House Bill 2183

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Business and Labor)

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.

Transfers authority relating to plan review and inspections of health care facilities from State Fire Marshal to Department of Consumer and Business Services.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to oversight of health care facility structural requirements; creating new provisions; amending ORS 441.025, 441.030, 441.060, 441.061, 441.710, 443.415, 443.420, 443.425, 443.435, 443.452, 455.210, 479.155, 479.180, 479.215, 479.217 and 479.220; and declaring an emergency.

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

SECTION 1. (1) As used in this section, "health care facility" has the meaning given that term in section 3 of this 2017 Act.

- (2) The duties, functions and powers of the State Fire Marshal relating to plan review and inspections for health care facility structures are transferred to and vested in the Department of Consumer and Business Services.
- (3) Any State Fire Marshal authorization for a governmental subdivision exempted under ORS 476.030 (3) or an approved authority under ORS 476.030 (3) or 479.215 to perform duties, powers or functions relating to plan review and inspections for health care facility structures ceases on the operative date of this section. Any governmental subdivision exempted under ORS 476.030 (3) and any approved authority under ORS 476.030 (3) or 479.215 shall deliver to the State Fire Marshal copies of all records for health care facility structures within the jurisdiction of the governmental subdivision or approved authority for which plan review or inspection are pending. The State Fire Marshal shall include any such records with the records and property delivered by the State Fire Marshal under subsection (4) of this section.
- (4) The State Fire Marshal shall deliver to the Director of the Department of Consumer and Business Services all records and property within the jurisdiction of the State Fire Marshal that relate to the duties, functions and powers transferred by this section. The State Fire Marshal, in cooperation with the director, shall take all actions necessary and proper to allow the director to assume any contractual obligation of the State Fire Marshal for the performance of duties, powers and functions transferred under this section, including but not limited to any contract with the Centers for Medicare and Medicaid Services for the certification of health care facility structures.
- (5) The transfer of duties, functions and powers by this section does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the department is

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substituted for the State Fire Marshal, governmental subdivision or approved authority in the action, proceeding or prosecution.

(6) Nothing in this section relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by this section. The department may undertake the collection or enforcement of any such liability, duty or obligation that could have been collected or enforced by the State Fire Marshal. This section does not prevent a governmental subdivision or approved authority from collecting or enforcing any liability, duty or obligation owed to the governmental subdivision or approved authority.

SECTION 2. Any moneys appropriated to the State Fire Marshal for carrying out the duties transferred under section 1 of this 2017 Act during the biennium ending June 30, 2019, and remaining unexpended on the operative date of section 1 of this 2017 Act shall be transferred to the Consumer and Business Services Fund for use by the Department of Consumer and Business Services in carrying out the duties transferred under section 1 of this 2017 Act.

SECTION 3. (1) As used in this section and section 4 of this 2017 Act:

(a) "Health care facility" means:

- (A) A facility required to be licensed under ORS 441.015 to 441.087 or 441.525 to 441.595; or
 - (B) A residential facility licensed by the Department of Human Services or the Oregon Health Authority under ORS 443.400 to 443.455.
 - (b) "Federal health program construction standard" means a construction standard for health care facility structures adopted by the Centers for Medicare and Medicaid Services.
 - (2) Notwithstanding ORS 476.030, 476.150 or 476.155 or any other provision conferring a duty or power on the State Fire Marshal regarding fire and life safety standards, the Department of Consumer and Business Services shall:
 - (a) Determine whether a health care facility structure, as set forth in the plans and sketches or as constructed, complies with:
 - (A) Subject to subparagraph (B) of this paragraph, any applicable federal health program construction standard; and
 - (B) Any rules adopted by the Department of Consumer and Business Services establishing special construction standards for health care facilities that are more stringent than the requirement imposed under a corresponding applicable federal health program construction standard.
 - (b) Conduct any required fire and life safety inspections during construction of a health care facility structure to ensure compliance with applicable standards and rules as described in paragraph (a) of this subsection. If the facility is to be Medicare or Medicaid certified, the department may undertake additional reviews, inspections or other actions beneficial to ensuring that the facility structure will meet any requirements for certification.
 - (3) The determination requirement described in subsection (2) of this section is in addition to any plan review conducted by the department or a municipality described in ORS 455.148 or 455.150 for compliance with the state building code. The Oregon Health Authority or the Department of Human Services may waive requirements for plan review to determine compliance with federal health program construction standards if the facility is not to be Medicare or Medicaid certified.

