

Approved: February 6, 1997
date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Alicia Salisbury at 8:00 a.m. on February 5, 1997 in Room 123-S of the Capitol.

Members present: Senators Salisbury, Barone, Brownlee, Feleciano, Jordan, Ranson, Steffes, Steineger and Umbarger.

Committee staff present: Lynne Holt, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Betty Bomar, Committee Secretary

Conferees appearing before the committee:
Verlon Myers, President, Kansas Burglar & Fire Alarm Association
John Ellis, PMO Security
Chuck Thacker, President, Kansas State Fire Marshal Association
Joseph Pfefer, Jade Alarm, Kansas City, Mo.
Charles P. Stephenson, President, Orion Group, Overland Park
Mickey Gitlin, President, Corporate Protective Service, Overland Park
Mark Stegman, Branch Manager, Brinks, Kansas City Mo.
Terry Breese, President, Capital Investigative Services, Inc., Topeka
Jeff Pearce, Merchants Security
Walter Markley, Legislative Officer, American Society of Industrial Security,
Kansas Chapter, Wichita
Tom Fischer, President, Heart of America Systems, Inc., Lenexa
Ira H. Rakley, Overland Park
Beccy Swanwick, League of Kansas Municipalities

Written testimony submitted:
Mark S. Rau, President, Professional Security Inc.
Marsh Martin, Manager, KGE Security, Wichita
Marc S. Jacobs, Investigative & Protective Services, Leawood
P. Terry Barker, President Kansas Automatic Fire Alarm Association
Darrel Bipes, Branch Manager, Simplex, Topeka
Mike Rhudy, Eagle Life Safety Service, Emporia
H. A. Markley, President, Kansas State Association of Fire Chiefs

Others attending: See attached list

Upon motion by Senator Steineger, seconded by Senator Umbarger, the Minutes of the January 31, 1997 and February 4, 1997 Meeting were unanimously approved.

SB 78 - Private security guard licensing

The Chair informed the Committee a letter had been received from Mark S. Rau, President, Professional Security, Inc., requesting **SB 78** be set aside and held over for the next session. During this period of time, supporters of the bill will have the opportunity to hold informational meetings throughout the state and obtain a consensus on legislation needed. Attachment 1

Verlon R. Myers, Crown Security and President of the Kansas Burglar Fire Alarm Association, testified in opposition to **SB 78**. Mr. Myers stated the alarm installing industry should not be categorized in the same arena as the guard, patrol and courier services. The alarm industry includes electricians and technicians and should not be included in **SB 78**. Mr. Myers stated his main concerns regarding **SB 78** are: the definition of "alarm systems agent" in Section 1 (g), which creates a financial burden on the industry; exemption of commercial retail fronts that sell security systems; lack of regulation on self-installed security systems; weighted the board in favor of the guard, patrol and courier service; and Section 2(a)(5) may contradict Sec. 1(d); Sec. 2(a)(6) and Sec. 2(a)(7) may contradict Sec. 1(d), depending upon interpretation. Attachment 2

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on February 5, 1997.

John W. Ellis, PMO Security Services, Roeland Park, testified in opposition to **SB 78**. Mr. Ellis stated the definitions in the bill are too broad and inconsistent; the board structure is too restrictive; and the fee is a financial burden. Mr. Ellis stated the current private security problems in Kansas are: multiple licensing in urban areas, impact of increasing technology, lack of training facilities, insurance availability and access, lack of enforcement, and public industry image. Attachment 3

Chuck Thacker, President, Fire Marshal's Association of Kansas, testified in opposition to including the word "fire" in **SB 78**, as it will cause interpretation conflicts and confusion. The State Fire Marshal is authorized to adopt the rules and regulations for the installation and maintenance of equipment intended for fire control, detection and extinguishment in all buildings where people live, work and congregate except for one and two family dwellings. The Association requests that all references to fire and fire alarms be stricken from **SB 78**. Attachment 4

Joseph Pfefer, President, Jade Alarm Co., and President, Kansas City Burglar and Fire Alarm Association, stated in order for the Burglar and Fire Alarm Association to support **SB 78**, it is necessary that language be included recognizing U.L. Certification, NBFAA Certification for Level I, Level IIA, Level IIB, and the practical Fire Alarm and/or NICET Certification as qualified testing and/or training for the personnel who are responsible for installation or service of security alarm systems. It is also necessary the Board include an individual who is knowledgeable about the present national requirements. Mr. Pfefer stated there is a concern as to the affect licensing would have on the collection of false alarm fees and the enforcement of false alarm ordinances enacted by local authorities. Attachment 5

Charles P. Stephenson, President and Owner, Orion Security Inc. testified in opposition to **SB 78**. Mr. Stephenson stated Orion is a private security firm and provides uniformed armed/unarmed guards, money courier service and mobile patrol services, employing 75-100 employees. Mr. Stephenson asked what is the need for **SB 78**. Mr. Stephenson stated most companies are regulated by common business practice and do not need state regulation. Mr. Stephenson stated **SB 78** would not supersede existing municipal ordinances licensing private security companies and would increase cost of service to customers throughout the state. Attachment 6.

Mickey Gitlin, President, Kansas Association of Private Investigators, testified in opposition to **SB 78**. Mr. Gitlin stated proponents of **SB 78** have not shown the need for the legislation, failed to seek input from a large segment of the security industry; are not knowledgeable of existing statutes, rules, regulations and ordinances in many states and municipalities; and have shown little concern regarding the economic impact on many small security businesses. The Association believes private patrol and security companies should assume the responsibility for the education, training, character and qualification of their employees rather than the state. Attachment 7

Mark Stegman, Branch Manager for the Kansas City Branch, Brink's Incorporated, testified in opposition to **SB 78**. Mr. Stegman stated the armored industry has not had sufficient time to evaluate the impact of **SB 78**. The Board created by this legislation should represent each segment of the security industry. The armored industry presently is a stringently regulated industry and believes there is no need for additional regulation. Attachment 8

Terry Breese, President, Capital Investigative Services, testified in opposition to **SB 78**. Mr. Breese stated **SB 78** does not meet the needs of the security industry. He urged the Committee to set consideration of the bill aside, allowing members of the industry an opportunity to reach a consensus.

Jeffrey D. Pearce, Merchants Armored Courier & Security and Universal Protective Services, testified in opposition to **SB 78**. Mr. Pearce stated the agency fee of \$350 is too high; the language is too vague and broad particularly in that it does not address any provisions concerning active and/or retired commissioned law enforcement officers; nor does it address insurance requirements, license qualifications or firearm qualifications and training. Attachment 9

Walter Markley, Legislative Officer, American Society of Industrial Security, Kansas Chapter, submitted the written testimony of Larry M. Moorman, Chairman of the Society. Attachment 10. Mr. Markley stated **SB 78** should be tabled or withdrawn to allow consultation between groups within the security industry.

Tom Fischer, Heart of American Systems, and K.C. Burglary & Fire Alarm Association, testified in opposition to **SB 78**.

Ira H. Rakley, testified in opposition to **SB 78**. Mr. Rakley stated he had been in the security

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCE, Room 123-S Statehouse, at 8:00 a.m. on February 5, 1997.

business for over 50 years and was not aware of any problems.

Beccy Swanwick, League of Kansas Municipalities, submitted the results of the survey she took of the 14 cities that currently have local regulations in the security area. Ms. Swanwick stated she currently has received six responses to her inquiry: one city would consider repealing local ordinance in favor of state regulation; two cities indicated they would not repeal their local ordinances; the three remaining cities answered that they did not know whether the city would repeal their regulations. The cities might consider repealing their local regulations of private security firms, but would not be willing to relinquish control of alarm system companies if this legislation has the effect of preempting local false alarm ordinance. Attachment 11.

Marc S. Jacobs, Investigative & Protective Services, submitted written testimony in opposition to **SB 78.** Attachment 12

Marsh Martin, Manager, KGE Security, submitted written testimony in opposition to **SB 78.** Attachment 13

P. Terry Barker, President,, Kansas Automatic Fire Alarm Association, submitted written testimony in opposition to **SB 78.** Attachment 14

Darrel Bipes, Branch Manager, Simplex, submitted written testimony in opposition to **SB 78.** Attachment 15.

Mike Rhudy, Eagle Life Safety Service, submitted written testimony in opposition to **SB 78.** Attachment 16

H. A. Hartley, President, Kansas State Association of Fire Chiefs, submitted written testimony in opposition to **SB 78.** Attachment 17.

The Chair referred the Committee to the Fiscal Note. Attachment 18.

The meeting was adjourned at 9:00 a.m.

The next meeting is scheduled for February 6, 1997.

