

2019 HOUSE JUDICIARY COMMITTEE

HB 1376

2019 HOUSE STANDING COMMITTEE MINUTES

Judiciary Committee Prairie Room, State Capitol

HB 1376
1/22/2019
31212

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: DeLores D. Shimek by Marjorie Conley

Explanation or reason for introduction of bill/resolution:

Relating to criminal history record checks for the housing finance agency.

Minutes:

Attachment 1,2

Chairman Koppelman: Opened the hearing on HB 1376.

Rep. Hatlestad District One: (Attachment #1) stopped 2:54.

Chairman K. Koppelman: Questions for **Rep Hatlestad?** This is a request to use this authority sparingly and in only cases of the final applicant and not a blanket authorization to be requesting criminal background checks routinely?

Rep. Hatlestad: Yes, that is correct.

Anita Hoffman, ND Housing Finance Agency, Division of the State Industrial Commission (Attachment #2) stopped 5:44

Rep. Vetter: How do you see your agency falling into those categories?

Anita Hoffman: We have access to personal data.

Representative Jones: What prompted this request?

Anita Hoffman: OMB brought it to our attention that we weren't listed in the Century Code. We have had a very stable workforce and we expect that there will be new hires in the coming years.

Rep. Magrum: No fiscal note?

Anita Hoffman: We do not.

Rep. Magrum: Do you have any idea what this will cost the state?

Anita Hoffman: The current cost of having both the North Dakota and the FBI

background check is \$41.25, right around \$42.00. We anticipate the new hire rate anywhere from 4 to 7 new employees per year. We are talking about \$200.00.

Rep. Magrum: Can't you do the background check already?

Anita Hoffman: We are not authorized to do the FBI background check which would have any convictions throughout the 50 states, and what we get right now from the state if there are any convictions on record. We get very limited information in North Dakota.

Opposition:

Neutral:

Closed

Reopened HB 1376.

Chairman Koppelman: What are the wishes by the committee?

Rep. Satrom: Made motion for Do Pass.

Rep. Hanson: Seconded motion.

Representative Simons: How many people in North Dakota have background checks?

Chairman K. Koppelman: I don't know the number. It's a large number.

Rep. McWilliams: Is there a blanket statewide check that lasts for years?

Chairman K. Koppelman: I would assume that if you move from state agency to state agency, a new background would not be necessary.

Rep. McWilliams: Something we could look into is making sure that they can use background checks cross departments.

Rep. Rick Becker: You can have people that have dropped allegations and they may not get the job they want because of false accusations.

Rep. Vetter: I am going to resist this.

Rep. Paur: These background checks are a source of income for the BCI. We don't have to worry about the BCI.

Chairman K. Koppelman: Lack of personnel, more than the financial side.

Chairman Koppelman: No further discussion, we will vote.

Roll Call Vote HB 1376 Yes 8 No 5 Absent 1

Rep. Satrom will be the **Carrier**.

Date: 1-22-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES

HB 1376

House Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Satrom Seconded By HANSON

Representatives	Yes	No	Representatives	Yes	No
Chairman Koppelman	✓		Rep. Buffalo	✓	
Vice Chairman Karls	✓		Rep. Karla Rose Hanson	✓	
Rep. Becker		✓			
Rep. Terry Jones	✓				
Rep. Magrum		✓			
Rep. McWilliams		✓			
Rep. B. Paulson	✓				
Rep. Paur	✓				
Rep. Roers Jones	✓				
Rep. Satrom	✓				
Rep. Simons		✓			
Rep. Vetter		✓			

Total (Yes) 8 No 5

Absent 1

Floor Assignment Rep. Satrom

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1376: Judiciary Committee (Rep. K. Koppelman, Chairman) recommends **DO PASS**
(8 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1376 was placed on the
Eleventh order on the calendar.

