

1 Board of Private Detective and Protective Agent Services

2

3 Adopted Permanent Rules Relating to Board of Private Detective
4 and Protective Agent Services

5

6 Rules as Adopted

7 BOARD OF PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES

8 7506.0100 DEFINITIONS.

9 Subpart 1. **Scope.** For the purposes of parts 7506.0100 to
10 7506.0180, the following terms have the meanings given them.

11 Subp. 2. **Board.** "Board" means the Board of Private
12 Detective and Protective Agent Services created in Minnesota
13 Statutes, section 326.33.

14 Subp. 3. **Executive director.** "Executive director" means
15 the executive director of the board authorized by Minnesota
16 Statutes, section 326.3321.

17 Subp. 4. **Minnesota manager.** "Minnesota manager" has the
18 meaning given in Minnesota Statutes, section 326.32, subdivision
19 10a.

20 7506.0110 INTERNAL PROCEDURES.

21 Subpart 1. **Executive director.** The executive director has
22 the following duties:

23 A. to manage the day-to-day business of the board;

24 B. to set the agenda for board meetings;

25 C. to bring specific and general matters before the
26 board at board meetings;

27 D. to present the position and reasoning of the board
28 at hearings before the Office of Administrative Hearings;

29 E. to conduct background investigations and report to
30 the board on board reviews, new applications, and complaints
31 concerning license holders; and

32 F. other duties related to board business as directed
33 by the board.

34 Subp. 2. **Licensing procedure.** The board shall follow the
35 procedures in items A to C for issuing licenses.

1 A. The board shall review each initial license
2 application. The initial license review shall consist of:

3 (1) a review of the application;

4 (2) a review of the findings of the executive
5 director's investigation; and

6 (3) an in-person interview of the applicant or
7 the applicant's qualified representative and Minnesota manager,
8 if applicable.

9 B. The board shall review each application for
10 license reissuance. The reissuance review shall consist of:

11 (1) a review of the documentation submitted by
12 the applicant;

13 (2) a review of the findings of the executive
14 director's investigation; and

15 (3) an in-person interview which may be
16 requested by the applicant or required by the board if
17 supplemental information is necessary to complete the board's
18 review of the application.

19 C. If the initial application is not complete within
20 four months of the first submission, the board shall review the
21 application and determine whether some or all of the application
22 process shall be repeated by the applicant or if the application
23 shall be denied and reapplication required. The board's
24 determination shall be based on the following factors:

25 (1) whether the information required in the
26 application has lost substantial probative value due to the
27 passage of time; and

28 (2) whether the delay in processing the
29 application is due to delay by the applicant or the workload of
30 the board.

31 7506.0120 TEST.

32 As part of the application process, every new applicant and
33 every applicant for renewal must pass a written examination on
34 this chapter and Minnesota Statutes, sections 326.32 to
35 326.339. The board shall be responsible for writing the

1 examination and revising it as needed.

2 7506.0130 LICENSING AND QUALIFICATION.

3 Subpart 1. **Contingent license.** If an applicant for
4 reissuance submits incomplete or inaccurate information in
5 support of the application and the board determines the
6 applicant can correct the problem within a period of 60 days,
7 the board shall issue a contingent license good for 60 days from
8 the date of the board meeting at which the determination is
9 made. The applicant may continue operations during this
10 period. If an application is incomplete or inaccurate due to
11 circumstances within the control of the applicant the board may
12 impose ~~a fine~~ an administrative penalty of up to \$50 under part
13 7506.0170, subpart 5, depending on the culpability of the
14 applicant.

15 Subp. 2. **Lapsed license.** If an applicant for reissuance
16 fails to submit a timely application or if the application
17 contains incomplete or inaccurate supporting information, and
18 the applicant does not respond to board inquiries regarding the
19 application, the board shall treat the license as lapsed for 60
20 days from the expiration date. An applicant with a lapsed
21 license is subject to ~~a fine~~ an administrative penalty of up
22 to \$100 to be imposed under part 7506.0170, subpart 5. A lapsed
23 license does not authorize the holder to conduct business as a
24 private investigator or protective agent. The holder of a
25 lapsed license is eligible for reissuance; however, if the
26 lapsed license expires, the applicant must then file an
27 application for a new license.

