DAILY ROLL CALL

# BUSINESS & LABOR COMMITTEE

# 50th LEGISLATIVE SESSION -- 1987

	Da	te Jan 9	, 1987
NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	~		
REP. FRED THOMAS, VICE-CHAIRMAN	<i>``</i>		
REP. BOB BACHINI	L		
REP. RAY BRANDEWIE	-		
REP. JAN BROWN			
REP. BEN COHEN			
REP. JERRY DRISCOLL	• •	, <u>, , , , , , , , , , , , , , , , , , </u>	
REP. WILLIAM GLASER	L	<u>, , , , , , , , , , , , , , , , , , , </u>	
REP. LARRY GRINDE	$\checkmark$	•	
REP. STELLA JEAN HANSEN	L		
REP. TOM JONES	L	<u>, , , , , , , , , , , , , , , , , , , </u>	
REP. LLOYD MCCORMICK	4		
REP. GERALD NISBET		4	
REP. BOB PAVLOVICH	1		
REP. BRUCE SIMON	V		
REP. CLYDE SMITH	V		
REP. CHARLES SWYSGOOD	i		
REP. NORM WALLIN	6		

#### MINUTES OF THE MEETING BUSINESS AND LABOR COMMITTEE 50TH LEGISLATIVE SESSION

January 9, 1987

The meeting of the Business and Labor Committee was called to order by Chairman Les Kitselman on January 9, 1987 at 8:00 a.m. in Room 312-F of the State Capitol.

<u>ROLL CALL</u>: All members were present with the exception of Representatives Ben Cohen and Gerald Nisbet.

HOUSE BILL NO. 31 - Changing Composition of Private Security Patrolmen and Investigators Board sponsored by Representative Les Kitselman. Mr. Kitselman stated that HB 31 amends the structure of the security board.

#### **PROPONENTS:**

Robert B. Evans, President of the Montana Association of Private Investigators Security Operators, and President of Timberline Investigations, Kalispell. Mr. Evans gave background history of the private security sector and the legislation concerning it. He stated that the current law does not provide sufficient enforcement authority to force license compliance. He said persons in compliance with the law must pay the full cost in fees of all investigative and enforcement effectors, and that the current law contains too many exceptions and permits evasion of license requirements. He stated that HB 31 and HB 68 would correct the inequities and problems inherent in the current law. See Exhibit No. 1.

Craig Christie, Secretary-Treasurer of Montana Association for Private Investigators and Security Operators, and owner of Legal Investigation Bureau in Billings. Mr. Christie supported what Mr. Evans stated, and said that the Board has worked hard to attempt to overcome the constraints placed on them by the previous statutes. HB 31 would eliminate some of those constraints as they exist now and give them the freedom to act in the capacity to which they were appointed.

Clayton Bain, Board Chairman of the Private Security and Private Investigator Board. He stated that the Board supports the concept of giving the board the authority of a quasi-judicial board. The said the problems the board has had since it has been created has been the lack of authority to enforce the code, and they have had to depend on the county attorneys and the legal division of the Department of Commerce to enforce the code for them. They have problems

with the change of the membership of the board as contained in HB 31 and strongly feel that an attorney belongs on the board representing the public at large, therefore, they do oppose that portion of the bill. See Exhibit No. 2.

#### OPPONENTS

Tom Harrison, Montana Sheriff's and Peace Officers Association. Mr. Harrison stated that they have several concerns with the bill. He addressed the makeup of the commission, and said that instead of taking the present focus of the makeup of the commission, which is a public control commission, and change it to a makeup of security people with public input. He said the reason for having attorneys on those boards is an attempt to reduce the cost to the boards of hiring legal counsel. He also pointed out that under the administrative procedures act, a quasi-judicial board is structured with a lawyer, and to call this a quasi-judicial lawyer is a deviation from what board without a а quasi-judicial board should be. He also said in reference to change that the board elects the chairman, it is again a deviation from the structure of a quasi-judicial board where the Governor appoints the chairman. He also suggested that in the private security area a liaison between the peace officers' standards and the training advisory council which is in the statute should remain so that the board does not become ingrown without the input of the public and the peace officers and law enforcement personnel in the state.