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: February 5, 1997

| NAME | REPRESENTING |
|----------------------|---|
| Marsh Martin | Westar (KGE + KPL) Security Western Resources |
| Chuck Thacker | Fire Marshal's Association of Kansas |
| BVD GRAND | KCCI |
| Mark Rau | PSI Companies |
| Verlon R Myers | KAN. Burgular Fire Alarm Ass Crown Security |
| Tom FISCHER | HEART OF AMERICA SYSTEMS LEWES, KE. - K. C. BURGULAR FIRE ALARM ASS. |
| Camille Noha | Attorney General |
| Walt Holthaus | Western Resources |
| Connie Ulmer | SRS Sm/ERS Commission |
| Joseph Pfifer | KC BFMA / JADE ALARM Co |
| Bob Taylor | PSI Companies |
| Bob CALSON | BRINK'S INC. |
| Mark Stegman | BRINK'S INC. |
| Franklin Dee William | S&R |
| Mel Johnson | _____ |
| Patrick J. Lehman | Fire Chief Assn |
| Walter Markley | KS Chapter ASIS |
| Mike Taylor | City of Wichita |
| IRA H. NAKLEY | CITIZEN OF KANSAS |

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: 2/5

| NAME | REPRESENTING |
|----------------|------------------------|
| Mickey Girtlin | Kansas Assoc. of P. I. |
| JOHN W. ELLIS | PMO SECURITY SERVICES |
| Elena Russ | KState Fire Marshal |
| John Cameron | Cameron & Assoc. |
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2901 Burlingame Rd.
Topeka, Kansas 66611

PROFESSIONAL SECURITY INC.

Phone (913) 267-9203
Fax (913) 267-4170

To: Senate Commerce Committee Members
From: Mark S. Rau, President
Date: February 4, 1997
Subject: Senate Bill #78

Upon further review and evaluation of the current Bill, we would like to request the Bill be set aside and held over for the next session. This will allow time for the Bill supporters to hold additional information and Bill design forums throughout the State. It is believed that there are a number of individuals who should have an opportunity present their ideas. This Bill is still regarded as an excellent piece of legislation, but even good legislation can be improved.

As the process moves forward, be assured the committee will be kept informed of the steps taken to resolve the issues. It is felt that the Bill must include a specific exemption for any person or company licensed under the Private Detectives K.S.A. 75-7b. A greater definition of the outside agencies rules and regulations that will govern the separate industries must be made by reference in the bill (ie., The State Fire Marshall, etc.). Potentially the Bill should establish advisory boards by industry to assure the industries and the citizenry of an active voice in the rule and regulation development process.

With the help of the Kansas League of Municipalities it is felt that the concerns at the local level can be defined and addressed. With the addition of the alarm industry in the current Bill, that industry should have additional time and opportunity to identify rules and regulations and Bill criteria.

The intent was never to eliminate anyone from the Bills development process. Over the past three years, hundreds of ideas were discussed and the Bill was redesigned three times to accommodate input from those offering to participate. As we all know, developing a good comprehensive piece of legislation can be an involved process and at times it takes offering "something" to get everyone serious about the process.

The supporters of this Bill are truly looking for the mechanism in which to raise the level of professionalism throughout our industries. It should be our responsibility to protect the public from the unscrupulous private security provider, while not overburdening the honest provider. It was said at the hearing that many licensing bills are intended to be exclusionary. It has been proven in other states that growth in the industry has increased after the passage of statewide licensing due in part to the increased level of confidence in providers as professionals. We look to keep Kansas from falling behind on its responsibility to our State by keeping up with the over 33 other states that have already passed statewide licensure.

*Senate Commerce Committee
February 5, 1997*

 **ABLE** SECURITY SERVICES

PROSECURITY
"Setting the Standard"

PSI INVESTIGATIVE SERVICES

Attachment 1



CROWN SECURITY

2006 Camelback Drive • Lawrence, Kansas 66047
20 Years Combined Law Enforcement and Electrical Experience

February 4, 1997

Senator Salisbury, Chairperson
Committee on Commerce

Dear Senator Salisbury:

Please allow me to introduce myself, I am Verlon R. Myers, owner of Crown Security and President of the Kansas Burglar Fire Alarm Association (KBFAA).

We, as an association, very much support legislation to control the alarm installing industry. However, we can not support Kansas SB #78 for the following reasons.

Section 1 (g), definitions; defines the persons who will be assessed the \$50.00 charge for license. As it is written a company would be forced to license his sales staff, sales manager, technicians, and possibly his managers. If the installing company owned a central station, that staff would also have to be licensed which could adversely effect a company.

Sec 2 (a)(4) exempts all commercial retail fronts that sell security systems.

Sec 2 (a)(5) could be interpreted to contradict Sec 1 (d).

Sec 2 (a)(6) allows for no regulations on self installed security systems. A person might be able to wire one's own house, but the person has to follow certain codes and standard and have the house inspected. This bill allows anyone to install a security system without regulations or standards.

Sec 2(a)(6) This sentence could be interpreted to contradict Sec 1(d). Is this sentence saying that fire alarm installations are exempt or is it fire alarms associated with boats, aircraft and motor vehicles?

Sec 2(a)(7) Contradicts Sec 1 (d) by allowing the electricians to install fire alarms without being licensed.

Sec 4 - Board Creation

This bill is designed to be a protectionist bill and to provide the current, as well as future, Attorney Generals with a tremendous amount of influence and power over a single industry. The Board has overwhelming powers and is weighted in favor of the guard, patrol and courier service.

*Senate Commerce Committee
February 5, 1997*

Lawrence (913) 842-9908

Topeka (913) 271-7573

Attachment 2-1 thru 2-3

Secondly, the chairperson is an attorney, appointed by the Attorney General and will remain the chair of the Board. I know of no other Board in Kansas that specially has an attorney appointed to be the chair of a Board governing an industry. It is usually common for the legal department to appoint a legal staff member to the department for assistance, but not to control the Board.

Furthermore, this Board has tremendous power in setting the fee structure. The bill reads \$350.00 for company, \$50.00 for individual licenses with the powers to increase the fee if necessary; today \$350.00, tomorrow \$3500.00.

Lastly, the alarm installing industry should not be categorized in the same arena as the guard, patrol and courier services. Our needs are totally different and it would be very difficult for other board members to understand our needs, as well as, our industry trying to understand their needs.

The alarm installing industry is comprised, at best, of 150 companies in Kansas. Most of these companies are small and in the employee range of 1-5 personnel, "Mom & Pop" businesses. A bill of this nature would create an insurmountable mountain in paper work, fee structure and over all increase to the consumer.

This bill does not allow the alarm industry to control it's own destiny. It does provide an avenue for large companies, through the assistance of our own government to capture and create a monopoly within Kansas.



RESIDENTIAL & COMMERCIAL SECURITY PROFESSIONALS
"A National Security Associates, Inc. Company"

February 3, 1997

Mr. Verlon Meyers
Crown Security
2006 Camelback Drive
Lawrence, KS 66047

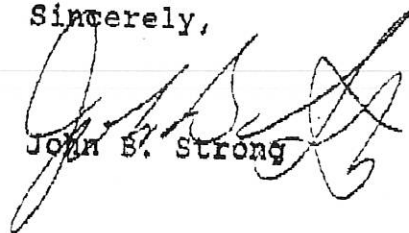
RE: Kansas Bill #78

Dear Verlon:

Please make the Senate Committee aware that I am totally against this legislation on the alarm companies. It would not be positive legislation to either the alarm installing dealers or the consumers.

I am, as you know, very much in favor of legislation to control the alarm installing dealers. We, the alarm industry, have sought help to get this legislation for several years, but up until now, there was no interest. I am somewhat dismayed that this Bill could come about without the industry associations being invited into the process.

