

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1159

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorena Hall
Operator's Signature

10/2/03
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1159

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Hall
Operator's Signature

10/2/03
Date

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

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Donna Holm
Operator's Signature

1/21/03
Date

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1159
Hearing Date 1/14/03

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.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Donna Hall
Operator's Signature

1/14/03
Date

Page 3

House Industry, Business and Labor Committee

Bill/Resolution Number HB 1159

Hearing Date 1/14/03

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.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Baller
Operator's Signature

1/21/03
Date

Page 4
House Industry, Business and Labor Committee
Bill/Resolution Number HB 1159
Hearing Date 1/14/03

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.

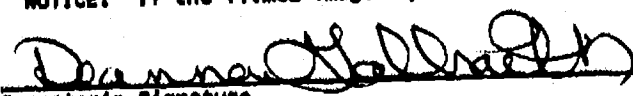
Jack McDonald, ND Newspaper Association & ND Broadcaster's Association, provided written and oral testimony in opposition to HB 1159 as it is presently worded. He feels a clear definition of "mystery shopping" is required.

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 Kelser** closed the hearing and announced that a subcommittee will meet later today to refine the amendment.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.


Operator's Signature

1/14/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1159

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/21/03

Tape Number	Side A	Side B	Meter #
3	x		30.0-32.1
3		x	0.00-12.8
Committee Clerk Signature <i>Judith Hammer</i>			

Minutes: **Chairman Kelser** called for committee work on HB 1159. **Rep. Johnson** reported on the subcommittee's progress on preparing their amendments. The issue regarding electricians bringing lines up to but not into a structure has been resolved. Fines and penalties have been lowered. The language regarding Fair Housing is being drafted. Members of the newsmedia and mystery shoppers will be exempt.

Prior to scheduled afternoon hearings, **Chairman Kelser** called for committee work on HB 1159. **Rep. Johnson** distributed copies of the drafted amendments and walked the committee through them. (See attached) The major accomplishments of what these amendments do are to allow for provision for Fair Housing compliance testers, allow mystery shoppers to continue without being licensed as private investigators, ensured that First Amendment rights of investigative reporters are not transgressed, and security systems are no longer addressed in this bill at all. Violations for not being licensed have been increased to a Class A misdemeanor. Fines have been reduced.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dan Hall
Operator's Signature

10/2/03
Date

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number 1159

Hearing Date 1/21/03

Rep. Klein moved to adopt the proposed amendments. Rep. Boe seconded the motion. A voice vote carried the move. Rep. Severson moved a do pass as amended. Rep. Nottestad seconded the motion. A roll call vote carried the motion: 9-5-0. Rep. Johnson will carry this bill on the floor.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Danina Hall
Operator's Signature

1/21/03
Date

38146.0101
Title.0200

Adopted by the Industry, Business and Labor
Committee

January 28, 2003

VK
1/29/03
1982

HOUSE AMENDMENTS TO HOUSE BILL NO. 1159 IBL 1-29-03

Page 1, line 21, remove "which must be considered to be engaged in the business of providing"

Page 1, line 22, remove "private investigative services"

HOUSE AMENDMENTS TO HB 1159 IBL 1-29-03

Page 2, line 19, overstrike "protect persons or property, or to" and after the underscored colon
insert:

"a. Protect person or property."

Page 2, line 20, replace "a." with "b."

Page 2, line 25, replace "b." with "c."

Page 2, line 27, replace "c." with "d."

Page 2, line 29, replace "d. The" with "e. Engage in the"

HOUSE AMENDMENTS TO HB 1159 IBL 1-29-03

Page 3, line 1, replace "e. Transporting" with "f. Transport"

Page 3, line 28, overstrike "the"

Page 3, line 29, overstrike "person by whom", overstrike "person is solely employed" and insert
immediately thereafter "person's employer", after the second "is" insert "legally", and
after "or" insert "is directly"

HOUSE AMENDMENTS TO HB 1159 IBL 1-29-03

Page 4, line 5, replace the underscored semicolon with an underscored period

Page 4, line 13, replace "Exemptions for security system industry:" with "A person testing for
fair housing compliance who has a state and nationwide criminal history record check
with the federal bureau of investigation for federal purposes and with the bureau of
criminal investigation for state purposes on file with the person's sponsoring
organization, provided that upon request the board may review the criminal history
background checks."

