

ORS Citation	HB 2527 Provision	BOLI Labor Contractor Provision (ORS/OAR)
HB 2527 SECTION 1 (Amended ORS 181A.840) Definitions for ORS 181A.360, 181A.840 to 181A.893, 181A.895 and 181A.995.		
181A.840 (6)(a) and (b)	(6)(a) "Private security entity" means a person engaged in the business of providing private security that: (A) Employs private security providers; or (B) Contracts or subcontracts with an existing licensed private security entity to provide private security services. (b) "Private security entity" does not include a special campus security provider commissioned under ORS 352.118 or a private security provider on a campus of an institution of higher education regulated under ORS 181A.972.	From SB 114 (2021 Regular Session). No comparable Labor Contractor provision.
Implementation Notes	Original provision from SB 114. "Person" is defined in Labor Contractor rule, OAR 839-015-0004 as any individual, sole proprietorship, partnership, corporation, cooperative corporation, association, public or private corporation, government or governmental instrumentality or other business or legal entity.	
HB 2527 SECTION 3 (New ORS 181A.900) Procedures for licensing of private security entities; rules; fees.		
181A.900 (1)	(1) The Department of Public Safety Standards and Training shall establish by rule standards and procedures for the licensing of private security entities.	HB 2527 provisions patterned after the Labor Contractor provisions for the Janitorial Services Industry from HB 4058 (2018 Regular Session).
Implementation Notes	The department is working on draft administrative rules and will incorporate workgroup feedback and interested party comments. The department plans to have a 60-day public comment period for the proposed rules during January and February.	

181A.900 (2)(a)	(2) Rules adopted under this section must require that an applicant for a private security entity license: (a) Submit a written application to the Department of Public Safety Standards and Training on a form approved by the department;	ORS 658.415; OAR 839-015-0155
Implementation Notes	Section 3 items required to be submitted with the private security entity license application form are listed below in notes.	
181A.900 (2)(b)	(b) Register the entity as a business with the Secretary of State;	ORS 658.410; OAR 839-015-0135
Implementation Notes	Existing requirement for businesses in Oregon. If required to register the business with Secretary of State, the entity must be registered and include the entity registry number on the application form.	
181A.900 (2)(c)	(c) Be the principal owner or principal partner who exercises operational control over the entity;	From SB 114 (2021 Regular Session). No comparable Labor Contractor provision.
Implementation Notes	Original provision from SB 114. In the case of large multistate or multinational companies, the principal owner or principal partner may need to be identified by rule as the individual responsible for operational control over the Oregon business activities. The same may need to apply to non-exempt governmental agencies where there is no principal owner or principal partner.	
181A.900 (2)(d)	(d) Designate an executive manager licensed by the department;	From SB 114 (2021 Regular Session). No comparable Labor Contractor provision.
Implementation Notes	Original provision from SB 114 and an existing requirement. Per OAR 259-060-0200, companies that employ private security professionals in Oregon must designate a licensed individual to perform the duties of an executive manager.	

181A.900 (2)(e)	(e) Be covered by a general liability insurance policy for which the applicant is a primary insured that includes public liability, personal injury and property damage insurance covering all aspects of the private security services being provided;	From SB 114 (2021 Regular Session). No comparable Labor Contractor general liability insurance requirement. However, ORS 658.415(6)(a) and OAR 839-015-0210(4)(a) establish a general liability insurance exception to the requirement to provide proof of financial ability to promptly pay wages.
Implementation Notes	Proof of required general liability insurance (certificate of insurance) to be submitted with application form. The applicant is required to be a primary insured on policy.	
181A.900 (2)(f)	(f) Maintain and make available to the department upon request records of the training hours completed by each private security provider employed by the entity;	From SB 114 (2021 Regular Session). No comparable Labor Contractor provision.
Implementation Notes	Entity shall maintain records of the DPSST required training hours completed by their employees, including the professional trainings provided through BOLI in Section 4 of HB 2527. The entity shall provide records to DPSST upon request.	
181A.900 (2)(g)	(g) Demonstrate the existence of use of force and citizen arrest policies, unless the private security entity exclusively monitors alarm systems; and	From SB 114 (2021 Regular Session). No comparable Labor Contractor provision.
Implementation Notes	Entities other than those that exclusively monitor alarm systems shall establish use of force and citizen arrest policies and demonstrate existence of the policies through attestation on the license application form. The entity shall provide copies of policies to DPSST upon request.	

