

# Senate Bill 1069

Sponsored by Senator GELSER BLOUIN

## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates new requirements for people applying to ODHS to provide services. (Flesch Readability Score: 63.4).

Creates new requirements for the application process for a license, certificate, endorsement or authorization from the Department of Human Services for various providers of services to children, older adults and individuals with disabilities, and individuals with intellectual or developmental disabilities. Prohibits new applications within one year after a revocation or denial of a license, certificate, endorsement or authorization. Requires the department to report to the Legislative Assembly about the number of hours and cost to the department required to process initial and renewal applications.

Takes effect on the 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the regulation of human services providers; creating new provisions; amending ORS  
3 418.240, 443.415, 443.419, 443.421, 443.735, 443.830 and 443.835; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 418.205 to**  
6 **418.327.**

7 **SECTION 2. (1) An applicant for a license, certificate or authorization under ORS 418.215**  
8 **and 418.240 to provide care or services to children shall submit an application, as prescribed**  
9 **by the Department of Human Services by rule, and shall include the applicant's proposed**  
10 **policies.**

11 **(2) Within 30 days after an applicant has submitted an application, the department shall**  
12 **notify the applicant whether the application is complete.**

13 **(3) If an application is incomplete:**

14 **(a) The department shall provide written notice to the applicant that the application is**  
15 **incomplete and provide a list of the missing elements.**

16 **(b) Within 30 days after the date of the notice that the application is incomplete, an ap-**  
17 **plicant may submit the missing elements.**

18 **(c) If an applicant fails to timely provide the missing elements, the department shall**  
19 **close the application and any application fee may not be refunded.**

20 **(d) An applicant may submit a new application no sooner than six months after the date**  
21 **that the incomplete application was closed.**

22 **(4) If an applicant's proposed policies do not meet the requirements for a license, certif-**  
23 **icate or authorization, as prescribed by the department by rule:**

24 **(a) The department shall notify the applicant that the policies are not compliant and may**  
25 **identify the specific policies that do not meet the requirements.**

26 **(b) The department may not counsel the applicant about why a specific policy does not**

**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 **meet the requirements or how to amend the policy to bring the policy into compliance.**

2 **(c) Within 30 days after the date of the notice that the applicant's policies are not**  
 3 **compliant, the applicant may submit revised policies to the department.**

4 **(d) If the applicant submits revised policies and the revised policies do not meet the re-**  
 5 **quirements, the department shall deny the application and any application fee may not be**  
 6 **refunded.**

7 **(5) The department may provide orientation sessions, at times and locations determined**  
 8 **by the department, to persons interested in applying for a license, certificate or authori-**  
 9 **zation. If the department provides orientation sessions, the sessions must be free and must**  
 10 **provide general information about the requirements to obtain and maintain a license, cer-**  
 11 **tificate or authorization. The department may not provide guidance that is specific to a**  
 12 **particular applicant's application for a license, certificate or authorization and may not offer**  
 13 **model policy language to applicants.**

14 **SECTION 3.** ORS 418.240 is amended to read:

15 418.240. (1) All child-caring agencies shall obtain from the Department of Human Services a li-  
 16 cense, certificate or other authorization to provide care or services to children under ORS 418.205  
 17 to 418.327, 418.470, 418.475 or 418.950 to 418.970. **An application for a license, certificate or au-**  
 18 **thorization under this section is subject to the procedures described in section 2 of this 2025**  
 19 **Act.** The criteria for issuance, renewal, suspension or revocation of, or for placing conditions on,  
 20 a license, certificate or authorization under this section must:

21 (a) Be set forth in rules adopted by the department;

22 (b) Include the full compliance requirements set forth in subsection (2) of this section; and

23 (c) Include, but are not limited to, the following:

24 (A) The fitness of the child-caring agency.

25 (B) The employment of capable, trained or experienced staff that meet minimum staffing re-  
 26 quirements.

27 (C) Sufficient financial backing to ensure effective operations.

28 (D) The probability of permanence in the child-caring agency.

29 (E) The care and services provided to the children served will be in their best interests and that  
 30 of society.

31 (F) That the child-caring agency is or will be in compliance with the standards of care and  
 32 treatment established in rules adopted by the department.

33 (2)(a) The department may not issue or renew a license, certificate or other authorization to a  
 34 child-caring agency unless the department finds the agency is or will be in full compliance with all  
 35 of the following:

36 (A) The agency ensures child and family rights.

37 (B) The agency complies with abuse reporting and investigation requirements.

38 (C) The agency engages in and applies appropriate behavior management techniques.

39 (D) The agency provides adequate furnishings and personal items for children.

40 (E) The agency provides appropriate food services.

41 (F) The agency ensures the safety of children.