Sincerely,


John B. Strong

JBS/ja

PMO SECURITY SERVICES ROELAND PARK, KS

Senate Bill 78 Comments in Opposition

John W. Ellis, B.S., M.A.J.
Major, Military Police Corps, US Army Reserve
Licensed Private Detective
Certified Firearms Instructor

5 February 1997

*Senate Commerce Committee
February 5, 1997*

Attachment 3-1 thru 3-10

*Senate Commerce
2-5-97
Attachment 3*

SENATE BILL 78

Definitions & Classifications

- ▶ Definitions are too broad
 - ▶ Page 1 lines 19 - Armored Courier Service
 - ▶ Mom & Pop or Farmer Brown
 - ▶ Page 1 Line 24 - Private Security Company
 - ▶ Private Detective Agencies
 - ▶ Page 1 Line 28 - Alarm Systems Company
 - ▶ Architects & Construction Firms
 - ▶ Locksmiths & Electricians
 - ▶ ATM Repair Services
 - ▶ Banks or Computer Networks
 - ▶ Television or Communications
 - ▶ Page 2 Line 2 - Firearm
 - ▶ Handguns, Shotguns & Rifles
 - ▶ Page 2 Line 28 - Weapon
 - ▶ Handcuffs - restraining devices
- ▶ U.S. Dept of Commerce (SIC) Pages 361-362
 - ▶ 1987 Industry & Product Classification Manual
 - ▶ 1997 Ward's Business Directory of U.S. Private & Public Co
 - ▶ 1997 Dunn's Directory of Service Companies
 - ▶ Pro Security - SIC 7381

[Extract reprinted from U.S. Department of Commerce 1987 Industry and Product Classification Manual with updated code noted in bold]

J3. SERVICES-KIND-OF-BUSINESS CODES, TITLES, DESCRIPTIONS, AND CENSUS FORM NUMBERS-Con.

Code Title, description, and form number

739310 1 **Detective Agencies and Guard Services (CB-7310)**

[7381] Establishments primarily engaged in providing the services of detectives for investigative purposes, either for individuals or businesses, or in providing patrolling, watching, or protective services for sites or individuals. Establishments providing miscellaneous protective services, such as fingerprint or lie detection services, are included here.

| | |
|---------------------------------------|-----------------------|
| Bodyguard service | Lie detection service |
| Dogs, rent of: for protective service | Night patrol |
| Fingerprint service | Polygraph service |
| Investigation service, general | |

Notes:

1. If protective services provided consist primarily of monitoring mechanical or electrical security devices installed by another company, the establishment is classified here. However, if devices are installed by the monitoring company, the establishment is classified in KB 739330 9.

2. Establishments primarily engaged in installing and servicing mechanical or electrical protective devices are classified in KB 739330 9. Those engaged only in installing such devices are classified in Construction, Industry 173100 9.

739320.0 **Armored Car Services (CB-7310)**

Establishments primarily engaged in the protection and transportation in armored cars of money or other valuables.

Money transportation agency

Note: Establishments providing only protection (e.g., bank guard) are classified in KB 739310 1.

739330.9 **Burglar and Fire Alarm Systems (CB-7310)**

[7382] Establishments primarily engaged in installing and servicing mechanical or electrical security systems (including light beams, motion detectors, and sound waves). These establishments may or may not maintain a central monitoring station. Those establishments providing continuing monitoring and maintenance service are classified here regardless of the percentage of receipts derived from sales and installation of protective devices.

Burglar alarm maintenance and monitoring Fire alarm maintenance and monitoring

Notes:

1. Establishments engaged only in installing such devices are classified in Construction.
2. Establishments engaged only in sales and installation of such devices are classified in Wholesale or Retail Trade.

361-362 INDUSTRY CODING INSTRUCTIONS 1987 INDUSTRY AND PRODUCT CLASSIFICATION MANUAL

SENATE BILL 78

Internal Inconsistencies

- ▶ Employer - Armed Employee
 - ▶ Page 2 Line 32 vs Page 3 Line 12
 - ▶ 1 employee - paper company?

- ▶ Fire Alarms
 - ▶ Page 1 Line 28 vs Page 3 Lines 3 & 7
 - ▶ Covered or not?
 - ▶ Multi-function systems

- ▶ License Fees
 - ▶ Page 5 Line 12 vs Page 7 Line 15
 - ▶ Multiple classifications?
 - ▶ No cost control provisions
 - ▶ Exceed budget, just raise fees

- ▶ Persons and Organizations
 - ▶ Page 3 Line 19



PMO SECURITY SERVICES
5023 Briar
Roeland Park, KS 66205
816-830-1177



SM, KAPI, O.P., KS 1996
MEMBER
 KANSAS ASSOCIATION
 OF
 PRIVATE
 INVESTIGATORS

SM, PMO, R.P., KS, 1996

February 3, 1997

LICENSING COSTS COMPARISON FOR PRIVATE SECURITY OFFICERS

| <u>CITY</u> | <u>AGENCY FEE</u> | <u>INDIVIDUAL FEE</u> | <u>INDEPENDENT</u> | <u>AGENCY OF 5</u> | <u>INSURANCE</u> | <u>ALARM</u> |
|-----------------|-------------------|-----------------------|--------------------|--------------------|------------------|--------------|
| Bonner Springs | | \$ 25 | \$ 25 | \$ 125 | Yes | |
| Edwardsville | | | | | | Yes |
| Kansas City, KS | \$ 81 | \$ 10 | \$ 91 | \$ 131 | Yes | Yes |
| TOTAL WY CO | | | \$ 116 | \$ 256 | Yes | Yes |
| Fairway | | | | | | Yes |
| Leawood | | | | | | Yes |
| Lenexa | \$ 75 | \$ 25 | \$ 100 | \$ 200 | | Yes |
| Merriam | \$ 55 | \$ 20 | \$ 75 | \$ 155 | | |
| Mission | \$ 25 | \$ 10 | \$ 35 | \$ 75 | Yes | |
| Mission Hills | | \$ 25 | \$ 25 | \$ 125 | | Yes |
| Olathe | | \$ 25 | \$ 25 | \$ 125 | | Yes |
| Overland Park | | | | | | Yes |
| Prairie Village | \$ 75 | \$ 20 | \$ 95 | \$ 175 | | Yes |
| Shawnee | | \$ 25 | \$ 25 | \$ 125 | Yes | Yes |
| TOTAL JO CO | | | \$ 380 | \$ 980 | | |
| TOTAL WY&JO | | | \$ 496 | \$1236 | \$1 Milln | |
| SB 78 - 1 Class | \$ 350 | \$ 50 | \$ 400 | \$ 600 | ? | |
| 2 Class | \$ 700 | \$ 100 | \$ 800 | \$1200 | ? | |
| 3 Class | \$1050 | \$ 150 | \$1200 | \$1800 | ? | |

[Based on research conducted in 1995; and partly updated in 1996.]

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SENATE BILL 78

BOARD STRUCTURE & AUTHORITY

- ▶ **Structure** - Page 3 Line 31
 - ▶ 1 Population at large
 - ▶ Public or Public Agencies?
 - ▶ 2 Private Security Co
 - ▶ 1 Armored Courier Co
 - ▶ 1 Business/Educator
 - ▶ ASIS - Why special privilege this private group?
 - ▶ 1 Alarm Service Co
 - ▶ 1 Attorney to Chair
 - ▶ Why? What qualifies attorney for security administration?

- ▶ **Authority** - Page 4 Line 35
 - ▶ Page 5 Line 17 - Ignore Statutes of Limitations?

SENATE BILL 78

ZONING, PERMITS, TRAINING

- ▶ MUNICIPAL ORDINANCES

- ▶ Page 5 Line 33
 - ▶ Zoning exemption?
 - ▶ Alarm User Permits

- ▶ FIREARMS PERMITS

- ▶ Page 6 Line 2
 - ▶ What other standards?
 - ▶ Permit for handcuffs?

- ▶ TRAINING & CERTIFICATION

- ▶ What?
- ▶ Where?
- ▶ Existing Standards
 - ▶ Federal Specifications
 - ▶ Private Organizations

SENATE BILL 78

Private Detective Licensing Act

- ▶ Detective Business
 - ▶ KSA 75-7b01(a)

- ▶ Private Patrol Operator
 - ▶ KSA 75-7b01(d) - Defined
 - ▶ KSA 75-7b03(i) - Exempted

- ▶ Private Detectives Meeting With Attorney General

- ▶ Deadlocked on Four Issues
 - ▶ Size of Fee Increase
 - ▶ Budgetary Control of Funds
 - ▶ Records Access
 - ▶ Use of Badge - Safety Issue

- ▶ Pending Revision Supported by KAPI
 - ▶ Referred for Study by a Senate Committee in 1996 (SB 341)

PRIVATE SECURITY

Current Problems in Kansas

- ▶ Multiple Licensing in Urban Areas
- ▶ Impact of Increasing Technology
- ▶ Lack of Training Facilities in State
- ▶ Insurance Availability and Access
- ▶ Public Perception and Industry Image
- ▶ No Enforcement of Existing Acts
- ▶ Recurring Problems - State Regulatory Agency

PMO Security Services

Recommendations

- ▶ Consider Alternatives
 - ▶ Centralized Licensing - Urban Counties
 - ▶ Reciprocal Municipal Licensing
 - ▶ Revise Existing Private Detective Licensing Act
 - ▶ Establish State Training Standards or Schools
- ▶ Retain Budget Oversight
- ▶ No to Attorney General Control
 - ▶ Balance of Power Problem
 - ▶ Demonstrated Deficiency in Security Administration
- ▶ Do not Pass SB 78
 - ▶ If it's time to do it; Do it Right!