Mike Shafer, Sheriff of Yellowstone County and President of the Montana Sheriff and Peace Officers Association. Mr. Shafer stated they were opposed to HB 31 because the law that is effect now is working and they oppose any change to the present bill.

Chuck O'Reilly, Sheriff of Lewis and Clark County and a board member of the Peace Officers Association. Mr. O'Reilly stated that the current structure of the Board of Private Security is a fair and equitable distribution of representation. He feels that the bill negates any impact from the public, law enforcement, or a professional standards and training agency. See Exhibit No. 3.

There being no further discussion by proponents or opponents, Vice-Chairman Thomas asked for questions by the committee.

#### QUESTIONS

Representative Swysgood asked Mr. Evans why in the new structure of the board they have eliminated the public and the lawyer. Mr. Evans responded that the original board as

structured was dominated by law enforcement, and wanted to get at least one more member from the private industry on the board. He said they have no objection of having one public member on the board as long as they have one more representative from the private industry on it so that they have control over their own industry.

#### CLOSING

Representative Kitselman stated that in 1983 Representative Dan Harrington developed this bill because there was a problem of the private security business was not regulated and was dominated by the sheriff and police auxiliary. He stated that in 1985 the bill was modified and the board was created and again the board was dominated by the sheriff and police auxiliary. He said the private security group want to be able to regulate their own industry and realign the board so that is does represent their own interest with the coordination and liaison of the current publicly elected police and sheriff departments.

HOUSE BILL NO. 68 - Revising Security Patrolmen and Investigators Law sponsored by Representative Les Kitselman. Representative Kitselman stated that he would let the proponents speak on the bill.

#### PROPONENTS

Robert Evans, President of the Montana Association of Private Investigators Security Operators. Mr. Evans proposed some amendments to correct some discrepancies and make the language in more consistent in paragraphs 20 and 21, but other than that they support the bill as submitted. See Exhibit No. 1.

Craig Christie, Secretary-Treasurer of Montana Association for Private Investigators and Security Operators and owner of Legal Investigation Bureau in Billings. Mr. Christie stated that he supported the bill and agreed with Mr. Harrison's comment that in recent years the standards and qualifications of private investigators and private security persons had improved. He stated that they need to be governed by their own industry, and that HB 68 allows them to work with the statutes and keeps the qualifications and the professionalism and upgrading current.

Clayton Bain, Chairman of the Board of Private Investigators and Security. Mr. Bain stated that this bill is a joint effort by the board and industry to clarify the language in the 1983 bill and to give the board more definite authority. He said the board supports this bill, and the only portion they remain neutral on is the repeal of section 406, casual

employment. He stated that they have tried to determine a definition under the administrative rules of what casual employment means. See Exhibit No. 2.

#### OPPONENTS

Tom Harrison, Montana Sheriff's and Peace Officers Association. Mr. Harrison stated this bill reverses the roles of the law enforcement people who started this program, and subjugates them to a private security board with three private security and only two public law enforcement people and a post member which is a public member. Another concern he had was that the badge is a symbol of authority and law enforcement people are the only ones with badges, but this bill would change that. He said the private security people's duties are not the same as the law enforcement people's and the distinction of the badges is a lot more than the word "metal" for the badge.

Chuck O'Reilly, Sheriff of Lewis and Clark County and member of the board of directors for the Montana Sheriff's and Peace Officer's Association. Mr. O'Reilly stated that the original purpose of this law was to protect the public by eliminating unscrupulous non-law enforcement personnel in private security agencies by establishing standards and requirements for their conduct and control. He stated that passage of this bill eliminates section 37-6-406, which is the law enforcement exemption of the current law. He stated that Montana's law enforcement personnel are highly regulated and controlled under current statutes for their initial training requirements, and placing law enforcement personnel under an additional contradicting statute would create severe conflicts withlocal with local departmental control and management of their officers, including training, hiring and other personnel practices. See Exhibit No. 3.