42 (G) The agency utilizes approved procedures and protocols for use of medications for children  
 43 receiving care or services from the agency.

44 (H) The agency or the agency's employees or agents have not engaged in financial mismanage-  
 45 ment.

1 (I) The agency fully and timely corrects violations and maintains standards in accordance with  
2 any plan of correction imposed by the department.

3 (J) The agency provides access as required under ORS 418.305 to a child or the agency's prem-  
4 ises to the department or the department's employees, investigators, court appointed special advo-  
5 cates, attorneys for a child or other authorized persons or entities.

6 (K) The agency provides the department with true copies of records relating to incidents in-  
7 volving the restraint or involuntary seclusion of children in care as required under ORS 418.526 (2).

8 (b) The department may suspend, revoke or place conditions on a license, certificate or author-  
9 ization of a child-caring agency if the department finds the agency is not in full compliance with any  
10 one or more of the full compliance requirements listed in paragraph (a) of this subsection.

11 (c) The department must take immediate steps to suspend or revoke the license, certificate or  
12 other authorization of a child-caring agency, if any of the following are found to exist:

13 (A) There has been the death of a child as a result of abuse or neglect on the part of the agency  
14 or any of the agency's employees or agents.

15 (B) There has been sexual or physical abuse or neglect of a child in the agency's care or custody  
16 that was known to the agency and the agency did not take immediate steps to report the abuse or  
17 neglect and to ensure the child's safety.

18 (C) The agency failed to cooperate fully with any local, state or federal regulatory entity's in-  
19 vestigation of the agency or the agency's operations or employees.

20 (D) The agency failed to provide financial statements as required under ORS 418.255.

21 (d) If any of the circumstances described in paragraph (c) of this subsection exists, the depart-  
22 ment may immediately place conditions on the license, certificate or authorization of the child-caring  
23 agency prior to a hearing if, consistent with ORS 183.430, the department finds there is a serious  
24 danger to the public health or safety and sets forth specific reasons for such findings.

25 (e) It is grounds to deny issuance or renewal, suspend, revoke or place conditions on a license,  
26 certificate or other authorization if the department becomes aware that a child-caring agency, or the  
27 owner or operator of the agency, has been found by other state or federal entities to have engaged  
28 in financial, civil or criminal misconduct.

29 (3)(a) If the Director of Human Services has taken action under subsection (2)(c) of this section  
30 to suspend or revoke a license, certificate or other authorization, the notice of intent to suspend or  
31 revoke may be rescinded if the director determines that the concerns regarding the health and  
32 safety of the children in the child-caring agency's care or custody have been ameliorated and any  
33 conditions placed on the license, certificate or other authorization of the child-caring agency have  
34 been resolved.

35 (b) Fourteen days before rescinding a notice of intent to suspend or revoke, the Director of  
36 Human Services must provide written notice regarding the intent to rescind to the Governor. The  
37 notice of intent to rescind is a public record and open for inspection by any person without order  
38 of a court. The notice of intent to rescind must include the following information:

39 (A) The circumstances that led to the notice of intent to suspend or revoke;

40 (B) The actions taken by the child-caring agency, the Department of Human Services, the At-  
41 torney General, the Oregon Youth Authority and the Oregon Health Authority in response to the  
42 circumstances leading to the notice of intent to suspend or revoke;

43 (C) Any penalties, fees or charges made or levied against the child-caring agency; and

44 (D) A complete description of changes that were made at the child-caring agency and the rea-  
45 sons for the determination that the concerns regarding the health and safety of children in the

1 child-caring agency's care or custody have been ameliorated or that any conditions placed on the  
2 license, certificate or other authorization of the child-caring agency have been resolved.

3 (c) In making a decision to rescind a notice of intent to suspend or revoke under this subsection,  
4 the decision must be based solely on the health and safety of the children served by the child-caring  
5 agency. Systemwide capacity of the child welfare system may not be considered as an element of the  
6 decision.

7 (d) For three years after a notice of intent to suspend or revoke is rescinded under this sub-  
8 section, the child-caring agency must apply for a renewal of the child-caring agency's license, cer-  
9 tificate or other authorization on an annual basis.

10 (e) The department must provide the following with copies of a notice of intent to rescind within  
11 five business days of issuing the notice:

12 (A) The Governor; and

13 (B) The committees of the Legislative Assembly relating to child welfare.

14 (4) The department may immediately place conditions on any license, certificate or authorization  
15 issued under this section, including but not limited to placing full or partial restrictions on admis-  
16 sion of children, temporary suspension, limitation of operations subject to an intent to revoke and  
17 limitation of operations subject to correction of violations as specified in a plan of correction im-  
18 posed by the department. The department shall immediately notify any state or governmental agency  
19 or unit that has a contract with the child-caring agency to provide care or services to a child, and  
20 the governing board, trustees, owners, managers, operators or other appropriate authorities respon-  
21 sible for the child-caring agency, of conditions placed by the department on the child-caring agency's  
22 license, certificate or authorization under this section.

