Department of Public Safety Standards and Training
(DPSST or the Department)
Memo

Date: October 22, 2026

To: Board on Public Safety Standards and Training

From: Jennifer Howald
Legislative and Administrative Rules Coordinator

Subject: Proposed Rule Changes for Oregon Administrative Rules (OAR) Chapter 259 Division 59, the Private Security Entity Licensing Program

Overview:

The rules in OAR Chapter 259 Division 59 were adopted to implement the private security entity licensing requirements that took effect January 1, 2024. The rules have been in place for two years, and the program recently completed the second license renewal cycle. Through implementation and administration of the entity licensing program, the Department identified opportunities to improve processing efficiency, enforcement, and overall clarity.

To facilitate a comprehensive review of the private security entity licensing rules, the Department formed the Private Security Entity Rules Advisory Committee (RAC) to provide feedback on potential program changes and draft rule changes. The Private Security Entity RAC feedback helped the Department evaluate operational and fiscal impacts, identify unintended consequences, and improve clarity where needed.

This memo focuses on the programmatic changes that can be addressed through rule changes. Some of the Department-identified program needs will require changes to the authorizing laws found in Oregon Revised Statutes (ORS) Chapter 181A. The Department will continue to facilitate those changes through a separate legislative process[1].

Proposed Rule Changes:

The following information provides a summary for each rule in OAR Chapter 259 Division 59 that will be amended, an overview of the proposed changes, and a copy of the rule. The proposed rule changes include recommended additions noted with **bold and underlined text** and deletions noted with ~~strikethrough text~~.

[1] On July 23, 2026, the Board approved the Department's request for a 2027 legislative concept, referenced as Proposed Legislative Concept 25900-003, DPSST Private Security Entity Licensing Program (LC 0371).

❖ OAR 259-059-0010 Definitions

Rule Summary: This rule provides definitions for the interpretation and application of all rules in OAR Chapter 259 Division 59, relating to private security entity licensing. The definitions in this rule supplement the definitions in ORS 181A.840.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language throughout.
- Amend the definition of an "entity representative" in section (4) for better alignment with the corresponding requirement found in OAR 259-059-0030.
- Amend the definition of "qualified designee" in section (13) to remove governmental entities based on changes to the definition of a private security entity under SB 300.

(1) "Applicant" means a private security entity, through an entity representative, applying for or renewing **a license** ~~licensure~~ to operate as a private security entity.

(2) "Board" means the Board on Public Safety Standards and Training.

(3) "Department" or "DPSST" means the Department of Public Safety Standards and Training.

(4) ~~"Entity representative" means the individual who represents the private security entity in matters of licensure as a private security entity.~~ **"Entity representative" means an individual representing a private security entity in matters of private security entity licensing who is either the private security entity's principal owner, principal partner who exercises operational control over the entity, or qualified designee.**

(5) "Executive manager" has the meaning given that term in ORS 181A.840 and OAR 259-060-0010.

(6) "Financially interested" means any ownership interest in the private security entity that is greater than or equal to 5% of the entity.

(7) "License" means a private security entity license issued by the Department.

(8) "Licensee" means a licensed private security entity.

(9) "Person" means any individual, sole proprietorship, partnership, business, company, corporation, association, governmental entity, or other business or legal entity.

(10)(a) "Private security entity" includes any person that:

(A) For an agreed remuneration or rate of pay, recruits, solicits, supplies or employs private security providers to perform private security services for another person;

(B) For an agreed remuneration or rate of pay, recruits, solicits, supplies or employs private security providers on behalf of another employer to provide private security services; or

(C) Enters into a subcontract with another person to perform any of the activities described in subparagraph (A) or (B) of this paragraph.

(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.

(11) “Private security provider” means any individual who performs the functions of a private security professional, executive manager, supervisory manager or instructor, as those terms are defined in ORS 181A.840 and OAR 259-060-0010.

(12) “Private security services” means the performance of at least one of the following activities:

(a) Observing and reporting unlawful activity.

(b) Preventing or detecting theft or misappropriation of goods, money or other items of value.

(c) Protecting individuals or property, including but not limited to proprietary information, from harm or misappropriation.

(d) Controlling access to premises being protected or, with respect to a licensee of the Oregon Liquor and Cannabis Commission, controlling access to premises at an entry to the premises or any portion of the premises where minors are prohibited.

(e) Securely moving prisoners.

(f) Taking enforcement action by detaining persons or placing persons under arrest under ORS 133.225.

(g) Providing canine services for guarding premises or for detecting unlawful devices or substances.

(13) “Qualified designee” means an individual who is:

(a) Employed by a private security entity that is a non-profit ~~or governmental~~ entity, a private security entity principally located in another state, or a private security entity with more than 100 employees; and

(b) Authorized by the principal owner or principal partner of the private security entity to represent the entity in matters of entity **licensing** ~~licensure~~.

(14) “Temporary Authorization Form” means a written, temporary permit to operate as a private security entity that is issued by the Department to an applicant while their application for a license is being processed.

(15) (a) “Work location or locations” means the specific place or places where a private security provider regularly reports to work or is assigned to work. “Work location or locations” include the location of the private security entity and locations such as a site, complex, park, campus, or territory where the private security entity provides private security services. Examples: an industrial complex, a hospital campus, or a territory with fixed parameters like the five-block radius surrounding a shopping district.

(b) “Work location or locations" does not include:

(A) Incidental response locations outside of regularly performed duties;

(B) Routes between work locations that are not included under the security services provided by the private security entity;

(C) Confidential public utility infrastructure locations;

(D) A private security entity's armored car routes and stop locations; or

(E) Personal residential addresses and auxiliary locations where private security services are performed in the course and scope of personal protection services.

❖ OAR 259-059-0020 Private Security Entity License Required

Rule Summary: This rule identifies the licensing requirement and clarifies which persons are not required to obtain a private security entity license.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (4)(b).
- Delete unnecessary language from section (4)(c).
- Amend subsection (4)(d) to use language that matches the definition of a private security entity; replacing "employ" with "for an agreed remuneration or rate of pay, recruit, solicit, supply, or employ."

(1) Any person proposing to operate as a private security entity after January 1, 2024, must obtain a license or be issued a Temporary Authorization Form to provide private security services.

(2) Private security entities must provide the Department's Internet address for license verification to a person before providing private security services to the person.

(3) Private security entity licensing requirements apply to any private security entity that provides private security services within this state, regardless of whether the private security entity is principally located in another state.

(4) The following persons do not meet the definition of a private security entity and are not required to obtain a license:

(a) Public universities employing special campus security providers commissioned under ORS 352.118 or institutions of higher education employing private security providers and regulated under ORS 181A.972.

(b) A person whose employees are exempt from the private security provider certification and ~~licensure~~ **licensing** requirements under ORS 181A.845.

