

2025 Senate Bill No. 2051
Testimony before the House Political Subdivisions Committee
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Mr. Chairman and Members of the committee: My name is Sara Cote. I am the owner of Apex Security & Investigations. I am speaking today in opposition of Senate Bill 2051. This bill represents a significant financial burden for small businesses and raises serious concerns about the board's management of funds as well as their operations.

Title 43 of North Dakota Century Code provides for an annual renewal of security and investigative licenses with a due date of September 30th each year.

Chapter 93 of Administrative Rules further outlines licensing and registration requirements. Those requirements include license posting for each individual and agency as well as a requirement for possession of a pocket card for individuals while providing private investigative or security services.

The annual renewal applications and payment for my business were submitted in September of 2024. For six months, I have been waiting for my 2024 annual renewals. Despite submitting my applications and payment prior to the due date, I have not received my licenses nor my employee registrations. The board not providing licenses and registration renewals within 6 months of the renewal date is completely unacceptable.

Additionally, the board failed to deposit my check for licensing and registration fees for six weeks after my renewal applications were submitted. Subsequently, prior to the renewal due date I also submitted an additional renewal application. The check for this payment was received by the board in September, again, prior to the due date, and deposited December 5th. These delays demonstrate a lack of responsibility in managing resources and causes me to further question how the board is managing funds. This includes costs for items such as open records requests as was referenced in testimony for SB2266. For reference, the Private Investigation and Security Board requested a grant of \$36,318.11 for expenses incurred due to the DAPL protest and its legal aftermath. As referenced in Executive Director Shorey's testimony, there were numerous open records requests with one such request taking 440.2 hours to complete redactions, costing the board \$6,006.25.

By statute, NDCC §44-04-18(2) outlines various fees that may be charged to the requester of an open records request. One such fee is an hourly charge of up to \$25 per hour (excluding the first hour) for redaction of information. Using the board's information, they had the ability to recoup this \$6,006.25 cost. The calculation for redaction time alone equals \$10,980.00. This is just one example. Who knows how many others there are? I

simply pulled this information from a proposed bill. An audit would likely give a much better understanding of the management of the board's funds.

Given that the board has not demonstrated the ability to properly manage existing funds, it is concerning that they are requesting an increase in fees. If the board cannot appropriately manage the funds it currently receives, how can we trust they will be responsible with twice the amount of funds?

When conducting business with the board, the consistent theme, or root cause of every delay, is the backlog. In an effort to address and remedy the board's backlog, I have offered practical solutions to Executive Director Shorey that are of no cost to the board. One such solution was volunteering to assist with the processing of renewal applications. Another suggestion was to implement a two-year renewal process, similar to the licensing model used by other professional boards in the state. This approach would help alleviate the backlog and provide more manageable renewal cycles for everyone involved.

I called Executive Director Shorey on January 14 of this year to follow up on the status of my renewal, and to discuss a potential two-year renewal. Executive Director Shorey let me know the board had already proposed a bill to increase licensing fees. He indicated they wanted to double the fees but keep licensing at a one-year renewal. This conversation on January 14th was the first I had heard of the board's action related to SB 2051. After that conversation, I located the video of the testimony that was provided by Executive Director Shorey a week prior, on Wednesday, January 8th, before the Senate Industry and Business committee. I was quite surprised and disappointed listening to that testimony to hear Executive Director Shorey provide information to the committee that all affected members were aware of the board's proposed bill to increase the licensing and registration fees, there has been no pushback yet, and the industry is receptive (to the increase in fees).

These comments were incredibly alarming to me. I searched the board's website, my emails, deleted files, and spam folder to ensure I did not overlook a communication related to this bill. There was no such communication. There were no posted meeting minutes, nor were there any recent news posts on the board's website related to this matter. I did, however, receive an email notification from the board dated December 30, 2024 regarding a \$1.25 change in criminal history background checks and an update to the licensing and registration forms. I question why the board found it appropriate to notify members of a \$1.25 change in criminal background fees, yet did not see fit to communicate a proposed change that has a huge impact on member businesses, who are already struggling with skyrocketing liability insurance and workers' compensation premiums.

For comparison, most other industries in North Dakota are experiencing decreases in workers' compensation premiums, such as oil and gas support services which has benefited from a 33% premium decrease the past two years, while premium for security services has increased almost 15%. We have big challenges to face in this industry and we need a board that supports and advocates for its members.

Taking into consideration the information I have provided. The North Dakota Private Investigation and Security Board is not protecting the interests of its members. I respectfully ask that you issue a do not pass on SB2051. This board must first demonstrate it can efficiently manage its current resources and implement practical solutions before requesting additional funds from those it serves.

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