5 February 1997

Fire Marshals



Association

of Kansas

Testimony of Chuck Thacker, President
Fire Marshal's Association of Kansas
February 5, 1997
Senate Bill 78

I would like to thank this Committee for the opportunity to testify on SB 78 regarding security and alarm companies.

As you are aware the State Fire Marshal is already authorized to adopt the rules and regulations for the installation and maintenance of equipment intended for fire control, detection and extinguishment in all building where people live, work and congregate with the exception of one and two family dwellings. By regulation, the State Fire Marshal adopted Pamphlet 72, the National Fire Alarm Code, published by the National Fire Protection Association which lists those facilities that must have fire alarm systems connected to local fire departments. The fire alarm industry is constantly evolving due to advanced technology. In an effort to stay on the leading edge of this technology, the State Fire Marshal, local fire departments and fire alarm companies must work together to provide a high degree of life safety.

The Fire Marshal's Association of Kansas feels that including the word "fire" in SB 78 could cause interpretation conflicts and confusion therefore we would request that the Committee review this bill and remove all references to fire and fire alarms from this bill.

Thank You.

*Senate Commerce Committee
February 5, 1997*

Attachment 4

**KANSAS CITY
BURGLAR &
FIRE ALARM
ASSOCIATION**

February 3rd, 1997

Madam Chairman and Honorable Senators
Senate of the State of Kansas
Topeka, Kansas

Re: Bill #78

Dear Senators:

I have been in security alarm industry for over 28 years. I have grown my company, Jade Alarm Co. from a one man operation working out of my folks' home, to Kansas City's largest independent U.L. Certified Central Station and Installation Company - employing over 25 people and helping to protect over 3,500 clients in the Greater Kansas City Area.

As current President of the Kansas City Burglar and Fire Alarm Association, I represent a professional membership which have in excess of 50,000 clients. The majority of our industry are small businesses, which traditionally have between one and five employees.

We are extremely concerned about the introduction of Bill #78 as it does not contain specific language which our membership would definitely require to support such a bill. Such language should include recognition of U.L. Certification (a nationally recognized standard), NBFAA Certification for Level I, Level IIA, Level IIB, and the Practical Fire Alarm and/or NICET Certification as qualified testing and/or training for the personnel who are responsible for installation or service of security alarm systems.

For this reason, only a board made up of our peers - other professional security alarm associates, would have the intimate knowledge of our complex industry.

Another reason for concern is the license fee schedule. While initially, the fee appears to be set at \$350.00, per paragraph 14c, the board has the sole authority to increase or decrease this initial fee schedule. There needs to be a specific cap on expected administration of such a license. Otherwise, this would place an unbearable and excessive financial burden upon the bulk of the small security alarm dealers in the State of Kansas.

Senate Commerce Committee
February 5, 1997

Attachment 5-Value 52

This type of a fee could not be 'absorbed' by the dealer, but would have to be passed on to the public as increased fees.

I have spoken with Mr. Gerry Tallman of the Overland Park Alarm Coordinator's office. Overland Park is on the cutting edge of False Alarm prevention and collection of fees due to false alarms is part of their program. There was much concern in the previous Senate hearing that such a license could affect the collection of false alarm fees and thus the enforcement of a false alarm ordinance by the local authorities.

In closing, our membership consist of hardworking, honest people. We want a fair and equitable license. Please work with the KCBFAA as well as the Kansas Burglar Fire Alarm Association and the Automatic Fire Alarm Association to bring this about.

For the above reasons, our membership opposes Senate Bill #78.

Thank you for allowing me to testify.

Respectfully,



Joseph Pfefer
President - KCBFAA
President - Jade Alarm Co.
Chairman - False Alarm Committee



February 5, 1997

Good Morning;

Senators, I appreciate the opportunity to appear before you and present my comments on Senate Bill #78.

I am Charles P. Stephenson, President and Owner of Orion Security, Inc. Orion Security, Inc; a Private Security Firm that provides uniformed armed/unarmed guards, money courier service and mobile patrol services.

I am a licensed Private Investigator and Firearms Instructor for the State of Kansas. I retired from the Federal Bureau of Investigations as a Special Agent in 1983.

Orion Security, Inc. employs between 75-100 employees and is celebrating it's 14th year of service to the citizens of Kansas. It's principle scope of operation is within the greater metropolitan area of Kansas City, KS and Kansas City, MO with security interests in Oklahoma, Florida and Texas.

With regards to Senate Bill #78, I suggest that some of the appropriate questions that needed to be asked concerning this bill were asked by this committee last Wednesday:

*What is the need?

*What will be the economic impact upon the Private Security Industry and the citizens of Kansas should Senate Bill #78 become law?

*Is Senate Bill #78 a mandate for both the Private Security Industry and the citizens of Kansas?

To each of those I would submit the following:

The Honorable Attorney General of the State of Kansas, Carla Stovall, informed you that her office did not perceive Senate Bill #78's passage as being a "need" based on complaints received concerning the Private Security Industry. The Attorney General based her need and support on the bill because, "The Private Security Industry was asking to be regulated."

I submit the individuals sitting here today in opposition to this bill represent the true width and breathe of the Private Security Industry in the State of Kansas.

*Senate Commerce Committee
February 5, 1997*

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Until last Wednesday the majority of these individuals had not had the opportunity to review Senate Bill #78 and make appropriate comments.

Orion Security, Inc. licenses in municipalities, counties and states in which we do business. Common business practice regulates Orion Security, Inc.'s relationships with the clients that we serve.

Within the state of Kansas, at a minimum, we are required to have a business permit and in the majority of the cities we deal in we are required to be licensed as both a Private Security Firm and license our security officers individually.

Orion Security, Inc. as most Private Security firms, carries from one to three million dollars liability insurance coverage concerning it's day to day business operation and it's employees.

Orion Security, Inc. as a common business practice, conduct our own internal background checks on it's applicants concerning truthfulness, past criminal history record, (if any), psychological stability. Orion Security, Inc. as a condition of employment, mandates it's employees undergo initial and on going drug testing.

The Consumer Protection Division of the Attorney General's office in the State of Kansas, receives, investigates and makes referrals to the KBI with regards to any citizens complaints for any entity doing business in the State of Kansas. Orion Security, Inc. is regulated and conducts it's day to day business operations within the context of it's individual client needs and mandates.

All municipal entities licensing procedures regulate at a minimum full submission of the individual security officers name, date of birth, social security number. Subsequent to that history being received, those entities conduct individual criminal history background checks prior to the time the individual receives his/her license.

In many cases an individual security officer's background, past employment and integrity is not only checked initially by their principle employer but is checked each time they are licensed in a separate municipal entity.

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In closing I submit that the Private Security Industry in the State of Kansas is fully regulated by common business practice and the municipal business ordinance within the entity we serve. The Private Security Industry is regulated and supervised through a combination of these individual municipal ordinances, the Consumer Protection Division of the Attorney General's Office and the KBI.

Should Senate Bill #78 become law and not supersede existing municipal ordinances the licensing of Private Security companies and officers would have a dramatic economic impact upon the citizens of Kansas.

Most certainly these increased cost would be passed along to the citizens of Kansas.

Finally Senators, I suggest that if there is no mandate for the Private Security Industry or the citizens of Kansas concerning Senate Bill #78 you should not legislate.

6-3

KANSAS ASSOCIATION OF PRIVATE INVESTIGATORS

Post Office Box 2111

Overland Park, Kansas 66201-1111

COMMENTS CONCERNING PROPOSED SB-78
SENATE COMMERCE COMMITTEE HEARING FEBRUARY 5, 1997

Madam Chairwoman, committee members and colleagues,
I would like to thank you all for the opportunity to present the views of the
KANSAS ASSOCIATION OF PRIVATE INVESTIGATORS (KAPI).

My name is Mickey Gitlin, I live in Shawnee, Kansas. I own and operate
Corporate Protective Service. I will detail my experience and credentials a little later in
my presentation.

I become very concerned when people who are newcomers to my business come into
my business and try to tell me that without their help I won't be able to continue in my
business in the manner that has enabled me to raise a family and survive comfortably
for over 50 years!

I would like to preface my comments by quoting the observation of a very wise man,
.The people we elect speak for us on issues that affect our lives!. We would like to
believe that this comment is still true!!

