

HOUSE BILL REPORT

HB 2534

As Reported by House Committee On:
Business & Financial Services

Appropriations Subcommittee on General Government & Information Technology

Title: An act relating to fingerprint-based background checks for licensing of vehicle dealers and security guards.

Brief Description: Requiring fingerprint background checks for the licensing of vehicle dealers and security guards.

Sponsors: Representative Kirby; by request of Department of Licensing.

Brief History:

Committee Activity:

Business & Financial Services: 1/22/14, 1/24/14 [DP];

Appropriations Subcommittee on General Government & Information Technology:
2/6/14 [DP].

Brief Summary of Bill

- Requires applicants for vehicle dealer licenses and any private security guard license to undergo fingerprint-based background checks.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 9 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Assistant Ranking Minority Member; Blake, Habib, Hawkins, Hudgins, Kochmar and Santos.

Minority Report: Without recommendation. Signed by 4 members: Representatives Parker, Ranking Minority Member; Fagan, G. Hunt and MacEwen.

Staff: Linda Merelle (786-7092).

Background:

Private Security Guard.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A private security guard is a person who is licensed and principally employed as or typically referred to as one of the following:

- a security officer or guard;
- a patrol or merchant patrol service officer or guard;
- armed escort or bodyguard;
- armored vehicle guard;
- a burglar alarm response runner; or
- a crowd control officer or guard.

An applicant must meet the following minimum requirements to obtain a private security guard license:

- be at least 18 years of age;
- be a citizen of the United States or a resident alien;
- not have been convicted of a crime in any jurisdiction, if the Director of the Department of Licensing (Director) determines that the applicant's particular crime directly relates to his or her capacity to perform the duties of a private security guard, and the Director determines that the license should be withheld to protect the citizens of Washington;
- be employed by or have an employment offer from a licensed private security company or be licensed as a private security company;
- satisfy the training requirements established by the insurer; and
- submit a fully completed application that includes proper identification on a form prescribed by the Director for each company of employment.

Armed Private Security Guard.

An armed private security guard is a private security guard who has a current firearms certificate issued by the Criminal Justice Training Commission (Commission). An applicant for an armed private security guard license must meet the following minimum requirements:

- be licensed as a private security guard;
- be at least 21 years of age;
- have a current firearms certificate issued by the Commission; and
- pay the fee established by the Director.

Investigation of Applicants for Private Security Guard License.

After receiving an application for a license, the Director must conduct an investigation to determine whether the facts set forth in the application are true and must request that the Washington State Patrol (WSP) compare the fingerprints submitted with the application to fingerprint records available to the WSP.

The WSP must forward the fingerprints of applicants for an armed private security guard license to the Federal Bureau of Investigation (FBI) for a national criminal history records check.

Vehicle Dealer License.

Every applicant for a vehicle dealer license must provide information regarding proof of the applicant's identity, including, but not limited to, his or her fingerprints; and the honesty, truthfulness, and good reputation of the applicant for the license. The applicant must also provide his or her form and place of organization; qualification and business history of the applicant and any partner, officer or director; and the applicant's financial condition or history.

The application must disclose whether the applicant has been found guilty of a crime which directly relates to the business for which the license is sought and whether less than 10 years have elapsed since the conviction. The applicant must also disclose judgments in civil proceedings involving fraud or misrepresentation.

The applicant must provide information regarding the type and class of vehicles to be sold and the manufacturers from whom the applicant has received a franchise, along with current service agreements. The applicant must also provide the names and addresses of resident employees who will provide service or repairs only under the terms of any warranty, unless the manufacturer requires warranty service to be performed by its dealers pursuant to a current service agreement on file with the Department of Licensing (Department).

Renewal of Vehicle Dealer License.

The license of a vehicle dealer or a vehicle manufacturer expires 12 months after issuance. A licensee may renew the license by, prior to the expiration date, filing with the Department a renewal application containing information required by the Department regarding the volume of vehicle sales during the previous year and any material change in the information contained in the original application.

Summary of Bill:

Private Security Guards.

The WSP must forward the fingerprints of applicants for any private security guard license to the FBI, not just applicants for an armed private security guard license.

Vehicle Dealer License.

Effective January 1, 2015, applicants for an original vehicle dealer license must have fingerprint-based background checks through the WSP criminal identification system and through the FBI. The Director may require all current licensees to have a fingerprint-based background check at the first application for a renewal license after that date.

The Director may also require all current licensees to submit with their renewal application proof regarding the applicant's identity, including, but not limited to, his or her fingerprints. The Director may require that licensees have their background rechecked periodically.

The applicant is required to pay the current federal and state fees for fingerprint-based criminal history background checks.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The stakeholders have been involved in a part of this process, and there is significant evidence that this bill was the product of good work by the Department. The Department currently does collect the fingerprint cards, but it does not run the national background check. The Department has the proper national authority for armed security guards, and this bill adds the same authority for unarmed security guards.

(Opposed) None.

Persons Testifying: Tony Sermonti, Department of Licensing.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

Majority Report: Do pass. Signed by 5 members: Representatives Hudgins, Chair; Dunshee, S. Hunt, Jinkins and Springer.

Minority Report: Do not pass. Signed by 4 members: Representatives Parker, Ranking Minority Member; Buys, Christian and Taylor.

Staff: Alex MacBain (786-7288).

Summary of Recommendation of Committee On Appropriations Subcommittee on General Government & Information Technology Compared to Recommendation of Committee On Business & Financial Services:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Federal law requires that both armed and unarmed security officers have federal level background checks. Washington statute does not provide the Department of Licensing (Department) the authority to submit applicants for unarmed security guard licenses for a federal level background check. This issue came about because an audit determined that state law was out of sync with the federal law. The Department has the proper authority for armed security guards; this bill adds the same authority for unarmed security guards. For vehicle dealers the Department currently collects fingerprint cards, but does not send them forward for federal level checks because the Department does not have authority to do so under current state statute. The industry is supportive of this change.

(Opposed) None.

Persons Testifying: Tony Sermoniti, Department of Licensing.

Persons Signed In To Testify But Not Testifying: None.