

2009 HOUSE JUDICIARY

HB 1102

## 2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1102

House Judiciary Committee

☐ Check here for Conference Committee

Hearing Date: 1/12/09

Recorder Job Number: 6808, 6810

Committee Clerk Signature

*A. Remose*

Minutes:

**Chairman DeKrey:** We will open the hearing on HB 1102.

**Francine Johnson, Executive Director, ND Private Investigation & Security Board:**  
(attachment).

**Rep. Koppelman:** This is for a fee increase bill that the methodology is that you have a licensing fee every year and need flexibility of a year to year budget.

**Ms. Johnson:** Yes, in essence.

**Chairman DeKrey:** The fee increase bill is HB 1103. Thank you. Further testimony in support. Testimony in opposition. We will close the hearing. What are the committee's wishes in regard to HB 1102.

**Rep. Delmore:** I move a Do Pass motion.

**Rep. Wolf:** Second.

13 YES 0 NO 0 ABSENT

DO PASS

CARRIER: Rep. Dahl

**FISCAL NOTE**  
**Requested by Legislative Council**  
12/22/2008

Bill/Resolution No.: HB 1102

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2A. Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill is to change the license renewal basis to every year rather than that of every two years. The impact is on the industry members and license holders the board serves. There is no fiscal impact on anyone else.

**B. Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

None, aside from the license holders we serve and regulate.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

No revenues affect the executive budget. We are self regulating.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

None

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

None

<b>Name:</b>	Francine Johnson	<b>Agency:</b>	NDPISB
<b>Phone Number:</b>	222-3063	<b>Date Prepared:</b>	12/31/2008

Date: 1/12/09  
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1102

**HOUSE JUDICIARY COMMITTEE**

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ DP ☐ DNP ☐ DP AS AMEND ☐ DNP AS AMEND

Motion Made By Rep. Delmore Seconded By Rep. Wolf

Representatives	Yes	No	Representatives	Yes	No
Ch. DeKrey	✓		Rep. Delmore	✓	
Rep. Klemin	✓		Rep. Griffin	✓	
Rep. Boehning	✓		Rep. Vig	✓	
Rep. Dahl	✓		Rep. Wolf	✓	
Rep. Hatlestad	✓		Rep. Zaiser	✓	
Rep. Kingsbury	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				

Total (Yes) 13 No 0

Absent 0

Floor Carrier: Rep. Dahl

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

**REPORT OF STANDING COMMITTEE (410)**  
January 12, 2009 12:03 p.m.

**Module No: HR-05-0168**  
**Carrier: Dahl**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**HB 1102: Judiciary Committee (Rep. DeKrey, Chairman) recommends DO PASS**  
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1102 was placed on the  
Eleventh order on the calendar.

2009 SENATE JUDICIARY

HB 1102

## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1102

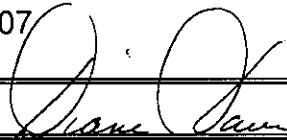
Senate Judiciary Committee

☐ Check here for Conference Committee

Hearing Date: 2/17/09

Recorder Job Number: 9607

Committee Clerk Signature



Minutes: **Senator Nething, Chairman**

**Relating to the renewal period for private investigative or security license.**

**Francine Johnson** – Executive Director – ND Private Investigation & Security Board

See written testimony.

**Senator Nething** – Asks her what the fee will be.

**Johnson** – Replies, currently the provider status and the individual license on a 2 year basis is \$130.00 and for the agency status it is \$250.00. They are looking to switch it to a 1year basis. They are keeping the fees the same but going yearly. The income remains the same but on a one year basis.

**Senator Nelson** – Wonders why their fees are in here.

**Senator Nething** – States, Chapter 43.30.

**Johnson** – Replies, they are a governor appointed board.

**Senator Olafson** – Asks if she has surveyed her members and are they okay with these fees.

**Johnson** – They have not survey, but the members are aware and they have not heard any objections.

**Senator Nething** – Asks what other states charge in this area.

**Johnson** - Says, SD doesn't regulate their industry so she can't address them, Minnesota is about 3 times our rate. They have a different licensing structure, they license the agency but they do not license the employees of those agencies. We have two categories here, licensing and registration. Currently there are approximately 700 active employees, including officers and investigators. That number changes monthly. There is approximately 25 security agencies, maybe 40 license investigator agencies.