The **proponents** of this bill **SB-78** have made an interesting case relating to the
necessity for this bill, **except for the following problems:**

1. They **did not** submit any **empirical data** supporting the need
for this bill.
2. They **failed** to contact and **seek support** or counsel from a
significant cross section of the members of the **security industry**.
As witnessed by the **opponents that are here today!**
3. An apparent lack of **knowledge** of the **existing statutes, rules,**
regulations, etc. in **many** of the **cities and municipalities** in this state.
4. An apparent **disregard** for the **real economic impact** on **many** of the
small members of the (security) profession.
5. An apparent **lack of .In depth.** knowledge of the **serious hardships**
that would be created if this bill were to pass.
6. **Misinformation** given to the Attorney General as to the **real need** for
this bill to regulate the profession.

The best example I can give from my personal experience is as follows!

While I do not have the fancy degrees or academic letters, as do some of my colleagues,
following my name, I have spent the last **50 years** of my life as a **Private**
Detective/Security Advisor/Investigator/Systems and Procedures Analyst for
various clients, as well as **Security Companies**. I am a **Certified Polygraph**
Examiner/past Vice President of the **Kansas Polygraph Association/** member of the
National Polygraph Association, and **current President** of the **Kansas Association**
of Private Investigators. I have **counseled Private Protective Agencies,** and also
have served as the **Security Consultant** to the **Missouri and Kansas Food Dealers**

*Senate Commerce Committee
February 5, 1997
Attachment 7-1 thru 7-4*

Pg #2

Associations: MRA (Missouri Restaurant Association) and KRA (Kansas Restaurant Association).

I served in the **Marine Corps** for **five years**. **The last two** as a **Base Security Specialist**, while on **active duty** during World War II.

CONSIDER WHAT I HAVE JUST SAID:

I have spent the **last 50 years of my life** in the Security business in various capacities! I forgot to mention that I have held Private Detective licenses in as many as 12 states simultaneously.

For whatever it's worth: I have also provided personal protection for many of your favorite Motion Picture stars when I was the Security Director for the National Association of Theatre Owners. I am still involved in these activities on a limited basis for two Major Motion Picture Studios.

I would like to point out that as I speak, as a Private Detective licensed in this state, I am aware of specific **Statutes, Rules and Regulations** that govern the activities of the members of our profession. **Very stringent rules and regulations I might add!**

Still, we have **.Bad Apples.** in our group.

Violators in our group and **many** of the problems that the proponents of this bill hope to cure **by legislation!** Well, distinguished members, I am here to tell you that **REGULATION WITHOUT ENFORCEMENT JUST WON'T WORK..**

You all have heard the **.cries.** about the need for tougher gun laws, yet statistics prove beyond the shadow of a doubt that the cities with the **toughest** gun laws have the **most crimes** committed **with guns!**

We have complained about **violations** of our Private Detective Laws and have found enforcement lacking.

A further example! Living Proof! That **enforcement** of existing laws, not **more regulations** is still the **only** answer!

For over 22 years the Private Patrol and Security Officers have been exempt from the Private Detective Act. I was in this state when this Act was first introduced and, I might add, was one of the earliest licensees.

The Legislators at this time, chose to exempt the Private Patrol Officers for the simple reason that they felt, as the representative of the League of Municipalities so eloquently stated, That the officials in the cities and municipalities knew their residents needs better than some state agency, as stated by the very Legislators that wrote this law!

Pg. #3

The Kansas Association of Private Investigators feels that this is still true! We feel that the Private Patrol and Security Companies **should be responsible** for the **education, training, character** and **qualification** of their employees. We also feel very strongly that these same **companies** should be responsible for the actions of their employees as well.

This **should not** be the **states responsibility**, nor should it be some ill conceived **Boards** responsibility.

I would like to make **special note** of the fact that the **Key Proponents** of this bill who are engaged in the Security business appear to have a **hidden agenda**. This became apparent when **most** of the people in the industry that I spoke with, were not even aware of **SB-78** until I informed them on January 29th, and as you know the hearing was scheduled on January 31st. This information was not even posted in the Senates calendar of events until January 29th, **two days before** the hearing!!

It is also interesting to note that the **Primary Proponents** were informed well in advance of **this date** and were **much better** prepared to present their views than the **opponents** were on the date of the hearing, January 31st. As a matter of fact, I was informed by one of the proponents that the passage of this bill was a **.SLAM DUNK..**

We did not even have the opportunity to **register** to speak at the hearing. We are grateful and most appreciative that this distinguished committee extended us the courtesy to get the word out and for the opportunity to be heard today. We thank you for your consideration..

Another point I would like to make is, that **if** the **proponets** would really have wanted to inform the industry about this bill they could have very easily contacted the Attorney Generals office or the Kansas Bureau of Investigations (KBI) and gotten a list of **all** of the licensed Private Investigator's who are also involved in the Security Guard, Private Patrol, Alarm or Allied Industries, that would have been affected by this bill.
THE YELLOW PAGES WOULD HAVE PROVIDED THE SAME INFORMATION!

There are **many problems** with this bill aside from the **obvious**. I am sure the other opponents will address these issues point by point.

I would like to close by using the old time worn cliché, **.If it ain't broke don't fix it..**

I say this because on January 31st, when the Chair asked the Attorney General if there was a problem with this industry? she replied **.NO..** The Chair then asked the Attorney

Pg. #4

General if there were any complaints? The Attorney General responded .NO!. So, I ask, **.What's broke that needs fixin?.**

The folks I have talked to have told me that **SB-78** is not needed or practical in its present form. They don't want to be regulated by a **.Board.** to be named like a football or baseball draftee.

The Kansas Association of Private Investigators Board of Directors and Legislative Committee have voted unanimously to oppose **SB-78**. We ask that you **REJECT IT**.

It seems to be very curious to us that a group of professionals would want the State to regulate their business: Are they out of control?

This special interest group seems bound and determined to force their agenda on the Security Industry, as well as other businesses that are already regulated by the state. As well as many cities and municipalities! This is their third attempt.

Some of our constituents think that this is an attempt to force the little guy (small operators) out of business! Others feel that it's an attempt to curry favor with the Attorney General's office. We wonder why?

Ask yourselves, why this bill was introduced and heard by this committee without the knowledge or consultation with the major industries that will be affected by this bill?

Ask yourselves, why this information was not made public in a timely manner?

Then ask yourselves, Do we really need more government involved in our business?

For the **KANSAS ASSOCIATION OF PRIVATE INVESTIGATORS.**

Mickey Gitlin,
President

February 5, 1997

7-4



Brink's, Incorporated
1100 East 9th Street
Kansas City, Missouri 64106
816-842-7587
Fax # 816-842-1001
A Subsidiary of The Pittston Company

February 3, 1997

Madam Chairwoman, Distinguished members of the committee:

My name is Mark Stegman. I represent Brink's Incorporated, an armored transportation services company. I am currently the Branch Manager for the Kansas City Branch.

Thank you for the opportunity to address this legislative committee.

I speak today in opposition of Senate bill 78.

Brink's Incorporated is opposed to any increased regulation of the armored industry. We are unaware of any realistic basis for or inherent problem that would be solved by enacting this legislation. Furthermore, we have not had sufficient time to fully evaluate the impact of the pending legislation.

Should this legislation pass, irrespective of our position, We would hope that all members of the industry are adequately represented on the board. Many of those affected by this legislation, including the largest couriers of valuables in the state of Kansas, are primarily engaged in interstate commerce among all of the United States, which requires us to use actual armored vehicles for the secure transportation of valuables and the protection of the public. In addition, adequately high levels of insurance, sufficient to cover the valuables entrusted to our care and assure public safety is required. We would be remiss if we did not include adequate representation of these sectors of the industry.

In view of the fact that ours is an already stringently regulated industry, and there exists inadequate evidence of the need for this legislation, Brink's Incorporated opposes Senate bill 78.

*Senate Commerce Committee
February 5, 1997*

Attachment 8



MERCHANTS ARMORED COURIER & SECURITY

ARMORED CAR SERVICE
2119 Washington • Kansas City, MO 64108 • (816) 842-1501 • FAX (816) 842-2145

SECURITY SERVICE
2809 W. 47th Street • Shawnee Mission, KS 66205 • (913) 384-3830 • FAX (913) 384-3868

Fed. I.D. # 48-0948345

COMMENTS REGARDING SENATE BILL NO. 78, ADDRESSED TO MEMBERS OF THE SENATE COMMITTEE ON COMMERCE

February 4, 1997

I represent two contract security firms, Merchants Armored Courier & Security and Universal Protective Services. We operate in the greater Kansas City area, specifically in Johnson and Wyandotte counties. I appreciate the opportunity to express our companies viewpoint on how SB-78 could affect our industry and our two organizations.