- (4) The State Fire Marshal may not conduct or authorize any plan review or inspection for fire and life safety code compliance on a health care facility structure or any determination of compliance or noncompliance of a health care facility structure with federal health program construction standards or any special construction standards for health facilities established by the Department of Consumer and Business Services by rule.
- (5) The State Fire Marshal, or a local fire official for a governmental subdivision exempted under ORS 476.030 (3) or an approved authority under ORS 476.030 (3), may provide advice to Department of Consumer and Business Services employees concerning federal health program construction standards. A department employee shall give consideration to advice of the State Fire Marshal or a local fire official, but shall retain the authority to make final decisions under subsection (2) of this section.
- (6) This section does not affect the authority of the State Fire Marshal, a governmental subdivision exempted under ORS 476.030 (3) or an approved authority under ORS 476.030 (3) to have access to and conduct an inspection of a health care facility for the purpose of investigating and determining cause, origin, circumstances, damage or other information regarding a fire that has occurred at the facility.
- SECTION 4. (1) The Department of Consumer and Business Services shall, except as provided in ORS 441.062, conduct any required post-construction inspections of an operating health care facility as provided under ORS 479.215 for compliance with applicable construction standards and rules related to facility construction. The department may take any actions reasonable or necessary to carry out inspections under this section, including but not limited to conducting investigations, taking sworn testimony and inspecting records. The authority of the department to conduct an inspection described in this subsection is separate from and in addition to any authority of the department or of a municipality described in ORS 455.148 or 455.150 to conduct an inspection for state building code compliance.
- (2) The Department of Human Services shall enter into agreements with the Department of Consumer and Business Services for the purpose of carrying out post-construction inspections under this section. The Department of Consumer and Business Services may establish reasonable fees for carrying out post-construction inspections of health care facilities in accordance with an agreement described in this subsection.
- (3) If the department has reason to believe that a health care facility is in violation of applicable standards or rules related to facility construction, the department shall issue a certificate of noncompliance under ORS 479.215 for the facility and give notice of the noncompliance to the Department of Human Services. In addition to any sanctions imposed by the Department of Human Services, the Department of Consumer and Business Services may impose a civil penalty for the violation, not to exceed \$5,000 or, for a continuing violation, not to exceed \$1,000 for each day the violation continues.
- (4) If the department has reason to believe that a health care facility has been engaged in, is engaging in or is about to engage in any violation of standards and rules related to facility construction, the department may issue an order directing the facility to cease and desist from the violation or threatened violation or may bring suit in the circuit court for the county where the facility is located to enjoin the violation and to enforce compliance with the standards and rules related to facility construction.
 - **SECTION 5.** ORS 441.025 is amended to read:
 - 441.025. (1)(a) Upon receipt of a license fee and an application to operate a health care facility

other than a long term care facility, the Oregon Health Authority shall review the application and conduct an on-site inspection of the health care facility. The authority shall issue a license if it finds that the applicant and health care facility comply with ORS 441.015 to 441.063 and 441.196 and the rules of the authority provided that the authority does not receive within the time specified a certificate of noncompliance issued by the [State Fire Marshal, deputy, or approved authority pursuant to ORS 479.215] Department of Consumer and Business Services under ORS 479.215.