Mike Shafer, Sheriff of Yellowstone County and President of the Montana's Sheriffs and Peace Officers Association. Mr. Shafer stated that they want to go on record as opposing this bill. He said if this bill passed the way it is now, it would certainly affect law enforcement all over the state.

Beverly Gibson, Montana Association of Counties. Ms. Gibson stated that they support the comments made by the Montana Sheriffs and Peace Officers Association.

George Allen, representing the Montana Retailer Association. Mr. Allen stated they support the bill with an amendment to change the reading from "which at the time is not open to the public" to "has little contact with the public". See Exhibit No. 4.

There being no further discussion by proponents or opponents, Vice Chairman Thomas asked for questions by the committee.

#### QUESTIONS

Representative Swysgood asked Representative Kitselman to explain the language being deleted that refers to being a citizen of the United States. Representative Kitselman responded that in some cases they may employ someone that is a Canadian citizen, they would be able to be employed by the security firm as long as they meet all the standards of the contract security. Mr. Harrison also responded on page 11 the requirement that citizenship be present is still retained.

Representative Brandewie asked whose insurance covered the peace officers that were moonlighting, was it the county's, or were we exposing the county to further liability when these people were working unsupervised by their elected sheriff. Mr. Harrison responded that if they were working for a county function, the county has the insurance; if he is working as part of the sheriff's department, he would be covered under that same policy, and if he is working for a public entity, he would be covered under that entity's insurance policy which is almost always the same policy.

Other questions were asked regarding the insurance coverage if the sheriff or peace officer worked in public places, such as county functions, and if they worked for private entities, such as a private dance or bar. The response was that the county functions were covered by the county, and if they were in a private entity, that particular entity's insurance would cover the officer. Other questions dealt with if an officer was working in a private capacity and made a mistake, if the county would be in a law suit. The response was that if it was a county function, the officer or private security person would be named personally, and the county could be named; but if they worked for the county, the county would be named in the law suit.

Representative Simon asked Mr. Allen why the amendment he proposed was important to the bill. Mr. Allen explained that the law goes further than was intended in this one area under the present law. He stated that if the store has an employee that was assigned to security, and that employee is under the employment of that company or store and would be covered under that store's insurance policy, the present law includes him in the security laws that requires him to get licenses, etc. as the rest of the private security people. He said he didn't think that was the intent, and this amendment would ensure that a store employee who works

within the confinements of one store and does no outside security work at all, would be excluded to having to buy a license.

Representative Simon asked if a deputy works as a private security and are under the sheriff's control, would they be acting as private contractors. Sheriff O'Reilly responded that, as stated under the existing statute, a reserve officer or a regular officer is performing any kind of peace officer function, he is under the authority or control of the sheriff.

Representative Simon asked if the money earned by the deputy while off-duty was kept by the deputy or into the sheriff department's budget. Sheriff O'Reilly stated that each county differs. He said that in Lewis and Clark County both the reserve officer and regular officers are paid through an account whereby the employing entity or the requesting entity pays the reserve force the sum of money that had been agreed upon, and that money is then distributed by the reserve, which is a non-profit organization, to the employee who worked, and a portion of it goes back into a reserve fund which pays for their uniforms, weapons, and training. He stated that there are no county monies expended in that fashion, it is based on a number of weeks they worked, and a percentage goes back into a reserve.

Questions were asked regarding training for the use of firearms, if a written examination was required, and who did the training. The response was that the training was done by law enforcement people that were trained in instructing, and that a written examination was required.

More discussion on the badges worn by both the law enforcement people and the private security, and why the word "metal" was inserted. Mr. Kitselman explained the difference between the badges worn by the police officer and those worn by the private security, that the private security wear the cloth badge which usually includes emblems of their particular company, and the metal badge is reserved for the police officer, sheriff, and some federal officers.