(c) An executive manager who contracts with a private security entity to provide services as an executive manager. ~~This includes the executive manager providing private security services when the executive manager is also certified as a private security professional.~~

(d) A person who is the sole owner and operator of a business that provides private security services**,** ~~and does not employ any other private security providers~~ **so long as the person does not, for an agreed remuneration or rate of pay, recruit, solicit, supply, or employ any other private security providers to perform private security services for another person**.

❖ OAR 259-059-0030 Entity Representative Required / Entity Representative Responsibilities

Rule Summary: This rule requires each private security entity to designate an entity representative. The term "entity representative" is defined in OAR 259-059-0010. Private security entity licenses will be issued to the entity and in the name of the entity. The entity representative acts on behalf of the private security entity in the application process and ensures ongoing compliance with all licensing requirements. DPSST will direct all correspondence to the entity representative.

Overview of Proposed Rule Changes:

- Delete unnecessary duplication of the definition of a qualified designee in section (1).
- Replace the term “licensure” with “license” or “licensing” language throughout.

(1) Private security entities must designate an entity representative.

(2) The entity representative must be the principal owner or principal partner who exercises operational control over the entity or a qualified designee ~~of the principal owner or principal partner~~.

(3) The entity representative is responsible for:

(a) Completing the **licensing exam** ~~examination for licensure~~;

(b) Signing for and submitting the **license** application ~~for licensure~~;

(c) Providing notice to the Department of changes of information per OAR 259-059-0190;

(d) Receiving and responding to Notices and any other communication from the Department relating to the private security entity’s license; and

(e) Maintaining the private security entity’s compliance with ORS 181A.840 to 181A.918 and OAR Chapter 259 Division 59.

(4) To change the entity representative after the license has been issued, the new entity representative must:

(a) Notify the Department in writing within 10 business days of the change;

(b) Submit proof of a passing score on the private security entity **licensing exam** ~~examination for licensure~~ administered by the Department; and

(c) Submit a new **license** application ~~for licensure~~ if there have been any changes in the financially interested parties since the last application was submitted.

❖ OAR 259-059-0040 Period of Licensure / Temporary Authorization Form

Rule Summary: This rule defines the license as a one-year license and establishes when the license expires. This rule also outlines provisions for temporary authorization while an application for a license is pending.

Overview of Proposed Rule Changes:

- Change title to Licensing Period, deleting use of term licensure.
- Add an opportunity and eligibility requirements for a two-year license in sections (2) and (3).
- Add a 60 day expiration for Temporary Authorization Forms in section (6).
- Limit applicants to two temporary authorizations within a licensing period in section (7).
- Clarify what happens when a private security entity is sold or transferred to a new owner in section (8).

Licensing Period ~~of Licensure~~ / Temporary Authorization Form

~~(1) A private security entity license is valid for one year unless the license is suspended or revoked. The licensing period is July 1 through June 30 of each year. Any license not renewed by June 30 will expire.~~

(1) An initial private security entity license is valid for a period of up to one year and expires on June 30 of each year, unless the license is suspended or revoked.

(2) A licensed private security entity may apply to renew its license for either a one-year or two-year licensing period.

(a) A license renewed for one year expires on June 30 of the year following the renewal.

(b) A license renewed for two years expires on June 30 of the second year following the renewal.

(3) To be eligible for a two-year licensing period, the private security entity must have been licensed for at least two consecutive years and must not have any of the following within the preceding two years:

(a) Unpaid penalties owed to the Department;

(b) Any violation of private security entity licensing requirements under OAR Chapter 259, Division 59;

(c) Any violation of private security provider certification or licensing requirements under OAR Chapter 259, Division 60;

(d) A private security entity license that has been denied, suspended, or revoked; or

(e) A private security entity license application that has been administratively terminated.

(**4** ~~2~~) The Department may combine the issuance of an initial license with the renewal of the license when there are six months or less left in the initial licensing period.

(**5** ~~3~~) The Department may issue a Temporary Authorization Form to an applicant after receipt of an application **packet** ~~for licensure and the license fee~~.

(**6** 4) A Temporary Authorization Form expires **60 days from the date of issuance or** when **any of the following occur**:

(a) The license is issued;

(b) The application process is administratively terminated; or

(c) The license is denied or refused renewal.

(7) No more than two Temporary Authorization Forms may be issued to a private security entity during a licensing period. The limit resets at the start of the new licensing period on July 1.

(~~5~~ **8**) When a private security entity is sold, **or the ownership is otherwise transferred to another person,** the license or Temporary Authorization Form for the former private security entity **expires** ~~is considered expired, effective on the final date of sale~~**.**

(a) Within 10 business days of a change in ownership, the former private security entity must notify the Department in writing and return the expired license or Temporary Authorization Form to the Department.

(b) The entity representative for the new private security entity must submit a license application under OAR 259-059-0060.

(~~6~~ **9**) A person may not operate as a private security entity with an expired license or expired Temporary Authorization Form.

❖ OAR 259-059-0050 Examination for Licensure

Rule Summary: This rule outlines the requirements for the exam that applicants must pass to qualify for a private security entity license.

Overview of Proposed Rule Changes:

- Change the title to Licensing Exam for simplification.
- Minor edits for simplification in section (1).
- Replace the term “licensure” with “license” or “licensing” language in section (3).

~~Examination for Licensure~~ **Licensing Exam**

(1) The applicant~~, through the entity representative,~~ must successfully pass a qualifying ~~examination (~~exam~~) for licensure~~. The purpose of the exam is to test the applicant’s knowledge

of the private security entity's responsibility to prevent sexual assault, sexual harassment and discrimination in the workplace.

(2) The exam must be completed for issuance and renewal of a license.

(3) The exam may be completed anytime within the 60 days before the submission of **a license application** ~~an application for licensure~~.

(4) The exam is administered by the Department and delivered online.

(5) The minimum passing score for the exam is 80%.

(6) Any individual who takes the exam is prohibited from disclosing the contents of the exam, including the exam questions and answers, to anyone or any entity.

❖ OAR 259-059-0060 Application for Licensure

Rule Summary: This rule outlines the process and necessary documentation for submitting an application for a license.

Overview of Proposed Rule Changes:

- Change title to License Application.
- Replace the term "licensure" with "license" or "licensing" language in section (1), (6) and (7).
- Minor edits throughout for clarity and simplification.
- In section (2), replace proof of tax compliance with a specific rule reference, mirroring language and processes for general liability insurance and proof of ability to pay wages.
- Amend expiration language in section (3)(a) to include the two-year license option.

~~Application for Licensure~~ **License Application**

(1) Applications for **a license** ~~licensure~~ must be signed and submitted by the entity representative ~~on behalf of the applicant~~.

