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February 20, 2015

Representative Shelley Hughes
State Capitol, Room 13
Juneau, AK 99801

Re: HB 9 (*via email*)

Dear Representative Hughes,

I'm writing because I'm concerned about unintended potential consequences if HB 9 becomes law as currently written. My biggest concern has to do with license fees and Occupational Licensing. Alaska has a small population. There is a small pool of private investigators in the state. If the state implements licensing, I don't think there are more than 50 to 70 individuals who would apply for licenses. My fear is that Occupational Licensing will implement license fees, either initially or in the near future, that will drive some of these folks out of business.

Both Anchorage and Fairbanks already mandate licensing. Fairbanks is particularly expensive; \$500.00 to \$600.00 every two years, depending on the cost of the bond. Liability and Errors/Omissions insurance typically costs between \$800.00 and \$1,000.00.

There used to be a professional association in Alaska for private investigators (The Alaska Investigator's Association). It went out of existence several years ago. But in the late 1990's and 2000's I was on the board and involved in efforts to get a licensing bill before the legislature. I previously provided to your office a copy of the bill that was introduced in 2003 or 2004. Many members of the association were alarmed to discover back then that the state has a regulation requiring that any professions licensed by the state cover the costs of licensing through fees. Because of the small pool of folks in this field, many believed that Occupational Licensing would assess licensing fees that were so high that they would force some folks out of business. I've heard from many people with the same concerns about HB 9.

While I was on the AIA board, I researched people in the state with private investigator business licenses as part of several efforts to boost membership in our association. I never found more than 60 people who were actually actively doing this work in the state.

Representative Shelley Hughes

Re: HB 9

2/20/2015

As currently written, HB 9 would require minimal work by Occupational Licensing. There is no board, no testing, no continuing education requirement. Staff would essentially use a checklist to make sure applicants provide everything that is required (what the Municipality of Anchorage and City of Fairbanks clerks' offices currently do for their licensing programs). Beyond that, there is the unknown cost of dealing with any complaints that might come in. Given how small the pool of licensees will be, it's hard to imagine a large volume of complaints. It might be helpful to contact the Anchorage and Fairbanks clerk's offices to see how many complaints they have received since they implemented licensing.

Most Outside investigators or firms will opt to not go through the licensing process because they can rely on reciprocity.

I don't recall what the fiscal note was for the 2003 bill, but it was large enough that it scared everyone. I don't think anyone wants to see the state implement a new program that will result in some small businesses going under.

Please feel free to contact me if I can answer any questions or provide additional information.

Respectfully,

Andy Klamser