23 (5) If applicable, an applicant shall submit written proof of compliance with the notification re-  
24 quirements in ORS 336.575.

25 (6) The department may not charge a fee for inspections leading to decisions regarding, and is-  
26 suance of, licenses, certifications or authorizations under this section, but may impose fees to cover  
27 costs of related inspections done for the department by other governmental agencies.

28 (7) Except as provided in subsection (3) of this section, a license, certificate or authorization  
29 issued by the department under this section shall be valid for a period of two years, unless sus-  
30 pended or revoked sooner by the department. However, the department at any time may require  
31 amendments to an existing license, certificate or authorization to accommodate changes in the fac-  
32 tors upon which the issuance was based. **The owner or operator of a child-caring agency whose**  
33 **license, certificate or authorization has been revoked, or an applicant for a license, certifi-**  
34 **cate or authorization under this section whose application has been denied, may not submit**  
35 **a new application for one year from the date the revocation or denial is final, or for a longer**  
36 **period specified in the order revoking or denying the license.**

37 (8) When a condition exists that seriously endangers or places at risk the health, safety or  
38 welfare of a child who is receiving care or services at a child-caring agency:

39 (a) The director shall issue an interim emergency order without notice, or with reasonable no-  
40 tice under the circumstances, requiring the agency to correct the conditions and ensure the safety  
41 of children in the care of the agency. The interim emergency order shall remain in force until a final  
42 order, after a hearing, has been entered in accordance with ORS chapter 183.

43 (b) The director may commence an action to enjoin operation of a child-caring agency:

44 (A) If the agency is being operated without a valid license, certificate or other authorization  
45 issued under this section; or

1 (B) If the agency fails to comply with a plan of correction imposed by the department or to  
 2 correct conditions not in conformity with standards as set out in an order issued under paragraph  
 3 (a) of this subsection, within the time specified in the order.

4 (9) If the director, the director's designee or the department becomes aware through any means  
 5 that a child-caring agency, or an owner, operator or employee of a child-caring agency, is the sub-  
 6 ject of an investigation by another state agency, law enforcement agency or federal agency, the di-  
 7 rector or director's designee shall take immediate steps to cause an investigation to take place into  
 8 the circumstances surrounding the investigation and whether there is a threat to a child, or whether  
 9 a child is at risk, at the child-caring agency. Upon determination of the level of threat or risk to  
 10 children at the agency, the director shall take appropriate steps to protect and ensure the health,  
 11 safety and welfare of children as necessary under the circumstances. Failure to comply with the  
 12 requirements of this subsection constitutes grounds for a charge of official misconduct in the second  
 13 degree under ORS 162.405.

14 (10) If the Department of Justice or Bureau of Labor and Industries commences an investigation  
 15 of a child-caring agency or an owner, operator or employee of a child-caring agency, the Department  
 16 of Justice or Bureau of Labor and Industries shall notify, inform and regularly update the director,  
 17 the director's designee or such other personnel in the Department of Human Services designated to  
 18 receive such information regarding the investigation. The director and the department shall imme-  
 19 diately undertake the responsive action required by subsection (9) of this section upon receiving  
 20 such notification. Interference with, discouragement of or impediment to the receipt of the notifica-  
 21 tion, information and updates required under this subsection constitutes official misconduct in the  
 22 second degree under ORS 162.405.

23 (11) The Department of Human Services shall adopt rules to implement the provisions of this  
 24 section.

25 **SECTION 4. Section 5 of this 2025 Act is added to and made a part of ORS 443.400 to**  
 26 **443.455.**

27 **SECTION 5. (1) An applicant for a license under ORS 443.410 and ORS 443.415 to maintain**  
 28 **and operate a residential care facility, residential training facility or residential training**  
 29 **home shall submit an application, as provided in ORS 443.415, and shall include the**  
 30 **applicant's proposed policies.**

31 **(2) Within 30 days after an applicant has submitted an application, the Department of**  
 32 **Human Services shall notify the applicant whether the application is complete.**

33 **(3) If an application is incomplete:**

34 **(a) The department shall provide written notice to the applicant that the application is**  
 35 **incomplete and provide a list of the missing elements.**

36 **(b) Within 30 days after the date of the notice that the application is incomplete, an ap-**  
 37 **plicant may submit the missing elements.**

38 **(c) If an applicant fails to timely provide the missing elements, the department shall**  
 39 **close the application and any application fee may not be refunded.**

40 **(d) An applicant may submit a new application no sooner than six months after the date**  
 41 **that the incomplete application was closed.**