(2) To apply for a license or renew a license, the applicant must submit a completed application **packet that includes the following:** ~~, including all required attachments, and the non-refundable license fee per OAR 259-059-0070. The following information must be included with the application:~~

(a) A completed application form;

(b) The non-refundable license fee as required under OAR 259-059-0070;

~~(a)~~ **(c)** Proof of general liability insurance as defined in OAR 259-059-0120;

(d) Proof of compliance with business tax requirements as defined in OAR 259-059-0125;

~~(b)~~ **(e)** Proof of the ability to pay wages as defined in OAR 259-059-0130;

~~(c) An Oregon Department of Revenue Tax Compliance Certification or a statement from the applicant that, as a new entity, the entity has not been required to file taxes to date~~;

~~(d) The examination for licensure certificate of completion;~~

(f) The certificate of completion for the license exam as required under OAR 259-059-0050.

~~(e)~~ **(g)** 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 **had a certificate or license denied, suspended, or revoked under ORS 181A.870** ~~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;

~~(f)~~ **(h)** The physical address of the work location or locations**, as the term is defined in OAR 259-059-0010,** at which private security services are provided by private security professionals employed by or pursuant to a contract or subcontract with the applicant; and

~~(g)~~ **(i)** For each work location**, as the term is defined in OAR 259-059-0010,** 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.

(3) The application and license fee to renew a license must be received by the Department no later than June 30 of each year.

(a) Applicants may submit an application ~~and license fee~~ **packet** for renewal beginning May 1 of **the year in which the license expires** ~~each year~~.

(b) Failure to renew on time will result in a late fee.

(c) To continue operating as a private security entity, the license must be renewed even if the private security entity does not receive notification from the Department.

(4) The Department may administratively terminate the application process, after written notification and opportunity for correction, if the application or any required documentation is incomplete and the Department cannot satisfactorily verify application information due to non-response or non-compliance by the applicant.

(a) The Department will issue a Notice of Deficiency when the application packet is incomplete or insufficient.

(b) If the deficiency is not corrected within 30 business days of the date of the Notice of Deficiency, the application process will be administratively terminated. The Department may extend the time for compliance upon good cause shown by the applicant.

(c) Administrative termination of an application process also results in the immediate expiration of the Temporary Authorization Form.

(d) To re-apply after an administrative termination of the application process, the applicant will be required to submit a new application packet with all deficiencies corrected and new fees.

(5) Any exception to the application process found in this rule must be approved by the Department.

(6) An application for **a license** ~~licensure~~ may be withdrawn at any time. Applicants who choose to withdraw an application forfeit any fees.

(7) Falsification of any information in connection with an application for **a license** ~~licensure~~, including supporting documentation and attachments, may result in issuance of a civil penalty under OAR 259-059-0400 or the denial, refusal to renew, revocation, or suspension of a license under OAR 259-059-0410.

❖ OAR 259-059-0070 Fees and Payments

Rule Summary: This rule establishes licensing and administrative fees.

Overview of Proposed Rule Changes:

- Adds the license fee for a two-year license in section (1).
- Clarify language in section (2) allowing DPSST to prorate the licensing fee when the license is issued for less than a year or more than a year.
- Replace the term "licensure" with "license" or "licensing" language in section (3)(b).

(1) The Department charges the following fees:

(a) Private Security Entity License Fee**:**

(A) New applicant - $1030.

(B) One-year renewal - $1030.

(C) Two-year renewal - $2060.

(b) Late Renewal Fee - $55. A late fee is required when the Department receives an application for renewal after June 30.

(c) Duplicate or Replacement License Fee - $27.

(d) Non-sufficient Funds (NSF) Penalty Fee - $25.

(2) ~~When issuing an initial license, the Department may prorate the Private Security Entity License Fee in accordance with the remaining portion of the licensing period.~~ **The Department may prorate the Private Security Entity License Fee in accordance with the number of months the entity will be licensed when issuing or renewing a license for a period other than 12 months.**

(3) Payments.

(a) The Department accepts business checks, money orders, cashier's checks, and credit cards approved by the Department. Credit card payments may require submission of additional verification information as designated by the Department. The Department does not accept personal checks or cash.

(b) **License fees** ~~Fees for licensure~~ are due at the time of application.

(c) Amounts due to the Department for fees or penalties are non-refundable and non-transferable.

(d) Applicants who choose to withdraw their application or fail to complete the application process forfeit their fees.

(4) If the Department receives payment of any fees or penalty by check and the check is returned to the Department as a non-sufficient funds (NSF) check, the payer of the fees or penalty will be assessed an NSF penalty fee in addition to the required payment of the fees or penalty.

(5) Overpayment of Amounts Due.

(a) The Department will reject payments that include an overpayment of the amount due that is $10.01 or more.

(b) The Department may accept payments that include an overpayment of the amount due when the overpaid amount is $10.00 or less.

(c) Overpayment amounts that are $10.00 or less will only be refunded upon receipt of a written request from the applicant or entity representative who made the overpayment, or the private security entity's legal representative. The written request must be received by the Department within three years of the overpayment.

❖ OAR 259-059-0080 Character, Competence, and Reliability

Rule Summary: Statute requires DPSST to investigate the character, competence and reliability (CCR) of each applicant prior to issuance or renewal of a private security entity license. This rule identifies factors that DPSST considers when determining whether to issue or deny a private security entity license.

Overview of Proposed Rule Changes:

- Add the following as additional examples of evidence of unsatisfactory character, competence, or reliability under section (3):
    - Failure to pay civil penalties or make payments on a payment plan, (3)(j)
    - Using uncertified individuals to perform private security services, (3)(m)
    - Violations of private security providers rules, (3)(n)

(1) To determine if a license will be issued or renewed, the Department must conduct an investigation of each applicant's character, competence, and reliability, and any other matter related to the manner and method by which the applicant proposes to conduct and conducted operations as a private security entity.

(2) The Department may not issue or renew a license to operate as a private security entity until the Department is satisfied as to the applicant's character, competence, and reliability.

(3) Evidence of unsatisfactory character, competence, or reliability includes committing an unlawful act or violating or failing to comply with any provision of ORS 181A.840 to 181A.918. For the purposes of these rules, the Department's investigation may include, but is not limited to, a review of the following for consideration:

(a) Having an entity representative or any other person who is financially interested in the operations of the private security entity who, within the past three years:

(A) Had a private security provider certification or license denied, refused renewal, revoked, or suspended for the grounds found in OAR 259-060-0300, 259-060-0310, or 259-060,0320;

(B) Had a private security entity license denied, refused renewal, revoked, or suspended, or otherwise violated ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59; or

(C) Has been the subject of a Department investigation for a violation of ORS 181A.840 to 181A.918, OAR Chapter 259 Division 59, or OAR Chapter 259 Division 60.

