

Fifty-fifth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1439

Introduced by

Representative Price

Senator Lips

1 A BILL for an Act to create and enact six new sections to chapter 43-40 of the North Dakota  
2 Century Code, relating to qualifying, registering, licensing, and regulating electronic security  
3 system personnel and electronic security system companies; and to amend and reenact  
4 sections 43-30-01, 43-30-04, 43-30-06, 43-30-10, 43-30-12, and 43-30-13 of the North Dakota  
5 Century Code, relating to qualifying, registering, licensing, and regulating electronic security  
6 system personnel and electronic security system companies.

### 7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 43-30-01 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10 **43-30-01. Definitions.** As used in this chapter, unless the context or subject matter  
11 otherwise requires:

- 12 1. "Access control system" means a combination of equipment and devices designed  
13 and arranged for the control of individuals, vehicles, and materials through  
14 entrances and exits of a controlled area or premises.
- 15 2. "Board" means the private investigative and security board.
- 16 3. "Burglar alarm system" means an assembly of equipment and devices designed  
17 and arranged to signal an unauthorized entry or attempted entry of a person or an  
18 object into the area or volume covered by the system.
- 19 4. "Certified instructor" means an individual who has met the requirements of this  
20 chapter to teach preassignment and renewal training.
- 21 5. "Closed circuit television" includes an in-house television system in which a  
22 transmitter or camera feeds one or more receivers or monitors through a closed  
23 cable or other transmission method.



- 1           6.   "Electronic security system" means an assembly of electronic equipment and  
2               devices that provides as its main purpose the protection of life or property, and the  
3               detection of threats to or violations of the security of the protected premises. The  
4               system's functions include, solely or in combination, burglary detection, access  
5               control, or closed circuit television.
- 6           7.   "Electronic security system company" means a person that provides any sales,  
7               installation, repair, monitoring, or alarm investigation for electronic security  
8               systems.
- 9           8.   "Electronic security system operator, dispatcher, or monitor" means an individual  
10              registered to perform alarm operator, dispatcher, or monitor applications, or any  
11              combination of those applications, of electronic security systems as provided by  
12              this chapter.
- 13          9.   "Electronic security system operator, dispatcher, or monitor supervisor" means an  
14              individual registered to supervise alarm operator, dispatcher, or monitor  
15              applications of electronic security systems as provided by this chapter.
- 16          10.   "Electronic security system personnel" means an individual employed by an  
17              electronic security system company.
- 18          11.   "Electronic security system salesperson" means an individual registered to perform  
19              sales, lease, or rental of electronic security system applications at the premises of  
20              the electronic security system user.
- 21          12.   "Electronic security system site" means a single premises or location served by an  
22              electronic security system. Each tenancy, if served by separate electronic security  
23              systems in a multitenant building or complex, must be considered a separate  
24              electronic security system site.
- 25          13.   "Electronic security system technician" means an individual registered to perform  
26              installation and repair of electronic security applications of electronic security  
27              systems.
- 28          14.   "Electronic security system user" means a person who uses an electronic security  
29              system at an electronic security system site.



1        15. "Monitoring" means the retransmission of information received from electronic  
2        security systems to the proper person as required by law or as determined by the  
3        electronic security system user.

4        16. "Person" means an individual, corporation, limited liability company, partnership,  
5        association, organization, or similar entity.

6        ~~2-~~ 17. "Private investigative service" means obtaining or furnishing information with  
7        reference to any act or individual.

8        ~~3-~~ 18. "Private security service" means furnishing for hire security officers or other  
9        persons to protect persons or property, or to prevent the theft or the unlawful taking  
10       of goods, wares, and merchandise, or to prevent the misappropriation or  
11       concealment of goods, wares, merchandise, money, bonds, stocks, choses in  
12       action, notes, or other valuable documents or papers, or the business of  
13       performing the service of such security officer or other person for any of these  
14       purposes.

15       19. "Supervised employees" means technicians, salespeople, monitors, or alarm  
16       investigators who will be supervised by an individual certified in that category for up  
17       to one year after the date of their initial employment.

18       **SECTION 2. AMENDMENT.** Section 43-30-04 of the North Dakota Century Code is  
19       amended and reenacted as follows:

20       **43-30-04. Powers of the board.** The board shall establish by rule the procedures for  
21       classifying, qualifying, licensing, bonding, and regulating persons providing private investigative  
22       and security services. The board shall establish the qualifications required for licensing armed  
23       security personnel. The board shall establish the procedures for qualifying, registering,  
24       licensing, and regulating electronic security system personnel and electronic security system  
25       companies. All rules adopted by the board, and appeals therefrom, must be in accordance with  
26       chapter 28-32.

