would be subject to the penalties prescribed by the ordinance for the fourth false alarm.

Again, in determining what billing period will be used, the jurisdiction should be sure that their means of administrating the ordinance, including the software that will be utilized, would accommodate the method chosen.