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ARCHIVES DIVISION

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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 259
DEPARTMENT OF PUBLIC SAFETY STANDARDS AND TRAINING

FILED

10/25/2024 12:23 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Fee Increases for the Private Security Entity License

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/22/2024 11:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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DPSST
4190 Aumsville Hwy SE
Salem, OR 97317

Filed By:
Jennifer Howald
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/19/2024

TIME: 4:30 PM - 6:30 PM

OFFICER: Jennifer Howald

IN-PERSON HEARING DETAILS

ADDRESS: DPSST, Room A145, 4190 Aumsville Hwy SE, Salem, OR 97317

SPECIAL INSTRUCTIONS:

This hearing is for all three of the private security and private investigator fee increases.

This hearing can be attended in-person or by joining using the remote options. If you have questions on how to access the meeting please email jennifer.howald@dpsst.oregon.gov before the meeting.

Depending on the number of participants, testimony or comments may be limited to 5 minutes or less.

*DPSST has an entry gate for parking. If you are attending in-person you must arrive by 5:00pm in order for reception staff to be able to open the gate for you. The reception office closes at 5:00pm.

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 503-446-4951

CONFERENCE ID: 612582665

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NEED FOR THE RULE(S)

Oregon Revised Statute (ORS) 181A.900 grants the Department the authority to establish fees for issuing licenses to private security entities. The fees may not exceed the prorated direct costs of administering the licensing program, the license examination, and the investigation of each applicant's character, competence, and reliability before issuing the license.

The Private Security Entity License is a new state licensing requirement that became effective January 1, 2024. The license requirement was established by House Bill 2527 (2021). When the Private Security Entity License fee amount was calculated, DPSST estimated that there were approximately 1,000 entities that would meet the definition of a private security entity and be required to obtain a license. After nine months of operation, the Department has determined that there are far fewer private security entities that require a license. The current estimates show that there are 500-600 entities.

Due to the significant reduction in the number of applicants for this license, there will not be enough revenue to cover the costs of administering the licensing program.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The Private Security and Investigators Policy Committee (PSIPC) and the Board on Public Safety Standards and Training (Board) meeting minutes are available on the Department of Public Safety Standards and Training (DPSST) website, www.oregon.gov/dpsst. The DPSST staff memos prepared for each entity are available by submitting a records request to DPSST.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The fee increases for the private security entity license are not expected to affect racial equity in this state.

FISCAL AND ECONOMIC IMPACT:

Fiscal Impacts for the Department of Public Safety Standards and Training (DPSST)

The fee increases will provide additional revenue to meet the increased operational costs that have affected the Department's fee-based regulatory programs. The Department is facing a revenue shortfall for the remainder of the 2023-2025 biennium across all three of the private security and private investigator programs due to a significant increase in costs for personnel services. The increases in personnel services costs will continue to impact the 2025-2027 biennium budget. In addition to the personnel costs, the private security entity license is significantly impacted by a reduction in the actual number of applicants for this license and there will not be enough revenue to cover the costs of administering the private security entity licensing program. Failure to increase revenue will adversely affect the Department's ability to provide customer service, issue certifications and licenses, and ensure compliance with the certification and licensing requirements found in Oregon Revised Statute (ORS) and Oregon Administrative Rule (OAR).

Fiscal Impacts for Private Security Entities

This rule change increases the fee for a one-year private security entity license by an additional \$312. The fee increase will have a fiscal impact on private security entities. These fee increases will increase the future operational costs for these businesses and entities. Private security entities include small businesses.

The actual impact for current licensees may be partially mitigated by the fact that the new fee amount of \$936 is the same amount that these entities have been required to pay during the implementation of the licensing requirement which included \$312 for January 1 through June 30, 2024, and \$624 for July 1, 2024 through June 30, 2025. The fee change will not be retroactive and DPSST will not require any entity that has already been issued a license that will expire June 30, 2025 to pay additional license fees during this licensure period. The new fee amount will apply when the licensed private security entity applies for renewal.

The new fee amount will affect any existing entity (business that were operating when the licensing requirements were implemented) that is not in compliance and has not yet applied for a license. The new fee amount will affect any new entity (businesses established in the future) applying for a license.

As small businesses, fee increases affect the businesses expenses and reduce funds available for other small business costs such as insurance and taxes.

Applicants that have multiple private security certifications and licenses will be further impacted by the compound effect of multiple fee increases.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

DPSST is the state agency likely to be economically affected by the rules.

Units of local government that employ private security providers and meet the definition of a private security entity are likely to be economically affected by the rules.

DPSST estimates that at least 90% of the private security entity license applicants are small businesses.

Please see the statements provided in the Fiscal and Economic Impact section shown above.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Potentially affected entities were involved through their representation on the Private Security and Investigators (PSIPC) Policy Committee and the Board on Public Safety Standards and Training. Small businesses, public and private safety agencies, law enforcement units, state agencies, units of local government, and the public are invited to submit written comments to the agency rules coordinator during the public comment period on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact on business.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

This proposed rule change affects the fees for issuing licenses to private security entities. These fees are established by the Department of Public Safety Standards and Training. The fee increases and the proposed rules have been shared with the Private Security and Investigator Policy Committee (PSIPC) and approved by the Board on Public Safety Standards and Training (Board). The PSIPC and the Board include representatives of the organizations or associations that represent the constituents who are subject to this administrative rule. The membership of the PSIPC and the Board is found in Oregon Revised Statutes (ORS) 181A.360 and 181A.375.

AMEND: 259-059-0070

RULE SUMMARY: This proposed rule change is for a fee increase. The fee increase changes the Private Security Entity

License Fee from \$624 to \$936.

The Private Security Entity License is issued for a one-year period. All private security entity licenses expire on June 30. DPSST may prorate the license fee for a new private security entity that will only be licensed for a portion of the year. When renewing the license each year, a private security entity that does not submit an application for renewal with the license fee by June 30 will also be charged a \$50 late fee.

CHANGES TO RULE:

259-059-0070

Fees and Payments

(1) The Department charges the following fees:¶

(a) Private Security Entity License Fee - ~~\$624~~\$936.¶

(b) Late Renewal Fee - \$50. A late fee is required when the Department receives an application for renewal after June 30.¶

(c) Duplicate or Replacement License Fee - \$24.¶

(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.¶

(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) 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.

Statutory/Other Authority: ORS 181A.870, ORS 181A.900

Statutes/Other Implemented: ORS 181A.900