10. A person engaged in conducting or gathering objective observations of
consumer purchases of products and or services in the public
environments of a business, and a mystery and or secret shopper used for
gathering information relative to marketing, demographic, competitive, and
customer service or satisfaction purposes.

11. A person reporting for any media, including a news reporter or news
investigator.

Page 4, remove lines 14 through 21

HOUSE AMENDMENTS TO HB 1159 IBL 1-29-03

Page 4, line 27, remove the overstrike over "er", remove the first underscored comma, and remove "or security systems"

Page 4, line 28, remove the overstrike over "er" and remove the underscored comma

Page 4, line 29, remove "or security systems industry."

HOUSE AMENDMENTS TO 1159 IBL 1-29-03

Page 5, line 9, after "B" insert "A", remove the overstrike over "misdemeanor", and remove "C felony"

HOUSE AMENDMENTS TO HB 1159 IBL 1-29-03

Page 6, line 1, replace "two" with "not more than one" and remove "five hundred"

Page 6, line 2, replace "five" with "not more than two" and after "thousand" insert "five hundred"

Page 6, line 3, replace "ten" with "not more than five"

Page 6, line 29, replace "twenty-five" with "two" and after "thousand" insert "five hundred"

Renumber accordingly

Date: 1/21/03
Roll Call Vote #:

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1159

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number LC 38146.0101 Title .0200

Action Taken

Do Pass & Amended

Motion Made By

Severson

Seconded By

Nottelstad

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom	.	✓
Rep.Dosch	.	✓	Rep.Thorpe	.	✓
Rep. Froseth	✓		Rep. Zaiser		✓
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottelstad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes)

9

No

5

Absent

0

Floor Assignment

Johnson

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

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilm and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Danna Hallmark

Date

1/21/03

REPORT OF STANDING COMMITTEE (410)
January 29, 2003 12:25 p.m.

Module No: HR-17-1249
Carrier: N. Johnson
Insert LC: 38146.0101 Title: .0200

REPORT OF STANDING COMMITTEE

HB 1159: Industry, Business and Labor Committee (Rep. Kelsor, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). HB 1159 was placed on the Sixth order on the calendar.

Page 1, line 21, remove "which must be considered to be engaged in the business of providing"

Page 1, line 22, remove "private investigative services"

Page 2, line 19, overstrike "protect persons or property, or to" and after the underscored colon insert:

"a. Protect person or property."

Page 2, line 20, replace "a." with "b."

Page 2, line 25, replace "b." with "c."

Page 2, line 27, replace "c." with "d."

Page 2, line 29, replace "d. The" with "e. Engage in the"

Page 3, line 1, replace "e. Transporting" with "f. Transport"

Page 3, line 28, overstrike "the"

Page 3, line 29, overstrike "person by whom", overstrike "person is solely employed" and insert immediately thereafter "person's employer", after the second "is" insert "legally", and after "or" insert "is directly"

Page 4, line 5, replace the underscored semicolon with an underscored period

Page 4, line 13, replace "Exemptions for security system industry:" with "A person testing for fair housing compliance who has a state and nationwide criminal history record check with the federal bureau of investigation for federal purposes and with the bureau of criminal investigation for state purposes on file with the person's sponsoring organization, provided that upon request the board may review the criminal history background checks."

10. A person engaged in conducting or gathering objective observations of consumer purchases of products and or services in the public environments of a business, and a mystery and or secret shopper used for gathering information relative to marketing, demographic, competitive, and customer service or satisfaction purposes.

