

Testimony of the North Dakota Private Investigative and Security Board (NDPISB)
Senate Bill No. 2051
House Political Subdivisions Committee
March 6th, 2025 10:00 A.M.

Chairman Longmuir and members of the Committee, thank you for the opportunity to comment on Senate Bill 2051. My name is John Shorey, Executive Director of the North Dakota Private Investigative and Security Board, otherwise known as the NDPISB. My public testimony today is advocating for passage of Senate Bill 2051 as proposed by the Board, and to answer any questions the Committee has on the bill.

COMMENTS ON BILL DRAFT

Senate Bill 2051 does two things 1) changes fee categories charged by the Board, and 2), changes the private security training certificate from a one-time fee to an initial fee with a renewal and late fees. All of these changes are under section 43-30-16 of the North Dakota Century Code.

1) The fee categories changes are broken down below:

<u>Current</u>		<u>Proposed</u>
Examination Applicant Fee*	\$100	\$200
PI & Security Provider License*	\$150	\$300
Late Fee PI & Security Provider License#	\$50	\$100
Agency Application Fee*	\$100	\$200
Agency License*	\$300	\$600
Late Fee Agency #	\$100	\$200
Security Trainer (one-time fee)*	\$25	\$60 (initial & renewal)
Late Fee-Security Trainer (new) #		\$20
Armed Certification*	\$30	\$60
Late Fee-Armed Certification#	\$10	\$20
Duplicate License*	\$20	\$40
PI and Security Registration*	\$30	\$60
Late Fee-PI and Security Registration#	\$10	\$20
Armed First Responder Course Initial*	\$400	\$800
Armed First Responder Course Renewal *	\$300	\$600

* Denotes the language “may not exceed” is included

Denotes the language “not to exceed” is included

2) The changes to the private security training certificate include changing the fee from a one-time fee of \$25.00 to an initial fee of \$60 with a renewal fee of \$60 and a late fee of \$20. Starting in the year 2019, the Board required security trainers and weapons instructors to complete a renewal application with no fee attached to that renewal. Prior to this the Board contacted trainers and instructors asking if they were still active each renewal season and if they were, would keep the file active, and if not, would inactive the file. The Board found that this was not a very effective method of handling trainer and instructor renewals nor did it capture pertinent information as far as if the trainer or instructor had any criminal convictions or pending criminal actions since they initially applied to the Board. These two reasons were behind the rationale for the Board requiring trainers and instructors to submit a renewal application. The Board believes since they are processing these renewal applications currently, with no fees assessed to cover Board staff time and expenses, that it would be appropriate to make the proposed changes.

I would like to note that the Century Code sets the maximum amount the Board can charge for fees. The Board’s current fees are at their maximum that is allowed by the Century Code. The Board is requesting with SB 2051 that the maximum amounts be raised in the Century Code. The Board will then have to undergo the Administrative Rules process, where it will propose the actual fee increases within the parameters set by the Century Code. The Administrative Rules process includes a hearing where industry members and the public can provide comments, and ultimately goes before the Legislative Administrative Rules Committee.

Comments on the emergency clause. The Senate Industry and Business committee added an

amendment for an emergency clause. This was born out of discussion with the committee regarding the timing of the bill and giving the Board enough time to undergo the administrative rules process and implement the fee increases for the Board's annual license and registration renewal period that ends on September 30th 2025. This bill would need to be passed on an emergency basis for the Board to make the necessary administrative rules changes to capture those increases for this year's renewal season.

The Board conducted a license fees survey of the surrounding States of MN and MT (SD does not have a State-Wide Licensing Program) and FL and CA. I have included that survey at the end of my written testimony. As you can see, the Board's proposed increases are well within the average of those other States sampled.

As the Committee is likely aware, the Board does not receive annual appropriations to fund its operations. All funding is derived from the licensing and certification fees the Board assesses. This amendment reflects the increased costs of administrating the licensing and certification of private investigative and private security providers. The rate of inflation alone has increased 19.92% between the years 2020-2024, according to the U.S. Bureau of Labor Statistics. These increased costs include out-of-ordinary ordinary expenses related to the Board's response to the DAPL situation and administrating the Armed First Responder Training Program. The Board's total expenses for the last several years have been more than its total revenue. Senate Bill 2051 would help address those costs and support continued Board administrative functions.

Historically the Board has had two employees, the Executive Director and an administrative assistant. For the last four years the Board has been operating with one employee, myself, mainly due to budget constraints. This has led to a backlog in certain Board operations, mainly the processing of renewal applications, due in-large part to a lack of staffing. The Board would like to use the increased revenue to hire a part-time administrative assistant to assist in clearing the backlog, and after that, to assist with day-to-day operations of the Board.

During this period the Board's Office workload has not remained constant and has only expanded, even though we are down one staff member. This is evidenced by the increased number of special meetings the Board holds, an increase in the number of provisional applications being submitted and processed, a different framework in place for reviewing applications that necessitates the need for the Board to review more applications than before, and staff and Board time devoted to the disputed documents litigation that was spun from the TigerSwan Administrative case, to name a few. This includes the massive undertaking of the Board reviewing and redacting 61,988 pages of documents, which took the Board 444.20 hours to complete. This does not include other time involved surrounding the redactions. This litigation is still ongoing, and is currently before an Administrative Law Judge.

Lastly, the Board would like to modernize its operations; which has been a long time coming. This includes exploring the possibility of moving its application process from paper based to electronic. This is something the industry has asked for and would help alleviate a large contributor of the backlog, which are incomplete applications, and would be more efficient for the Board and industry alike. With the lack of funds to do so, the Board has not done any research in this area. With the increased revenue, it would allow the Board to explore this as a possibility, and implement it if feasible.

Thank you again for the opportunity to present this testimony. We, the North Dakota Private Investigative and Security Board, urge you to issue a do pass recommendation on Senate Bill 2051. I would stand for any questions you may have.

John Shorey,
Executive Director, North Dakota Private Investigative and Security Board.

License Type	Current ND amount	Proposed ND amount	MT	MN	FL	CA	Average Cost
Security Officer	\$ 30.00	\$ 60.00	\$ 100.00		\$ 45.00	\$ 55.00	\$ 58.00
Security Agency	\$ 300.00	\$ 600.00	\$ 250.00	\$ 1,700.00	\$ 450.00	\$ 770.00	\$ 678.33
Security provider	\$ 150.00	\$ 300.00		\$ 800.00			\$ 416.67
Armed Certification	\$ 30.00	\$ 60.00	\$ 50.00	\$ 100.00	\$ 112.00	\$ 100.00	\$ 75.33
Security Trainer	\$ 25.00	\$ 60.00			\$ 60.00	\$ 350.00	\$ 123.75
Weapons Instructor	\$ 25.00	\$ 60.00	\$ 150.00		\$ 100.00	\$ 350.00	\$ 137.00
Private Investigator	\$ 150.00	\$ 300.00	\$ 250.00	\$ 1,000.00	\$ 75.00	\$ 385.00	\$ 360.00
PI Agency	\$ 300.00	\$ 600.00		\$ 1,800.00	\$ 450.00		\$ 787.50
Registered Investigator	\$ 30.00	\$ 60.00	\$ 150.00		\$ 60.00		\$ 75.00