I am **opposed** to SB-78 for numerous reasons which I will briefly outline below. However, the overall concept of a Bill designed for the private security industry could have some merit if approached the right way, and with the input of a large representation of the professionals in this field.

MY MAIN OBJECTIONS ARE:

- As with House Bill 2660, Senate Bill 78 was not drafted with the knowledge, assistance or recommendations from the security industry. One group of individuals was responsible for its drafting, and then told the Committee that it was put together with the input of the entire industry, and that the entire industry gave its blessing. This is absolutely not true. Most of my colleagues were not aware of this Bill until a few days before the 1-31-97 hearing.

I believe that the security industry was not notified of the Bill, and I question why we were not. We became aware of this Bill on January 28, 1997, (the Act was brought to the Committee on Commerce on January 22). The legislative calendar dated 1-22-97 did not list a hearing on the Bill. We then became aware that there was a hearing scheduled for January 31, just three days after it was printed. If all the parties involved with this Bill wanted to give fair representation and response, two to three days is not an acceptable time frame.

- The agency fee of \$350.00 is too high. Right now, our current fees paid to local municipalities is in the \$100 - \$200 range annually. Any fee over this amount would be detrimental to small companies such as ours. The \$50.00 officer fee would be in line with current municipalities (provided the agency fee is within reason, because most security companies pay their officer fees too).

Senate Commerce Committee
February 5, 1997
Attachment 9-1 thru 9-2

- SB-78 is too vague and broad on a number of key issues. The most notably is that it does not address any provisions concerning active and/or retired commissioned law enforcement officers. Will they be required to adhere to the same guidelines as security companies if they choose to provide contract security services? Since this Bill does not address this issue, we feel it could be added at a later date being unfair to the security companies. All we would ask is that if commissioned law enforcement officers want to provide private security services that they must follow the same guidelines as everyone else, such as having insurance and being fully licensed. All players should be required to adhere to the same level playing field.

This Bill also does not address insurance requirements, license qualifications or firearms qualifications and training. Will the insurance requirements be set so high so as the smaller companies cannot afford the limits and be forced out of business?

Currently, we can get a security officer firearms qualified and trained locally within a couple of days. This bill does not address this issue. After the fact, will they insert provisions that address firearms training? And if they do, will it take days or weeks to obtain this qualification? If it takes more time than it does now, we would be vehemently opposed to that because that can affect when an officer can work, thus affecting their livelihood and our business.

In summary, we are opposed to this Bill because it is too vague and broad on very important issues; it does not address a level playing field among those who choose to provide private security; the Bill was not drafted with significant representation from our security field; and, the hearing on the Bill was not performed in a manner that allowed all interested parties to respond in a timely manner.

Respectfully Submitted,



Jeffrey D. Pearce
Operations Manager

American Society for Industrial Security



Please reply to:

February 4, 1997

Dear Senate Committee on Commerce Members;

The Committee on Commerce is now considering Senate Bill 78. The enactment of this bill will have considerable impact on the security industry within the State of Kansas. A bill of this nature demands fair and careful consideration. This, I am confident the Legislature will do.

This legislation will govern a diverse group of professionals and its passage will affect not only the security profession, but also business and the public in general. The security professionals, who will be governed by the bill, should be allowed the opportunity to review and comment on it before its passage into law. However, a large group of these professionals have not had that opportunity. This group was not consulted about the contents of the bill. They were not even aware of Bill 78's existence until late last week. This group, the Kansas Chapter of the American Society for Industrial Security in Wichita, would like to support positive legislation. However, because of the manner in which the bill was introduced and the speed of the movement of this bill, this group of interested persons will not have the opportunity to give it intelligent consideration. Without that opportunity it would be difficult, if not impossible, to enlist support for this piece of legislation.

As the Chairman of the Kansas Chapter, I would respectfully request a postponement. This will allow all security professionals within the state an opportunity to return a fair and objective opinion. This type of positive consideration can only aid in the development of the best legislative product for all the citizens of Kansas.

Thank you for your time and consideration of this important issue.

Sincerely,

Larry M. Moorman, CPP CFE
Chairman, Kansas Chapter #068
American Society for Industrial Security
P. O. Box 2318
Wichita, KS 67202

*Senate Commerce Committee
February 5, 1997*

Attachment 10



**League of
Kansas
Municipalities**

**Legal Department
300 S.W. 8th
Topeka, Kansas 66603
Phone: (913) 354-9565/ Fax: (913) 354-4186**

To: Senator Salisbury and Members of the Senate Commerce Committee
From: Beccy Swanwick, Assistant General Counsel
Date: February 4, 1997
Subject: Senate Bill 78

On behalf of the League, I would like to thank you for giving me the opportunity to appear before you on January 31, 1997 and present testimony on SB 78. As you recall, the League opposes the preemption provision contained in the bill. We do not, however, oppose state licensure of private security firms, as a general matter.

Based upon your request, I surveyed 14 of our member cities which I believe currently have local regulations in this area. I asked these cities whether they would consider repealing their local ordinances in this area if a state system of regulation and licensure were implemented which met or exceeded their needs in this area. I did not request a formal governing body proclamation on the subject, but rather a brief, informal statement of the city manager's or administrator's perception of the city's general position on the matter. As of this writing, I have received six responses.

One city, which currently regulates only private security companies, indicated that they would consider repealing their local ordinance in favor of state regulation if the state system, once implemented, meets or exceeds their needs in the area. Two cities indicated that they would not consider repeal of their local ordinances. The remaining three cities answered that they did not know whether the city would consider repeal of their local regulations in the area. Some of these cities might consider repealing their local regulations of private security firms, but would not be willing to relinquish control of alarm system companies if this legislation has the effect of preempting local false alarm ordinances. Other cities indicated that their decision to regulate concurrently with the state in this area would be made only after the state regulations were fully promulgated and would depend upon how comprehensive the state regulations were.

A majority of those responding echoed the concern that I expressed in my testimony last week: the decision of whether a city will continue to regulate in this area is a local decision which should be made locally. While we are sympathetic to the concerns expressed by the bill's proponents regarding inconsistency of regulation, we continue to oppose preemption in this area. Local elected officials have a duty to protect their communities and should not be preempted from regulating activities which assure the safety of their citizens.

I hope that you find this information to be helpful. If I can provide you with any further information, please do not hesitate to contact me. Once again, thank you for your time and consideration.

*Senate Commerce Committee
February 5, 1997
Attachment 11*

Investigative & Protective Services, Inc.



Local, National & International Services Provided

Covert Equipment Sales to the Investigation Industry

11835 Roe Avenue Suite # 165
Leawood, Kansas 66211 USA

phone / fax / voicemail / paging: (913) 338-0282

web page: <http://www.pihome.com/ips/index.html>

e-mail: ipsinc@sprynet.com

Senate Commerce Committee
February 5, 1997
Attachment 12-1 thru 12-3

Distinguished members of this committee, fellow investigators, private security contractors, alarm systems companies and concerned citizens of the state of Kansas, I would like to take this opportunity to introduce myself.

My name is Marc Jacobs. I own a private investigation agency in Leawood, Kansas. I am a active member in two professional investigative associations.

My primary business is in the area of background investigations for corporate clients. However, I have preformed in an increasing number, personal protection assignments for my clients. Also, with the notoriety of the internet and the ability to reach national and international clientele, I have a large website on the net displaying of my services that I offer along with a line of video surveillance equipment.

Ladies and gentlemen, I am not in favor of SENATE BILL NUMBER 78 for several reasons.

First, as a private detective, nowhere in SECTION 2 - SUBSECTION (A) - under being exempt from the provisions of this act is the private investigation industry. On the surface of this bill, one may read into it that it only relates to security contractors be it private security or alarm related security companies. Too many times have I seen that since a bill was allowed to become a law, this leaves the door open to make minor, subtle adjustments that end up having major impact on the way an industry does business by continually adding governing regulations.

One method of protection to my industry would be to specifically exclude private detectives that currently fall under 75-7b01, *The Private Detective Licensing Act*.

=====

Secondly, as previously stated, the language of Bill Number 78 is vague and as I read it, by the fact that I perform personal protection and security consultation, I fall under the guidelines of this act. If I may, let me direct you to Section 1 subsection (D) starting at the end of line two of this section. "Performs a survey of the premises to be protected." What protection agent or consultant would not perform this task as part of a total protection package and as stated in the wording of the bill, "for a fee or other valuable consideration" would this be construed as getting a protection contract to protect the life and property of our principal as being an valuable consideration? It is a pondering question at that!

