

# House Bill 2527

Sponsored by Representative SANCHEZ; Representative MEEK, Senator FREDERICK (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Department of Public Safety Standards and Training to establish by rule standards and procedures for licensing of private security entities. Defines "private security entity." Requires that rules adopted by department require private security entity to provide executive managers, private security professionals and supervisory managers with professional training.

Conditions licensure upon applicant's successful passing of qualification examination.

Establishes requirements for licensed private security entities.

## A BILL FOR AN ACT

1  
2 Relating to regulation of private security entities; creating new provisions; and amending ORS  
3 181A.840 and 181A.845.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 181A.840 is amended to read:

6 181A.840. As used in ORS 181A.360, 181A.840 to 181A.891, 181A.895 and 181A.995:

7 (1) "Certification" means recognition by the Department of Public Safety Standards and Training  
8 that a private security professional meets all of the qualifications listed in ORS 181A.855.

9 (2) "Executive manager" means a person:

10 (a) Who is authorized to act on behalf of a company or business in matters of licensure and  
11 certification;

12 (b) Who is authorized to hire and terminate personnel;

13 (c) Whose primary responsibility is the management of certified private security professionals;  
14 and

15 (d) Who has final responsibility for a company's or business's compliance with ORS 181A.840 to  
16 181A.891.

17 (3) "Instructor" means any person who has been certified by the department as meeting the re-  
18 quirements to provide instruction to private security providers or applicants.

19 (4) "License" means recognition by the department that an executive manager or supervisory  
20 manager meets the requirements adopted by the Board on Public Safety Standards and Training as  
21 necessary to provide private security services.

22 (5) "Primary responsibility" means an activity that is fundamental to, and required or expected  
23 in, the regular course of employment and is not merely incidental to employment.

24 **(6) "Private security entity" means a business entity that employs or contracts with**  
25 **executive managers, private security professionals or supervisory managers to provide pri-**  
26 **ivate security services.**

27 ~~[(6)]~~ (7) "Private security professional" means an individual who performs, as the individual's  
28 primary responsibility, private security services for consideration, regardless of whether the indi-  
29 vidual, while performing the private security services, is armed or unarmed or wears a uniform or

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 plain clothes, and regardless of whether the individual is employed part-time or full-time to perform  
2 private security services.

3 [(7)] (8) "Private security provider" means any individual who performs the functions of a pri-  
4 vate security professional, executive manager, supervisory manager or instructor.

5 [(8)] (9) "Private security services" means the performance of at least one of the following ac-  
6 tivities:

7 (a) Observing and reporting unlawful activity.

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

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

11 (d) Controlling access to premises being protected or, with respect to a licensee of the Oregon  
12 Liquor Control Commission, controlling access to premises at an entry to the premises or any por-  
13 tion of the premises where minors are prohibited.

14 (e) Securely moving prisoners.

15 (f) Taking enforcement action by detaining persons or placing persons under arrest under ORS  
16 133.225.

17 (g) Providing canine services for guarding premises or for detecting unlawful devices or sub-  
18 stances.

19 [(9)] (10) "Supervisory manager" means an employee of or a person supervised by an executive  
20 manager who has as a primary responsibility the supervision of certified private security profes-  
21 sionals.

22 **SECTION 2. Sections 3 to 6 of this 2021 Act are added to and made a part of ORS 181A.840**  
23 **to 181A.891.**

24 **SECTION 3. Duty of Department of Public Safety Standards and Training to establish**  
25 **procedures for licensing of private security entities; rules.** (1) **The Department of Public**  
26 **Safety Standards and Training shall establish by rule standards and procedures for the li-**  
27 **censing of private security entities.**

28 (2) **Rules adopted under this section must require that an applicant for a private security**  
29 **entity license provide the following information to the department:**

30 (a) **The names and addresses of all persons financially interested, whether as partners,**  
31 **shareholders, associates or profit-sharers, in the applicant's proposed operations as a private**  
32 **security entity, together with the amount of their respective interests, and whether or not,**  
33 **to the best of the applicant's knowledge, any of these persons was ever denied a certificate**  
34 **or a license under ORS 181A.870 within the preceding three years, or had a certificate or li-**  
35 **cence suspended or revoked within the preceding three years.**

36 (b) **Proof of the existence of adequate insurance under rules issued by the department.**

37 (c) **Personal income tax or property tax information.**

38 (d) **Proof that no valid claims for unpaid wages have been made against the applicant**  
39 **within the preceding two years.**

40 (e) **The physical address of the work location or locations at which private security ser-**  
41 **vices are provided by private security professionals employed by or pursuant to a contract**  
42 **or subcontract with the private security entity.**

43 (3) **Each applicant shall submit with the application for a private security entity license,**  
44 **proof of financial ability to promptly pay the wages of executive managers, private security**  
45 **professionals and supervisory managers employed by or who contract with the private secu-**

1 rity entity. The proof required in this subsection shall be in an amount and form as estab-  
 2 lished by the department by rule, including but not limited to, a corporate surety bond, a  
 3 cash deposit or a deposit the equivalent of cash.

4 **SECTION 4. Rules must require private security entity to provide professional training;**  
 5 **training requirements.** Rules adopted under section 3 of this 2021 Act shall require that a  
 6 licensed private security entity provide professional training through or approved by the  
 7 Bureau of Labor and Industries to executive managers, private security professionals and  
 8 supervisory managers employed by or who contract with the private security entity on:

- 9 (1) Preventing sexual assault and sexual harassment in the workplace;
- 10 (2) Preventing discrimination in the workplace and promoting cultural competency; and
- 11 (3) Educating the workforce regarding protection for employees who report a violation  
 12 of a state or federal law, rule or regulation.