28 Subp. 3. **Financial responsibility.** To provide proof of
29 financial responsibility, an applicant must submit to the board
30 one of the following:

31 A. an original certificate of insurance in accordance
32 with Minnesota Statutes, section 326.3382, subdivision 3,
33 paragraph (d), accompanied by a photocopy of the insurance
34 policy;

35 B. an original net worth statement in accordance with

1 Minnesota Statutes, section 326.3382, subdivision 3, paragraph
2 (e), signed by the applicant; or

3 C. an irrevocable letter of credit in accordance with
4 Minnesota Statutes, section 326.3382, subdivision 3, paragraph
5 (f).

6 7506.0140 SCHEDULE OF FEES.

7 Subpart 1. **New applicant fees.** The fees for a license for
8 a new applicant are as follows:

9	A. Private detective:	
10	Individual	\$500
11	Partnership	\$850
12	Corporation	\$950

13	B. Protective agent:	
14	Individual	\$400
15	Partnership	\$800
16	Corporation	\$900

17 All new applicants must also pay a \$15 administrative fee to
18 cover copying, packaging, time, and mailing costs.

19 Subp. 2. **License reissuance fees.** The fees for a
20 reissuance of a license are set according to the number of
21 employees and are as follows:

22	A. Private detective:	
23	0 employees	\$400
24	1 to 10 employees	\$525
25	11 to 25 employees	\$650
26	26 to 50 employees	\$775
27	51 or more employees	\$900

28	B. Protective agent:	
29	0 employees	\$350
30	1 to 10 employees	\$475
31	11 to 25 employees	\$600
32	26 to 50 employees	\$725
33	51 or more employees	\$850

34 C. For purposes of this subpart only, an applicant
35 shall determine the number of employees as described in subitems
36 (1) to (3).

37 (1) Count as one employee each person who
38 regularly works an average of 30 or more hours per week
39 performing duties as described in Minnesota Statutes, section
40 326.338, subdivision subdivisions 1 and 4.

41 (2) Total the annual hours worked by persons
42 hired periodically or who regularly work less than 30 hours per
43 week performing duties as described in Minnesota Statutes,

1 section 326.338, ~~subdivision~~ subdivisions 1 and 4. Divide that
2 total by 1500.

3 (3) Total the figures from subitems (1) and (2)
4 to calculate the number of employees to use when determining the
5 appropriate fee.

6 Subp. 3. **Designation fee.** A change in the qualified
7 representative or Minnesota manager shall require payment of
8 one-half the original license fee.

9 Subp. 4. **Status fee.** A change in license status shall
10 require payment of the difference between the initial license
11 fee and the status level being sought.

12 Subp. 5. **Update; filing fee.** All license holders filing
13 information updates must pay a \$5 filing fee to cover new
14 materials, copying, mailing, packaging, filing ~~information~~
15 ~~updates~~, and time costs.

16 7506.0150 CONDUCT AND ETHICS.

17 Subpart 1. **Conflict of interest.** No license holder shall
18 knowingly undertake a service that conflicts with the interests
19 of the license holder or any other client of the license
20 holder. Prior to accepting a prospective client wherein a
21 conflict of interest may arise, the license holder shall
22 disclose to the current client and prospective client such facts
23 as may give rise to a conflict of interest and obtain written
24 consent from both parties.

25 Subp. 2. **Client responses.** A license holder shall respond
26 within a reasonable time to all client communication.

27 Subp. 3. **Board responses.** A license holder shall respond
28 within a reasonable time to all board communication. A
29 reasonable time for response shall be specified in the
30 communication.

31 Subp. 4. **Unlicensed activities.** A license holder shall
32 not knowingly enter into a contract with an unlicensed party
33 which provides that the unlicensed party will perform one or
34 more of the tasks listed in Minnesota Statutes, section 326.338,
35 unless the license holder and unlicensed party fulfill the

1 requirements of Minnesota Statutes, section 326.336.