- (b) The authority shall, following payment of the fee, annually renew each license issued under this subsection unless:
 - (A) The health care facility's license has been suspended or revoked; or

- (B) The [State Fire Marshal, a deputy or an approved authority] Department of Consumer and Business Services has issued a certificate of noncompliance [pursuant to] under ORS 479.215.
- (2)(a) Upon receipt of a license fee and an application to operate a long term care facility, the Department of Human Services shall review the application and conduct an on-site inspection of the long term care facility. The department shall issue a license if the department finds that the applicant and long term care facility comply with ORS 441.015 to 441.063, 441.087 and 441.196 and the rules of the department provided that [it] the department does not receive within the time specified a certificate of noncompliance issued by the [State Fire Marshal, deputy, or approved authority pursuant to ORS 479.215] Department of Consumer and Business Services under ORS 479.215.
- (b) The Department of Human Services shall, following an on-site inspection and payment of the fee, annually renew each license issued under this subsection unless:
 - (A) The long term care facility's license has been suspended or revoked;
- (B) The long term care facility is found not to be in substantial compliance following the on-site inspection; or
- (C) The [State Fire Marshal, a deputy or an approved authority] Department of Consumer and Business Services has issued a certificate of noncompliance [pursuant to] under ORS 479.215.
- (3) Each license shall be issued only for the premises and persons or governmental units named in the application and shall not be transferable or assignable.
- (4) Licenses shall be posted in a conspicuous place on the licensed premises as prescribed by rule of the authority or the Department of Human Services.
- (5) No license shall be issued or renewed for any health care facility or health maintenance organization that is required to obtain a certificate of need under ORS 442.315 until a certificate of need has been granted. An ambulatory surgical center is not subject to the certificate of need requirements in ORS 442.315.
- (6) No license shall be issued or renewed for any skilled nursing facility or intermediate care facility, unless the applicant has included in the application the name and such other information as may be necessary to establish the identity and financial interests of any person who has incidents of ownership in the facility representing an interest of 10 percent or more thereof. If the person having such interest is a corporation, the name of any stockholder holding stock representing an interest in the facility of 10 percent or more shall also be included in the application. If the person having such interest is any other entity, the name of any member thereof having incidents of ownership representing an interest of 10 percent or more in the facility shall also be included in the application.
- (7) A license may be denied to any applicant for a license or renewal thereof or any stockholder of any such applicant who has incidents of ownership in the health care facility representing an interest of 10 percent or more thereof, or an interest of 10 percent or more of a lease agreement for

- the facility, if during the five years prior to the application the applicant or any stockholder of the applicant had an interest of 10 percent or more in the facility or of a lease for the facility and has divested that interest after receiving from the authority or the Department of Human Services written notice that the authority or the department intends to suspend or revoke the license or to decertify the facility from eligibility to receive payments for services provided under this section.
- (8) The Department of Human Services may not issue or renew a license for a long term care facility, unless the applicant has included in the application the identity of any person who has incident of ownership in the long term care facility who also has a financial interest in any pharmacy, as defined in ORS 689.005.
- (9) The authority shall adopt rules for each type of health care facility, except long term care facilities, to carry out the purposes of ORS 441.015 to 441.087 including, but not limited to:
- (a) Establishing classifications and descriptions for the different types of health care facilities that are licensed under ORS 441.015 to 441.087; and
- (b) Standards for patient care and safety, adequate professional staff organizations, training of staff for whom no other state regulation exists, suitable delineation of professional privileges and adequate staff analyses of clinical records.
- (10) The Department of Human Services shall adopt rules for each type of long term care facility to carry out the purposes of ORS 441.015 to 441.087 including, but not limited to:
- (a) Establishing classifications and descriptions for the different types of long term care facilities that are licensed under ORS 441.015 to 441.087; and
- (b) Standards for patient care and safety, adequate professional staff organizations, training of staff for whom no other state regulation exists, suitable delineation of professional privileges and adequate staff analyses of clinical records.
- (11) The authority or **the** Department **of Human Services** may not adopt a rule requiring a health care facility to serve a specific food as long as the necessary nutritional food elements are present in the food that is served.
- (12) A health care facility licensed by the authority or **the** Department **of Human Services** may not:
- (a) Offer or provide services beyond the scope of the license classification assigned by the authority or department; or
- (b) Assume a descriptive title or represent itself under a descriptive title other than the classification assigned by the authority or department.
- (13) A health care facility must reapply for licensure to change the classification assigned or the type of license issued by the authority or **the** Department **of Human Services**.