42 **(4) If an applicant's proposed policies do not meet the requirements for a license, as**  
 43 **prescribed by the department by rule:**

44 **(a) The department shall notify the applicant that the policies are not compliant and may**  
 45 **identify the specific policies that do not meet the requirements.**

1       **(b) The department may not counsel the applicant about why a specific policy does not**  
 2 **meet the requirements or how to amend the policy to bring the policy into compliance.**

3       **(c) Within 30 days after the date of the notice that the applicant's policies are not**  
 4 **compliant, the applicant may submit revised policies to the department.**

5       **(d) If the applicant submits revised policies and the revised policies do not meet the re-**  
 6 **quirements, the department shall deny the application and any application fee may not be**  
 7 **refunded.**

8       **(5) The department may provide orientation sessions, at times and locations determined**  
 9 **by the department, to persons interested in applying for a license. If the department provides**  
 10 **orientation sessions, the sessions must be free and must provide general information about**  
 11 **the requirements to obtain and maintain a license. The department may not provide guidance**  
 12 **that is specific to a particular applicant's application for a license and may not offer model**  
 13 **policy language to applicants.**

14       **SECTION 6.** ORS 443.415 is amended to read:

15       443.415. (1)(a) Applications for licensure to maintain and operate a residential facility shall be  
 16 made to the Department of Human Services or the Oregon Health Authority on forms provided for  
 17 that purpose by the appropriate licensing agency. Each application shall be accompanied by a fee.  
 18 No fee is required of any governmentally operated residential facility.

19       **(b) An application under this section for a license to maintain and operate a residential**  
 20 **care facility, residential training facility or residential training home is subject to the pro-**  
 21 **cedures described in section 5 of this 2025 Act.**

22       (2)(a) The application fee for a residential treatment facility is \$60.

23       (b) The application fee for a residential training home or residential training facility shall be  
 24 prescribed by the department pursuant to ORS 427.021.

25       (c) The application fee for a residential treatment home is \$30.

26       (d) The application fee for a residential care facility is:

27       (A) For a facility with one to 15 beds, \$2,000.

28       (B) For a facility with 16 to 49 beds, \$3,000.

29       (C) For a facility with 50 to 99 beds, \$4,000.

30       (D) For a facility with 100 to 150 beds, \$5,000.

31       (E) For a facility with more than 150 beds, \$6,000.

32       (3) Upon receipt of *[an]* **a complete** application and fee, the licensing agency shall conduct an  
 33 in-person site inspection, including, for residential care facilities, an inspection of the kitchen and  
 34 other areas where food is prepared for residents. The licensing agency shall issue a license to any  
 35 applicant for operation of a residential facility in compliance with ORS 443.002 and 443.400 to  
 36 443.455 and the rules of the licensing agency. Licensure may be denied when a residential facility  
 37 is not in compliance with ORS 443.002 or 443.400 to 443.455 or the rules of the licensing agency.  
 38 Licensure shall be denied if the State Fire Marshal, deputy or approved authority has given notice  
 39 of noncompliance of a residential care facility, residential training facility or residential treatment  
 40 facility pursuant to ORS 479.220.

41       **SECTION 7.** ORS 443.419 is amended to read:

42       443.419. (1) The Department of Human Services or the Oregon Health Authority may revoke,  
 43 suspend or impose conditions on the license of any residential training facility or residential training  
 44 home based on criteria adopted by the licensing agency by rule, including but not limited to when:

45       (a) There exists a threat to the health, safety or welfare of a resident;

1 (b) There is reliable evidence of abuse, neglect or exploitation of a resident; or

2 (c) The facility or home is out of compliance with ORS 443.002 or 443.400 to 443.455 or the rules  
3 of the licensing agency.

4 (2) In cases where an imminent danger to the health or safety of the residents exists, a license  
5 may be suspended immediately.

6 **(3) The owner or operator of a residential training facility or a residential training home  
7 whose license has been revoked, or an applicant for a license to maintain and operate a  
8 residential training facility or residential training home whose application has been denied,  
9 may not submit a new application for one year from the date the revocation or denial is final,  
10 or for a longer period specified in the order revoking or denying the license.**

11 **SECTION 8.** ORS 443.421 is amended to read:

12 443.421. (1) Except as provided in subsection (2) of this section, the Department of Human Ser-  
13 vices or the Oregon Health Authority may revoke or suspend the license of any residential care  
14 facility that is not operated in accordance with ORS 443.002 or 443.400 to 443.455 or the rules of the  
15 licensing agency. Such revocation or suspension must be taken in accordance with rules of the li-  
16 censing agency and ORS chapter 183. However, in cases where an imminent danger to the health  
17 or safety of the residents exists, a license may be suspended immediately pending a fair hearing not  
18 later than the 10th day after such suspension.

