

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

March 5, 1985

The thirty-first meeting of the Business & Industry Committee met on March 5, 1985 in Room 410 of the Capitol Building. Chairman Mike Halligan called the meeting to order at 10 a.m.

ROLL CALL: All committee members were present.

DISPOSITION OF HOUSE BILL 43: Senator Halligan stated this bill codifies what Billings Judge Battin had decided in a court case concerning trade secrets. Senator Christiaens then made a motion that House Bill 43 BE CONCURRED IN. Senator Thayer felt the language was a bit too broad and could see some potential problems with it. Senator Christiaens felt if a case went to trial you would have to prove willful and malicious misappropriation was committed. The motion carried. Senator Christiaens will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 321: Representative Ray Peck, House District 15 of Havre, introduced this bill at the request of the Commissioner of Financial Institutions within the Department of Commerce. It will revise the definition of demand and time deposits in banks, reduce the time within which such deposits are payable and provide an immediate effective date. The time period would now be 7 days.

PROPONENTS: Fred Napier, with the Department of Commerce, was going to appear in support but was unable to appear because of a conflict of schedules.

OPPONENTS: There were no opponents.

Questions were then called for. There were none. Representative Peck then closed the hearing on House Bill 321.

DISPOSITION OF HOUSE BILL 321: Senator Christiaens moved that House Bill 321 BE CONCURRED IN. The motion carried. Senator Neuman will carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 72: Senator Halligan explained the amendment being proposed is the result of a compromise worked out between New York Life agents and the industry providing the variable interest rate along with the fixed rate policies to ensure that the option for either policy is still available. (EXHIBIT 1) Lester Loble was asked about the compromise and he stated that New York Life was the only company that did not offer variable rates and other companies offer variables or fixed rate policies. He had talked with the New York Life people and they were comfortable with this amendment. Senator Thayer then made a motion to PASS the amendment to House Bill 72. This motion carried. Senator Williams then moved the bill BE CONCURRED IN AS AMENDED. Senator Kolstad did not feel that all the agents were in complete agreement with the amendment. Senator Goodover then

quoted from a news article regarding flexible premium variable life policies. He wondered if such policies should be viewed as investments and whether insurance people would have to have a securities license. He felt it might indicate they would be selling insurance and then investing the moneys in a company that they own. Senator Neuman thought this was different that what the bill deals with and Lester Loble confirmed this was so and this bill is not dealing with securities. Senator Neuman asked if interest rates might rise to take care of bad investments in the future and Lester Loble felt this would not be the case. Senator Neuman wondered if people investing in these types of policies might be taken advantage of. Senator Christiaens felt this was the main concern whether or not you could still borrow on the low interest rates you can now obtain from your whole life policies. Senator Thayer felt you would still have this option if you desired it however. Senator Kolstad felt that many many people have benefited from the low interest rates on loans. Senator Neuman asked about using the Moody's bond rate and Lester Loble explained this was picked because it goes along with the trend of the times and felt that people would not go wrong by investing this way because the rates are still generally lower than the national average. Senator Christiaens, Senator Gage, and Senator Kolstad expressed concern about still being able to buy either type of policy. Senator Weeding felt that you might be able to receive greater dividends with the variable policy which would more than make up the premium difference. On a roll call vote the motion to concur was 5 to 5. Senator Fuller was absent for the vote. Senator Kolstad then moved for a new roll call vote when Senator Fuller arrived. The vote was then 6 to 5 in favor of passing the bill as amended. Senator Halligan, Senator Christiaens, Senator Goodover, Senator Kolstad and Senator Neuman voted no. Senator Crippen will carry the bill on the Senate floor.

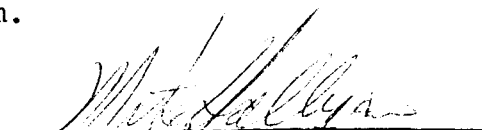
DISPOSITION OF HOUSE BILL 127: This bill revises the laws on private investigators and security patrolmen. There were some amendments proposed for the bill. (EXHIBIT 2) The committee had earlier requested a copy of the rules of the board of private security patrolmen and investigators and these were distributed. (EXHIBIT 3) Don Valiton, from the Association of Private Investigators was asked about the need for the legislation and he explained some of the changes were just housekeeping in nature and would help them operate more efficiently. Senator Christiaens then moved to PASS the four amendments as proposed for House Bill 127. This motion carried. Senator Neuman expressed his concern for the immediate effective date. He then made a motion to strike the immediate effective date. This motion carried.

The committee had a short discussion on a bill concerning the installation of alarms systems which might require the same effective date as this bill. The committee then decided to wait for final action until this bill is also heard in the Senate.

DISPOSITION OF HOUSE BILL 175: A letter from Don Valiton, Lobbyist for the Montana Association of Private Investigators, concerning a compromise to this bill was distributed. (EXHIBIT 4) Mary McCue, Legislative Staff Attorney, explained the proposal would keep the board at 7 members but eliminate the peace officers representative and replace him with 2 contract security personnel. She suggested an immediate effective date might also be necessary. Representative Kadas had sent a note stating that keeping the board at 7 members as present was fine with him. Don Valiton explained the reason the private security people want more representation is because they are the ones being regulated and they want more input into the rulemaking. Mary McCue had talked with Clayton Bain and he had stated he did not agree with the compromise. Senator Fuller felt in research he had done that the private security people had received favorable decisions already and that Clayton Bain was an extremely valuable member of the board. Senator Christiaens felt the board should remain at the present 7 members for the time being. Senator Fuller then made a motion House Bill 175 NOT BE CONCURRED IN. Senator Goodover felt we should give them a couple more years and if there is still a need they can come back again. The motion carried. Senator Fuller will carry the bill on the Senate floor.