2019 SENATE JUDICIARY

HB 1376

2019 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Fort Lincoln Room, State Capitol

HB 1376
3/6/2019
#33268 (7:40)

- ☐ Subcommittee
☐ Conference Committee

Committee Clerk: Meghan Pegel

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new subdivision to subsection 2 of section 12-60-24 and section 54-17-07.13 of the North Dakota Century Code, relating to criminal history record checks for the housing finance agency.

Minutes:

2 Attachments

Chair Larson opens the hearing on HB 1376. Senator Osland was absent.

Patrick Hatlestad, District 1 Representative, testifies in favor (see attachment #1)

(2:50) Jolene Kline, Executive Director at the ND Housing Finance Agency, testifies in favor (see attachment #2)

Kline: Our agency services on any given day more than 9,000 mortgages for home owners, so we have social security and a lot of personal information. We also have a team of people that go out into more than 9,000 apartments on a regular basis. We need to make sure that we are hiring people that don't have criminal records in other states to protect the safety of our tenants as well as the households that we provide mortgage servicing for.

Senator Myrdal: Would the applicant pay for this or would your agency?

Kline: The agency would absorb those costs. We will not do that at the time of the application. We'll develop the processes if this bill passes out of the legislature. We pick 5-8 people to interview. Before we would offer the job to one of those 5 or 8 people, that's the time that we would do that background check, and the agency will absorb those costs as part of our hiring process.

Senator Myrdal: Representative Hatlestad mentioned that the applicant would be appraised beforehand. How do we ensure that would be done since it's not in the language?

Kline: There's another bill that passed out of both chambers that would prevent agencies from having a box on the application asking them. Those processes would have to be

developed. I would envision that we would make that disclaimer when we invite them in for an interview.

Chair Larson closes the hearing on HB 1376.

Senator Myrdal: Motions for a Do Pass.

Senator Luick: Seconds.

A Roll Call Vote Was Taken: 5 yeas, 0 nays, 1 absent. Motion carries.

Senator Myrdal will carry the bill.

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1376**

Senate Judiciary Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Myrdal Seconded By Senator Luick

Senators	Yes	No	Senators	Yes	No
Chair Larson	X		Senator Bakke	X	
Vice Chair Dwyer	X				
Senator Luick	X				
Senator Myrdal	X				
Senator Osland	AB				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Senator Myrdal

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1376: Judiciary Committee (Sen. D. Larson, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1376 was placed on the Fourteenth order on the calendar.

2019 TESTIMONY

HB 1376

HB 1376 House Judiciary Committee

#1
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page 1

Chairman Koppelman and Distinguished Members of the Judiciary Committee. Thank you for the opportunity to bring HB 1376 before you for your consideration.

For the record, my name is Patrick Hatlestad and I represent District One, which is most of the City of Williston.

The purpose of HB 1376 is to allow the North Dakota Housing Finance Agency to conduct a ***more extensive background check of final applicants if the executive director of the agency believes additional information may be necessary because certain positions have access to sensitive personal information and funds that flow through the agency.***

The agency would have the ability to request fingerprint-based FBI background checks, through BCI, for those positions deemed necessary by the executive director.

Under current ND Century Code, the agency can only request, through BCI, a background check that shows convictions on ND records. The report would not disclose pending charges within the state nor any convictions in other states. Therefore, the need to create and enact a new subsection under Section- 54-17-07.13.

The applicant will be apprised beforehand of the possibility that a criminal history record check may be required and given the opportunity to withdraw their application if they know there is something on their record that could disqualify them.

Mr. Chairman and Distinguished Committee Members, I stand for any questions. However, members of the ND Housing Finance Agency are here and are more knowledgeable concerning the agency.



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Jolene Kline Executive Director

INDUSTRIAL COMMISSION

Doug Burgum Governor

Wayne Stenehjem Attorney General

Doug Goehring Agriculture Commissioner

HB 1376

January 22, 2019

**North Dakota Housing Finance Agency
Division of the State Industrial Commission
Testimony of Jolene Kline, Executive Director
House Judiciary Committee**

Chairman Koppelman and members of the House Judiciary Committee:

My name is Anita Hoffman, business manager at the North Dakota Housing Finance Agency.