19 (2)(a) In a case where an imminent danger to the health or safety of the residents exists, a res-  
20 idential care facility license may be suspended immediately.

21 (b) The residential care facility is entitled to a contested case hearing to appeal an order of  
22 immediate suspension in accordance with procedures adopted by the Department of Justice by rule  
23 concerning emergency license suspensions.

24 (c) When the Department of Human Services issues an immediate suspension order under this  
25 subsection, the department may:

26 (A) Transition all residents of the residential care facility to other residential facilities; or

27 (B) Appoint a management company with demonstrated skill and experience in operating resi-  
28 dential facilities to manage the residential care facility and care for the residents of the facility. If  
29 the facility is unable to pay for the appointed management company, the department shall use funds  
30 from the facility trustee account fund to cover the cost.

31 **(3) The owner or operator of a residential care facility whose license has been revoked,  
32 or an applicant for a license to maintain and operate a residential care facility whose appli-  
33 cation has been denied, may not submit a new application for one year from the date the  
34 revocation or denial is final, or for a longer period specified in the order revoking or denying  
35 the license.**

36 **SECTION 9.** Section 10 of this 2025 Act is added to and made a part of ORS 443.705 to  
37 443.825.

38 **SECTION 10.** (1) **An applicant for a license under ORS 443.725 and ORS 443.735 to main-  
39 tain and operate an adult foster home shall submit an application, as provided in ORS 443.735,  
40 and shall include the applicant's proposed policies.**

41 **(2) Within 30 days after an applicant has submitted an application, the Department of  
42 Human Services shall notify the applicant whether the application is complete.**

43 **(3) If an application is incomplete:**

44 **(a) The department shall provide written notice to the applicant that the application is  
45 incomplete and provide a list of the missing elements.**

1 (b) Within 30 days after the date of the notice that the application is incomplete, an ap-  
 2 plicant may submit the missing elements.

3 (c) If an applicant fails to timely provide the missing elements, the department shall  
 4 close the application and any application fee may not be refunded.

5 (d) An applicant may submit a new application no sooner than six months after the date  
 6 that the incomplete application was closed.

7 (4) If an applicant's proposed policies do not meet the requirements for a license, as  
 8 prescribed by the department by rule:

9 (a) The department shall notify the applicant that the policies are not compliant and may  
 10 identify the specific policies that do not meet the requirements.

11 (b) The department may not counsel the applicant about why a specific policy does not  
 12 meet the requirements or how to amend the policy to bring the policy into compliance.

13 (c) Within 30 days after the date of the notice that the applicant's policies are not  
 14 compliant, the applicant may submit revised policies to the department.

15 (d) If the applicant submits revised policies and the revised policies do not meet the re-  
 16 quirements, the department shall deny the application and any application fee may not be  
 17 refunded.

18 (5) The department may provide orientation sessions, at times and locations determined  
 19 by the department, to persons interested in applying for a license. If the department provides  
 20 orientation sessions, the sessions must be free and must provide general information about  
 21 the requirements to obtain and maintain a license. The department may not provide guidance  
 22 that is specific to a particular applicant's application for a license and may not offer model  
 23 policy language to applicants.

24 **SECTION 11.** ORS 443.735 is amended to read:

25 443.735. (1)(a) Applications for a license to maintain and operate an adult foster home shall be  
 26 made on forms provided by the licensing agency. **An application for a license under this section**  
 27 **is subject to the procedures described in section 10 of this 2025 Act.**

28 (b) Each application submitted to the Department of Human Services for an adult foster home  
 29 serving individuals with intellectual or developmental disabilities shall be accompanied by a fee  
 30 prescribed by the department under ORS 427.021.

31 (c) Each application submitted to the Oregon Health Authority, or to the Department of Human  
 32 Services for an adult foster home not serving individuals with intellectual or developmental disa-  
 33 bilities, shall be accompanied by a fee of \$20 per bed requested for licensing.

34 (2) Upon receipt of [an] a **complete** application and fee, the licensing agency shall conduct an  
 35 investigation.

36 (3) The licensing agency [shall] **may** not issue an initial license unless:

37 (a) The applicant and adult foster home are in compliance with ORS 443.002 and 443.705 to  
 38 443.825 and the rules of the licensing agency;

39 (b) The licensing agency has completed an inspection of the adult foster home;

40 (c) The licensing agency has completed a criminal records check under ORS 181A.195 on the  
 41 applicant and any person, other than a resident, 16 years of age or older who will be residing in the  
 42 adult foster home. The criminal records check shall be conducted in accordance with rules adopted  
 43 under ORS 181A.195;

44 (d) The licensing agency has determined that the registry maintained under ORS 441.678 con-  
 45 tains no finding that the applicant or any nursing assistant employed by the applicant has been re-