Representative Brandewie asked how extensive was the training for the reserve force and Sheriff O'Reilly stated that he required over 400 hours of training and is a two-year training process.

Representative Glaser asked who has administrative control over the off-duty and auxiliary officers. Sheriff O'Reilly stated that state law requires that a coordinator be appointed, and that the only time a reserve officer can be

activated is at the direction and control of the chief of police or the sheriff of that department.

#### CLOSING

Representative Kitselman stated that there is a basic difference in the philosophy, law enforcement personnel are given the power to arrest, and the private security personnel are there to observe and report. He said that a lot of businesses do prefer the off-duty officer because they have the badge, the firearm, and the representation of the total law enforcement department. He stated that when the law enforcement people and the private security are biding on the same contracts, it is difficult for the private sector to compete when they have to supply to own vehicles, uniforms, radios and controls, and the most of all the liability insurance policy. He stated also the concern of the impact on the jobs for the private security sector, who are taxpaying citizens and taxpaying corporations.

EXECUTIVE ACTION - January 9, 1987 - 9:30 a.m.

ACTION ON HOUSE BILL NO. 30

Representative Glaser moved that House Bill No. 30 DO PASS.

Representative Glaser moved to amend House Bill No.30. The motion carried unanimously.

Representative Pavlovich moved a further amendment to basically restrict the bar owners and taverns that have beer, wine, or an all-beverage license to supply in event of a strike. Motion carried unanimously.

Representative Wallin moved a further amendment to House Bill No. 30 which would open it up to all licenses. Motion failed.

Representative Brandewie moved that a "severability" clause be inserted in the bill. Motion carried unanimously.

The original motion by Representative Glaser that House Bill No. 30 DO PASS AS AMENDED was voted on. Motion carried with Representatives Thomas and Pavlovich voting no.

#### ADJOURNMENT

Meeting adjourned at 9:50 a.m.

REP. LES KITSELMAN, Chairman

# STANDING COMMITTEE REPORT

		JANUARY 9	19 <b>87</b>
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#### HOUSE BUSINESS AND LABOR COMMITTEE

HEARING ON HB 31 AND HB 68

FRIDAY, JANUARY 9, 1987

APPEARANCE AND INFORMATION BY:

ROBERT B. EVANS TIMBERLINE INVESTIGATIONS, INC. P.O. BOX 1301 KALISPELL, MT 59903-1301 (406) 257-1636

President of Montana Association of Private Investigators and Security Officers

Member of: National Council of Investigators and Security Services Member of: California Association of Licensed Investigators

IN SUPPORT OF THE SUBMITTED BILLS

EXHIBIT. DATE HR

Mr. Chairman and Committee Members:

We wish to express our appreciation for this opportunity to acquaint you with the situation. We hope it will provide an understanding of our concern as small business operators.

#### I- BACKGROUND

Private security, including investigators, has become an explosive growth industry in the past seven to ten years. There are now more than 1.2 million persons in the private sector as opposed to about 600,000 persons in the public sector. Montana has come late on the scene. There are only about 400-500 security persons of all types in the state. On an average, these small firms gross between \$35,000 to \$50,000 annually with net income, after expenses and mandatory contributions, of \$14,000-\$15,000.

Prior to 1983 these businesses were licensed and controlled by a Director of Professional and Occupational Licensing under the Department of Commerce. He was responsible for developing and enforcing "reasonable" rules.

Information was quickly and easily obtained, complaints were promptly handled, fees were moderate (application \$25, test \$10, renewals \$10), persons carrying firearms needed only to "comply with all applicable state laws and county and city ordnances." Individual employees did not have to be licensed.

There were 169 license holders of all types. There were 105 investigator licenses and 64 security licenses issued with 31 of the licensees being "dual" operators, making a total of 138 persons or firms. There were only five categories requiring licensure including "alarm installers and monitors." A licenseholder could have employees under his license and supervision without additional fees.