13 **SECTION 5. Requirements for licensed private security entities.** A licensed private se-  
 14 curity entity shall:

15 (1) Furnish to each private security professional employed by a private security entity,  
 16 at the time of hiring, a written statement that includes a description of:

- 17 (a) The employee's rights and remedies under ORS chapters 652, 653, 654, 656 and 659A;  
 18 and
- 19 (b) The terms and conditions of employment, including the method of computing the rate  
 20 of compensation.

21 (2) Furnish to each private security professional employed by the private security entity,  
 22 each time the professional receives a compensation payment from the entity, a written  
 23 statement itemizing the total payment and amount and purpose of each deduction from the  
 24 total payment, hours worked and rate of pay.

25 **SECTION 6. License examination; rules.** The Department of Public Safety Standards and  
 26 Training may not issue a license to operate as a private security entity until an applicant for  
 27 such a license has successfully passed a qualifying examination designed to test the  
 28 applicant's ability, knowledge and proficiency to manage the business as a private security  
 29 entity. The examination must also test the applicant's knowledge of the entity's responsibil-  
 30 ity to prevent sexual assault, sexual harassment and discrimination in the workplace. The  
 31 director of the department shall prescribe by rule the requirements for and the manner of  
 32 testing the competency of license applicants.

33 **SECTION 7.** ORS 181A.845 is amended to read:

34 181A.845. (1) ORS 181A.840 to 181A.891 do not apply to:

- 35 (a) A person certified by the Department of Public Safety Standards and Training as a police  
 36 officer or a parole and probation officer.
- 37 (b) A law enforcement officer of the United States.
- 38 (c) An officer or employee of this state, Oregon Health and Science University established by  
 39 ORS 353.020 or the United States while performing duties of the office or employment.
- 40 (d) A person appointed or commissioned by the Governor to perform law enforcement or security  
 41 services.
- 42 (e) An attorney admitted to practice law in this state while engaged in the practice of law.
- 43 (f) An insurance adjuster licensed in this state while performing duties authorized by the license.
- 44 (g) A person who monitors alarm systems that are not designed to detect threats to public safety  
 45 or personal well-being.

- 1 (h) A person while protecting the person's property.
- 2 (i) A person who repairs and installs intrusion alarms while repairing or installing intrusion  
3 alarms.
- 4 (j) A person acting as an investigator as defined in ORS 703.401.
- 5 (k) A person performing crowd management or guest services, including, but not limited to, a  
6 person described as a ticket taker, an usher, a parking attendant or event staff.
- 7 (L) A person who has a valid service permit issued by the Oregon Liquor Control Commission  
8 pursuant to ORS 471.360 and who is an employee of a licensee of the commission when the person  
9 is performing age verification and controlling access to premises of the licensee, if the person is not:
  - 10 (A) Armed;
  - 11 (B) Permitted to initiate confrontational activities, including physical contact and the confis-  
12 cation of property; or
  - 13 (C) Hired with the primary responsibility of taking enforcement action as described in ORS  
14 181A.840 [(8)(f)] (9)(f).
- 15 (m) A person performing security services at a facility regulated by the United States Nuclear  
16 Regulatory Commission if the facility is operated by the person's employer.
- 17 (n) An individual while on active duty as a member of the armed services or while performing  
18 duties as a law enforcement officer.
- 19 (o) An employee of a financial institution who has been designated as a security officer for the  
20 financial institution pursuant to the Bank Protection Act of 1968 (12 U.S.C. 1881 et seq.) and regu-  
21 lations adopted under the act.
- 22 (p) A person who provides security services as a volunteer or for de minimis consideration other  
23 than money for an event operated for the benefit of a corporation that is organized not for profit  
24 pursuant to ORS chapter 65 or any predecessor of ORS chapter 65 or that is exempt from taxation  
25 under section 501(a) of the Internal Revenue Code as an organization described in section 501(c) of  
26 the Internal Revenue Code.
- 27 (q) A student enrolled in a community college as defined in ORS 341.005 while engaged in non-  
28 confrontational activities that contribute to campus safety under the direct or indirect supervision  
29 of a law enforcement professional or private security professional certified or licensed by the De-  
30 partment of Public Safety Standards and Training, provided the community college has conducted  
31 a criminal background check on the student.
- 32 (2) The exemption provided by subsection (1)(k) of this section applies only:
  - 33 (a) To a person who is not:
    - 34 (A) Armed;
    - 35 (B) Permitted to initiate confrontational activities, including physical contact and the confis-  
36 cation of property; or
    - 37 (C) Hired with the primary responsibility of taking enforcement action as described in ORS  
38 181A.840 [(8)(f)] (9)(f);
  - 39 (b) If there is at least one person on-site who is certified or licensed under ORS 181A.870 for  
40 every 10 or fewer uncertified persons performing the services described in subsection (1)(k) of this  
41 section;
  - 42 (c) If any enforcement action, as described in ORS 181A.840 [(8)(f)] (9)(f), other than incidental  
43 or temporary action, is taken by or under the supervision of a person certified or licensed under  
44 ORS 181A.870; and
  - 45 (d) During the time when a crowd has assembled for the purpose of attending or taking part in

1 an organized event, including pre-event assembly, event operation hours and post-event departure  
2 activities.

3 (3) The exemption provided by subsection (1)(L) of this section does not apply during an organ-  
4 ized event that is on a scale substantially outside the ordinary course of the licensee's business.

5 **SECTION 8. Captions. The section captions used in this 2021 Act are provided only for**  
6 **the convenience of the reader and do not become part of the statutory law of this state or**  
7 **express any legislative intent in the enactment of this 2021 Act.**

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