1 sponsible for abuse; and

2 (e) The applicant has demonstrated to the licensing agency the financial ability and resources  
3 necessary to operate the adult foster home. The licensing agency shall adopt rules as the agency  
4 deems appropriate that establish the financial standards an applicant must meet to qualify for issu-  
5 ance of a license and that protect financial information from public disclosure. The demonstration  
6 of financial ability under this paragraph shall include, but need not be limited to, providing the li-  
7 censing agency with a list of any unsatisfied judgments, pending litigation and unpaid taxes and  
8 notifying the agency regarding whether the applicant is in bankruptcy. If the applicant is unable to  
9 demonstrate the financial ability and resources required by this paragraph, the licensing agency may  
10 require the applicant to furnish a financial guarantee as a condition of initial licensure.

11 (4) The licensing agency may not renew a license under this section unless:

12 (a) The applicant and the adult foster home are in compliance with ORS 443.002, 443.012 and  
13 443.705 to 443.825 and the rules of the licensing agency;

14 (b) The licensing agency has completed an inspection of the adult foster home;

15 (c) The licensing agency has completed a criminal records check under ORS 181A.195 on the  
16 applicant and any person, other than a resident, 16 years of age or older who will be residing in the  
17 adult foster home. The criminal records check under this paragraph shall be conducted in accord-  
18 ance with rules adopted under ORS 181A.195; and

19 (d) The licensing agency has determined that the registry maintained under ORS 441.678 con-  
20 tains no finding that the applicant or any nursing assistant employed by the applicant has been re-  
21 sponsible for abuse.

22 (5)(a) In seeking an initial license and renewal of a license when an adult foster home has been  
23 licensed for less than 24 months, the burden of proof shall be upon the provider and the adult foster  
24 home to establish compliance with ORS 443.705 to 443.825 and the rules of the licensing agency.

25 (b) In proceedings for renewal of a license when an adult foster home has been licensed for at  
26 least 24 continuous months, the burden of proof shall be upon the licensing agency to establish  
27 noncompliance with ORS 443.705 to 443.825 and the rules of the agency.

28 (6)(a) Persons who have been convicted of one or more crimes that, as determined by rules of  
29 the licensing agency, are substantially related to the qualifications, functions or duties of a provider,  
30 substitute caregiver or other household member of an adult foster home shall be prohibited from  
31 operating, working in or residing in an adult foster home.

32 (b) The licensing agency shall adopt rules that distinguish the criminal convictions and types  
33 of abuse that permanently prohibit a person from operating, working in or living in an adult foster  
34 home from the convictions and types of abuse that do not permanently prohibit the person from  
35 operating, working in or living in an adult foster home.

36 (c) A provider may not hire, retain in employment or allow to live in an adult foster home, other  
37 than as a resident, any person who the provider knows has been convicted of a disqualifying crime  
38 or has been found responsible for a disqualifying type of abuse.

39 (7) A license under ORS 443.725 is effective for one year from the date of issue unless sooner  
40 revoked. Each license shall state the name of the resident manager of the adult foster home, the  
41 names of all providers who own the adult foster home, the address of the premises to which the li-  
42 cense applies, the maximum number of residents and the classification of the adult foster home. If,  
43 during the period covered by the license, a resident manager changes, the provider must within 15  
44 days request modification of the license. The request must be accompanied by a fee of \$10.

45 (8) No license under ORS 443.725 is transferable or applicable to any location, persons operating

1 the adult foster home or the person owning the adult foster home other than that indicated on the  
2 application for licensing.

3 (9) The licensing agency [shall] **may** not issue a license to operate an additional adult foster  
4 home to a provider unless the provider has demonstrated the qualifications and capacity to operate  
5 the provider's existing licensed adult foster homes and has demonstrated the ability to provide to  
6 the residents of those adult foster homes care that is adequate and substantially free from abuse and  
7 neglect.

8 (10)(a) All moneys collected under ORS 443.725 to 443.780 from adult foster homes that are li-  
9 censed to serve persons with mental, emotional or behavioral disturbances or alcohol or drug de-  
10 pendence shall be deposited in a special account in the General Fund, and are appropriated  
11 continuously for payment of expenses incurred by the Oregon Health Authority.

12 (b) All moneys collected under ORS 443.725 to 443.780 from adult foster homes licensed to serve  
13 persons who are elderly or have physical disabilities shall be deposited in the Quality Care Fund  
14 established in ORS 443.001.

15 (11) Notwithstanding any other provision of this section or ORS 443.725 or 443.738, the licensing  
16 agency may issue a 60-day provisional license to a qualified person if the agency determines that  
17 an emergency situation exists after being notified that the licensed provider of an adult foster home  
18 is no longer overseeing operation of the adult foster home.