CONSIDERATION OF SENATE BILL 208, 425, 426: There are new federal laws which may be forthcoming dealing with agricultural loans but the news is not promising. Senator Christiaens had talked with constituents in the Great Falls area over the break and felt there was a lot of concern about the checkoff and Dain Bosworth's involvement. Senator Neuman felt the agricultural people should be willing to put something back into the program in return for some financial assistance and that is the reason he highly supports the checkoff system. He stated each of the bills could stand on its own merits but the package of the three together makes it much more worthwhile. Senator Gage felt the checkoff might be beneficial for some but not for all and sensed some reservations about the checkoff bill. Senator Christiaens explained with the business loans they are not asking each business to do any sort of checkoff. Senator Neuman felt the crunch the agricultural people are in now needs to be understood and that if people can adapt to the economic crisis and perhaps get some help to get through these times, and these bills address this situation. At the present time it does not look like they will be getting help from the federal government and this is an opportunity for the state to be able to help. Senator Christiaens wondered how many it would possibly be able to help no matter what is done. Senator Thayer felt that land values are going to have to come down to make it economically feasible. Senator Neuman stated the intent of the bill is just to give the folks some time to adapt to the market trend and that there is disaster on the horizon if something is not done. The bills will be discussed on Monday, March 11 again in committee.

The meeting was adjourned at 11:45 a.m.

  
Chairman

ROLL CALL

BUSINESS & INDUSTRY

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 3/5/85

SENATE  
SEAT  
#

NAME	PRESENT	ABSENT	EXCUSED
Chairman Halligan	X		
V-chrm. Christiaens	X		
Senator Boylan	X		
Senator Fuller	X		
Senator Gage	X		
Senator Goodover	X		
Senator Kolstad	X		
Senator Neuman	X		
Senator Thayer	X		
Senator Williams	X		
Senator Weeding	X		

Each day attach to minutes.

March 5, 1985

BILL NO.

# VISITOR'S REGISTER

[illegible]

(Please leave prepared statement with Secretary)

LAW OFFICES OF  
LOBLE & PAULY, P.C.  
833 NORTH LAST CHANCE GULCH  
P.O. BOX 176  
HELENA, MONTANA 59624

EXHIBIT 1  
BUSINESS & INDUSTRY  
March 5, 1985

PRINCIPALS OF THE FIRM:

LESTER H. LOBLE, II  
PETER C. PAULY  
C. BRUCE LOBLE  
TOM K. HOPGOOD

TELEPHONE (406) 442-0070  
TELECOPIER (406) 443-3727

February 7, 1985

Senator Mike Halligan  
Montana State Senate  
State Capitol Building  
Helena, MT 59620

Re: HB 72

Dear Senator Halligan:

You will recall that during the hearing on HB 72 -- the bill which permits life insurance policies to be issued with a flexible interest rate on the policy loans -- three New York Life Insurance agents appeared in opposition: Former Senator Ed Sparks from Butte, Don McKenna, Jr., CLU from Bozeman and Randall Pell, also from Bozeman. As I mentioned to you following the hearing, we met with the three gentlemen to see if we could produce an amendment satisfactory to them. We tendered to them for their consideration an amendment to the model act which was enacted in Tennessee.

Mr. Sparks called me this afternoon. He said that he was agreeing on his behalf and on behalf of Mr. McKenna and Mr. Pell to the amendment. His agreement is based upon the understanding that the amendment which we tendered to him (a copy of which is enclosed) is the only change which may be made in the bill. I promised him that so far as my client was concerned we were in full agreement with him. Accordingly we propose the amendment enclosed and ask that your committee pass HB 72 without any further changes onto the floor with a recommendation that the bill "BE CONCURRED IN".

Thank you very much for your consideration.

Very truly yours,

  
Lester H. Loble, II

LHL/vjz

Enclosure

cc: Representative Les Kitselman (w/enclosure)  
Edward N. Sparks (w/enclosure)  
John McKenna, Jr., CLU (w/enclosure)  
Randall Pell (w/enclosure)

PROPOSED AMENDMENT TO HOUSE BILL 72

1. Page 2.

Following: line 14

Insert: "A life insurer is not permitted to issue policies containing variable rates of interest on policy loans under subsection (1) (b) unless the insurer also makes available policies, which may or may not be on the same plan of insurance, with fixed rates of interest on policy loans under subsection (1) (a)."

PROPOSED AMENDMENTS TO HOUSE BILL 127  
Third Reading, Blue Copy

EXHIBIT 2  
BUSINESS & INDUSTRY  
March 5, 1985

1. Page 7, line 10.

Following: "at law"

Insert: ", a paralegal or legal assistant employed by an attorney  
at law,"

2. Page 7, line 25.

Following: "them;"

Strike: "or"

3. Page 8, line 2.

Following: "37-60-101(10)"

Insert: "; or (9) an internal investigator or auditor, while  
making an investigation incidental to the business of the agency  
or company by which he is singularly employed"

4. Page 13, line 4.

Following: "~~37-60-105-and~~"

Insert: "37-60-105 and"



CHAPTER 50

BOARD OF PRIVATE SECURITY PATROLMEN AND INVESTIGATORS

NOTE: Rules 8.50.401 through 8.50.422 under Sub-Chapter 4 have been repealed because of major changes in the statutes. New rules under sub-chapter 4 start at 8.50.423.