(b) Failing to file or furnish all forms and other information required by ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59;

(c) Failing to comply with business tax requirements;

(d) Failing to comply with any of the federal, state, or local laws identified in ORS 181A.913 and OAR 259-059-0160, as evidenced by receipt of a final order or judgement;

(e) Failing to maintain general liability insurance as required by ORS 181A.900 and OAR 259-059-0120;

(f) Failing to maintain proof of ability to pay wages as required by ORS 181A.900 and OAR 259-059-0130;

(g) Failing to provide the Professional Workplace Training Course as required by ORS 181A.908 and OAR 259-059-0150;

(h) Failing to ensure armed private security professionals successfully complete a firearms qualification for each firearm make, model, and caliber that the armed private security professional will possess or have access to while performing private security services as required by ORS 181A.906 and OAR 259-059-0140;

(i) Failing to promptly satisfy any judgments levied against the applicant or licensee;

(j) Failing to pay, or follow a Department-approved payment plan for, any penalties or fees imposed by the Department;

~~(j)~~ **(k)** Failing to notify the Department of a change of information as required by OAR 259-059-0190;

~~(k)~~ **(l)** Falsifying any information submitted on the **license** application ~~for licensure~~ or on any documents submitted to the Board or the Department;

(m) Assigning a person to perform private security services without a valid private security professional certification or temporary work permit; or

~~(l)~~ **(n)** Any other violation of ORS 181A.840 to 181A.918**,** ~~or~~ OAR Chapter 259 Division 59**, or OAR Chapter 259 Division 60**.

(4) When evidence of unsatisfactory character, competence, or reliability is identified, the Department may be satisfied upon consideration of mitigating circumstances and corrective actions taken by the applicant or licensee.

(5) The Department may conduct an investigation of an applicant or licensee when the Department receives a protest, a complaint or any other information that demonstrates lack of character, competence, or reliability to operate as a private security entity.

(6) A change in the entity representative may constitute a change in the Department's determination to issue or renew a license. The Department may conduct an investigation of the applicant or licensee when there is change of the entity representative.

(7) Any Department action to deny, refuse to renew, revoke, or suspend a license based on the findings of the Department's investigation of the applicant's or licensee's character, competence, and reliability will be administered in accordance with OAR 259-059-0410 through 259-059-0440 and the applicable provisions of the Attorney General's Model Rules of Procedure adopted under OAR 259-005-0015.

❖ OAR 259-059-0100 Designation of an Executive Manager

Rule Summary: This rule requires private security entities to appoint an executive manager. Executive managers are responsible for overseeing compliance with private security provider certification and licensing rules.

Overview of Proposed Rule Changes:

- Change title to Compliance with Private Security Provider Certification and Licensing Requirements
- Add new sections (2) and (3) to include prohibited acts found in ORS 181A.850 and private security provider rule, OAR 259-060-0015.

~~Designation of an Executive Manager~~ **Compliance with Private Security Provider Certification and Licensing Requirements**

(1) Private security entities must have a designated executive manager who is licensed by the Department under ORS 181A.870 and OAR Chapter 259 Division 60.

~~(2)~~ **(a)** Private security entities may employ or contract with more than one executive manager.

~~(3)~~ **(b)** Private security entities must notify the Department in writing within 10 business days when the private security entity changes its designated executive manager.

(2) Private security entities are prohibited from assigning a person to perform private security services unless the person is certified as a private security professional under ORS 181A.870 and OAR Chapter 259 Division 60.

(3) In accordance with OAR 259-060-0015, entities are prohibited from independently contracting with a certified private security professional to provide private security services unless that professional is also licensed as an executive manager.

❖ OAR 259-059-0120 General Liability Insurance

Rule Summary: This rule requires private security entities to maintain a general liability insurance policy with at least $1 million per incident and $2 million total coverage, and promptly inform DPSST if it changes or ends.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (3).
- Delete provisions for public bodies in section (6). Under the SB 300 definition of a private security entity, public bodies would no longer be subject to the private security entity licensing rules.

(1) Private security entities must be covered by a general liability insurance policy that includes public liability, personal injury, and property damage insurance covering all aspects of the private security services being provided.

(2) The general liability insurance policy must name the private security entity as the primary insured with minimum liability limits of $1,000,000 per occurrence and $2,000,000 in the aggregate.

(3) The proof of the existence of adequate insurance required for the **license** application ~~for licensure~~ must include the name of the private security entity, the insured amounts, the policy number, the policy expiration date, and the name, business address, and phone number of the insurance company.

(4) Private security entities must maintain general liability insurance at all times.

(5) If the general liability insurance is cancelled or the private security entity changes insurance companies, the private security entity must:

(a) Notify the Department in writing within 10 business days of the cancellation or change; and

(b) Submit proof of insurance to the Department within 10 business days of the effective date of the new policy.

~~(6) If the private security entity is a public body as defined in ORS 30.260, upon approval by the Department, the private security entity may meet its obligation to maintain general liability insurance through:~~

~~(a) The purchase of insurance as described in this rule;~~

~~(b) The use of self-insurance or assessments paid under ORS 30.282 that is substantially similar to the types and amounts of insurance coverage described in this rule; or~~

~~(c) A combination of any or all of the foregoing.~~

❖ OAR 259-059-0125 Tax Compliance (NEW)

Rule Summary: This rule defines what is accepted as proof of tax compliance, including timeframes for the validity of the proof.

Overview of Proposed Rule Changes:

- Adopt a new rule to add additional clarification to providing proof of compliance with business tax requirements. This new draft rule is compatible with the changes found in OAR 259-059-0060, License Application. As a result of this new rule, DPSST would no longer accept a letter from an entity stating that they are a new business and have not filed taxes yet.

Tax Compliance

(1) Private security entities must provide proof of compliance with business tax requirements. The form of proof must be an Oregon Department of Revenue Certificate of Tax Compliance.

(2) Private security entities applying for a new license must provide a certificate of tax compliance that has been issued no earlier than 90 calendar days prior to the date the initial application is submitted.

(3) Private security entities renewing a license must submit a certificate of tax compliance issued no earlier than 90 calendar days prior to the expiration date listed on the current license.

❖ OAR 259-059-0130 Proof of Ability to Pay Wages

Rule Summary: This rule requires private security entities to demonstrate their ability to promptly pay the wages of their executive managers, private security professionals, and supervisory managers by maintaining a corporate surety bond, irrevocable letter of credit, or cash deposit in an amount sized according to the number of private security personnel they employ or contract with.

Overview of Proposed Rule Changes:

- Add a description of what is accepted as a deposit the equivalent of cash in section (1)(d).
- In section (2), replace the multi-tier proof amounts with a single proof amount that applies to all entities regardless of size and number of employees. This is a proposed administrative process simplification. The Entity RAC chose this approach in place of considering a requirement for entities to report when hiring additional private security providers resulted in a different tier amount, necessitating an increase their proof amount.
- Delete provisions for public bodies in section (6). Under the SB 300 definition of a private security entity, public bodies would no longer be subject to the private security entity licensing rules.

(1) Private security entities must provide 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. ~~Except as provided in section (6) of this rule, the form of~~ **The** proof must be one of the following:

(a) A corporate surety bond;

(b) An irrevocable letter of credit;

(c) A cash deposit; or

(d) A deposit the equivalent of cash **in the form of a business check, cashier's check, certified check, electronic funds transfer, or money order**.