27       **SECTION 3. AMENDMENT.** Section 43-30-06 of the North Dakota Century Code is  
28       amended and reenacted as follows:

29       **43-30-06. License applications.** Every person who desires to obtain a license or be  
30       registered shall apply to the board on applications prepared and furnished by the board. Each  
31       application must include the information required by the board and must be accompanied by the



1 required fee. As a requirement of receiving a license or being registered, the board may  
2 require the applicant undergo a criminal history record check by the federal bureau of  
3 investigation and the bureau of criminal investigation.

4 **SECTION 4. AMENDMENT.** Section 43-30-10 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **43-30-10. Penalty.** Any person who violates this chapter or any person who falsely  
7 states or represents that the person ~~has been or is an investigative officer or employed by an~~  
8 ~~investigative or security officer or agency~~ is authorized to perform services regulated by this  
9 chapter is guilty of a class B misdemeanor.

10 **SECTION 5. AMENDMENT.** Section 43-30-12 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **43-30-12. ~~Revocation or refusal to renew~~ Disciplinary action.** The board may  
13 ~~either refuse to renew or may, suspend or may, revoke a license, or place on probation any~~  
14 license or registration, or impose a monetary fine or issue a letter of reprimand to any licensee  
15 or registrant, for any one or any combination of the following causes:

- 16 1. Fraud or misrepresentation in obtaining a license or registration.
- 17 2. Violation of this chapter or rules adopted which implement section 43-30-04.
- 18 3. If the holder of any license or registration or a member of any copartnership, an  
19 officer of any corporation, or a manager of any limited liability company has been  
20 adjudged guilty of the commission of an offense determined by the board to have a  
21 direct bearing upon a holder's ability to serve the public as a private investigative or  
22 security agency or electronic security system personnel, or if the board determines  
23 that, following conviction of any offense, the holder is not sufficiently rehabilitated  
24 under section 12.1-33-02.1.
- 25 4. Upon the disqualification or insolvency of the surety of the licenseholder.
- 26 5. The unauthorized release of material information acquired as a result of activities  
27 under this chapter.
- 28 6. Fraud or deceit or material and repeated misconduct in the practice of the activities  
29 regulated under this chapter.



1           7.   Failure or refusal to cooperate with, or refusal of access to, an authorized  
2               representative of the board engaged in an official investigation pursuant to this  
3               chapter.

4           8.   Failure to adequately supervise electronic security system personnel to the extent  
5               that the public health or safety is at risk.

6           9.   Interference with an investigation or disciplinary proceeding by willful  
7               misrepresentation of facts before the board or the board's authorized  
8               representative or by the use of threats or harassment against a client or witness to  
9               prevent the person from providing evidence in a disciplinary proceeding or other  
10              legal action involving the board.

11          10.   A violation of this chapter or the rules adopted by the board.

12           **SECTION 6. AMENDMENT.** Section 43-30-13 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14           **43-30-13. Notice and hearing on license revocation.** The board may, upon its own  
15 motion, and shall, upon the verified complaint in writing of any person setting forth facts which,  
16 if proven, would constitute ~~grounds for refusal, suspension, or revocation, as herein set forth, a~~  
17 violation of this chapter or the rules adopted by the board, investigate the actions of any person  
18 holding or claiming to hold a license or registration. The board shall, before refusing to issue,  
19 suspending, ~~or revoking any license, at least ten days before the date set for the hearing, or~~  
20 taking any other disciplinary action, notify in writing the applicant or holder of such license or  
21 registration of any charges made and shall afford the accused person an opportunity to be  
22 heard in person or by counsel in reference thereto. The written notice may be served by  
23 personal delivery to the accused person; or by registered mail to the place of business specified  
24 by the accused person in the person's last notification to the board. At the time and place fixed  
25 in the notice, the board shall proceed to hearing of the charges and both the accused person  
26 and the complainant must be accorded ample opportunity to present in person or by counsel,  
27 such statements, testimony, evidence, and argument as may be pertinent to the charges or to  
28 any defense thereto. The board may continue such hearing from time to time.

29           **SECTION 7.** A new section to chapter 43-30 of the North Dakota Century Code is  
30 created and enacted as follows:



1       **Registration and licensing required.** A person may not sell, lease, rent, design, plan,  
2       install, monitor, maintain, repair, test, or inspect electronic security systems or otherwise  
3       operate as an electronic security system company without having first obtained the appropriate  
4       registration permits for its electronic security system personnel or license from the board.