SECTION 6. ORS 441.030 is amended to read:

- 441.030. (1) The Oregon Health Authority or the Department of Human Services [may assess a civil penalty and], pursuant to ORS 479.215, shall deny, suspend or revoke a license, in any case where the [State Fire Marshal, or the representative of the State Fire Marshal,] Department of Consumer and Business Services certifies that there is a failure to comply with [all] applicable laws, lawful ordinances and rules relating to safety from fire.
 - (2) The authority may:

(a) Assess a civil penalty or deny, suspend or revoke a license of a health care facility other than a long term care facility in any case where it finds that there has been a substantial failure to comply with ORS 441.015 to 441.063 and 441.196 or the rules or minimum standards adopted under ORS 441.015 to 441.063 and 441.196.

- (b) Assess a civil penalty or suspend or revoke a license issued under ORS 441.025 for failure to comply with an authority order arising from a health care facility's substantial lack of compliance with the provisions of ORS 441.015 to 441.063, 441.152 to 441.177 or 441.196 or the rules adopted under ORS 441.015 to 441.063, 441.152 to 441.196.
- (c) Suspend or revoke a license issued under ORS 441.025 for failure to pay a civil penalty imposed under ORS 441.175.
 - (3) The Department of Human Services may:

- (a) Assess a civil penalty or deny, suspend or revoke a long term care facility's license in any case where it finds that there has been a substantial failure to comply with ORS 441.015 to 441.063, 441.087 or 441.196 or the rules or minimum standards adopted under ORS 441.015 to 441.063, 441.087 or 441.196.
- (b) Assess a civil penalty or suspend or revoke a long term care facility's license issued under ORS 441.025 for failure to comply with a department order arising from a long term care facility's substantial lack of compliance with the provisions of ORS 441.015 to 441.063, 441.084, 441.087 or 441.196 or the rules adopted under ORS 441.015 to 441.063, 441.084, 441.087 or 441.196.
- (c) Suspend or revoke a license issued under ORS 441.025 for failure to pay a civil penalty imposed under ORS 441.710.
- (d) Order a long term care facility licensed under ORS 441.025 to restrict the admission of patients when the department finds an immediate threat to patient health and safety arising from failure of the long term care facility to be in compliance with ORS 441.015 to 441.063, 441.084, 441.087 or 441.196 and the rules adopted under ORS 441.015 to 441.063, 441.084, 441.087 or 441.196.
- (4) Any long term care facility that has been ordered to restrict the admission of patients pursuant to subsection (3)(d) of this section shall post a notice of the restriction, provided by the Department of Human Services, on all doors providing ingress to and egress from the facility, for the duration of the restriction.

SECTION 7. ORS 441.060 is amended to read:

- 441.060. (1) The Oregon Health Authority shall make or cause to be made on-site inspections of health care facilities licensed under ORS 441.025 (1) at least once every three years.
- (2) The authority and the Department of Human Services may prescribe by rule that any licensee or prospective applicant desiring to make specified types of alteration or addition to its facilities or to construct new facilities shall, before commencing such alteration, addition or new construction, either prior to or after receiving a certificate of need pursuant to ORS 442.315, if required, submit plans and specifications therefor to the [authority or the department for preliminary inspection and approval or recommendations with respect to compliance with the rules authorized by ORS 441.025 and 443.420 and for compliance with National Fire Protection Association standards when] Department of Consumer and Business Services requesting plan review to determine whether the facility as planned complies with applicable federal health program construction standards as defined in section 3 of this 2017 Act, and requesting other department actions beneficial to ensuring certification of the facility structure if the facility is also to be Medicare or Medicaid certified.
- [(3) The authority or the department may require by rule payment of a fee for project review services at a variable rate, dependent on total project cost.]
- [(4) For health care facilities, the authority shall develop a review fee schedule as minimally necessary to support the staffing level and expenses required to administer the program.]
 - [(5) For long term care facilities and residential care facilities, the department shall develop a re-