During the 48th Legislature HB523 was passed. This bill completely rewrote Title 37, Chapter 60. It created a seven man Board, attached to the Department of Commerce for "administrative purposes only." The Board is to be fully self-funded from license fees. All costs to the Board, including administrative support, legal advise and support, and advice and support of the Attorney General, are to come from license fees.

On first glance the bill appeared to regulate the private sector in the best interests of the public safety and welfare. In fact it did not! It was filled with exceptions, ambiguities, and ommissions. The Board votes to take some action but it is the "responsibility" of the Department of Commerce to carry it out. The Department of Commerce states that actions and decisions are the "responsibility of the Board."

HB 523 became effective law with the Governor's signature April 18, 1983. As enacted, Title 37, Chapter 60 provided 13 specific categories of licensure (but dropped alarm installers) and for the first time required all employees to be individually licensed. Under the new law

EXH ST 1 page 2 DATE 1/9/8

hotels, motels, recreational complexes and retail stores having "security" personnel were included.

Peace officers, reserve officers, railroad agents, credit investigators, lawyers and law students were exempted.

During the 49th Legislative session HB 127 was introduced to correct previous problems. The bill eventually signed into law contained even more exemptions and ambiguities.

Exemptions now include "para-legals" and "internal auditors." Alarm installers were subjected to licensure again. HB 127 revising Title 37, Chapter 60 was signed into law in the closing days of the 1985 session, and had an effective date of October 1, 1985.

As of June 20, 1985 there were a total of 254 licenses of all types issued. However, no information was given as to how many were "dual" operators. This was only a gain of 85 licenses in two years. Testimony given to the 1983 legislative committees was that "this law will license 500 persons in the first years, with 1,000 by the second year."

License figures furnished February 28, 1986 were 93 employee licenses and 126 employeer licenses for a total of 219 of all types--a gain of only 50 licenses since 1982 even though many, many more persons were subject to license requirements.

License figures obtained January 5, 1987 are 138 employer licenses and 200 employee licenses of all types. A gain of only 169 over a four year period!

In June 1986 a \$35 assessment for each license was made. In August the Board voted to increase license fees to \$150 for each licensee and each armed employee. These increases amount to several hundred dollars for the small firms to several thousand dollars for intermediate and larger firms. Many will simply go out of business, as they cannot afford the costs.

The forcast budget for operation of the Board has increased from \$23,906 for FY1984 to over \$41,000 for FY1987 with no increase in benefits to the general public, nor to our profession. License application fees were \$25 and annual renewals were \$10 on January 1, 1983. This year applications will cost more than \$100 and annual renewals \$150 for each license. By definition of law most of us must carry both a Security and an Investigators license.

II- THE PROBLEM:

A. Current law is too vague and ambiguous.

B. Current law does not provide sufficient enforement authority to force license compliance.

DATE 1/ 1/87 HB\_31

C. Persons in compliance with the law must pay the full cost-in form of fees---of all investigative and enforcement efforts. The Board of Private Security Patrolmen and Investigators has no way to collect any costs from those in violation of the law.

D. Current law contains too many exemptions and "loop-holes" and permits evasion of license requirements. In some cases it has taken 2 to 3 years to force licensure compliance on violators. County Attorneys and other local officials have been extremely reluctant to take action against non-complying firms or persons.

#### III- THE SOLUTION

The Montana Association of Private Investigators and Security Operators (MAPISO) has worked diligently for the past eleven months to prepare and coordinate legislative changes to correct inequities and problems inherent in the current law.

HB-68 and its companion HB-31 are the results of these efforts. The bills have been prepared in close cooperation with legislative members, individual members of the license board, and the whole of the Board meeting in formal hearing.

WE STRONGLY URGE THE BILLS BE APPROVED AS SUBMITTED, WITHOUT CHANGES OR AMMENDMENTS !!

