

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

201 KAR 41:100

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Subject Headings: *Licensing, Occupations and Professions, Private Investigations*

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the process for verification of the number of hours worked by an employee under the direction of a licensee, pursuant to KRS 329A.070(9),

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish a verification process as required by KRS 329A.070(9).

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation establishes a process for licensees to register employees working under their direction pursuant to KRS 329A.070(9) and for the board to verify the number of hours each registered employs works on an annual basis.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: KRS 319A.025 authorizes the board to promulgate administrative regulations establishing fees in order to carry out its statutory mandates. This administrative regulation sets fees, which are used to carry out the board's statutory mandates.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment requires licensees to conduct background checks on temporary or limited employees.

(b) The necessity of the amendment to this administrative regulation: This proposed amendment is necessary to ensure that Kentucky's limited private investigators are properly vetted prior to employment.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 319A.025 authorizes the board to promulgate administrative regulations establishing fees in order to carry out its statutory mandates. This proposed amendment adjusts those fees to conform to fees in neighboring states.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation is necessary to establish a verification process as required by KRS 329A.070(9).

(3) Does this administrative regulation or amendment implement legislation from the previous five

years? No.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation will affect an estimated 105 private investigation businesses, if those businesses choose to hire limited employees. This could also affect the board's 415 individual licensures. With an individual license, one could work for someone's PI company or have his or her own business as a self-proprietor.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment: Private investigation businesses will need to conduct a background check in order to verify the backgrounds of any limited employees that the businesses choose to hire.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4): A national background check costs approximately \$100 per person.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4): Compliance will ensure that all private investigators are properly checked before hire.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no anticipated initial costs to administer this regulatory amendment.

(b) On a continuing basis: There are no anticipated continuing costs to administer this regulatory amendment.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment: Any department costs of implementation will be met with existing agency funds.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: This amendment will not necessitate an increase in fees or require funding from the agency for implementation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: There are no fees increased by this amendment.

(10) TIERING: Is tiering applied? Tiering is not applied because all licensees are treated equally by the proposed amendment.