view fee schedule as minimally necessary to support the staffing level and expenses required to administer the program. The fee for project review of residential care facilities shall equal two-thirds that required of health care facilities.]

- [(6)] (3) The authority or the Department of Human Services may also [conduct an on-site review of projects] require a post-construction review by the Department of Consumer and Business Services as a prerequisite to licensure of new facilities, major renovations and expansions. [The authority and the department shall, at least annually, with the advice of the facilities covered by the review, present proposed rule changes regarding facility design and construction to such agencies for their consideration.]
- [(7)] (4) The authority shall publish a state submissions guide for health care facility projects and advise project sponsors of applicable requirements of federal, state and local regulatory agencies.
- [(8)] (5) The Department of Human Services shall publish a state submissions guide for long term care facility and residential care facility projects and advise project sponsors of applicable requirements of federal, state and local regulatory agencies.

SECTION 8. ORS 441.061 is amended to read:

- 441.061. (1) Upon agreement, the Director of Human Services may grant specific authorization to any local public health authority, as defined in ORS 431.003, to administer and enforce any law or rules of the Department of Human Services relating to [inspections and] issuance, revocation and suspension of licenses[, or portion thereof,] for long term care facilities.
- (2) Pursuant to an agreement as provided in subsection (1) of this section, the director may provide funds and other resources to the local public health authority necessary to enable the local public health authority to perform the agreed upon functions.

SECTION 9. ORS 441.710 is amended to read:

- 441.710. (1) In addition to any other liability or penalty provided by law, the Director of Human Services may impose a civil penalty on a person for any of the following:
- (a) Violation of any of the terms or conditions of a license issued under ORS 441.015 to 441.087, 441.525 to 441.595, 441.815, 441.820, 441.990, 442.342, 442.344 and 442.400 to 442.463 for a long term care facility, as defined in ORS 442.015.
- (b) Violation of any rule or general order of the Department of Human Services that pertains to a long term care facility.
- (c) Violation of any final order of the director that pertains specifically to the long term care facility owned or operated by the person incurring the penalty.
 - (d) Violation of ORS 441.605 or of rules required to be adopted under ORS 441.610.
- (e) Violation of ORS 443.880 or 443.881 if the facility is a residential care facility, residential training facility or residential training home.
- (2) In addition to any other liability or penalty provided by law, the Director of the Oregon Health Authority may impose a civil penalty on a person for a violation of ORS 443.880 or 443.881 if the facility is a residential treatment facility or a residential treatment home.
- (3) The Director of Human Services may not impose a penalty under subsection (1) of this section for violations other than those involving direct patient care or feeding, an adequate staff to patient ratio, sanitation involving direct patient care or a violation of ORS 441.605 or 443.880 or 443.881 or of the rules required to be adopted by ORS 441.610 unless a violation is found on two consecutive surveys of a long term care facility. The Director of Human Services in every case shall prescribe a reasonable time for elimination of a violation:

- (a) Not to exceed 30 days after first notice of a violation; or
- (b) In cases where the violation requires more than 30 days to correct, such time as is specified in a plan of correction found acceptable by the director.
- (4) The Director of the Oregon Health Authority may not impose a penalty under subsection (2) of this section for violations other than those involving direct patient care or feeding, an adequate staff to patient ratio, sanitation involving direct patient care or a violation of ORS 443.880 or 443.881. The Director of the Oregon Health Authority in every case shall prescribe a reasonable time for elimination of a violation:
 - (a) Not to exceed 30 days after first notice of a violation; or
- (b) In cases where the violation requires more than 30 days to correct, such time as is specified in a plan of correction found acceptable by the director.
- (5) The Director of Human Services or the Director of the Oregon Health Authority may not impose a civil penalty for a violation of standards or rules for facility construction.