11. A person reporting for any media, including a news reporter or news investigator.

Page 4, remove lines 14 through 21

Page 4, line 27, remove the overstrike over "er", remove the first underscored comma, and remove ", or security systems"

Page 4, line 28, remove the overstrike over "er" and remove the underscored comma

REPORT OF STANDING COMMITTEE (410)
January 29, 2003 12:25 p.m.

Module No: HR-17-1249
Carrier: N. Johnson
Insert LC: 38146.0101 Title: .0200

Page 4, line 29, remove "or security systems industry."

Page 5, line 9, after "B" insert "A", remove the overstrike over "misdemeanor", and remove "Q
felony"

Page 6, line 1, replace "two" with "not more than one" and remove "five hundred"

Page 6, line 2, replace "five" with "not more than two" and after "thousand" insert "five
hundred"

Page 6, line 3, replace "ten" with "not more than five"

Page 6, line 29, replace "twenty-five" with "two" and after "thousand" insert "five hundred"

Renumber accordingly

Deanna Hall
Operator's Signature

10/2/03
Date

2003 TESTIMONY

HB 1159

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Donna Holladay
Operator's Signature

10/2/03
Date

House Bill 1159
Before the House Industry, Business & Labor Committee
Russell Hons, Chairman Private Investigative and Security Board
January 14, 2003

Chairman Kelser and members of the committee, good afternoon. I am Russell Hons and I am the Chairman of the North Dakota Private Investigative and Security Board. I am here today on behalf of the Private Investigative and Security board. The PISB is in favor of passing HB 1159.

The purpose of the changes found in HB 1159 are to further professionalize the industries regulated by the PISB, as well as to provide further protection to the general public.

The definition of Employee has been changed to point out the distinct differences between Employees and Sub-Contractors. In the past, due to vague language, subcontractors were being called employees for the purpose of registration, which caused problems with them not having supervision that would be afforded to a legitimate employee. Separate wording has also been added to address sub-contractors throughout HB 1159.

A major change to N.D.C.C. 43-30-01 is the definition of Private Investigative Services. The PISB feels that the current definition is too broad, and creates difficulties for the board and the general public in determining what are licensable activities. The new proposed definition clearly outlines most licensable activities, and was closely modeled from other states statutes.

The same types of changes were made to the definition of Private Security Service, which we felt should also be more clearly defined. Several of the changes to this definition were done to one, bring under the PISB's regulation, the Security System

The micrographic images on this film are accurate reproductions of records delivered to Federal Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Hall
Operator's Signature

10/2/03
Date

Installers Industry as found in 6-c, and also to bring under regulation individuals that are transporting money or other negotiable securities on a regular basis. Currently, some individuals are calling themselves carriers, and transporting these items, with no regulation, criminal background checks, educational requirements, or oversight.

The Security Systems Industry is a large and growing industry installing alarms, cameras, and other security systems in many businesses and homes. In recent months there have been several individuals and companies within the state that have caused concern. Several such persons were arrested in Grand Forks this summer as they were attempting to set up an alarm installation company. It was found that they were ex-convicts from California. One could imagine what could have happened if they had ended up completing their plan of selling, installing and monitoring these security systems. A similar situation happened in Fargo when an employee of an alarm installation company was convicted of theft after using his inside knowledge of the security system he installed to bypass the system and rob the customer. Currently, an ex-convict could be released from the state penitentiary today, and tomorrow start installing and monitoring security systems in people's homes and businesses. We feel that by bringing them under the definition of Security Services, and therefore under the PISB's control, we can regulate these individuals and make sure that they have proper criminal history checks, education, and backgrounds.

