

CHAPTER 7506
DEPARTMENT OF PUBLIC SAFETY
BOARD OF PRIVATE DETECTIVE AND PROTECTIVE
AGENT SERVICES
PRIVATE DETECTIVES AND PROTECTIVE AGENTS

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7506.0100 DEFINITIONS.

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

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

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

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0110 INTERNAL PROCEDURES.

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

- A. to manage the day-to-day business of the board;
- B. to set the agenda for board meetings;
- C. to bring specific and general matters before the board at board meetings;
- D. to present the position and reasoning of the board at hearings before the Office of Administrative Hearings;
- E. to conduct background investigations and report to the board on board reviews, new applications, and complaints concerning license holders; and
- F. other duties related to board business as directed by the board.

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

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

- (1) a review of the application;
- (2) a review of the findings of the executive director's investigation; and
- (3) an in-person interview of the applicant or the applicant's qualified representative and Minnesota manager, if applicable.

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

- (1) a review of the documentation submitted by the applicant;
- (2) a review of the findings of the executive director's investigation; and
- (3) an in-person interview which may be requested by the applicant or required by the board if supplemental information is necessary to complete the board's review of the application.

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

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

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0120 TEST.

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0130 LICENSING AND QUALIFICATION.

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

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

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

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

B. an original net worth statement in accordance with Minnesota Statutes, section 326.3382, subdivision 3, paragraph (e), signed by the applicant; or

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0140 SCHEDULE OF FEES.

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

A. Private detective:

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| Individual | \$500 |
| Partnership | \$850 |
| Corporation | \$950 |

B. Protective agent:

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| Individual | \$400 |
| Partnership | \$800 |
| Corporation | \$900 |

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

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

A. Private detective:

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| 0 employees | \$400 |
| 1 to 10 employees | \$525 |
| 11 to 25 employees | \$650 |
| 26 to 50 employees | \$775 |
| 51 or more employees | \$900 |

B. Protective agent:

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|----------------------|-------|
| 0 employees | \$350 |
| 1 to 10 employees | \$475 |
| 11 to 25 employees | \$600 |
| 26 to 50 employees | \$725 |
| 51 or more employees | \$850 |

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

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

(2) Total the annual hours worked by persons hired periodically or who regularly work less than 30 hours per week performing duties as described in Minnesota Statutes, section 326.338, subdivisions 1 and 4. Divide that total by 1500.

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

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

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

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0150 CONDUCT AND ETHICS.

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

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

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

Subp. 4. **Unlicensed activities.** A license holder shall not knowingly enter into a contract with an unlicensed party which provides that the unlicensed party will perform one or more of the tasks listed in Minnesota Statutes, section 326.338, unless the license holder and unlicensed party fulfill the requirements of Minnesota Statutes, section 326.336.

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0160 COMPLAINT PROCEDURES.

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0170 PENALTIES.**Subpart 1. Categories of violations.**

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

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

Subp. 2. Assignment of categories. The board shall determine the severity of serious violations or violations by considering the following factors:

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

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

C. culpability of the violator; and

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

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

Subp. 3. Revocation. For a serious violation the board may revoke the violator's license for a period of two years from the date of the board action. The board shall determine whether revocation is appropriate based on the factors set out in subpart 2. A revocation is subject to a contested hearing under Minnesota Statutes, section 326.3387.

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

Subp. 5. Imposition of administrative penalties. The board may impose an administrative penalty upon any licensee for a violation of laws or rules related to private detective or protective agent services, after a determination of the severity of the violation using the factors set out in subpart 2.

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

Subp. 7. Deadline for paying administrative penalties. All administrative penalties imposed by the board must be paid within 30 days of the date of the ruling imposing the administrative penalty. Failure to pay the administrative penalty within the required time is grounds for suspension.

Subp. 8. Criminal liability. As provided in Minnesota Statutes, section 326.3388, imposing a penalty under this part is in addition to any criminal penalty imposed for the same violation.

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*

7506.0180 LICENSE REINSTATEMENT.

Subpart 1. Reinstatement following suspension. The board shall reinstate the license of any person who is under suspension upon the fulfillment of the following requirements:

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

B. all applicable fines must be paid.

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

A. the revocation period must expire;

B. all applicable fines must be paid; and

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

Statutory Authority: *MS s 326.3331*

History: *15 SR 2627*