~~(2) Private security entities must maintain a~~ **corporate** ~~surety bond, irrevocable letter of credit, or deposit at all times. The amount required for proof of ability to pay wages is based on the number of executive managers, private security professionals, and supervisory managers employed by or who contract with the private security entity. The bond, letter of credit, or deposit must be:~~

~~(a) $5,000 when a private security entity has 10 or fewer executive managers, private security professionals, and supervisory managers;~~

~~(b) $10,000 when a private security entity has 11 to 20 executive managers, private security professionals, and supervisory managers;~~

~~(c) $20,000 when a private security entity has 21 to 50 executive managers, private security professionals, and supervisory managers; or~~

~~(d) $30,000 when a private security entity has more than 50 executive managers, private security professionals, and supervisory managers.~~

(2) Private security entities must maintain one of the financial instruments listed in section (1) in the amount of $30,000 at all times.

(3) Private security entities using a **corporate** surety bond or irrevocable letter of credit as proof of ability to pay wages must:

(a) Notify the Department in writing within 10 business days of a cancellation or change of guarantor; and

(b) Submit new proof of ability to pay wages to the Department within 10 business days of the notice required above.

(4) An irrevocable letter of credit submitted to the Department is subject to approval by the Department prior to the issuance of a license.

(5) Private security entities using a cash deposit or a deposit the equivalent of cash must complete a trust agreement with the Department. The deposit must be in a form approved by and payable to the Department of Public Safety Standards and Training.

~~(6) If the private security entity is a public body as defined in ORS 30.260, upon approval by the Department, the private security entity may provide proof of the ability to pay wages in the form of a financial officer statement attesting to the private security entity's ability to promptly pay the wages. This private security entity may also submit additional evidence such as profit and loss statements, bank account records, personnel records, or payroll records demonstrating that, during the licensing period, the private security entity has been paying the wages to their executive managers, private security professionals, and supervisory managers. The Department may request such additional evidence if not provided by the private security entity.~~

❖ OAR 259-059-0140 Firearms Qualifications, Qualification Records, and Notice Requirements

Rule Summary: This rule outlines the firearms qualification requirements and responsibilities for a private security entity that employs armed private security professionals.

Overview of Proposed Rule Changes:

- Amend section (4) to consolidate record keeping requirements into one location.

(1) Private security entities employing armed private security professionals must ensure that each armed private security professional successfully completes a firearms qualification for each firearm make, model, and caliber that the armed private security professional will possess or have access to while performing private security services.

(2) The firearms qualifications required to comply with this rule must be completed before the armed private security professional can provide armed private security services where they would possess or have access to the corresponding make, model, and caliber of firearm.

(3) Firearms Qualifications Courses.

(a) Handgun qualifications for the make, model, and caliber of the handgun that the armed private security professional will possess or have access to while performing private security services must be conducted by a Department-certified private security firearms instructor using

the qualification standards and targets found in the Department's Basic Firearms Course for armed private security professionals.

(b) Rifle, shotgun, or other long gun qualifications must be conducted using an applicable qualification course for the make, model, and caliber of the rifle, shotgun, or long gun that the armed private security professional will possess or have access to while performing private security services and must be conducted by a qualified firearms instructor, as determined by the private security entity.

(4) ~~Private security entities must maintain records, for at least three years, that demonstrate compliance with this rule such as the name of the armed private security professional, the make, model, and caliber of each firearm that the armed private security professional possesses or has access to while performing private security services, and the dates and records of the firearms qualifications. The records must be provided to the Department upon request.~~ **Private security entities must maintain records demonstrating compliance with OAR 259-059-0140, as required by OAR 259-059-0200.**

(5) Private security entities must notify the Department in writing within 48 hours of knowledge that a certified armed private security professional or private security firearms instructor employed by the private security entity becomes ineligible to purchase, own, or possess a firearm. The notification must list all facts known of the circumstances causing the ineligibility and must identify a person whom the Department may contact for additional information.

❖ OAR 259-059-0150 Professional Workplace Training Requirements

Rule Summary: This rule outlines the requirements for private security entities to provide Professional Workplace Training to their private security providers. The rule includes timelines for completing the training and requirements for record keeping.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (1)(a).
- Amend section (6) to consolidate record keeping requirements into one location.

(1) Private security entities must provide the Professional Workplace Training Course to each private security provider. The Professional Workplace Training Course must be completed within the following timelines:

(a) If the private security provider is employed by the private security entity at the time **the license is issued** ~~of licensure~~, at least once during the first year in which the license is issued;

(b) If the private security provider is hired after the issuance or renewal date of the license, within 90 days of the private security provider's initial date of hire; and

(c) At least once every two years after the renewal of a license.

(2) The Professional Workplace Training Course is the training course obtained by the Department, through the Bureau of Labor and Industries, for licensees to use to provide training on:

(a) Preventing sexual assault and sexual harassment in the workplace;

(b) Preventing discrimination in the workplace and promoting cultural competency; and

(c) Educating the workforce regarding protection for employees who report a violation of a state or federal law, rule or regulation.

(3) The Department will provide the Professional Workplace Training Course online, as self-paced training.

(4) Private security providers must be provided with paid time to complete the Professional Workplace Training Course and may not be required or permitted to perform their regular work duties during the time they are taking the training.

(5) Private security entities must provide private security providers with access to the appropriate resources to complete the Professional Workplace Training Course such as, but not limited to, a computer, a printer, and internet access.

(6) ~~Private security entities must maintain records, for at least three years, that demonstrate compliance with this rule such as the name of the private security provider, the private security provider's date of hire, and the date the private security provider completed the training. The records must be provided to the Department upon request.~~ **Private security entities must maintain records demonstrating compliance with OAR 259-059-0150, as required by OAR 259-059-0200.**

❖ OAR 259-059-0190 Change of Information

Rule Summary: This rule identifies the information that must be reported to DPSST within 10 business days of a change.

Overview of Proposed Rule Changes:

- Add the requirement to notify DPSST when a private security entity is sold or transferred, section (4).

Private security entities must notify the Department in writing within 10 business days if there are changes to:

(1) The private security entity's physical address, mailing address, phone number, or e-mail address.

(2) The entity representative's physical business address, business mailing address, business phone number, or business e-mail address.

(3) The private security entity's business name, including doing business as or operating as names.

(4) The private security entity's ownership due to sale or transfer as required by OAR 259-059-0040.

(4 **5**) The private security services the private security entity provides by adding or ceasing to provide armed private security services.

(~~5~~ **6**) The entity representative as required by OAR 259-059-0030.

(~~6~~ **7**) The designated executive manager as required by OAR 259-059-0100.

(~~7~~ **8**) The general liability insurance as required by OAR 259-059-0120.