Sub-Chapter 1

Organizational Rule

Rule 8.50.101 Organization

Sub-Chapter 2

Procedural Rules

Rule 8.50.201 Procedural Rules

8.50.202 Public Participation

Sub-Chapter 3 reserved

Sub-Chapter 4

Substantive Rules

Rule 8.50.401 Definitions

8.50.402 Powers of Director

8.50.403 Exemptions

8.50.404 Powers of Arrest

8.50.405 Firearms

8.50.406 Additional Categories of Licensure

8.50.407 Probationary and Temporary Licenses

8.50.408 General Requirements

8.50.409 Experience Requirements

8.50.410 Manager of a Licensee - Qualifications

8.50.411 Application

8.50.412 Written Examination

Rule	8.50.413	Licensee Responsibility
	8.50.414	Identification Pocket Card
	8.50.415	Denial of a License Application
	8.50.416	License Renewal
	8.50.417	Employees Fingerprint Check
	8.50.418	Termination of Business
	8.50.419	Reciprocity
	8.50.420	Temporary Operation Without Individual License
	8.50.421	Licensee Advertising
	8.50.422	Fee Schedule
	8.50.423	Definitions
	8.50.424	Temporary Employment Without Registration or Identification Card
	8.50.425	Resident Managers and Qualifying Agents
	8.50.426	Rules for Branch Office
	8.50.427	Required Information for Application
	8.50.428	Experience Requirements
	8.50.429	Written Examination
	8.50.430	Identification/Registration Pocket Card
	8.50.431	Insurance Requirements
	8.50.432	Regulations of Uniform
	8.50.433	License Renewal
	8.50.434	Rules for Record Keeping
	8.50.435	Applicant Fingerprint Check
	8.50.436	Termination of Business

Rule 8.50.437 Fee Schedule

Sub-Chapter 5

Minimum Curriculum and Standards for the Certification  
of a Firearms Training Program and for the Certification of  
Firearms Instructors

Rule 8.50.501 Firearms Safety and Proficiency Test  
Minimum Requirements

8.50.502 Registration Required Annually

8.50.503 Criteria for a Certified Shooting Course

8.50.504 Requirements for Firearms Instructors'  
Certification

8.50.505 Employers' Responsibility

8.50.506 Type of Sidearm

Sub-Chapters 6 and 7

Sub-Chapter 8

Professional Conduct

Rule 8.50.801 Code of Ethics for a Private Investigator

8.50.802 Code of Ethics for Private Security  
Licensees

8.50.803 Code of Ethics for Private Security  
Employees

8.50.804 Powers of Arrest

Sub-Chapter 9

Complaint Procedures

Rule 8.50.901 General Purposes

8.50.902 Initial Procedures

8.50.903 Action by the Board

## Sub-Chapter 1

### Organization Rule

8.50.101 ORGANIZATION (1) The board of private security patrolmen and investigators hereby adopts and incorporates the organizational rules of the department of commerce as listed in Chapter 1 of this title.

## Sub-Chapter 2

### Procedural Rules

8.50.201 PROCEDURAL RULES (1) The board of private security patrolmen and investigators hereby adopts and incorporates the procedural rules of the department of commerce as listed in Chapter 2 of this title.

8.50.202 PUBLIC PARTICIPATION (1) The board of private security patrolmen and investigators hereby adopts and incorporates the public participation rules of the department of commerce as set out in Chapter 2 of this title.

Sub-Chapter 3 reserved.

## Sub-Chapter 4

### Substantive Rules

Rules 8.50.401 through 8.50.422 were repealed when new law was passed and replaced with the remainder of the rules.

8.50.423 DEFINITIONS (1) "Casual employment" means employment which comes about fortuitously and is for no fixed duration of time. An engagement or employment is not "casual" where a person is employed to do a particular service or class of service recurring somewhat regularly, or with a fair expectation of continuance for a more or less extended sequence or period of time, such as every Saturday night, a week, or a month.

This definition does not apply to peace officers or reserve officers performing security guard functions for another governmental agency, or to security of in-custody inmates held elsewhere than at a custodial institution or jail or when private security companies are unwilling or unavailable to provide the service.

All other exceptions under this "casual employment" rule shall be determined by the board based upon the facts presented.

(2) "Dishonorable discharge" means any military discharge which specifically states dishonorable discharge.

(3) "Experience"; the term "year" shall mean 12 average work months (including leaves for vacation with pay) during which the individual was engaged in full time employment. Full time employment is considered to be employment for compensation when the work schedule constitutes at least 1800 hours annually or more. Self employment must be verified by someone that knows of your experience and self employment condition.

(4) For purposes of 37-60-321 (4), MCA, any crime involving moral turpitude means generally anything done contrary to justice, honesty, modesty, or good morals, including acts of baseness, vileness or depravity in the private or social duties which a man owes to his fellow man and to society in general. Such acts include, but are not limited to: assault or evidence of assaultive behavior; assault and battery, larceny or embezzlement, shoplifting, crimes involving fraud or misrepresentation; obscenity; public indecency; any firearm violation; sexual offenses; resisting an officer or legal process; vandalism; aiding in an escape; chronic alcoholism, alcohol addiction, a third conviction of driving under the influence over any five-year period and drug addiction.

(5) For purposes of exemption from licensure under Title 37, Chapter 60, MCA, "insurance adjuster" refers to any person, employed by an insurance company, who is licensed by the state of Montana as an insurance adjuster, who shall be exclusively under the control and supervision of his employer...subject to a master-servant relationship and not as an independent contractor and performs no surveillance activities.