I am here in support of House Bill 1376, which will allow the North Dakota Housing Finance Agency to receive additional information from a background check and to be able to request an FBI criminal background check.

The Agency is authorized to request a North Dakota Criminal Background Check for final applicants seeking employment. The check is a name and social security-based background check and only includes North Dakota records. Currently, the Agency is only authorized to receive a report containing convictions on record in North Dakota. HB 1376 would expand authorization allowing the agency to receive notification of pending and dropped allegations.

HB 1376 will add a new subdivision to subsection 2 of section 12-60-24 of the North Dakota Century authorizing the Agency to request criminal history checks under section 54-17-07.13.

The Agency is also requesting an amendment to the proposed language in section 2 of HB 1376 pertaining to Century Code 54-17-07.13 to include the following:

"The executive director of the housing finance agency may require an applicant for employment to submit to a statewide and nationwide criminal history check under section 12-60-24."

The nationwide FBI criminal background check is fingerprint based and searches the FBI's databases and provides information pertaining to conviction in all 50 states.

Expanding the Agency's ability to request more thorough background information will further protect personal and sensitive financial information that is accessible in some positions and to fall in-line with OMB's risk management policies.

Thank you and I would be glad to answer any questions.

HB 1376 Senate Judiciary Committee

Madam Chair and Distinguished Members of the Senate Judiciary Committee. Thank you for the opportunity to bring HB 1376 before you for your consideration.

For the record, my name is Patrick Hatlestad and I represent District One, which is most of the City of Williston.

The purpose of HB 1376 is to allow the North Dakota Housing Finance Agency to conduct a ***more extensive background check of final applicants if the executive director of the agency believes additional information may be necessary because certain positions have access to sensitive personal information and funds that flow through the agency.***

The agency would have the ability to request fingerprint-based FBI background checks, through BCI, for those positions deemed necessary by the executive director.

Under current ND Century Code, the agency can only request, through BCI, a background check that shows convictions on ND records. The report would not disclose pending charges within the state nor any convictions in other states. Therefore, the need to create and enacted a new subsection under Section- 54-17-07.13.

The applicant will be apprised beforehand of the possibility that a criminal history record check may be required and given the opportunity to withdraw their application if they know there is something on their record that could disqualify them.

Madam Chair and Distinguished Committee Members, I stand for any questions. However, members of the ND Housing Finance Agency are here and are more knowledgeable concerning the agency.



Jolene Kline Executive Director

INDUSTRIAL COMMISSION

Doug Burgum Governor

Wayne Stenehjem Attorney General

Doug Goehring Agriculture Commissioner

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3.6.19

HB 1376

March 6, 2019

**North Dakota Housing Finance Agency
Division of the State Industrial Commission
Testimony of Jolene Kline, Executive Director
Senate Judiciary Committee**

Chairman Larson and members of the Senate Judiciary Committee:

My name is Jolene Kline, executive director at the North Dakota Housing Finance Agency.

I am here in support of House Bill 1376, which will allow the North Dakota Housing Finance Agency to request an FBI criminal background check on job applicants for certain positions at the discretion of the Executive Director.

The Agency is currently authorized to request a North Dakota Criminal Background Check for final applicants seeking employment. The background check is name and social security number-based and only includes a report of convictions on record in North Dakota.

HB 1376 will add a new subdivision to subsection 2 of section 12-60-24 of the North Dakota Century authorizing the Agency to request criminal history checks under section 54-17-07.13.

The new language will allow us to expand the background check to a nationwide FBI criminal background check which is fingerprint based and searches the FBI's databases and provides information pertaining to conviction in all 50 states.

Allowing the Agency to request more thorough background information when filling certain positions that handle personal and sensitive financial information is consistent with OMB's risk management policies.

Thank you and I would be glad to answer any questions.