There are also numerous changes to the exemptions in N.D.C.C. 43-30-02. The first change is to narrow an existing exemption for contractors of a government agency by making only a company directly contracted by a government agency exempt from licensure, rather than allowing all subcontracts from that company to also be exempt.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Hallmark
Operator's Signature

10/2/03
Date

Exemption number four has been re-worded for clarification purposes, and exemption five was added to further clarify that collection agencies are exempted. Exemptions number six and number seven was removed. Exemption number seven was removed because we feel that it is covered by the new proposed exemption number six. The new proposed wording in exemption number seven was placed there to further clarify and corrected vagueness that became apparent after laws enacted during the last legislature. Those changes made it difficult to enforce the heir finder's regulations. Exemption 8 articulates exemptions for experts and others whose normal course of business is not of the investigative nature, but who could fall under our definitions at certain times during the course of their normal business. Exemptions under number nine are exemptions concerning the Security System Industry, exempting experts, others already regulated by other boards, proprietary systems, and retail sellers who are not installing the systems.

N.D.C.C. 43-30-03 requests that a representative of the Security System Industry be appointed to the Private Investigation and Security Board. It also puts into statute that a representative from law enforcement will always be on the board. There has always been a representative from the law enforcement community, however this is meant to clarify it and have it in the statutes for the make up of the board.

N.D.C.C. 43-30-10 has been amended to include individuals and companies who are conducting licensable activities without being licensed, and changes the penalty from at B misdemeanor to a class C Felony. The other changes outlined are to protect the board during the seeking of an injunction against a violator, and allow the PISB to recoup costs associated with the injunction.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Danina Hall
Operator's Signature

10/2/03
Date

Section 5 outlines a new proposed request by the PISB to be able to issue citations and administrative fines to individuals or companies found to be violating N.D.C.C. 43-30-10. Currently we have few actions, which include sending the violator a letter asking them to stop, or forwarding the information on to the local States Attorney for prosecution. Due to the fact that a violation is only a class B misdemeanor at this time, when we do this, some States Attorneys have refused to prosecute stating reasons that it is a minor crime, and that they don't have time with their current caseload. These changes would give the board power to issue citations and fines against these violators, while still affording them of their rights under N.D.C.C. 28-32.

The final changes are proposed in 43-30-12. Section five was added to give the board the option of assessing monetary penalties to individuals and companies already regulated by the board for violations of law and administrative rules. Currently our options are only to place them on probation, send a letter of reprimand, or revoke or not renew their license. We feel that there are times when a monetary fine for such violations as not registering employees, and other similar violations could be dealt with by a fine from the board, rather than proceeding with criminal action, or simply putting a letter of reprimand in their file.

Again, these changes are proposed to bring under our regulation and oversight, the Security Systems Industry, increase the professionalization of the Private Investigative and Security Industry, and to further protect the public from unscrupulous individuals and companies operating without regulation.

Thank you for your time. I would be pleased to answer any questions you might have.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorena Hall
Operator's Signature

10/2/03
Date



8300 Colesville Road
Suite 750
Silver Spring, MD 20910

Husse

(301) 585-1855

Fax (301) 585-1866

NBFAA POSITION PAPER ON: State Licensing of Alarm Companies

What is the NBFAA?

Founded in 1948, the National Burglar & Fire Alarm Association (NBFAA) represents more than 3,200 companies in each of the fifty states and four U.S. territories, engaged in the manufacture, sale, installation, service and/or monitoring of electronic systems. NBFAA is dedicated to raising the level of professionalism within the industry to the benefit of the electronic system-using public, public safety organizations and the electronic systems industry itself.

Position

NBFAA encourages the adoption of state licensing for the electronic security service industry. The Association believes that state licensing will ensure the consumer receives electronic security services of consistently high quality and will maintain a high level of professionalism in those companies delivering that product.

The following basic concepts are endorsed by the National Burglar and Fire Alarm Association for inclusion in state alarm licensing laws:

1. State licensing regulations for electronic security businesses and individuals who service, sell, install and/or monitor electronic security systems.
2. A requirement for minimum classroom training and appropriate testing for all personnel who service, sell, install and/or monitor electronic security systems.

