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Operator's Signature

10/2/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1159

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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1159

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-14-03

Tape Number	Side A	Side B	Meter #
3	x		30.5--end
4	x		0.0-42.1
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Kelser** opened the hearing on HB 1159 that relates to unlicensed practice as a Private Investigator or security service etc. and to provide a penalty.

Russell Hons, ND Chairman of the Private Investigative & Security Board, presented written testimony in favor of passing HB 1159. (see attached)

Replying to **Thorpe's** question about "Mystery Shoppers", **Hons** stated that this is an ambiguous area of exemptions that his board will clarify through the proposed amendments.

Rep. Ekstrom inquired how the new media's activities would be affected by this legislation to which **Hons** replied that the media is exempt through the First Amendment. **Rep. Nottestad** asked **Hons** to talk about the current board he chairs. The board currently is comprised of 7 members plus the director, according to statute it can have as many as 11 members. Therefore adding another member is allowed. Replying to **Rep. Klein's** question about the number of Private Investigators in the state **Hons** said he wasn't sure, there are some 50 agencies and security guard companies that are presently registered with their board. These companies then go

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on to hire personnel to staff their businesses so there are probably 1000 people regulated by the board. By changing these statutes, he's not sure how many would be brought under regulation. **Rep. Johnson** asked about licensing costs and requirements. **Hons** said this varies depending upon activities. Private investigators' fees are \$300-350 and 2000 hours experience as a registered investigator. They must take a written test and prove financial security through bonding and insurance. Security agencies register their employees and must pay \$20 per background check. **Hons** clarified the reason for the increase in penalties and severity of charges requested in this legislation. **Rep. Klein** asked for explanation of fines and pointed out that what the intent of this legislation and what the language says may be different. **Chairman Keiser** stated that "up to" is missing from this language and that it probably ought to be drafted into an amendment. **Rep. Klein** asked how HB 1159 differs from the legislation proposed two years ago to which **Hons** replied he didn't know. **Rep. Johnson** asked about contracts with the federal government and how such scenarios may play out. **Rep. Kasper** asked for an explanation of the fines referred to on p. 6. **Hons** said that it isn't the intent, that this applies to those people already licensed by the board, i.e. currently registered security companies and investigators. The other part applies to people who are operating illegally in this field. **Rep. Froseth** asked if the present membership have been polled and if they are comfortable with the proposed changes to which **Hons** replied that to a certain extent because this has been written about in their newsletter and information appears on their website. **Rep. Johnson** asked why mystery shoppers might be covered under this type of licensing board. **Hons** said the entire board would have to make such a decision.

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John Hesse, representing the NBFAA (National Burglar & Fire Alarm Association, distributed written information and offered oral testimony in support of this legislation. One area he addressed in particular was the prevalence of false alarms and communicators for fire alarms. He stated that licensing could improve the quality of the personnel working for firms that install security systems. Replying to **Chairman Keiser's** questioning whether or not there are "bad operators" in North Dakota, **Husse** said that is true. **Rep. Thorpe** asked if background checks would add to the cost of installation. **Husse** said that reliable firms would already have background checks in place. **Rep. Johnson** asked about lower percentages of false alarms in the states that have this type of legislation in effect. **Husse** said he didn't have figures to verify this but that he is aware that often companies resort to no response in areas where there is a prevalence of false alarms. Public safety is of primary concern.

Linda Fisher, ND Unclaimed Property, offered oral testimony in favor of HB 1159.

Edward Erickson, Assistant Attorney General, expounded on several topics that have been addressed during today's hearing. He thinks that news reporters, secret shoppers and price comparers would not be required to be registered as private investigator. In section 5, regarding fines, the Attorney General's office is interpreting that the board may assess a fine, they have a choice. Erickson will discuss Chairman Keiser's suggestion with the board. Regarding kids who are helping law enforcement with tobacco sale surveys, there is a state compliance survey pursuant to a federal law that does not preclude minors from participating in such surveys providing they have parental consent. License fees are for two years, they are not annual fees. Erickson will provide the committee with a fee schedule for their consideration.

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Amy Schauer Nelson, Executive Director of the ND Fair Housing Council, spoke in opposition to HB 1159. (See attached) **Rep. Johnson** asked which areas of the bill would need to be changed in order to allow the testing for housing discrimination to continue without being in violation of this proposed legislation. Nelson called attention to the exemption section, part 1..

Paul Carmichael, Quinn Marketing and Communications, appeared in opposition to HB 1159, stating that it is extremely ambiguous in its wording.

Jack McDonald, ND Newspaper Association & ND Broadcaster's Association, provided written and oral testimony in opposition to HB 1159 as it is presently worded. He feels a clear definition of "mystery shopping" is required.

Tom Tupa, ND Electrical Contractor's Association, appeared in opposition to HB 1159. He volunteered to participate in a subcommittee to improve the language of the amendment.

Renee Fetting, ND Electrical Workers Council, spoke in opposition to HB 1159, as presently worded.

As no one else was present to appear in opposition to HB 1159, **Chairman Keiser** closed the hearing and announced that a subcommittee will meet later today to refine the amendment.

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