5       **SECTION 8.** A new section to chapter 43-30 of the North Dakota Century Code is  
6       created and enacted as follows:

7       **Types of electronic security system personnel registration.** A person may not  
8       engage in activities in this state as an electronic security system technician; electronic security  
9       system salesperson; operator, dispatcher, or monitor; operator, dispatcher, or monitor  
10       supervisor; supervised employee; certified instructor; or compliance agent without having first  
11       obtained from the board a registration permit to engage in such activities. A registration permit  
12       may be for any one or more of the following categories, which must be noted on the registration  
13       permit, as appropriate for the specific individual:

- 14       1. Electronic security system technician registration permits an individual to install,  
15       repair, test, and modify electronic security systems in all residential and  
16       commercial applications.
- 17       2. Electronic security system salesperson registration permits an individual to sell,  
18       lease, or rent an electronic security system at the premises of the electronic  
19       security system user.
- 20       3. Electronic security system operator, dispatcher, or monitor registration permits an  
21       individual to retransmit information received from electronic security systems to the  
22       proper person as required by law or as determined by the electronic security  
23       system user.
- 24       4. Electronic security system operator, dispatcher, or monitor supervisor registration  
25       permits an individual to supervise monitoring performed by electronic security  
26       system operator, dispatcher, or monitor registrants.
- 27       5. Supervised employee registration permits an individual to perform any of the  
28       functions of an electronic security system technician, electronic security system  
29       salesperson, or electronic security system operator, dispatcher, or monitor if that  
30       individual is physically supervised at the electronic security system site, for



technicians and salespersons, or the monitoring location, for operators,  
dispatchers, or monitors, by an individual registered for that class of activity.

6. Certified instructor registration permits an individual to perform training required by  
this chapter.

7. Compliance agent registration permits an individual to be responsible for  
compliance with this chapter by an electronic security system company.

**SECTION 9.** A new section to chapter 43-30 of the North Dakota Century Code is  
created and enacted as follows:

**Nonregistered employees.** Any employee of an electronic security system company  
who is not registered under this chapter but who has access to information in the ordinary  
course of employment which would allow that individual to circumvent electronic security  
systems must meet the background check requirements of this chapter.

**SECTION 10.** A new section to chapter 43-30 of the North Dakota Century Code is  
created and enacted as follows:

**Electronic security training schools.** The board shall certify those schools and  
electronic security system company in-house training programs which on the basis of  
curriculum and instructors provide training that meets the compulsory minimum training  
standards.

**SECTION 11.** A new section to chapter 43-30 of the North Dakota Century Code is  
created and enacted as follows:

**License required to conduct business.**

1. A person may not operate as an electronic security system company in this state  
without having first obtained from the board a license to conduct such business.

2. Any person doing business as an electronic security system company in multiple  
locations within the state requires only one license that lists each of its offices  
located in this state. Upon payment of an appropriate fee, the board shall grant  
electronic security system companies that are licensed a branch office certificate  
for each branch, which must be displayed at the branch.

**SECTION 12.** A new section to chapter 43-30 of the North Dakota Century Code is  
created and enacted as follows:

**Issuance of license, renewal, posting, and advertising.**



- 1        1. When satisfied from the examination of the application, and such further inquiry  
2        and investigation as the board deems proper, that the applicant has met the  
3        standards established by the board, the board shall issue to the applicant an  
4        appropriate license to conduct business as an electronic security system company.
- 5        2. The license is valid for a period of three years. Not less than ninety days prior to  
6        the expiration date of the license, the board shall mail a written notice for renewal  
7        to the last known address of the licenseholder. Upon meeting renewal standards  
8        established by the board in accordance with this chapter, and payment of a  
9        renewal fee, the board shall issue a three-year renewal license.
- 10       3. All licenses issued under this chapter must be on a form prescribed by the board  
11       and include the licensee's name, license number, expiration date, and any other  
12       information the board deems necessary. Licenses must be displayed at all times  
13       at the place of business, in clear and unobstructed public view.
- 14       4. Notwithstanding the existence of a valid state corporate registration, a licensee  
15       may not conduct activities regulated under this chapter under any fictitious name  
16       unless listed on the licensee's license. The board may not authorize the use of a  
17       name which is so similar to that of a public law enforcement officer or agency, or of  
18       that used by another licensee, that the public may be confused or misled.
- 19       5. A licensee must include its license number in any written bid or offer to provide  
20       services.
- 21       6. A license issued under this chapter may not be sold, assigned, or transferred  
22       without the prior written approval of the board.