SECTION 10. ORS 443.415 is amended to read:

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

- (2) The fee required under subsection (1) of this section for facilities:
- 20 (a) Defined in ORS 443.400 (7) and (9), shall be \$60.
- 21 (b) Defined in ORS 443.400 (8) and (10), shall be \$30.
 - (c) Defined in ORS 443.400 (5) with:
- 23 (A) One to 15 beds, shall be \$360.

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- (B) Sixteen to 49 beds, shall be \$520.
- 25 (C) Fifty to 99 beds, shall be \$1,040.
- 26 (D) One hundred to 150 beds, shall be \$1,340.
- 27 (E) More than 150 beds, shall be \$1,500.
 - (3) Upon receipt of an application and fee, the licensing agency shall conduct an investigation. The licensing agency shall issue a license to any applicant for operation of a residential facility in compliance with ORS 443.002 and 443.400 to 443.455 and the rules of the licensing agency. Licensure may be denied when a residential facility is not in compliance with ORS 443.002 or 443.400 to 443.455 or the rules of the licensing agency. Licensure shall be denied if the [State Fire Marshal or other authority] Department of Consumer and Business Services has given notice of noncompliance of facilities defined in ORS 443.400 (5), (7) and (9) pursuant to ORS 479.220.

SECTION 11. ORS 443.420 is amended to read:

443.420. (1) A person applying for a license under ORS 443.415 must, in the judgment of the director of the licensing agency, be a person:

- (a) Who demonstrates an understanding and acceptance of the rules governing residential facilities;
 - (b) Mentally and physically capable of caring for such residents; and
- (c) Who employs or utilizes only individuals whose presence does not jeopardize the health, safety or welfare of residents.
- (2) A residential facility shall not be operated or maintained in combination with a nursing home or hospital unless licensed, maintained and operated as a separate and distinct part.
 - (3) All physical residential facilities used for residents shall meet applicable requirements [of the

- 1 State Fire Marshal] under section 3 of this 2017 Act.
 - (4) Prior to licensure, a residential facility must be in substantial compliance with applicable state and local laws, rules, codes, ordinances and permit requirements.
 - (5) Prior to licensure, a residential facility that proposes to house persons under the age of 21 years shall submit written proof to the licensing agency demonstrating that the facility will:
 - (a) Comply with ORS 336.575; and

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- 7 (b) Ensure that the children who reside at the residential facility receive appropriate educa-8 tional services that are:
 - (A) Comprehensive and age-appropriate;
- 10 (B) In compliance with requirements of state and federal law; and
 - (C) If applicable, in compliance with the individual education program of the child.
- 12 (6) Prior to an initial licensure of a residential care facility, the licensing agency shall consider:
 - (a) The license applicant's history of regulatory compliance and operational experience;
 - (b) The willingness of the license applicant to serve underserved populations; and
 - (c) The willingness of the license applicant to contract with the licensing agency to provide services through the state medical assistance program.
 - (7) The licensing agency may not issue an initial license to a residential care facility if the facility has not conducted a market study that assesses the need for the services offered by the facility in the geographic area served by the facility.