NBFAA's National Training School has developed technical training courses (Levels 1 and 2) which meet state licensing requirements for burglar alarm technicians in many states and these courses may be suitably adapted for use by other states. For fire system technicians, NBFAA recommends the use of its Level 1 and 2 technical training and/or its Practical Fire Alarm Course as the basis for required training. Additionally, NBFAA endorses NICE1 requirements so long as there is mutual agreement among other fire-related associations and authorities having jurisdiction within the state.

3. A requirement for state and federal criminal background checks for all personnel employed by an alarm company who sell, install and/or monitor electronic security systems with a denial of a license if an individual has been convicted of a crime which directly relates to the performance of holding a license, including any act involving dishonesty or corruption, unless waived by the licensing authority.
4. A requirement for alarm companies to comply with mandatory minimum insurance coverage for liability and workman's compensation coverage.
5. Inclusion of a "recognition clause" which allows a licensed individual or business to transfer to or qualify in another state without being required to retest or to repeat equivalent training requirements.
6. The state in which an alarm monitoring company is located should conduct background checks and require training of personnel engaged in the monitoring of electronic security systems and other states

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

10/2/03

should recognize such checks and training in lieu of the other states' licensing laws relative to personnel engaged solely in the monitoring of alarm systems.

7. Inclusion of a "preemption clause" which places authority for regulating the licensing process at the state level, thereby providing consistent requirements for licensed companies and individuals serving multiple municipalities. The clause should preclude imposition of additional fees, certification, testing, etc. at the local level, but would not prevent false alarm ordinances or general, local business taxes.
8. Allow for one or more representatives from the chartered state association in a state to participate on the "state board" or other licensing authority. This allows the state licensing authority and the public to benefit from the expertise of the electronic security industry and allows the industry to represent its position effectively in matters such as proposed changes, hearings, appeals, etc.

NBFAA's position on this subject is stated in this document as a whole and no portion of it is to be taken or quoted out of context. For further information on this subject and about the electronic systems industry in general, please contact the NBFAA at 8300 Colesville Road, Silver Spring, MD 20910, call us at 301-585-1855, e-mail at fact@alarm.org, or visit www.alarm.org.

Adopted: NBFAA's Board of Director's Meeting, Boston, MA, May 9th, 1996

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Dorinda Hall
Operator's Signature

10/2/03
Date

NORTH DAKOTA FAIR HOUSING COUNCIL, INC.

533 Airport Road, Suite C
Bismarck, ND 58504
ID Relay 1-800-366-6889 (Voice)

Telephone 701-221-2530
Toll Free 1-888-265-0907
TDD 1-800-927-9275

Testimony before the House Industry, Business & Labor Committee January 14, 2003 by the North Dakota Fair Housing Council

Mr. Chairman, and members of the committee, my name is Amy Schauer Nelson and I am the Executive Director of the North Dakota Fair Housing Council (NDFHC). The NDFHC opposes passage of House Bill 1159.

This bill would require businesses, individuals and volunteers to be registered and licensed as a private investigator or a private investigation service if they attempt to gather most types of information. *The NDFHC receives subcontracts from the federal government to investigate complaints of housing discrimination and would be affected by this legislation.* Passage of this bill would also affect a number of other individuals, non-profit organizations and businesses: **retailers** who use secret shoppers to review customer service, **businesses** who internally investigate employee theft, **news reporting services and reporters**, **businesses** who self test to eliminate discriminatory hiring practices, **private citizens** checking daycare references, **restaurant critics**, and **elderly residents** verifying the legitimacy of a charitable organization's work, to name just a few.

I am aware of no other state where volunteer activities are required to be licensed as this bill would require. During any given time, the NDFHC maintains a *list of approximately 30 volunteers* who are willing to volunteer to conduct "tests". Testing is a tool used by fair housing programs to determine whether or not a landlord discriminates. The change in language under 43-30-02-Exemptions, number (1), would require the NDFHC staff and volunteers to become licensed private investigators.