=====

Once again if I may ladies and gentleman, direct you to Section 2, paragraph 7, subsection (B), line number 3. "Although under the provisions of this act, if a private business hires or employs an individual in the capacity of a private security officer to posses a firearm in the course and scope of their duties, the employee is required to make application for a officer license according to the provisions of the board." I am aware of the definition stated of a private security officer, however, could it not be construed that a protection agent (bodyguard if you will) that works for my agency in-charge of perimeter security at the residence or at the site of a client be required to obtain additional security licensing more than operating as a private investigator and licensed under the respective act. Many private detective agencies get calls from corporate or personal clients that provide this type of protection.

=====

Finally, I am concerned about one other area of Bill number 78. In section number 14 with note to all subsections and including Section 5 subsection (E). Starting in section 14, subsection (c), "the board is authorized to levy fees for licenses as authorized by this act in such amounts as may be

deemed necessary and proper by the board, notwithstanding any provisions of this act which may be to the contrary.”

Is this arbitrary? Will in-fact the limits suggested in section 5 be sufficient to carry out the duties and functions prescribed by this act? I am curious as to the location of a finical impact study or budgeting analysis. Where did the writers of this act come up with the proposed fees?

=====

Ladies and gentlemen, I could continue. It is not my intention to rip apart this bill or to discredit the author of the bill. I am here before you as a concerned individual, as a business owner and as a member of two associations that have an interest in the outcome of this bill.

I asked that you carefully consider the contradictions within the bill. I ask that you consider the impact that this bill has on other types of business.

If I may, I am asking you to return this bill for better clarification to it’s author and to exclude the private investigators from this act.

=====

Ladies and gentlemen, thank you for your time and consideration.



**Statement of Testimony
Senate Committee on Commerce
Senate Bill #78**

This testimony is submitted on behalf of Westar Security, Inc. subsidiary of Western Resources, Inc. dba KPL and KGE Security in Kansas.

Westar Security is not opposed to regulation which would improve the quality of the security alarm industry. We do have concerns pertaining to certain language or provisions of Senate Bill #78 as written and submit the following comments, additions or modifications.

- 1) Section 1: Add the following definition: "Alarm User" means the person, firm, partnership, association, corporation, company or organization of any kind in control of premises wherein an alarm system is maintained.
- 2) Section 2(a): Add the following paragraph: (8) installation of non-sensitive components(not part of Central Control Unit) of an electronic security system other than fire alarm systems by a person or organization not employed by a licensee under this chapter who is performing such installation as a subcontractor to a person or organization licensed under this act as an alarm systems company.
- 3) Section 4: We support the adoption of 2 years of experience in the related field as opposed to the specified 5 years.
- 4) Section 6(e): This section should be more definite who is required to be licensed; installation and service technicians and monitoring personnel. The \$50 annual fee per employee seems excessive and would recommend the adoption of a bi-annual renewal.
- 5) Section 7(c): We support regulation pertaining to the "Alarm User" be left at the local jurisdiction. This would include local false alarm ordinances and licensing requirements of the alarm user, allowing the local jurisdiction to levee fees or fines to recover expenses.
- 6) We support provisions for an appeal process of rules or regulations set forth by the board be added to this bill.

Respectfully Submitted,
Marsh Martin
Mgr., KGE Security
120 E. 1st Street
Wichita, KS 67201

*Senate Commerce Committee
February 5, 1997*

February 5, 1997

JAYHAWK FIRE SPRINKLER CO., INC.

Senator Alicia Salisbury, Chairperson
Commerce Committee
State Capitol Building
Topeka, Kansas 66603

P.O. Box 8448
110 N.E. Gordon
Topeka, Ks. 66608

Phone
(913) 232-0975
Fax
(913) 232-1139

Re: **Senate Bill 78**

I wish to present my opposition to SB 78, in summary, as following:

- 1) This bill sweeps a very large and group of diverse disciplines and professions together. Many of these disciplines are only very vaguely related, and would present a functionally impossible regulatory situation for a single board.
- 2) This bill would allow and seemingly even promote a State stamp of approval of untrained temporary employees utilized in sensitive positions that should require extensive training and background checks, without protection for the public.
- 3) This bill exempts electrical contractors and electricians from accountability, and this group has represented one of the major problems in security and fire alarm systems installations. They are, as a group, have little expertise in alarm systems, and consistently compromise these systems.
- 4) This bill consolidates a tremendous amount of regulatory and fiscal power in the Attorney's General Office of the State, in a time when the push to maintain governmental authority at the lowest levels is held to be in order. The bill would seem to violate the spirit of "home rule", if not the letter.
- 5) The Office of the Attorney General would appoint all members of the board. This is inappropriate and should be viewed as dangerous.
- 6) This bill as written, and as the background of the bill demonstrates, largely results in a protectionist provision crafted to benefit a very few individuals.



Sincerely,

P. Terry Barker
President
KANSAS AUTOMATIC FIRE ALARM ASSOCIATION

FIRE PROTECTION

- Consultation
- Design
- Installation
- Maintenance
- Repair
- Inspections

*Senate Commerce Committee
February 5, 1997*

Attachment 14



6210 SW 10th St.
Topeka, KS 66615
(913) 272-0862
Fax (913) 272-0462

WRITTEN TESTIMONY OF SIMPLEX
DARREL BIPES, BRANCH MANAGER
BEFORE THE SENATE COMMITTEE ON COMMERCE
February 5, 1997
SENATE BILL 78

Closer regulation of the Fire Alarm and Security industries is needed, but any Fire Alarm regulations should be the responsibility of the State Fire Marshal's office, thus it should not be the responsibility of the board proposed in this bill.

The State Fire Marshal's office already has the responsibility and authority for the enforcement of Life Safety and Property Protection codes, (the National Fire Protection Association, NFPA codes, which the State of Kansas has adopted), under the statutes referenced by that office in last week's testimony. The only issue remaining is to properly fund the State Fire Marshal's office, providing that office adequate staffing to accomplish the task of this enforcement. I encourage this committee to provide this needed legislation. This would greatly improve the quality of Life Safety systems installed in the State of Kansas.

I would also encourage your continued efforts toward the regulation of the Security Industry. I will work to have a separate bill passed for that purpose.

*Senate Commerce Committee
February 5, 1997*



EAGLE LIFE SAFETY SERVICE

P.O. BOX 832
EMPORIA, KS 66801
MOBIL 316-343-4091
SHOP 316-343-9940

February 5, 1997

Senator Alicia Salisbury
Commerce Committee Chairperson
State Capitol
Topeka, KS 66603

RE: Senate Bill 78

My opposition to the above bill is as follows:

Section 1(q): "temporary license" means a limited license to be issued by the board to a new employee of a security services contractor which shall satisfy minimal review as established by the board. A temporary license shall automatically expire 60 calendar days after issuance."

Response: This is not defined well. Would these people be allowed to carry firearms or install alarms with no training?

Section 2(a.1): The following are exempt from the provisions of this act:
"A person employed exclusively and regularly by one employer, not a security service contractor, in connection with the affairs of that employer only and where there exists an employer-employee relationship."

Response: This allows for maintenance people with no experience to work on fire alarms. This takes away from private business. Also, who is liable if someone is hurt or killed in a government building where the system is being maintained by government employees. If we are to be held accountable, so should these people.

Section 2(a.7): The following are exempt from the provisions of this act:
"installation of a fire alarm system by a person or organ. not employed by a licensee under this chapter who holds an electrical contractor's license in the state of KS when the installation is directed, inspected and certified by a person or organiz. licensed under this act as an alarm systems company".

Response: This should not be allowed. It is pushed by the big companies that use electricians to pull wire, conduit and boxes. They do not install proper wire in most cases. They also do complete installs and alterations without supervision. My feeling is, if you do anything to a fire alarm, you are required to have a license. This is the same as someone saying, "I have a food service license, so I can install fire alarms". One has nothing to do with the other.

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Senate Commerce Committee

P.02

February 5, 1997

Attachment 161 thru 16-3

Section 4 & 5: Summary of these sections: All board members are appointed/removed by the attorney general.

Response: This puts all control in the hands of the attorney general. As to who is appointed to the board, this should be made up of industry peers, people who actually understand the industry.

Section 6(a): To establish and maintain an office within this state, to hire and assign employees as necessary and to prescribe their duties and compensation, all within the limitations and conditions of appropriations made therefor.

Response: Has a survey been made to determine if enough companies exist or operate in the State to fund this bill? If not, where will the money come from? Where will start-up costs come from?

Section 6(c): To adopt rules and regulations to carry out the provisions of this act....

Response: This is too open-ended and allows too much control in the hands of a few. This could easily get out of control, such as requiring excessive insurance, education, training. These should be set out very clearly.

Section 7(b) The licensees...shall not be required to obtain any authorization, permit, franchise or license from, or pay another fee or franchise tax to, or post bond in, any city, county or other political subdivision of this state to engage in the business or perform any service authorized under this act...