(~~8~~ **9**) The proof of ability to pay wages as required by OAR 259-059-0130.

❖ OAR 259-059-0200 Records Retention

Rule Summary: This rule identifies records retention requirements for documents that are not covered by other rules. These records must be kept for three years from the date the record is created.

Overview of Proposed Rule Changes:

- In section (1), add the record keeping requirements that are transferred from OAR 259-059-0140, Firearms Qualifications, Qualification Records, and Notice Requirements, and OAR 259-059-0150, Professional Workplace Training Requirements.
- Replace the term "licensure" with "license" or "licensing" language in section (2).
- Relocate the requirement to provide records to DPSST upon request from section (2) to section (1).
- Add clarifying language to ensure that the records are maintained even if a private security provider is no longer employed, section (3).

(1) ~~In addition to any records required under a separate rule, private security entities must maintain the following records for at least three years from the date a record reflecting or including such information is created:~~ **Private security entities must maintain the following records for at least three years from the date each record is created and must provide these records to the Department upon request:**

(a) The names and addresses of all persons financially interested, whether as partners, shareholders, associates or profit-sharers, in the private security entity's operation as a private security entity, together with the amount of their respective interests**.**~~;~~

(b) 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 private security entity**.**~~;~~ ~~and~~

(c) For each work location at which private security services are provided by private security professionals pursuant to a contract or subcontract with the private security entity, the names of the private security entity or entities contracted or subcontracted with the entity.

(d) Documentation demonstrating compliance with firearms qualification requirements (OAR 259-059-0140), including:

(A) The name of the armed private security professional;

(B) The make, model, and caliber of each firearm that the armed private security professional possesses or has access to while performing private security services; and

(C) The dates and records of the firearms qualifications.

(e) Documentation demonstrating compliance with the Professional Workplace Training requirements (OAR 259-059-0150), including:

(A) The name of the private security provider;

(B) The private security provider's date of hire; and

(C) The date the private security provider completed the training.

(2) The Department requires private security entities to retain these records for purposes relating to the **license** application ~~for licensure~~, investigation of character, competence, and reliability, and determining compliance with ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59. ~~The records must be provided to the Department upon request.~~

(3) The records described in section (1) of this rule must be maintained regardless of a private security provider's employment status or a financially interested person's affiliation with the private security entity.

❖ OAR 259-059-0400 Compliance

Rule Summary: This rule provides a list of violations that have been identified as grounds for issuance of a civil penalty. The list is not all inclusive. The rule also outlines procedures for providing a notice of a violation and issuance of a civil penalty.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (2)(o).
- Add the use of uncertified individuals to perform private security services to the list of violations that have been identified as grounds for a civil penalty in section (2)(p).

(1) The Department may cause administrative proceedings or court action to be initiated to enforce a private security entity's compliance with ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59.

(2) Violations. The Department may find violation and recommend assessment of civil penalties upon finding that a private security entity has previously engaged in or is currently engaging in any of the following acts:

(a) Operating as a private security entity without a license in violation of ORS 181A.850;

(b) Using a name that implies that the private security entity is, or is affiliated with, an existing law enforcement unit or public safety agency as defined in ORS 181A.355, the organized militia as described in ORS 396.105, the Armed Forces of the United States, a federal law enforcement agency or a federal intelligence agency in violation of ORS 181A.893 and OAR 259-059-0095;

(c) Possessing or using in the scope of employment prohibited equipment, vehicles, uniforms, or titles as defined in OAR 259-059-0090;

(d) Discharging or in any other manner discriminating against private security providers in violation of ORS 181A.914;

(e) Failing to maintain a designated executive manager as required by ORS 181A.900 and OAR 259-059-0100;

(f) Failing to maintain general liability insurance as required by ORS 181A.900 and OAR 259-059-0120;

(g) Failing to maintain proof of ability to pay wages as required by ORS 181A.900 and OAR 259-059-0130;

(h) Failing to have a use of force policy and a citizen arrest policy as required by ORS 181A.900 and OAR 259-059-0110;

(i) Failing to ensure armed private security professionals successfully complete a firearms qualification for each firearm make, model, and caliber that the armed private security professional will possess or have access to while performing private security services as required by ORS 181A.906 and OAR 259-059-0140;

(j) Failing to provide the Professional Workplace Training Course as required by ORS 181A.908 and OAR 259-059-0150;

(k) Failing to provide private security providers employed by the entity with any of the statements as required by ORS 181A.913 and OAR 259-059-0160 through OAR 259-059-0180;

(l) Failing to maintain records as required by OAR Chapter 259 Division 59;

(m) Failing to notify the Department of a change of information as required by OAR 259-059-0190;

(n) Failing to file or furnish all forms and other information as required by ORS 181A.900 to 181A.918 or OAR Chapter 259 Division 59;

(o) Falsifying any information submitted on the **license** application ~~for licensure~~ or on any documents submitted to the Board or the Department;

(p) Assigning a person to perform private security services without a valid private security professional certification or temporary work permit; or

~~(p)~~ **(q)** Any other violation of ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59.

(3) The Department may issue a Demand to Examine Books and Records (DEBR) to obtain any record or document related to compliance.

(a) The Department may cause inspection or audits of the records of any private security entity. Records inspected may include any document relating to the requirements of ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59.

(b) Failure to cooperate or respond to any investigative inquiries or DEBR may result in issuance of a civil penalty under this rule or the denial, refusal to renew, revocation, or suspension of a license under OAR 259-059-0410.

(4) Allegation of Non-Compliance. The Department may issue an Allegation of Non-Compliance when there is a reason to believe a violation has occurred. The purpose of this document is to provide education and allow an opportunity for the private security entity to gain compliance, within a reasonable time agreed on by the Department and the private security entity, without penalty.

(5) Notice of Violation. The Department may issue a Notice of Violation upon discovery of a violation.

(a) The Notice will include a statement of found violations and proposed sanctions, and an opportunity to provide mitigation to the Department.

(b) A private security entity served with a Notice of Violation has 10 business days from the date of mailing or personal service of the Notice to remedy the violation and pay a penalty or submit a written request for a time extension to remedy the violation and pay the penalty.

(c) The Department may extend the time to remedy a violation upon a showing of good cause.

(d) Failure to remedy a violation or request an extension within 10 business days of the mailing of the Notice of Violation may result in the assessment of a civil penalty.

(6) Notice of Intent to Propose a Civil Penalty. When the Board assesses a civil penalty, the Department will issue a Notice of Intent to Propose a Civil Penalty pursuant to the applicable provisions of the Attorney General's Model Rules of Procedures adopted under OAR 259-005-0015.

(a) A private security entity who has been served with a Notice of Intent to Propose a Civil Penalty has 20 business days from the date of mailing or personal service of the Notice to file a written request for a hearing with the Department.

(b) If the Department receives a timely request for a hearing, it will refer the matter to the Office of Administrative Hearings in accordance with OAR 137-003-0515.