Our volunteer list is constantly being updated as new testers are trained and others discontinue testing. Typically, a person will volunteer as a tester for one to two years, and new testers are continuously being recruited to replace them. Although the amount of time each volunteer donates varies from tester to tester, it rarely exceeds 2-6 hours per month, after their initial training. To require our volunteers to become licensed private investigators would be an expensive, time consuming and unworkable process, for the following reasons:

- **Time Consuming and Costly for Volunteers:** To require volunteer testers (who typically only volunteer 2-6 hours a month) to apply for licensure as private investigators, pass the Board's examination, work 2,000 hours for a detective agency, and pay the licensure fees, would deter any reasonable person from ever volunteering as a tester. To detail these costs further:
 - An employee and/or volunteer at the NDFHC would have to obtain a license to provide private investigative services. To be licensed, the individual would (1) have to pass an examination conducted by the board (\$275 including fees); and (2) provide 2,000 hours of private investigative services as a registered employee of a detective agency. For the NDFHC to obtain a license as a detective agency, its owner, member or partner must be currently licensed, individually, to provide private investigative services, and that licensee must agree to be responsible for all agency personnel who provide investigative services. Once a person or entity is licensed as a detective agency, it is free to employ

Email: ndfhc2@btl.net
Equal Housing Opportunity



Web: www.ndfhc.org
Fax 701-221-9597

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

10/2/03
Date

unlicensed persons to perform private investigatory services provided that: (1) The employee is registered with the Board; and (2) The employee is under the supervision of an individual who is licensed to provide private investigative services. The agency would then have to file with the Board a \$10,000 bond or irrevocable letter of credit, or proof of \$100,000 in errors and omissions insurance. The licensee would also have to pay examination, licensure, and certificate fees.

- **Financially Unfeasible for the NDFHC:** To conduct 120 tests (as required under the NDFHC's current HUD subcontract), it could cost an estimated \$96,000 to license the NDFHC's current testing pool as private investigators and conduct the 120 tests versus \$4,800 if using volunteers. That's if we could even find enough volunteers willing to go through the process of becoming a private investigator-which is unlikely. Another option is using professional investigators at an estimated \$50/hour. Under this option with a test taking 2-3 hours, each test would cost \$250 (not including initial training costs). To conduct 120 tests using professional investigators, it would cost an estimated \$30,000 plus initial training costs of an additional \$6,000 (\$200 per investigator and calculating 30 investigators). The NDFHC's current yearly budget is just over \$150,000 per year.
- **Lack of Diversity in Private Investigators:** Even if NDFHC had the money to hire private investigators or have its testing volunteers licensed, it is doubtful that North Dakota has a sufficient number of racially diverse men and women, with and without disabilities, located throughout North Dakota, who are licensed as private investigators and who could perform testing and other investigative functions.
- **Confidentiality:** Each investigator is required to register with the Board which is a matter of public record. For testing to be effective, a landlord who is the subject of a test must believe that the tester is a bona fide homeseeker, not an investigator, in order for the information gathered to be impartial. It would not take much effort for testers' names to be made known.
- **Loss of an Investigative Tool by the North Dakota Department of Labor's Human Rights Division:** The Department relies on testing evidence to make determinations in housing discrimination cases. Without this evidence, the Department will be forced to expend additional resources to gather evidence and make less informed determinations.
- **Loss of Federal Funds to North Dakota:** Testing is the most common tool used in fair housing investigations. It has been supported by the United States Supreme Court as an effective means of uncovering illegal housing practices. HUD requires testing in federal subcontracts. Without the means to adequately investigate allegations of housing discrimination, the result would be loss of substantial equivalency in North Dakota and loss of federal funding to the Human Rights Division at the North Dakota Department of Labor. A loss of substantial equivalency would mean that complaints would have to be filed in state or federal court or with HUD's Denver Office instead of the Department of Labor.