8.50.423

COMMERCE

EXHIBIT

DATE

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 masterservant 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

8-1376

6/30/84

ADMINISTRATIVE RULES OF MONTANA

LAHIBIT

TESTIMONY IN SUPPORT OF HB-31 AND HB-68

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EXHIBIT page 2

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As of June 20, 1985 there were a total of 254 licenses of all types issued. However, no information was given as to how many were "dual" operators. This was only a gain of 85 licenses in two years. Testimony given to the 1983 legislative committees was that "this law will license 500 persons in the first years, with 1,000 by the second year."

License figures furnished February 28, 1986 were 93 employee licenses and 126 employeer licenses for a total of 219 of all types-a gain of only 50 licenses since 1982 even though many, many more persons were subject to license requirements.

License figures obtained January 5, 1987 are 138 employer licenses and 200 employee licenses of all types. A gain of only 169 over a four year period!

In June 1986 a \$35 assessment for each license was made. In August the Board voted to increase license fees to \$150 for each licensee and each armed employee. These increases amount to several hundred dollars for the small firms to several thousand dollars for intermediate and larger firms. Many will simply go out of business, as they cannot afford the costs.

The forcast budget for operation of the Board has increased from \$23,906 for FY1984 to over \$41,000 for FY1987 with no increase in benefits to the general public, nor to our profession. License application fees were \$25 and annual renewals were \$10 on January 1, 1983. This year applications will cost more than \$100 and annual renewals \$150 for each license. By definition of law most of us must carry both a Security and an Investigators license.

II- THE PROBLEM:

A. Current law is too vague and ambiguous.

B. Current law does not provide sufficient enforement authority to force license compliance.

nage 3 EXALE 1 19/87 HB 68

C. Persons in compliance with the law must pay the full cost-in form of fees---of all investigative and enforcement efforts. The Board of Private Security Patrolmen and Investigators has no way to collect any costs from those in violation of the law.

D. Current law contains too many exemptions and "loop-holes" and permits evasion of license requirements. In some cases it has taken 2 to 3 years to force licensure compliance on violators. County Attorneys and other local officials have been extremely reluctant to take action against non-complying firms or persons.

#### III- THE SOLUTION

The Montana Association of Private Investigators and Security Operators (MAPISO) has worked diligently for the past eleven months to prepare and coordinate legislative changes to correct inequities and problems inherent in the current law.

HB-68 and its companion HB-31 are the results of these efforts. The bills have been prepared in close cooperation with legislative members, individual members of the license board, and the whole of the Board meeting in formal hearing.

WE STRONGLY URGE THE BILLS BE APPROVED AS SUBMITTED, WITHOUT CHANGES OR AMMENDMENTS !!

8.50.423

COMMERCE

EXHIBIT

DATE\_

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 masterservant relationship and not as an independent contractor and performs no surveillance activities.

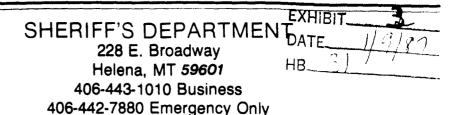
(6) "Unprofessional conduct" means the failure to conform to and abide by all the standards, rules and regulations set forth in Title 37, Chapter 60, Montana Codes Annotated and Title 8, Chapter 50, Administrative Rules of Montana, which regulates the security patrolmen and private investigator professions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

8-1376

6/30/84

ADMINISTRATIVE RULES OF MONTANA





#### CHUCK O'REILLY, SHERIFF

#### HB31 PRIVATE SECURITY

During my career I have served on numerous Boards, both at the state and local levels. I can unequivocally state that the most unfair and non-productive boards, relative to the public good, have been those which are drastically stacked in favor of the special interest that is being overseen by that type of board. It quite often ends up in a case of the fox being appointed to guard the chicken coop. Such is the instance with HB31, the bill now before you.

The current structure of the Board of Private Security is the result of an in-depth study by numerous entities and was conceived, and has since been perceived, to be a fair and equitable distribution of representation.