Response: Although this would benefit the contractors, it would certainly hurt city revenue and will be met with considerable opposition from them.

Section 12: A license issued by the board pursuant to this act shall expire one year from the date of issuance. Prior to expiration any licensee shall make application for renewal of such license. A license issued by the board may not be assigned.

Response: This sets time requirements for license to be applied for, but none has been set for the board to see that license has been issued and sent to licensee.

Section 15: All persons covered by the provisions of this act shall comply with the provisions of this act on or before January 1, 1998.

Response: No training, education, programs or requirements have been set. Stating this "date" could put someone out of business simply because they have not been given adequate time to comply.

CHASE LIFE CENTER Fax: 316 343 3717 Feb 3 97 17:19 P.04

In addition to the above, we have other concerns:

- 1) According to Kansas Fire Prevention Code #31-134, the State Fire Marshall's office has authority to adopt rules and regulations. Is the intent of this bill to remove that authority or to conflict with it. Also, similar statutes exists for security companies.
- 2) How will people with years on the job training be treated? If a test is established, is that the only requirement? We all know that some people can pass a test, but would not have the first clue as to actually install a fire or burglar alarm system, let alone carry a firearm. As the bill is written as of January 1, 1998, the board has the authority to put me out of business if I don't comply with rules that don't exist.
- 3) In reference to insurance requirements, the insurance companies of our customers are requiring that they receive a certificate of insurance on any contractors they are using. Also, if our insurance companies are satisfied with our experience and training, enough to insure us, do you think the industry should be satisfied as well?

In closing, what this bill is asking for is for us to pay a fee to the state for doing what we are already doing. It allows an already imposing government to grow even larger. Frankly, as consumers, we are weary of this and want to see our political leaders live up to their promises of less government.

Thank you for giving us the opportunity of expressing our viewpoint on this bill. We feel it is vitally important to our industry to have good controls in place; however, allowing the industry to set up its own regulatory board and policing itself, which has proven to be very effective in other fields of service, would be more beneficial to all concerned.

Sincerely,



Mike Rhudy
Owner

MR/ljd

KANSAS STATE ASSOCIATION OF FIRE CHIEFS



EXECUTIVE BOARD

PRESIDENT
Chief H.A. Hartley
Shawnee Fire Department
6501 Quivira Road
Shawnee, Kansas 66216
913-631-1080

VICE PRESIDENT
Chief Jim Keating
St. Marys Fire Department
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DISTRICT 1 REPRESENTATIVE
Chief Dean Jensen
Goodland Fire Department
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Goodland, Kansas 67735
913-899-4545

DISTRICT 2 REPRESENTATIVE
Chief Richard Klaus
Ellis County Rural Fire District
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Hays, Kansas 67601
913-625-1061

DISTRICT 3 REPRESENTATIVE
Chief Tom Girard
Salina Fire Department
222 West Elm
Salina, Kansas 67401
913-826-7340

DISTRICT 4 REPRESENTATIVE
Operations Chief Ted Huff
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Merriam, Kansas 66202
913-432-7058

DISTRICT 5 REPRESENTATIVE
Chief Jack Taylor
Liberal Fire Department
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DISTRICT 6 REPRESENTATIVE
Chief Eddie Moore
Arkansas City Fire
115 South D
Arkansas City, Kansas 67005
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DISTRICT 7 REPRESENTATIVE
Director Gene Tucker
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316-331-2710

PAST PRESIDENT
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Lawrence Fire Department
746 Kentucky
Lawrence, Kansas 66044
913-841-9400

SECRETARY - TREASURER
Chief Richard Maginot
Soldier Twp. Fire Department
600 NW 46th
Topoka, Kansas 66617
913-286-2123

TESTIMONY OF H. A. HARTLEY PRESIDENT

KANSAS STATE ASSOCIATION OF FIRE CHIEFS

BEFORE THE SENATE COMMITTEE ON COMMERCE

FEBRUARY 5, 1997
SENATE BILL 78

On behalf of the Kansas State Association of Fire Chiefs, I would like to thank this Committee for the opportunity to submit our Associations comments regarding Senate Bill 78, which concerns licensing and regulation of security and alarm companies operating in Kansas.

It is the opinion of the Kansas State Association of Fire Chiefs, that the State Fire Marshal is authorized by KSA 31-133 to adopt reasonable rules and regulations for the installation and maintenance of equipment intended for fire control, detection, and extinguishment. The State Fire Marshal by Regulation K.A.R. 22-1-3 has adopted National Fire Protection Association Pamphlet 72, the National Fire Alarm Code.

The Kansas State Association of Fire Chiefs is opposed to Senate Bill 78, most especially the reference of fire alarm systems and that no representation of the fire service would serve on the proposed regulatory board. We are also opposed to Section 7(B) of this proposed bill which calls for pre-emption of local regulations.

The Kansas State Association of Fire Chiefs represents 290 Fire Chiefs and Administrative Officers from fire departments across this State.

H. A. Hartley, President

J. Keating, Vice-President

*Senate Commerce Committee
February 5, 1997*

1997 CONFERENCE - SALINA, KANSAS
1998 CONFERENCE - GREAT BEND, KANSAS

Attachment 17

STATE OF KANSAS



DIVISION OF THE BUDGET
Room 152-E
State Capitol Building
Topeka, Kansas 66612-1504
(913) 296-2436
FAX (913) 296-0231

Bill Graves
Governor

Gloria M. Timmer
Director

January 29, 1997

The Honorable Alicia Salisbury, Chairperson
Senate Committee on Commerce
Statehouse, Room 120-S
Topeka, Kansas 66612

Dear Senator Salisbury:

SUBJECT: Fiscal Note for SB 78 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 78 is respectfully submitted to your committee.

SB 78 would establish, in the Office of the Attorney General, a board to license and regulate statewide private security, armored courier and alarm system companies; private security officers; armored security officers; and alarm system agents. Currently, no state law exists which provides for the regulation of these professions and professionals. Such licensure and regulation would be by a seven-member board appointed by and under the jurisdiction of the Attorney General.

The board's jurisdiction would be exclusive, and cities and counties generally would not be allowed to regulate such companies, officers, or agents further. The board would be given authority to adopt rules and regulations, including those relating to licensure of officers and agents to carry firearms. The board would be authorized to impose civil penalties not to exceed \$2,000 for violations of the act or the board's rules and regulations.

*Senate Commerce Committee
February 5, 1997*

Attachment 18-1 thru 18-2

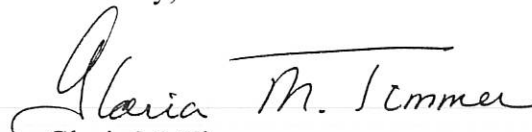
| Estimated State Fiscal Impact | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 1997 SGF | FY 1997 All Funds | FY 1998 SGF | FY 1998 All Funds |
| Revenue | -- | -- | -- | \$117,500 |
| Expenditure | -- | -- | -- | \$116,552 |
| FTE Pos. | -- | -- | -- | 2.0 |

The Office of the Attorney General has provided fiscal impact data extrapolated from a similar bill considered by the 1995 Legislature. Using those numbers as a base, and adding 5.0 percent for inflation, it is estimated that first year costs will be \$116,552. This includes the salaries and benefits for 2.0 FTE positions. Out-year costs are projected to drop to \$103,322 in FY 1999 and \$105,905 in FY 2000 because of the elimination of one-time expenditures associated with the cost of the start-up of the board.

According to the Attorney General, for the first year of operation, the new board will need approximately half of its projected annual operating costs up-front from the State General Fund. However, once operational, the Attorney General estimates that the board would be able to sustain itself, as well as pay back the State General Fund, with the licensure fees proposed in the bill. License fees would be established by the board not to exceed \$350 annually for company licenses and not to exceed \$50 annually for officer or agent licenses. Fees would be set to raise the necessary revenue to carry out the duties and functions of the board. The Attorney General is estimating that 50 companies would be licensed per year at a cost of \$350 each and 2,000 individuals licenses would be issued at \$50 each per year. This is projected to raise \$117,500 per year in revenue to the board.

The Attorney General was not able to estimate the impact of the licensure of alarm companies and alarm company agents. However, the Attorney General states that any additional resources necessary to handle these tasks can be made up from the revenues connected with the licensure of these businesses and activities.

Sincerely,


Gloria M. Timmer
Director of the Budget

cc: Neil Woerman, Attorney General's Office
Teresa Dean, Secretary of State's Office
Marsha Pappen, KBI
Judy Moler, KS Association of Counties
League of Municipalities

18-2