181A.900 (2)(h)(A)	(h) Provide the following information to the department: (A) The names and addresses of all persons financially interested, whether as partners, shareholders, associates or profit-sharers, in the applicant's proposed operations as a private security entity, together with the amount of their respective interests, and whether or not, to the best of the applicant's knowledge, any of these persons was ever denied a certificate or a license under ORS 181A.870 within the preceding three years, or had a certificate or license suspended or revoked within the preceding three years;	ORS 658.415(1)(d) The names and addresses of all persons financially interested, whether as partners, shareholders, associates or profit-sharers, in the applicant's proposed operations as a labor contractor, together with the amount of their respective interests, and whether or not, to the best of the applicant's knowledge, any of these persons was ever denied a license under ORS 658.405 to 658.511 within the preceding three years, or had a labor contractor license denied, revoked or suspended within the preceding three years in this or any other jurisdiction.
Implementation Notes	The names and addresses of all persons financially interested shall be included on the application form. Per Labor Contractor OAR 839-015-0140, to be eligible for a license the applicant must not have had persons financially interested in applicant's business who had a labor contractor license denied, revoked or suspended within the preceding three years in this or any other jurisdiction.	
181A.900 (2)(h)(B)	(B) Proof of the existence of adequate insurance under rules issued by the department;	No comparable Labor Contractor provision for department determination of adequate general liability insurance coverage. ORS 658.415(6) provides exception to the requirement for applicant to provide proof of financial ability to promptly pay the wages of employees. The subsection (6)(a) exception requirement applies if a property services contractor provides proof of general liability insurance coverage in an amount that the commissioner determines by rule is adequate.
Implementation Notes	Proof of required general liability insurance (certificate of insurance) to be submitted with the application form. Adequate general liability insurance to be determined and defined in rule. Labor Contractor rule (OAR 839-015-0210) identifies adequate general liability insurance coverage for purposes of the subsection (6)(a) financial proof exception as \$1,000,000 coverage.	

181A.900 (2)(h)(C)	(C) Proof of compliance with business tax requirements;	OAR 839-015-0145(10); 839-015-0520(4)(d)
Implementation Notes	Labor Contractor provisions for the Janitorial Services Industry from HB 4058 (2018 Regular Session) require certification of tax compliance from the Oregon Department of Revenue and the Oregon Employment Department. Tax compliance certificates are submitted with the application form.	
181A.900 (2)(h)(D)	(D) Any claims for unpaid wages that have been made against the applicant within the preceding two years;	ORS 658.489; OAR 839-015-0140
Implementation Notes	The applicant must include with the application any claims for unpaid wages made against the applicant within the preceding two years. Per Labor Contractor OAR 839-015-0140(5), to be eligible for a license the applicant must not have any unsatisfied final judgments of the court or final orders issued which require the payment of unpaid wages to employees.	
181A.900 (2)(h)(E)	(E) The physical address of the work location or locations at which private security services are provided by private security professionals employed by or pursuant to a contract or subcontract with the applicant; and	ORS 658.427(2)(b) provides rules adopted by the department must require a property services contractor to provide the physical address of the work location or locations at which janitorial services are provided by an employee of the property services contractor.
Implementation Notes	The physical address of the work locations are to be submitted with the application form. OAR 839-015-0355 requires property service contractors to submit the information with the license application and each renewal application.	

181A.900 (2)(h)(F)	(F) For each work location at which private security services are provided by private security professionals pursuant to a contract or subcontract with the applicant, the names of the private security entity or entities contracted or subcontracted with the applicant.	No comaparable Labor Contractor provision.
Implementation Notes	The names of the private security entity or entities contracted or subcontracted with the applicant are to be submitted with the application form.	
181A.900 (3)	(3) Each applicant shall submit with the application for a private security entity license, 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. The proof required in this subsection shall be in an amount and form as established by the department by rule, including but not limited to, a corporate surety bond, a cash deposit or a deposit the equivalent of cash.	ORS 658.415(3) Except as provided in subsection (6) of this section, each applicant shall submit with the application and shall continually maintain thereafter, until excused, proof of financial ability to promptly pay the wages of employees and other obligations specified in this section. The proof required in this subsection shall be in the form of a corporate surety bond of a company licensed to do such business in Oregon, a cash deposit or a deposit the equivalent of cash.

Implementation Notes	ORS 658.415(3) continued... For the purposes of this subsection, it shall be deemed sufficient compliance if the labor contractor procures a savings account at a bank or savings and loan institution in the name of the commissioner as trustee for the employees of the labor contractor and others as their interests may appear and delivers proof of the account and the ability to withdraw the funds to the commissioner under the terms of a bond approved by the commissioner. The amount of the bond and the security behind the bond, or the cash deposit, shall be based on the maximum number of employees the labor contractor employs at any time during the year. The bond or cash deposit shall be: (a) \$10,000 if the labor contractor employs no more than 20 employees; or (b) \$30,000, or such lesser sum as may be authorized by the commissioner under ORS 658.416, if the labor contractor employs 21 or more employees.	
181A.900 (4)	(4) The department shall establish fees for issuing licenses to private security entities. The fees may not exceed the prorated direct costs of administering: (a) The licensing program required by this section; (b) The license examinations required by ORS 181A.904; and (c) The investigations required by ORS 181A.902.	No comaparable Labor Contractor provision.
Implementation Notes	The licensing fees may not exceed the cost of administering the private security entity licensing program. The department is reviewing fee structure options, including a tiered fee structure based on the number of private security professionals employed by the entity.	