19 **SECTION 12.** ORS 443.830 is amended to read:

20 443.830. As used in this section, **section 13 of this 2025 Act** and ORS 443.835:

21 (1) "Child" means a person for whom developmental disability services are planned and provided  
22 and who is:

23 (a) Under 18 years of age; or

24 (b) At least 18 years of age but less than 22 years of age and resides in a developmental disa-  
25 bility child foster home and whose needs, as determined by the child's individual support plan team,  
26 are best met if services are provided in a developmental disability child foster home.

27 (2) "Department" means the Department of Human Services.

28 (3)(a) "Developmental disability child foster home" means any home maintained by a person who  
29 has under the care of the person, in the home, a child found eligible for developmental disability  
30 services for the purpose of providing the child with supervision, food and lodging. The child must  
31 be unrelated to the person by blood, marriage or adoption.

32 (b) "Developmental disability child foster home" does not include:

33 (A) A boarding school that is essentially and primarily engaged in educational work;

34 (B) A home in which a child is provided with room and board by a school district board; or

35 (C) A foster home under the direct supervision of a child-caring agency as that term is defined  
36 in ORS 418.205.

37 (4) "Developmental disability services" has the meaning given that term in ORS 427.101.

38 (5) "Individual support plan team" means a team composed of the child, the child's parent or  
39 guardian, the community mental health program representative and representatives of all current  
40 service providers that develops a written plan of services covering a 12-month period for a child.

41 **SECTION 13.** (1) **An applicant for a certificate under ORS 443.835 to operate a develop-**  
42 **mental disability child foster home shall submit an application, as provided in ORS 443.835,**  
43 **and shall include the applicant's proposed policies.**

44 (2) **Within 30 days after an applicant has submitted an application, the Department of**  
45 **Human Services shall notify the applicant whether the application is complete.**

1       **(3) If an application is incomplete:**

2       (a) The department shall provide written notice to the applicant that the application is  
3 incomplete and provide a list of the missing elements.

4       (b) Within 30 days after the date of the notice that the application is incomplete, an ap-  
5 plicant may submit the missing elements.

6       (c) If an applicant fails to timely provide the missing elements, the department shall  
7 close the application and any application fee may not be refunded.

8       (d) An applicant may submit a new application no sooner than six months after the date  
9 that the incomplete application was closed.

10       (4) If an applicant's proposed policies do not meet the requirements for a certificate, as  
11 prescribed by the department by rule:

12       (a) The department shall notify the applicant that the policies are not compliant and may  
13 identify the specific policies that do not meet the requirements.

14       (b) The department may not counsel the applicant about why a specific policy does not  
15 meet the requirements or how to amend the policy to bring the policy into compliance.

16       (c) Within 30 days after the date of the notice that the applicant's policies are not  
17 compliant, the applicant may submit revised policies to the department.

18       (d) If the applicant submits revised policies and the revised policies do not meet the re-  
19 quirements, the department shall deny the application and any application fee may not be  
20 refunded.

21       (5) The department may provide orientation sessions, at times and locations determined  
22 by the department, to persons interested in applying for a certificate. If the department  
23 provides orientation sessions, the sessions must be free and must provide general informa-  
24 tion about the requirements to obtain and maintain a certificate. The department may not  
25 provide guidance that is specific to a particular applicant's application for a certificate and  
26 may not offer model policy language to applicants.

27       **SECTION 14.** ORS 443.835 is amended to read:

28       443.835. (1) A person may not operate a developmental disability child foster home without  
29 having a certificate issued by the Department of Human Services.

30       (2) A person may apply for a certificate to operate a developmental disability child foster home  
31 by submitting an application to the department on a form furnished by the department. **An appli-**  
32 **cation for a certificate under this section is subject to the procedures described in section**  
33 **13 of this 2025 Act.**

34       (3) Upon receipt of [an] a **complete** application under subsection (2) of this section, the de-  
35 partment shall cause an investigation to be made of the applicant and the applicant's home. The  
36 department shall determine whether to issue a certificate to the applicant and, if a certificate is to  
37 be issued, whether to issue a conditional certificate or a regular certificate. The certificate shall  
38 be in the form prescribed by the department by rule.

39       (4) After notice and an opportunity for hearing as provided in ORS 183.310 to 183.482, the de-  
40 partment may deny, refuse to renew or revoke a certificate to operate a developmental disability  
41 child foster home. A person whose application for a certificate has been denied, not renewed or re-  
42 voked may appeal the decision to the Court of Appeals in the manner provided in ORS 183.480 for  
43 the review of orders in contested cases. **A person whose certificate has been revoked, or an**  
44 **applicant for a certificate whose application has been denied, may not submit a new appli-**  
45 **cation for one year from the date the revocation or denial is final, or for a longer period**

1 **specified in the order revoking or denying the certificate.**

2 (5) The department may adopt rules to carry out the intent and purposes of this section and ORS  
3 443.830.

