

SENATE BILL REPORT

HB 2534

As of February 25, 2014

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: Passed House: 2/17/14, 59-37.

Committee Activity: Commerce & Labor: 2/24/14.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Jessica Stevenson (786-7465)

Background: The Department of Licensing (DOL) regulates licenses for security guards, security companies, and vehicle dealers.

An applicant for a private security license must:

- be 18 years of age and a citizen of the U.S. or a resident alien;
- not have been convicted of a crime that the director of DOL determines to be directly related to the applicant's ability to perform private security guard duties;
- be employed or have an employment offer by a licensed private security company, or have a private security company license;
- satisfy training requirements established by the director of DOL;
- submit a set of fingerprints;
- submit an application with proper identification on a form prescribed by the director of DOL for each company of employment; and
- pay a fee for each application.

An applicant for an armed private security guard license must:

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

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The director of DOL must investigate whether the information in an application is true. For private security guard and armed private security guard licenses, the director must ask the Washington State Patrol (WSP) to compare the applicant's fingerprints to WSP's fingerprint records. For armed private security guard licenses, WSP must forward the applicant's fingerprints to the Federal Bureau of Investigation (FBI) for a national criminal history records check.

An application for a vehicle dealer license must contain the following:

- proof of identity required by DOL, which may include fingerprints;
- the business's organizational structure and location;
- the qualifications and business history of the applicant and any partner, officer, or director;
- the financial condition of the applicant or financial history including a bank reference;
- whether the applicant or any partner, officer, or director has been adjudged bankrupt or has any unsatisfied judgments;
- whether the applicant has been convicted of a crime that directly relates to the business within ten years or has a civil judgment against the applicant for acts of dishonesty;
- the business telephone number listed in the local directory;
- the names of vehicles the applicant wants to sell;
- the names and addresses of each manufacturer from whom the applicant received a franchise;
- a certificate from DOL that the applicant's principal place of business and sub-agencies meet the location requirements;
- a copy of a current service agreement with a manufacturer or distributor for a foreign manufacturer;
- the class of vehicles the dealer will be buying, selling, leasing, auctioning, or exchanging; and
- a certificate of completion of educational requirements.

Applications for manufacturer licenses must contain the following:

- the name and address of the principal place of business and name of the representative in Washington;
- the name under which applicant will do business;
- evidence that the applicant is authorized to do business in Washington;
- the name of vehicles the applicant manufactures;
- the name and address of each distributor, factory branch, and factory representatives; and
- the name of resident employees or agents to provide service or repairs to vehicles in Washington.

Vehicle dealer and manufacturer licenses expire 12 months after issuance, and the licensee must annually renew the license by filing an application for renewal.

Summary of Bill: WSP must forward the fingerprints of applicants for any private security guard license to the Federal Bureau of Investigation (FBI) for a national criminal history records check.

As of January 1, 2015, applicants for an initial vehicle dealer or manufacturer license must have a fingerprint-based background checks through the WSP Criminal Identification System and the FBI. The director of DOL may require all current vehicle dealer and manufacturer licensees to have fingerprint-based background checks through the WSP Criminal Identification System and the FBI when the licensee applies for renewal on or after January 1, 2015. Upon renewal, the director may require all licensees to submit proof of identity, including fingerprints, with their renewal application.

The director may periodically check the background of licensees. The applicant must pay the current federal and state fees for fingerprint-based criminal history background checks.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill was requested by DOL. There are new federal requirements for fingerprints in background checks, but DOL does not have the statutory authority to do it. In July 2012, the FBI in an audit told DOL that they did not have the proper statutory authority to do national security checks for unarmed security guards, but did have the authority for armed security guards. Applicants for security guard licenses would not have to pay an additional fee for the background check because it is included in the current application fee. Fingerprints are already collected for vehicle dealer licenses, but DOL does not have the statutory authority to submit them for the national background check. The auto dealer association is supportive, and DOL has reached out to the security guard industry.

Persons Testifying: PRO: Representative Kirby, prime sponsor; Tony Sermonti, DOL.