This legislation makes it impossible for the NDFHC to use volunteers to conduct testing which would result in a challenge to the state's substantially equivalent fair housing law. The North Dakota Fair Housing Council urges this Committee to keep the current statute language regarding exemptions, thus allowing for an exemption for organizations and volunteers contracting with the government to uncover acts of illegal discrimination.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Operator's Signature

Date

10/2/03

WHAT IS TESTING?

This legislation would dramatically affect the NDFHC's testing activities, so is important that the Committee be informed on what testing is.

What is a test? Each test consists of two paired testers who contact the same housing provider and report their experiences, which are compared to determine if differential treatment occurred. In each test, one tester (commonly referred to as the protected tester) is selected to match the personal characteristics of the complainant of housing discrimination. The personal characteristics of the other tester (commonly referred to as the control tester) are identical to those of the protected tester, except for the protected characteristic being tested. For example, if a black female complains to the NDFHC that she was denied housing because of race, the NDFHC would conduct a test using a black female as the protected tester and a white female as the control tester. Both women would otherwise have the same personal characteristics except for their race.

- **Testers are not investigators.** Testers go to open, commercial establishments and shop. They pose as shoppers and record their experiences. They do not interview subjects about persons or events, as an investigator does. They do not hold themselves out as investigators. The closest analogy to a tester would be a restaurant critic; both entered an open, commercial establishment, pose as ordinary customers, and record their experiences.
- **Testing is the most common tool used in housing discrimination investigations.** Testers have been described by the United States Supreme Court as "individuals who, without an intent to rent or purchase a home or apartment, pose as renters or purchasers for the purposes of collecting evidence of unlawful...practices." *Havens Realty Corp. v. Coleman*, 455 U.S. 363, 373 (1982). The practice of using testers to investigate allegations of housing discrimination has been approved by the United States Supreme Court and other federal courts. See e.g., *City of Chicago v. Matchmaker Real Estate Sales Center*, 982 F.2d 1086, 1089-93 (7th Cir. 1992); *Heights Community Congress v. Hilltop Realty, Inc.*, 774 F.2d 135, 138-41 (6th Cir. 1985). The North Dakota Department of Labor's Human Rights Division relies on testing to make determinations on housing discrimination cases.
- **Who are testers?** They are volunteers. They are teachers, housewives, students, government workers, police officers, and many other professionals. The requirements for qualification as a tester are that a person may not have a criminal record, must complete a tester training, and certify that their testing reports are accurate. They are given a small stipend for each test conducted, typically \$20 per test, which covers time spent conducting the test and completing a tester report form.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanna Hallmark
Operator's Signature

10/2/03
Date

JANUARY 13, 2003

HOUSE INDUSTRY, BUSINESS & LABOR COMMITTEE
HB 1159

REPRESENTATIVE KEISER AND COMMITTEE MEMBERS:

My name is Jack McDonald. I am appearing today on behalf of the North Dakota Newspaper Association and the North Dakota Broadcasters Association. We oppose HB 1159.

This bill defines "private investigative services" as getting paid to investigate, among other things, the conduct of others, the reputation of others, the origin of damages to property, the affiliation or relationships of persons with various organizations and the identity or apprehension of persons wanted for crimes. These are things our reporters work at every day. We don't think they need to be licensed to perform these services.

And, we don't understand the wording or intent of some portions of the bill. For instance, lines 18 - 22 on page 1, says private investigative service means, for pay, undertaking acts for the purpose of obtaining information for others which must be considered to be engaged in the business of providing private investigative services. What does this mean?

Then, after requiring licenses for practically any type of investigation, subsection 6 on page 3 exempts from the bill anyone who investigates anything in which that person or his employer is interested. This seems to exempt everyone?

This is a vague and confusing bill. We respectfully request that you give this a DO NOT PASS.

If you have any questions, I'd be glad to try and answer them. Thank you for your time and consideration.

The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets standards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

Deanne Hall
Operator's Signature

1/12/03
Date