4 **SECTION 15. (1)(a) Except as provided in paragraph (b) of this subsection, an applicant**  
5 **for a certificate or endorsement to provide developmental disabilities services, as defined in**  
6 **ORS 427.101, shall submit an application, as prescribed by the Department of Human Services**  
7 **by rule, and shall include the applicant's proposed policies.**

8 (b) This section does not apply to applicants for a certificate to operate a developmental  
9 disability child foster home, as defined in ORS 443.830.

10 (2) Within 30 days after an applicant has submitted an application, the department shall  
11 notify the applicant whether the application is complete.

12 (3) If an application is incomplete:

13 (a) The department shall provide written notice to the applicant that the application is  
14 incomplete and provide a list of the missing elements.

15 (b) Within 30 days after the date of the notice that the application is incomplete, an ap-  
16 plicant may submit the missing elements.

17 (c) If an applicant fails to timely provide the missing elements, the department shall  
18 close the application and any application fee may not be refunded.

19 (d) An applicant may submit a new application no sooner than six months after the date  
20 that the incomplete application was closed.

21 (4) If an applicant's proposed policies do not meet the requirements for a certificate or  
22 endorsement, as prescribed by the department by rule:

23 (a) The department shall notify the applicant that the policies are not compliant and may  
24 identify the specific policies that do not meet the requirements.

25 (b) The department may not counsel the applicant about why a specific policy does not  
26 meet the requirements or how to amend the policy to bring the policy into compliance.

27 (c) Within 30 days after the date of the notice that the applicant's policies are not  
28 compliant, the applicant may submit revised policies to the department.

29 (d) If the applicant submits revised policies and the revised policies do not meet the re-  
30 quirements, the department shall deny the application and any application fee may not be  
31 refunded.

32 (5) The department may provide orientation sessions, at times and locations determined  
33 by the department, to persons interested in applying for a certificate or endorsement. If the  
34 department provides orientation sessions, the sessions must be free and must provide gen-  
35 eral information about the requirements to obtain and maintain a certificate or endorse-  
36 ment. The department may not provide guidance that is specific to a particular applicant's  
37 application for a certificate or endorsement and may not offer model policy language to ap-  
38 plicants.

39 **SECTION 16. No later than December 1, 2025, the Department of Human Services shall**  
40 **report to the interim committees of the Legislative Assembly related to human services in**  
41 **the manner provided in ORS 192.245 about the number of hours and the cost to the depart-**  
42 **ment required to process an initial license, certificate, endorsement or authorization and a**  
43 **renewal license, certificate, endorsement or authorization for the following:**

44 (1) A child-caring agency, as defined in ORS 418.205;

45 (2) A residential care facility, as defined in ORS 443.400;

1       **(3) A residential training facility, as defined in ORS 443.400;**

2       **(4) A residential training home, as defined in ORS 443.400;**

3       **(5) An adult foster home, as defined in ORS 443.705;**

4       **(6) A developmental disability child foster home, as defined in ORS 443.830; and**

5       **(7) A provider of developmental disabilities services, as defined in ORS 427.101, other than**  
6 **a residential training facility, residential training home, adult foster home or developmental**  
7 **disability child foster home.**

8       **SECTION 17. Sections 2, 5, 10, 13 and 15 of this 2025 Act and the amendments to ORS**  
9 **418.240, 443.415, 443.419, 443.421, 443.735, 443.830 and 443.835 by sections 3, 6 to 8, 11, 12 and**  
10 **14 of this 2025 Act apply to applications for licenses, certificates, endorsements or authori-**  
11 **zations submitted on or after the operative date specified in section 18 of this 2025 Act.**

12       **SECTION 18. (1) Sections 2, 5, 10, 13 and 15 of this 2025 Act and the amendments to ORS**  
13 **418.240, 443.415, 443.419, 443.421, 443.735, 443.830 and 443.835 by sections 3, 6 to 8, 11, 12 and**  
14 **14 of this 2025 Act become operative on January 1, 2026.**

15       **(2) The Department of Human Services may take any action before the operative date**  
16 **specified in subsection (1) of this section that is necessary to enable the department to ex-**  
17 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**  
18 **duties, functions and powers conferred on the department by sections 2, 5, 10, 13 and 15 of**  
19 **this 2025 Act and the amendments to ORS 418.240, 443.415, 443.419, 443.421, 443.735, 443.830**  
20 **and 443.835 by sections 3, 6 to 8, 11, 12 and 14 of this 2025 Act.**

21       **SECTION 19. This 2025 Act takes effect on the 91st day after the date on which the 2025**  
22 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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