(7) Default Orders. If the Department does not receive a timely request for a hearing, the Notice of Intent to Impose a Civil Penalty will become a Final Order Imposing Civil Penalty.

(8) Resolution by Stipulation. The Department is authorized to seek resolution of a civil penalty by stipulation, subject to acceptance and approval by the Board or the Department's Director, if:

(a) The matter is resolved before entry of a Final Order Imposing Civil Penalty;

(b) The private security entity satisfies all terms set forth by the Department within the time allowed; and

(c) Any stipulated penalty amount is received by the Department.

(9) Civil Penalty Amounts.

(a) Each 30-day period in violation of the same statute or rule is considered a separate violation by the Department.

(b) A flagrant violation occurs when a private security entity who, after being notified of a violation, continues or repeats the violation within a 36-month period after the initial violation.

(c) A private security entity will be charged a civil penalty of not less than $1,000 for the first violation and $1,500 for each flagrant violation.

(10) The Department may reduce or waive civil penalties from the amounts set in this rule at any time prior to the entry of a Final Order in situations where further mitigation warrants or the matter is resolved by stipulation.

(11) The Department will recommend the Board assess the full civil penalty amount when a private security entity fails to satisfy the terms as stipulated.

❖ OAR 259-059-0410 Grounds to Deny, Refuse to Renew, Revoke, or Suspend a Private Security Entity License

Rule Summary: This rule identifies mandatory and discretionary grounds for denying, refusing to renew, suspending, or revoking a private security entity license.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (2)(a).
- Add the use of uncertified individuals to perform private security services to the list of violations that have been identified as discretionary grounds for denying, refusing to renew, suspending, or revoking a private security entity license in section (2)(i).

(1) The Department must deny, refuse to renew, revoke, or suspend a license when the Department finds that an applicant's or licensee's character, competence, or reliability are unsatisfactory under OAR 259-059-0080.

(2) The Department may deny, refuse to renew, revoke, or suspend a license when the Department determines that an applicant or licensee:

(a) Falsified any information submitted on the **license** application ~~for licensure~~ or on any documents submitted to the Board or the Department;

(b) Intentionally altered a license or Temporary Authorization Form, or used another private security entity's license or Temporary Authorization Form;

(c) Knowingly permitted another private security entity to use the licensee's license or Temporary Authorization Form;

(d) Failed to cooperate or respond to the Department's investigative inquiries or requests for records relating to compliance with ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59;

(e) Failed to provide the Professional Workplace Training Course as required by ORS 181A.908 and OAR 259-059-0150;

(f) Failed to ensure armed private security professionals successfully complete a firearms qualification for each firearm make, model, and caliber that the armed private security professional will possess or have access to while performing private security services as required by ORS 181A.906 and OAR 259-059-0140;

(g) Discharged or discriminated in any way against a private security provider in violation of ORS 181A.914;

(h) Operated as a private security entity without a license in violation of ORS 181A.850;

(i) Assigned a person to perform private security services without a valid private security professional certification or temporary work permit.

~~(i)~~ **(j)** Failed to pay a civil penalty imposed by the Board when due;

~~(j)~~ **(k)** Received three or more civil penalties under ORS 181A.995 and OAR 259-059-0400; or

~~(k)~~ **(l)** Received an Emergency Suspension Order issued by the Department.

(3) Emergency Suspension. The Department must issue an Emergency Suspension Order immediately suspending a private security entity's license when the Department finds that there is a serious danger to public health and safety.

(4) Any Board or Department action to deny, refuse to renew, revoke, or suspend a private security entity's license will be administered in accordance with OAR 259-059-0410 through 259-059-0440 and the applicable provisions of the Attorney General's Model Rules of Procedure adopted under OAR 259-005-0015.

(5) Nothing in this rule precludes the Department from recommending the Board impose a civil penalty in lieu of denying, refusing to renew, revoking, or suspending a license.

❖ OAR 259-059-0420 Department Review for Denial, Refusal to Renew, Revocation, or Suspension of a Private Security Entity License

Rule Summary: This rule outlines the processes for the Department's review of cases where there may be grounds to deny, refuse to renew, revoke, or suspend a private security entity's license. Grounds to deny, refuse to renew, revoke, or suspend a license are identified in OAR 259-059-0410. If the Department determines that there are grounds for action, the Department will notify the applicant or licensee and provide an opportunity to submit mitigation. After a review of the violation and any aggravating or mitigating factors, the Department will determine whether to issue the license or to take action (deny, refuse to renew, revoke, or suspend). Any Notice of Intent to deny, refuse to renew, revoke, or suspend a license follows the contested case processes per the Administrative Procedures Act and the Attorney General's Model Rules.

When DPSST denies, refuses to renew, revokes, or suspends a license, the Final Order will state the ineligibility period. An ineligibility period is how much time must pass before the applicant is eligible for a new private security entity license. Under ORS 181A.995, a private security entity license may be permanently revoked for a fifth or subsequent violation. Otherwise, the maximum ineligibility period is three years from the date of the Final Order.

Overview of Proposed Rule Changes:

- Replace the term “licensure” with “license” or “licensing” language in sections (1), (2) and (5).

(1) When the Department receives information from any source that an applicant or licensee may not meet the established standards for **a** private security entity **license** ~~licensure~~, the Department will review the information to determine if substantial evidence exists to support denial, refusal to renew, revocation, or suspension of the license under ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59. Receipt of information may include, but is not limited to:

(a) Information obtained through an investigation of the applicant’s or licensee’s character, competence, and reliability for the issuance or renewal of a license;

(b) Notification from any governmental agency that the applicant or licensee has unsatisfied final judgments of the court or final orders issued which require the payment of unpaid wages to private security providers, non-compliance with business tax requirements, or a violation of ORS 181A.914;

(c) Any protest of the issuance or renewal of a license; or

(d) Any complaint submitted to the Department alleging that an applicant or licensee may have violated ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59.

(2) If the Department determines that an applicant or licensee may have violated ORS 181A.840 to 181A.918 or OAR Chapter 259 Division 59, the Department will serve the applicant or licensee with a preliminary notification of denial, refusal to renew, revocation, or suspension. The preliminary notification provides the applicant or licensee an opportunity to respond in

writing to the Department's preliminary notification to deny, refuse to renew, revoke, or suspend the license, and provides the opportunity for the applicant or licensee to surrender the license or withdraw the application for **a license** ~~licensure~~.

(a) The applicant or licensee will have 10 business days from the date of the Department's preliminary notification to provide a written response.

(b) If the applicant or licensee does not provide a written response within 10 business days, the Department will proceed with reviewing the information available and making a determination.

(3) After the opportunity to submit a written response, the Department must consider the totality of the case, which includes the violations and any aggravating or mitigating circumstances unique to the case.

(a) When the Department determines that the circumstances unique to the case mitigate the adverse impacts of the violation, the Department may issue the private security entity license or take no action to deny, refuse, revoke, or suspend the license.