**Senator Lyson** – Does the Legislature have anything to do with your fees.

**Johnson** – Says, we go through the legislative process in statute 43.30.

**Senator Nething** asks for her to bring some information in to the intern, to see if we need to re-refer to appropriations.

Close HB1102



## 2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1102

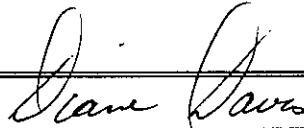
Senate Judiciary Committee

☐ Check here for Conference Committee

Hearing Date: 2/18/09

Recorder Job Number: 9655

Committee Clerk Signature



Minutes: **Senator Nething, Chairman**

Committee work

**Relating to the renewal period for private investigative or security license.**

The committee looked over information asked for by Senator Nething. Senator Olafson said

by the information they provided these fees will more than double their annual income. This is money they use for operation and does not need to be put in a fiscal note.

**Senator Olafson** moves for a do pass

**Senator Schneider** seconds

### Discussion

Senator Lyson doesn't agree with the organization. Senator Nething relates that it is better they are licensed. Senator Lyson believes their private investigations interfere with law enforcement investigations. Senator Olafson says there is no objection within their industry.

Vote – 6-0

**Senator Fiebiger** will carry

Date: 2/18/09  
Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1102

Senate JUDICIARY Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Sen. Olafson Seconded By Sen. Schneider

Senators	Yes	No	Senators	Yes	No
Sen. Dave Nething – Chairman	X		Sen. Tom Fiebiger	X	
Sen. Curtis Olafson – V. Chair.	X		Sen. Carolyn Nelson	X	
Sen. Stanley W. Lyson	X		Sen. Mac Schneider	X	

Total (Yes) 6 (N) 0

Absent \_\_\_\_\_

Floor Assignment Sen. Fiebiger

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

**REPORT OF STANDING COMMITTEE**

**HB 1102: Judiciary Committee (Sen. Nething, Chairman) recommends DO PASS**  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1102 was placed on the  
Fourteenth order on the calendar.

2009 TESTIMONY

HB 1102

House Bill No. 1102  
House Judiciary Committee  
Francine Johnson,

Executive Director, North Dakota Private Investigation & Security Board  
January 12, 2009

*Same given to Senate.*

I am here on behalf of the North Dakota Private Investigation & Security Board to testify in support of House Bill No. 1102.

This bill was submitted to change the current licensing period from a two year basis to a one year licensing period. Our board is a self regulating board solely supported by the industry it regulates. The board does not receive any funds through the general budget, legislature, or any grant monies. The current licensing practices make it difficult to budget monies on a two year basis and makes the forecast of funds and expenses unpredictable. Additionally, the board's current financial funding allows us to meet our budget but does not allow for any unusual or extraordinary events.

The board experienced considerable financial setbacks in the past two years due to litigation costs associated with an unethical license holder. In order to defend the board's actions to remove this person from the industry, considerable legal fees were utilized, thereby depleting the Board's previous funds. The board had to dip into its reserve funds to investigate, defend and litigate this action.

As a point of reference, this is not a large governmental board. For example, our total expenses for this past year approximated \$45,500.00. In the unlikely event that we were to build an excess reserve fund, we have the authority to reduce our fees to the industry members that support this board. I ask that you pass this proposed bill.

HB 1101

	<u>Number*</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Current Biannual Income</u>	<u>Projected Yearly Income</u>
Security/Armed Guards and Registered Investigators	702	\$ 18.00	\$ 25.00	\$ 12,636.00	\$ 17,550.00
Investigative and Security Agencies	63	\$ 250.00	\$ 250.00	\$ 15,750.00	\$ 15,750.00
Private Investigators and Security Providers	102	\$ 130.00	\$ 130.00	\$ 13,260.00	\$ 13,260.00
Total	867			\$41,646.00	\$46,560.00

\* Actual number changes regularly.

Yearly operations of the North Dakota Private Investigation & Security Board currently approximate \$45,500.