

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

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

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

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

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

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

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

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

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

21 **License required to conduct business.**

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

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

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

31 **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.