(6) "Unprofessional conduct" means the failure to conform to and abide by all the standards, rules and regulations set forth in Title 37, Chapter 60, Montana Codes Annotated and Title 8, Chapter 50, Administrative Rules of Montana, which regulates the security patrolmen and private investigator professions in the state of Montana.

8.50.424 TEMPORARY EMPLOYMENT WITHOUT REGISTRATION OR IDENTIFICATION CARD The board may authorize a licensee to employ temporarily without first obtaining a registration card or an identification card under the following conditions:

(1) The licensee is employing the person under an apprenticeship or training program.

(2) This provides the licensee an opportunity to evaluate the person's performance to determine if the person can adequately perform the duties assigned.

(3) No one person may be temporarily employed on a fragmented work schedule for more than 90 days total in any one calendar year.

(4) The licensee must notify the board within 5 days of employing a person, for the 90 consecutive calendar day period

and must notify the board on a quarterly basis those persons employed on a fragmented schedule.

(5) Temporary employment will not be for more than 90 consecutive calendar days.

(6) At the end of this period of time the licensee must either terminate the person or have the person make application for either a registration or identification card.

(7) The licensee will notify the board within 5 days of the termination of those persons employed for the 90 consecutive calendar day period.

(8) No attempt shall be made to utilize this rule to circumvent any portion of this act.

#### 8.50.425 RESIDENT MANAGER AND QUALIFYING AGENTS

(1) Every qualifying agent and resident manager shall satisfy all of the appropriate licensing requirements of section 37-60-303, MCA, and the rules promulgated by the board as for those of an individual.

8.50.426 RULES FOR BRANCH OFFICE (1) Branch offices of any licensee, except a proprietary security organization, shall be prohibited except upon application to the board indicating the licensee, location and resident manager/qualifying agent of such branch office.

8.50.427 REQUIRED INFORMATION FOR APPLICATION (1) The board shall conduct or have conducted such investigation on each applicant as it deems necessary to protect the public interest before granting any license. The board shall seek information from law enforcement officials and other interested and informed persons to determine the character, competence and integrity of the applicant before approval for examination.

(2) Each applicant shall provide his or her social security number and answer questions concerning military service if applicable.

(3) Applicant must list 5 references (not related by blood or marriage) and 2 of the 5 shall be former employers or individuals or firms with which he/she had a working contractual agreement if self-employed, or has knowledge of the agreement or working relationship.

(4) No person convicted of a felony in this state or elsewhere shall be eligible for a license while under a federal or state jurisdiction or for 5 years thereafter and then only with specific approval of the board.

(5) An individual who may desire licensure in more than one licensure category must pass an exam in each licensure category when required.

(6) Each person who applies for an original license shall supply with the application in addition to other pertinent information the board may require; 2 full face,

head, and shoulder photographs of a size that may be cut to 1 1/2 inches by 1 1/2 inches and still retain the full face, head, and shoulders in the photo. Name of applicant should be typed or printed on the back side of the photo.

8.50.428 EXPERIENCE REQUIREMENTS (1) Experience requirements for contract security company and proprietary security organization shall be as follows:

- (a) two years full time experience
  - (i) as an employee or employer in the field to be licensed; or
  - (ii) as a sworn member of any federal investigative agency or as a sworn member of the military police or as a sworn member of any state, county, city investigative or law enforcement group or police department; or
  - (iii) as a supervisor or administrator in industrial or governmental security; or
- (b) professionally related and relevant education or training in the field to be licensed as the board may determine to be equivalent to the foregoing experience requirements. All education and training must be verified and supplied with the application, including transcripts, diplomas, seminar certificates, course completion or other supporting evidence;
- (c) six months of experience requirement may be met by successful completion of the basic course of the Montana Law Enforcement Academy and proper verification.
- (2) Applicants may use a combination of experience, education and training to meet the experience requirement, but education and training may not exceed 1/2 the experience required.
- (3) Experience as a licensed insurance adjuster may be counted towards the 3-year experience requirements as a private investigator.

8.50.429 WRITTEN EXAMINATION (1) All applicants must successfully pass a written examination in their area of licensure with a score of 70% or more.

(2) Examination shall consist of questions in the following areas, but shall not be limited to those areas:

- (a) private investigator - legal rights and limitations on powers of private investigators, areas of investigation, private investigator law and rules, sources of information, service of legal papers, report writing, interrogation and investigative procedures, contracts, and recovery and disposal of property.
- (b) armed private investigator, armed private security guard, contract security company, private investigator, private security guard, proprietary security organization, private investigator law and rules, principles or management and supervision, report writing, legal procedures,

electronics, applicable federal law and rules, and other related material in the licensure area.

(3) Applicants for examination must deposit with the examination proctor, all books, notebooks or other papers before starting to write the examination. No applicant is allowed to take with them any papers from the room in which the examination is administered.

(4) All applicants for examination must have the notice of examination for the department with the exam identification number before they will be admitted to the examination.

(5) An applicant may retake that section of the examination he/she has failed upon payment of another examination fee. In the event an applicant shall fail his/her second examination, he/she shall not be eligible for another examination until such time as he/she has furnished documentation of additional education, training or experience in law enforcement or related activities.

(a) In no instance will he/she be eligible for a third exam for a period of six months.

(6) Examinations will be held in Helena daily. Special examinations may be made available by prior arrangements with the department.