(b) When the Department determines that the circumstances unique to the case do not mitigate the adverse impacts of the violation, the Department will prepare and serve a Notice of Intent on the applicant or licensee in accordance with OAR 259-059-0410 through 259-059-0440.

(4) Ineligibility Periods. When a license is denied, refused renewal, or revoked, the Final Order issued by the Department will state the ineligibility period. Except when the license is permanently revoked, the maximum ineligibility period the Department may prescribe is three years from the date of the Final Order denying, refusing to renew, or revoking the license.

(5) The administrative rules in effect on the date the Department or the Board determines that the applicant or licensee violated the standards for **a license** ~~licensure~~ will continue to apply until the Final Order has been issued and all appeal rights have been exhausted regardless of whether the administrative rules have been subsequently amended or repealed.

❖ OAR 259-059-0430 Surrender of a Private Security Entity License

Rule Summary: This rule provides processes for a private security entity to surrender its license. A request to surrender a license must be submitted in writing. If the circumstances of the surrender involve a protest, complaint, or investigation, the Department may accept the surrender through a stipulated order revoking the license. If a person wants to operate as a private security entity after the license has been surrendered, the person will be required to apply for a new license.

Overview of Proposed Rule Changes:

- Replace the term "licensure" with "license" or "licensing" language in section (4).

(1) A licensee may request the Department accept the surrender of the license. The request must be submitted in writing.

(2) The license remains in effect until the Department accepts the surrender.

(3) If the Department accepts the surrender, the Department will notify the licensee of the acceptance date. The person must stop operating as a private security entity as of the acceptance date.

(4) If the person wants to operate as a private security entity after the acceptance date, the person must apply for a new license by meeting all the initial requirements for **licensing** ~~licensure~~ under ORS 181A.900 to 181A.918 and OAR Chapter 259 Division 59.

(5) If the licensee is the subject of a pending protest, complaint, or Department investigation, the Department may accept the surrender through a stipulated order revoking the license. The stipulated order may prohibit the person from being licensed for a specified ineligibility period.

❖ OAR 259-059-0440 Issuance of Notice of Intent / Request for Hearing / Contested Case Procedures

Rule Summary: This rule provides the notification requirements that are set forth by the Administrative Procedures Act and the Attorney General's Model Rules.

Overview of Proposed Rule Changes:

- Delete the term “Licensure” from section (2) (a) and (c) for consistency with other rule changes.

(1) Upon a determination to proceed with denial, refusal to renew, revocation, or suspension of a license, the Department will prepare and serve a Notice of Intent on the applicant or licensee.

(2) Response Time.

(a) A party who has been served with a Notice of Intent to Deny ~~Licensure~~ has 60 business days from the date of mailing or personal service of the Notice to file a written request for hearing or a written request withdrawing their application from consideration with the Department. Applicants who choose to withdraw their application forfeit their application fees.

(b) A party who has been served with a Notice of Intent to Refuse Renewal has 60 business days from the date of mailing or personal service of the Notice to file a written request for hearing with the Department.

(c) A party who has been served with a Notice of Intent to Revoke ~~Licensure~~ has 20 business days from the date of mailing or personal service of the Notice to file a written request for hearing with the Department.

(d) A party who has been served with a Notice of Intent to Suspend has 20 business days from the date of mailing or personal service of the Notice to file a written request for a hearing with the Department.

(e) A party who has been served with an Emergency Suspension Order has 90 business days from the date of mailing or personal service of the Order to file a written request for hearing with the Department.

(3) Default Orders. If the Department does not receive a timely request for a hearing, the Notice of Intent will become a Final Order denying, refusing to renew, revoking, or suspending the license pursuant to OAR 137-003-0672.

(4) Hearing Request. If the Department receives a timely request for a hearing, it will refer the matter to the Office of Administrative Hearings in accordance with OAR 137-003-0515.

(5) When a hearing is requested, Proposed Orders, Exceptions, and Final Orders will be issued pursuant to the applicable provisions of the Attorney General's Model Rules of Procedure adopted under OAR 259-005-0015.

Proposed Administrative Rule Fiscal Impact & Economic Impact Statements:

The Policy Committee may recommend amendments to these statements as needed based on the review of the proposed rule change.

DPSST currently licenses approximately 250 private security entities. The fiscal impact of the proposed rule changes on these entities is unknown and is expected to vary depending on each entity's operational needs.

No fiscal impacts have been identified for the Department of Public Safety Standards and Training. Additionally, no other state agencies, units of local government, or members of the public are expected to experience a fiscal impact as a result of these proposed rule changes.

The majority of private security entities licensed by DPSST are considered small businesses. The following rule changes were identified as potential fiscal impacts.

Impacts Related to Changes in OAR 259-059-0040
The proposed rule amendments provide private security entities with the option to obtain a two-year license. Entities choosing this option would submit a license fee equal to twice the current one-year license fee. Because this option is voluntary, each entity may select the licensing period that best fits its operational and budgetary needs.

The rule also establishes a 60-day time limit for temporary authorization forms. If an entity has not been fully licensed before the temporary authorization expires, the entity must cease operating unless it reapplies and obtains a new temporary authorization. Reapplication requires the submission of a new license fee.

Additionally, the amendments set a limit of two temporary authorizations. If an entity is not fully licensed after receiving two temporary authorizations, it will not be permitted to operate until a full license is issued. To obtain this license, the entity would need to resubmit its application and the associated licensing fee. ORS 181A.850 prohibits a person from operating as a private

security entity without a valid temporary authorization or license; non-compliance may result in civil penalties or other legal actions. An inability to continue operating during this period would also result in a loss of business for the entity.

Impacts Related to Changes in OAR 259-059-0130
The proposed amendments remove employment-level tiers and establish a single required proof-of-financial-responsibility amount of $30,000 for all private security entities. Entities that are not currently providing proof at the $30,000 level will be required to update their documentation to meet the new standard. This may result in additional costs for those entities depending on their current coverage amount and the financial instrument they use to provide proof.

Overall Fiscal Impact
These rule changes may result in fiscal impacts for some private security entities; however, the extent of these impacts is unknown and will vary among the approximately 250 licensed entities. No fiscal impacts have been identified for DPSST, other state agencies, local governments, or the general public.

There were no fiscal impacts identified relating to reporting, recordkeeping, administrative activities, professional services, equipment supplies, or labor and increased administration.

Department Recommendation:

The Department recommends approval of the proposed rule changes for OAR 259 Division 59.

If the Board approves the proposed rule changes, the Department will file the proposed rule changes for public comment. If substantive comments are received, the Department will return to the Board for further review. If there are no substantive comments, the Department will proceed with adopting the rule changes as permanent rules.

Board Action Requested:

- By motion, second, and vote, determine whether to approve the proposed rule changes for OAR Chapter 259 Division 59.