2 7506.0160 COMPLAINT PROCEDURES.

3 Complaints to the board regarding possible violation of a
4 statute or rule the board is empowered to enforce shall be
5 processed under the procedures set out in Minnesota Statutes,
6 section 214.10.

7 7506.0170 PENALTIES.

8 Subpart 1. Categories of violations.

9 A. A serious violation is a failure to comply with
10 law or rule when the failure has a substantial adverse effect on
11 the integrity of the business of private detective or protective
12 agent services, the public health, safety, or welfare.

13 B. A violation is any failure other than a serious
14 violation, to comply with law or rule related to private
15 detective or protective agent services.

16 Subp. 2. Assignment of categories. The board shall
17 determine the ~~seriousness~~ severity of ~~the-violation~~ serious
18 violations or violations by considering the following factors:

19 A. inherent severity of the conduct as indicated by
20 the potential harm to person, property, or the integrity of the
21 business of private detective or protective agent services;

22 B. actual harm caused to person, property, or the
23 integrity of the business of private detective or protective
24 agent services;

25 C. culpability of the violator; ~~or~~ and

26 D. frequency of the violator's failure to comply with
27 law or rules.

28 The board, in making a determination, shall consider both
29 the number of factors applicable to a violation and the degree
30 to which each applies.

31 Subp. 3. Revocation. For a serious violation the board
32 may revoke the violator's license for a period of two years from
33 the date of the board action. The board shall determine whether
34 revocation is appropriate based on the factors set out in
35 subpart 2. A revocation is subject to a contested hearing under

1 Minnesota Statutes, section 326.3387.

2 Subp. 4. **Suspension.** For violations other than serious
3 violations the board may suspend the violator's license. The
4 board shall determine whether suspension is appropriate and the
5 period of suspension based on factors set out in subpart 2. The
6 board shall not suspend a license for more than one year. A
7 suspension is subject to a contested hearing under Minnesota
8 Statutes, section 326.3387.

9 Subp. 5. **Imposition of fines administrative penalties.**
10 The board may impose ~~a-civil-fine~~ an administrative penalty upon
11 any licensee for a violation of laws or rules related to private
12 detective or protective agent services, after a determination of
13 the severity of the violation using the factors set out in
14 subpart 2.

15 Subp. 6. **Amount of fines administrative penalties.** The
16 ~~fine~~ administrative penalty for a serious violation shall be
17 \$500 to \$2500. A fine exceeding \$500 is subject to a contested
18 case hearing under Minnesota Statutes, section 326.3387.
19 The ~~fine~~ administrative penalty for other violations shall not
20 exceed \$499. The board shall consider the severity of the
21 violation by using the factors set out in subpart 2 when
22 imposing ~~a-fine~~ an administrative penalty.

23 Subp. 7. **Deadline for paying fines administrative**
24 penalties. All ~~fines~~ administrative penalties imposed by the
25 board must be paid within ~~ten-business~~ 30 days of the date of
26 the ruling imposing the ~~fine~~ administrative penalty. Failure to
27 pay the ~~fine~~ administrative penalty within the required time is
28 grounds for suspension.

29 Subp. 8. **Criminal liability.** As provided in Minnesota
30 Statutes, section 326.3388, imposing a penalty under this
31 ~~part does-not-affect~~ is in addition to any criminal liability-on
32 ~~the-part-of-the-affected-party~~ penalty imposed for the same
33 violation.

34 7506.0180 LICENSE REINSTATEMENT.

35 Subpart 1. **Reinstatement following suspension.** The board

1 shall reinstate the license of any person who is under
2 suspension upon the fulfillment of the following requirements:

3 A. the suspension period must expire or the person
4 must satisfy all conditions of suspension; and

5 B. all applicable fines must be paid.

6 Subp. 2. Reinstatement following revocation. The board
7 shall reinstate the license of any person whose license is
8 revoked upon the fulfillment of the following requirements:

9 A. the revocation period must expire;

10 B. all applicable fines must be paid; and

11 C. the person must apply for a new license, meet
12 statutory requirements and license qualifications, and pay the
13 applicable licensing fee.