#### 8.50.430 IDENTIFICATION/REGISTRATION POCKET CARD

(1) Only one identification/registration card shall be issued for each licensee. The holder of an identification/registration card shall be responsible for the maintenance, custody and control of the identification/registration card, and shall neither let, loan, sell nor otherwise permit unauthorized persons or employees use it. If an identification/registration card shall be altered in any way, it shall become invalid.

(2) Each photograph (1 1/2" x 1 1/2") submitted shall fairly and accurately represent the appearance of the applicant. If the department determines that its file copy does not bear substantial resemblance to the applicant, it may request a new photograph.

8.50.431 INSURANCE REQUIREMENTS (1) All licensees regulated by Title 37, Chapter 60, MCA, except private investigators, shall file with the board, a certificate of insurance evidencing a comprehensive general liability coverage for both licensees and employees for bodily injury, and property damage; the broad form comprehensive general liability endorsement which includes the following: personal injury and property damage with endorsement for assault and battery and personal injury, including false arrest, false imprisonment, malicious prosecution, invasion of privacy, wrongful eviction or wrongful entry, mental anguish, defamation and discrimination. The minimum amount of coverage of \$300,000 for bodily or personal injury and \$100,000 for



property damage. Licensees should also file endorsements for the loss, destruction or damage to property in their care, custody and control and for losses from errors, omissions or acts of the licensees or their employees.

(2) All persons who function solely as private investigators must carry coverage for omission and errors, destruction, damage or loss of property entrusted to their custody, care and control, as well as coverage for defamation, malicious prosecution and invasion of privacy.

(3) All licensees must be insured by a carrier licensed in the state in which the insurance has been purchased or in this state.

(4) Each licensee shall sign a release allowing their insurance carrier to inform the board in the event coverage is cancelled or allowed to lapse.

8.50.432 REGULATIONS OF UNIFORM (1) No individual shall, while performing any of the duties regulated by Title 37, Chapter 60, MCA, have or utilize any uniform, vehicle, or equipment displaying the words, "police", "law enforcement officer", or the 8-1380 6/30/84 ADMINISTRATIVE equivalent thereof, or have any patch, emblem, sign marking, accessory or insignia that may indicate that such uniform, vehicle, or equipment is the property of a public law enforcement agency or of the state of Montana or any of its political subdivisions.

(2) Any person, while performing any of the duties regulated by Title 37, Chapter 60, MCA, who is required to wear a uniform must have the uniform approved by the board. All uniforms shall, on the outermost garment except for rainwear or foul weather clothing, have: clearly identified the company, the individual's name, and the occupational category.

8.50.433 LICENSE RENEWAL (1) Each license expires on December 1st following date of issue and to remain current must be renewed on or before each December 1st.

(2) Each licensee will be notified by mail at his last known address of the current renewal fee and furnished with an application for renewal prior to expiration of license.

(3) Each person who applies for renewal of a license shall submit one recent photograph with the application for renewal which will be used for the current identification card. It must be of a size that can be cut to 1 1/2 inch by 1 1/2 inch and still retain full face, head and shoulders in the photo.

(4) An expired license may be renewed within 90 days of its expiration date with the payment of the renewal fee and late fee. If more than 90 days have passed since any license has expired, a new application must be made, the appropriate

examination taken and passed with appropriate fees paid, before any new license will be issued.

8.50.434 RULES FOR RECORD KEEPING (1) Each licensee shall maintain such employee records as are normally kept in the course of usual business practice.

8.50.435 APPLICANT FINGERPRINT CHECK (1) The licensee will submit the application for each employee to the department and provide 2 classifiable sets of their fingerprints. The department will provide the licensee with information as to the applicants employability. Applications shall contain such information as required to process the application.

8.50.436 TERMINATION OF BUSINESS (1) A licensee who terminates his business shall within 5 days mail or deliver his license and identification/registration card to the department. If the licensee opens another business or goes to work for someone before the license or renewal expires, the department may return the license and identification/registration card if the request is in compliance with the law and rules.

8.50.437 FEE SCHEDULE

(1) License application fees	
(a) Contract security company	\$75.00
(b) Proprietary security organization	75.00
(c) Private investigator employer	75.00
(d) Qualifying agents and resident managers	75.00
(e) License renewals	50.00
(f) Duplicate licenses	10.00
(2) Employee registration application fees	
(a) Armed contract security employee	75.00
(b) Armed proprietary security employee	75.00
(c) Armed private investigator employee	75.00
(d) Renewals	50.00
(3) Employee Identification Application Fees	
(a) Unarmed contract security employee	25.00
(b) Unarmed proprietary security employee	25.00
(c) Unarmed private investigator employee	50.00
(d) Renewals for unarmed contract and proprietary security employee	10.00
(e) Renewals for unarmed private investigator employee	25.00
(4) Miscellaneous fees	
(a) Re-exams	15.00
(b) Late renewals	5.00
(c) Branch office application	25.00

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(1)	License application fees	
(a)	Contract security company	\$75.00
(b)	Proprietary security organization	75.00
(c)	Private investigator employer	75.00
(d)	Qualifying agents and resident managers	75.00
(e)	License renewals	50.00
(f)	Duplicate licenses	10.00
(2)	Employee registration application fees	
(a)	Armed contract security employee	75.00
(b)	Armed proprietary security employee	75.00
(c)	Armed private investigator employee	75.00
(d)	Renewals	50.00
(3)	Employee Identification Application Fees	
(a)	Unarmed contract security employee	25.00
(b)	Unarmed proprietary security employee	25.00
(c)	Unarmed private investigator employee	50.00
(d)	Renewals for unarmed contract and proprietary security employee	10.00
(e)	Renewals for unarmed private investigator employee	25.00
(4)	Miscellaneous fees	
(a)	Re-exams	15.00
(b)	Late renewals	5.00
(c)	Branch office application	25.00

