

**Private Security Entity Workgroup
Minutes
October 11, 2022**

The Private Security program of the Department of Public Safety Standards and Training (DPSST) held a workgroup meeting for the implementation of House Bill 2527 on October 11, 2022, at 2:00 p.m. in Conference Room A234 at DPSST, located at 4190 Aumsville Highway SE, Salem, Oregon.

Workgroup Members Present

Jeff Henderson	DPSST, Private Security Program Manager
Michael Holsapple	DPSST, Compliance Investigator
Jennifer Howald	DPSST, Administrative Rules Coordinator
Jeremy Simer	SEIU Local 49
Laura Vanenckevort	Bureau of Labor and Industry
Michele Timfichuk	Pacific Patrol Services Inc.
Thomas Hoeffft	Cover Your Assets Event Security LLC
Zac DePaoli	Willamette View
Brian Johnson	Black Wolf Protection Group
Killian Kuhn	Cornerstone Security Group
David Henretty	Oregon Law Center

Workgroup Members Absent

Suzy Herring	DPSST, Professional Standards Division Director
Dala Ann Johnson	Dala's Blue Angels
Richard Nassar	Command One Protective Services
John Werts	Securitas Inc.
Tammy Cozby	ADT
Shawn Cosby	Lake Health District
Eric Nebeker	Angus Operations

1. Review and Discussion on Sections 1 and 3 from Last Meeting

Presented by Jeff Henderson

The department addressed items carried over from the prior meeting and discussed proposed definitions from the draft rule. The two exemptions in Section 1, subsections (6)(a) and (b) of HB 2527 were clarified to apply to public universities employing special campus security providers commissioned under ORS 352.118 and to institutions of

higher education (both public and private institutions) that employ private security providers and regulated under ORS 181A.972.

The department addressed workgroup questions with the provision in Section 3, subsection (2)(e) regarding the general liability insurance requirement. The department stated the draft rule relating to the general liability insurance requirement proposes to define applicant for purposes of the insurance requirement to be the entity. This would remove concern of having an owner of a large company who is several levels removed from the company's private security operations be listed as a primary insured on the policy and would remove concern of the individual potentially being responsible for the company's liabilities due to listing on the insurance policy.

The department revisited the workgroup questions with the provision in Section 3, subsection (2)(h)(E) that requires the applicant to provide the department with the physical address of the work locations at which private security services are provided. The workgroup asked what the intent of the provision was and whether the residential addresses of high-profile clients would be subject to release by the department for a public records request. The department pointed to ORS 192.355 as the potential authority to exempt the residential addresses of high-profile clients from disclosure. The department will continue to research and follow-up with the authority question and the intent of the provision at a future meeting.

The workgroup reviewed the draft definitions rule and proposed definitions for person, principal owner, principal partner, qualifying agent, operational control, and engaged in the business of providing private security services. There was agreement that defining principal partner to include a qualifying agent alleviates workgroup concerns where the owner is several levels removed from the entity's private security operations, or where there is no owner as in the case of a governmental agency.

The workgroup discussed the definition of private security entity in Section 1, subsection (6)(a)(B) of HB 2527 regarding persons that contract or subcontract with an existing licensed entity to provide private security services. The question was asked whether persons that contract to receive private security services are subject to the licensing requirement. The department clarified persons that contract to receive private security services are not subject. The workgroup agreed it would be beneficial to further clarify that in rule.

The workgroup discussed entities with no employees and no contracted labor (i.e., an individual operating a personal business on their own as a certified private security professional). Similar to the Janitorial Labor contractor provisions, the workgroup felt it should be clarified in rule that entities consisting of a single person only are not subject to the entity licensing requirement. Those persons will be subject to the private security professional certification requirements but not the entity licensing requirement.

The workgroup discussed the scenario of a company contracting with single-person businesses that are licensed private security professionals. For example, a company with no employees that contracts with private security professionals who operate as single-person businesses. The workgroup discussed whether contracting the single-person businesses constitutes employs. If yes, then the company would be subject to the entity licensing requirement per the employs provision. If no, the company's subjectivity to the licensing requirement would depend on whether the company provided private security services to an existing licensed entity. If yes, the company would be subject. If no, the company would not be subject.

2. Review and Discussion on Section 3 (3) and (4)

Presented by Jeff Henderson

The workgroup discussed subsections (3) and (4) in Section 3 of HB 2527 (ORS 181A.900) as outlined in the Private Security Entity Workgroup Section Review document. Subsection (3) requires the applicant to show proof of financial ability to promptly pay the wages of executive managers, private security professionals and supervisory managers employed by or who contract with the private security entity. Proof shall be in an amount and form as established by the department by rule. Proof shall include but not is limited to a corporate surety bond, a cash deposit, or a deposit the equivalent of cash. The workgroup discussed the BOLI provision outlined in ORS 658.415(3). The BOLI amounts are based on the number of employees and the question was asked if the employee threshold applied to only full-time employees or all employees regardless of the number of hours worked. The department clarified it will apply to all employees (part-time included). The department also clarified the employee threshold will apply only to the company's private security providers. Company employees not related to the private security operations would not factor into the proof threshold.

The workgroup discussed the fee requirement in subsection (4). The fee is established for issuing licenses to private security entities and the fee may not exceed the prorated direct costs of administering: (a) the licensing program outlined in Section 3; (b) the license examinations required by Section 8; and (c) the investigations required by Section 9.

3. Tasks for Next Meeting

The workgroup will discuss Sections 4 through 8 of HB 2527.

4. Next Scheduled Meeting

Tuesday, October 25, 2022, at 2:00 p.m.