HB31 deletes the public member who perhaps more than any other entity has a right to be represented. It also deletes the representative from the Peace Officers Standards and Training Council which was originally put on the Board to provide direct input regarding professionalism; knowledge of appropriate standards; and even more critically necessary training requirements. By eliminating these 2 members that leaves but 2 members from law enforcement on the Board with 5 members from the private security industry. In my opinion the bill negates any impact from the public, law enforcement, or a professional standards and training agency, and you just as well not have <u>any</u> non-private security members on the Board as the inpact most suredly would be the same.

I urge this committee to kill this bill and thus retain a fair and equitable board as is currently provided for under the existing statute.

Sincerely, Church to Capal CHARLES M. O'REILLY, SHERIFF

CMO:hb

EXHIBIT\_ DATE HB.

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#### HOUSE BUSINESS AND LABOR COMMITTEE

HEARING ON HB 31 AND HB 68

FRIDAY, JANUARY 9, 1987

APPEARANCE AND INFORMATION BY:

ROBERT B. EVANS TIMBERLINE INVESTIGATIONS, INC. P.O. BOX 1301 KALISPELL, MT 59903-1301 (406) 257-1636

President of Montana Association of Private Investigators and Security Officers

Member of: National Council of Investigators and Security Services Member of: California Association of Licensed Investigators

IN SUPPORT OF THE SUBMITTED BILLS



LEWIS & CLARK COUNTY

EXHIBIT DATE

## SHERIFF'S DEPARTMENT 228 E. Broadway Helena, MT 59601 406-443-1010 Business 406-442-7880 Emergency Only

### CHUCK O'REILLY, SHERIFF

#### HB68 PRIVATE SECURITY BILL

The original purpose of this law was to protect the public by preventing and eliminating unscrupulous non-law enforcement personnel in private security agencies by establishing standards and requirements for their conduct and control.

Passage of this proposed bill eliminates the Section 37-60-406. which is the law enforcement exemption of the current law. Montana's law enforcement personnel are highly regulated and controlled under current statutes from their initial training requirements right on through everything they do. Placing law enforcement personnel under an additional contradicting statute would create severe conflicts with local departmental control and management of their officers, including training, hiring and firing, uniform requirements, and other existing personnel practices. Additionally passage of this bill would place Law Enforcement Reserve Forces in an utenable situation with regards to current statutes already regulating reserves. Past legislative intent is clearly defined in our current law regarding exempting law enforcement as well their desire to clearly delineate between sworn law enforcement personnel and private security. I would direct your attention to MCA 37-60-407 regarding prohibiting private security from utilizing a badge during the course of their employment. This was to protect the public by preventing confusion as to who is law enforcement and who is not. The proposal before you throws this protection out the window. The current law has worked well in regards to protecting the public and needs no deletions or revisions. I respectfully request you kill HB68 in the interest of justice and public protection.

Sincerely, *Laucerrit* Ciffic Charles M. O'REILLY, SHERIFF

CMO:hb



Executive Office P.O. Box 440 34 West Sixth Helena, MT 59624 Phone (406) 442-3388 EXHIBIT\_\_\_\_\_\_ DATE\_\_\_\_\_/9/87 HB\_\_\_\_\_8

January 5, 1987

MEMO TO: Representative Les Kitselman

Dear Representative Kitselman,

In reference to your House Bill #68, I would like to propose an amendment on page 7 line 1.

Present Reading: Which at the time is not open to the public.

Proposed Amendment would read: Has little contact with the public.

Les, I hope this small amendment to your bill meets with your approval. The present language creates a problem for some of our retailers.

I would like to discuss this with you at your convenience.

Sincerely,

George Allen Executive Vice President MRA

GA/ca

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. HOUSE BILL 68 DATE JANUARY 9, 1987

SPONSOR \_\_\_\_\_ REP. LES KITSELMAN

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
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IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. HOUSE BILL 31 DATE JANUARY 9, 1987

SPONSOR \_\_\_\_ REP. LES KITSELMAN

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
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PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.