## Sub-Chapter 5

### Minimum Curriculum and Standards for the Certification of a Firearms Training Program and for the Certification of Firearms Instructors

#### 8.50.501 FIREARMS SAFETY AND PROFICIENCY TEST - MINIMUM REQUIREMENTS (1) The test shall be comprised of two parts:

(a) A written test included, but not limited to, gun safety, weapon handling, mechanical operations, shoot-don't shoot situations, liability, federal and state statutes regarding limitations (total of ten hours minimum instruction)

(b) A combat shooting course using a firearm authorized by the board.

(2) Satisfactory completion of the firearms safety and proficiency test shall be a score of not less than 70 percent on each of the two parts and the demonstration of reasonable competence in firearms skills as determined by a certified instructor.

8.50.502 REGISTRATION REQUIRED ANNUALLY (1) Every private security guard and private investigator must renew their firearm registration each year. Re-registration will be based upon satisfactory completion of a certified combat shooting course at least once during each year.

#### 8.50.503 CRITERIA FOR A CERTIFIED SHOOTING COURSE

(1) The certified course shall be the Tactical Revolver Course:

(a) 25 yard line - time: 1 minute, 15 seconds, (18 rounds) On command, shooter loads 6 rounds and holsters weapon. On whistle, shooter fires 18 rounds in the following sequence: Kneeling strong hand barricade (6 rounds), over top of barricade (6 rounds), kneeling weak hand barricade (6 rounds)

(b) 15 yard line - time 30 seconds - (12 rounds) On command, shooter loads 6 rounds and holsters weapon. Starting at the 25 yard line, on whistle shooter moves rapidly to 15 yard line, draws and fires 12 rounds, point shoulder position.

(c) 10 yard line - time: 25 seconds (10 rounds) At 10 yard line, shooter loads 6 rounds and holsters weapon, on command. On whistle shooter moves rapidly to 10 yard line, draws and fires 6 rounds, reloads and fires 4 additional rounds.

(d) 5 yard line - Time: 20 seconds (10 rounds) At 10 yard line, shooter loads 6 rounds and holsters weapon, on command. On whistle, shooter moves rapidly to 5 yard line, draws and fires 6 rounds, reloads and fires 4 additional rounds.

(e) Firearm to be used for qualification will be the firearm carried most often on duty.

(f) Scoring: The target to be used is the K-5. "K" values are computed (250 points possible) and multiplied by .4 for percentage score. Minimum qualification score is 70%.

(2) Stress will be induced by the use of time and physical activities. If the range facilities available are equipped to provide night time firing and/or low light conditions, the instruction and qualification course should include these conditions.

#### 8.50.504 REQUIREMENTS FOR FIREARMS INSTRUCTORS'

CERTIFICATION (1) To become a certified firearms instructor, an individual must attend and pass a certified firearms instructors course approved by the board.

(2) Firearms instructors must apply for instructor certification every two years by the anniversary date of his original certification.

(3) Each instructor shall be required to conduct at least one certified combat shooting course annually.

(4) Institutions, firms, or persons wishing approval of the board to offer a course in the carrying and usage of firearms must make application to the board and include the following information:

(a) a detailed outline of course to be provided;

(b) the name of the instructor and a documentation of their qualifications, and;

(c) places and dates where the course will be offered, length of the course, and an estimate of the maximum number of persons who can be accommodated and a description of facility to be used.

(2) Such information must be supplied to the board at least 15 days before the course is to be given. No student will be enrolled in a course unless they have made application for registration to the board.

(3) Approval of a course may be withdrawn by the board in writing.

8.50.505 EMPLOYERS' RESPONSIBILITY (1) All employers of private security guards and investigators are responsible for providing or obtaining the necessary training to enable the individual to meet the standards required by these rules and regulations.

8.50.506 TYPE OF SIDEARM (1) Solid frame revolver or pistols capable of single and double-action fire. Caliber .38 357 (only 38 special ammunition will be used), 380 and 9 millimeter automatic with barrel length from two to six inches, revolvers with five or six-round cylinder, all-steel construction, (except model 39 Smith) fixed or adjustable sights will be approved by the board.

Sub-Chapters 6 and 7 reserved.

## Sub-Chapter 8

## Professional Conduct

8.50.801 CODE OF ETHICS FOR A PRIVATE INVESTIGATOR

(1) It is the responsibility of each private investigator to:

(a) strive to keep informed of developments and techniques affecting the profession;

(b) conduct themselves in a business-like manner befitting a professional;

(c) keep informed of laws and ordinances affecting the profession;

(d) make no claims to qualifications the licensee does not possess;

(e) be loyal to the client and divulge the information obtained only to the client or his representative;

(f) will not become involved in investigations on behalf of a client with intent to break the law or to use the information unethically;

(g) will not provide clients with advice or counsel of a discipline in which the licensee is not qualified;

(h) will not use the position of trust for unethical gains;

(i) will not accept investigations which conflict with previous or current investigations;

(j) be honest, accurate, factual, and complete in reporting;

(k) will not represent themselves as a member of law enforcement;

(l) will charge the client according to mutual agreement;

(m) honor verbal agreements as if it were written;

(n) avoid engaging in the unauthorized practice of law;

(o) obey the laws of the United States, the state of Montana or any of its political subdivisions;

(p) avoid intermingling client's business funds with the licensee's personal funds;

(q) avoid engaging in deceptive double billings.

(2) Any violation of the above shall constitute unprofessional conduct.

8.50.802 CODE OF ETHICS FOR PRIVATE SECURITY LICENSEES

(1) It is the responsibility of managers of private security functions and the licensed employees to:

(a) recognize that the principal responsibilities are, in the service of their organizations and clients, to protect life and property as well as to prevent and reduce crime against their business, industry, or other organizations and institutions; and in the public interest, to uphold the law and to respect the constitutional right of all persons.

(b) be guided by a sense of integrity, honor, justice and morality in the conduct of business; in all personnel matters; in relationships with government agencies, clients, and employers; and in responsibilities to the general public.

(c) strive faithfully to render security services of the highest quality and to work continuously to improve their knowledge and skills and thereby improve the overall effectiveness of private security.

(d) uphold the trust of their employers, clients, and the public by performing their functions within the law, not ordering or condoning violations of law, and ensuring that their security personnel conduct their assigned duties lawfully and with proper regard for the rights of others.

(e) respect the reputation and practice of others in private security but to expose to the proper authorities any conduct that is unethical or unlawful.

(f) cooperate with recognized and responsible law enforcement and other criminal justice agencies; to comply with security licensing and registration laws and other statutory requirements that pertain to their business.

(g) respect and protect the confidential and privileged information of employers and clients beyond the term of their employment, except where their interests are contrary to law.

(2) Any violation of the above shall constitute unprofessional conduct.

#### 8.50.803 CODE OF ETHICS FOR PRIVATE SECURITY EMPLOYEES

(1) Private security employees shall:

(a) accept the responsibilities and fulfill the obligations of their role: protecting life and property; preventing and reducing crimes against their employer's business, or other organizations and institutions to which they are assigned; upholding the law; and respecting the constitutional rights of all persons.

(b) conduct themselves with honesty and integrity and to adhere to the highest moral principles in the performance of their security duties.

(c) be faithful, diligent, and dependable in discharging their duties.

(d) respect and protect the confidential and privileged information of their employer or client beyond the terms of their employment, except where their interests are contrary to law.

(e) cooperate with all recognized and responsible law enforcement and government agencies in matters within their jurisdiction.

(f) accept no compensation, commission, gratuity, or other advantage without the knowledge and consent of their employer.

(2) Any violation of the above ethical code shall constitute unprofessional conduct.

8.50.804 POWERS OF ARREST (1) No licensee or employee shall have greater power of arrest than the average citizen in accordance with section 46-6-502, MCA, which reads as follows: "A private person may arrest another when:

(a) he believes on reasonable grounds that an offense is being committed or attempted in his presence;

(b) a felony has in fact been committed and he believes on reasonable grounds that the person arrested has committed it; or

(c) he is a merchant, as defined in 30-11-301, MCA, and has probable cause to believe the other is shoplifting in the merchant's store."

(2) If a merchant has employed or contracted for the services of a proprietary security guard or a contracted security guard, all arrest authority shall be subject to the restrictions contained in 46-6-503, MCA.

(3) In those cases where arrest power has been granted by proper authorities, this rule shall not be applicable.

(4) Abuse of the powers of arrest will constitute unprofessional conduct.

## Sub-Chapter 9

### Complaint Procedures

8.50.901 GENERAL PURPOSES (1) The purpose in outlining the following complaint procedure is so that any and all complaints received by the board of private security patrolmen and investigators, hereinafter referred to as the board, shall be uniform. Secondly, it is the desire of the board that all complaints be handled in a manner that will assure equitable consideration for both the complainant and the subject of the complaint.

8.50.902 INITIAL PROCEDURES (1) All complaints shall be signed and in writing, and under no circumstances will the board give consideration to any complaints received from anonymous sources or telephonically from persons who are unwilling to reduce their complaint to writing.

(2) The board will receive complaints made in person against any licensee or registrant if the complaint is made by a person appearing at a regularly scheduled board meeting. The board will hear this person either in open or closed session, at its discretion and as the facts of the case may dictate. Even though a complainant may appear personally and lodge a complaint, the board will urge the complainant to reduce his grievance to writing and sign it. Should the complainant be unwilling to do so, the board will then reduce the complaint to writing and require that the person making the complaint sign it.



(3) Regardless of the manner in which a complaint is received, once the complaint has been reduced to writing, the administrative assistant to the board will immediately forward a copy of the signed complaint to the subject with a request and recommendation that an answer to the complaint be made in writing to the board.

(4) Upon receipt of this answer, a copy of the answer so received shall be immediately forwarded to the complainant, and if it should be deemed necessary by the administrative assistant to cause investigation into the matter, the administrative assistant, after conferring with the chairman of the board, will appoint a qualified investigator to look into the merits of the complaint and report their findings to the board.

8.50.903 ACTION BY THE BOARD (1) Upon completion of the above steps, if the complaint received is not of a serious nature, a member of the board designated by the chairman shall contact the complainant and the complaine and see if the matter can be amicably settled between them by stipulation or agreement.

(2) If the matter cannot be so settled, the board is then bound by the Montana administrative procedures act and will instruct the administrative assistant to so advise the complainant and the complaine in writing, enclosing with the letter a copy of sections 2-4-601 through 2-4-623 of the Montana administrative procedures act.

(3) Thereafter, the complaint shall be handled strictly in accordance with the Montana administrative procedures act.

February 10th, 1985

Senator Mike Halligan, Chairman  
Senate Business & Industry Committee  
Helena, Montana 59620

Dear Senator Halligan and Members of the Committee:

A suggestion by one of your committee members was offered last Thursday, while your group was hearing HB #175, introduced by Representative Kadas.


The effect of the compromise solution would be to remove from the present board, upon completion of that member's term, "one member of the peace officers' standards and training advisory council". (The advice of that group should still be available to the board being proposed in HB #175.)

To replace this member, one additional member would be added to represent the "contract security companies", making a total of two for them on the board.

Our association will support this suggestion completely. We hope your committee will concur, adding the necessary amendment.

This change will leave the board membership at seven, which it is at present. No additional costs will be involved. It will give our people more input into the board, which we feel is fair; as this board regulates their economic and professional well being.

Thank you for your consideration.

  
Don Valiton, Legislative Representative,  
Montana Association of Private Investigators  
and Private Security Companies.

# STANDING COMMITTEE REPORT

MARCH 5

19 83

MR. PRESIDENT

## BUSINESS & INDUSTRY

We, your committee on .....

having had under consideration.....

HOUSE BILL

43

No.....

third reading copy ( blue )  
color

UNIFORM TRADE SECRETS ACT  
(Christiaens)

Respectfully report as follows: That.....

HOUSE BILL

43

No.....

BE CONCURRED IN

XXXXX

XXXXXXXXXX

Mike Hailigan

Chairman.

# STANDING COMMITTEE REPORT

MARCH 5

85

19.....

MR. PRESIDENT

We, your committee on..... **BUSINESS & INDUSTRY**

having had under consideration..... **HOUSE BILL** No. **72**

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color

## **REGULATION OF INTEREST RATES ON LIFE INSURANCE POLICY LOANS (Crippen)**

**HOUSE BILL** **72**

Respectfully report as follows: That..... No.....

be amended as follows:

1. Page 2, line 7.

Following: "(1)"

Insert: "(a)"

2. Page 2, line 10.

Following: line 9

Strike: "(a)"

Insert: "(1)"

3. Page 2, line 12.

Following: line 11

Strike: "(b)"

Insert: "(ii)"

4. Page 2.

Following: line 14

Insert: "(b) A life insurer is not permitted to issue policies containing variable rates of interest on policy loans under subsection (1)(a)(ii) unless the insurer also makes available policies, which may or may not be on the same plan of insurance, with fixed rates of interest on policy loans under subsection (1)(a)(i)."

XXXXX  
DO PASS

XXXXXXX  
DO NOT PASS

(continued on page 2)

Chairman.

MARCH 5

19.95

5. Page 2, line 16.  
Following: "(1)"  
Strike: "(b)"  
Insert: "(a)(11)"

6. Page 2, line 24.  
Following: "(1)"  
Strike: "(b)"  
Insert: "(a)(11)"

AND AS AMENDED

BE CONCURRED IN

Mike Halligan, Chairman

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date March 5, 1985 Bill No. 72 Time 10:45 a.m.

NAME	YES	NO
Chairman Mike Halligan		X
V-Chrm. B. F. Christiaens		X
Senator Paul Boylan	X	
Senator David Fuller	X	
Senator Delwyn Gage	X	
Senator Pat Goodover		X
Senator Allen Kolstad		X
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams	X	
Senator Cecil Weeding	X	

Carol Duval  
Secretary

Mike Halligan  
Chairman

Motion: Motion by Senator Williams to PASS AS AMENDED House  
Bill 72 passed on a second vote.

ROLL CALL VOTE

SENATE COMMITTEE BUSINESS & INDUSTRY

Date March 5, 1985 Bill No. 72 Time 10:30 a.m.

NAME	YES	NO
Chairman Mike Halligan		X
V-Chrm. B. F. Christiaens		X
Senator Paul Boylan	X	
Senator David Fuller	not present	
Senator Delwyn Gage	X	
Senator Pat Goodover		X
Senator Allen Kolstad		X
Senator Ted Neuman		X
Senator Gene Thayer	X	
Senator Bob Williams	X	
Senator Cecil Weeding	X	

Carol Duval  
Secretary

Mike Halligan  
Chairman

Motion: Motion by Sen. Williams to PASS AS AMENDED House Bill 72.  
resulted in a tie vote so it was decided to wait for Sen. Fuller  
to vote.

# STANDING COMMITTEE REPORT

.....MARCH 5..... 19 05.....

MR. PRESIDENT

We, your committee on.....**BUSINESS & INDUSTRY**.....

having had under consideration.....**HOUSE BILL**.....**175**  
No.....

third reading copy ( blue )  
color

**INCREASING MEMBERSHIP OF BOARD OF PRIVATE SECURITY PATROLMEN**  
**(Fuller)**

Respectfully report as follows: That.....**HOUSE BILL**.....**175**  
No.....

NOT BE CONCURRED IN

~~XXXXX~~

~~XXXXXXXXXX~~

.....**Mike Halligan**.....  
Chairman.



# STANDING COMMITTEE REPORT

MARCH 5

85

19.....

MR. PRESIDENT

## BUSINESS & INDUSTRY

We, your committee on.....

HOUSE BILL

321

having had under consideration..... No.....

third

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color

## REVISE DEFINITION OF DEMAND AND TIME DEPOSITS (Neuman)

HOUSE BILL

321

Respectfully report as follows: That..... No.....

BE CONCURRED IN

XXXXXX

XXXXXXXXXX

Mike Halligan

Chairman.