SECTION 12. ORS 443.425 is amended to read:

- 443.425. (1) Licensure under ORS 443.415 is effective for two years from the date of issue unless sooner revoked. Each license shall state:
 - (a) The name of the person operating the residential facility;
 - (b) The name of the person who owns the facility;
 - (c) The address of the premises to which the license applies [and];
- (d) The maximum number of residents to be maintained in such residential facility at any time;
 - (e) Whether the residential facility is licensed as a residential training facility, a residential treatment facility, a residential care facility[;], a residential training home or a residential treatment home; and
 - (f) Such other information as the Department of Human Services or the Oregon Health Authority considers necessary.
 - (2) A license is renewable upon submission of an application to the Department of Human Services or the authority and payment of a fee. No fee shall be required of a governmentally operated residential facility. Filing of an application for renewal before the date of expiration of a license extends the effective date of expiration of the license until the licensing agency has acted upon such application. The licensing agency shall refuse to renew a license if the facility is not substantially in compliance with all applicable laws and rules, or if the [State Fire Marshal or the authorized representative thereof] Department of Consumer and Business Services has given notice of noncompliance of facilities under ORS 443.400 (5), (7) and (9) pursuant to ORS 479.220.
 - (3) The biennial fee required under subsection (2) of this section for facilities:
 - (a) Defined in ORS 443.400 (7) and (9), shall be \$60.
- 43 (b) Defined in ORS 443.400 (8) and (10), shall be \$30.
- 44 (c) Defined in ORS 443.400 (5) with:
- 45 (A) One to 15 beds, shall be \$360.

- 1 (B) Sixteen to 49 beds, shall be \$520.
- 2 (C) Fifty to 99 beds, shall be \$1,040.

- 3 (D) One hundred to 150 beds, shall be \$1,340.
- 4 (E) More than 150 beds, shall be \$1,500.
 - **SECTION 13.** ORS 443.435 is amended to read:

443.435. (1) The Director of Human Services or authorized representative shall periodically visit and inspect every residential care facility, residential training facility or residential training home to determine whether it is maintained and operated in accordance with ORS 443.400 to 443.455 and the rules of the director, and to consult with and advise management concerning methods of care, treatment, training, records, housing and equipment. Employees of the Department of Human Services [and the State Fire Marshal or authorized representative] or the Department of Consumer and Business Services on request shall be permitted access to the premises and records of individuals in the facility or home that are pertinent to fire safety.

(2) The Director of the Oregon Health Authority or authorized representative shall periodically visit and inspect every residential treatment facility or residential treatment home to determine whether it is maintained and operated in accordance with ORS 443.400 to 443.455 and the rules of the director, and to consult with and advise management concerning methods of care, treatment, training, records, housing and equipment. Employees of the Oregon Health Authority [and the State Fire Marshal or authorized representative] or the Department of Consumer and Business Services on request shall be permitted access to the premises and records of individuals in the facility or home that are pertinent to fire safety.

SECTION 14. ORS 443.452 is amended to read:

443.452. (1) The director shall waive the requirements of ORS 443.410 for a residential care facility caring for residents with physical disabilities if:

- (a) Each resident is over 16 years of age;
- (b) No more than five individuals with physical disabilities reside in any one building of the facility; and
- (c) The residential facility complies with the applicable requirements [of the State Fire Marshal] under section 3 of this 2017 Act.
- (2) As used in this section, "building" means any structure that does not share a common wall or roof with another structure.

SECTION 15. ORS 455.210 is amended to read:

455.210. (1) Fees shall be prescribed as required by ORS 455.020 for plan review and permits issued by the Department of Consumer and Business Services for the construction, reconstruction, alteration and repair of prefabricated structures and of buildings and other structures and the installation of mechanical heating and ventilating devices and equipment. The fees may not exceed 130 percent of the fee schedule printed in the "Uniform Building Code," 1979 Edition, and in the "Uniform Mechanical Code," 1979 Edition, both published by the International Conference of Building Officials. Fees are not effective until approved by the Oregon Department of Administrative Services.

- (2) Notwithstanding subsection (1) of this section, the maximum fee the Director of the Department of Consumer and Business Services may prescribe for a limited plan review for fire and life safety [as required under] requiring State Fire Marshal approval under ORS 479.155 shall be 40 percent of the prescribed permit fee.
 - (3)(a) A municipality may adopt by ordinance or regulation such fees as may be necessary and

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reasonable to provide for the administration and enforcement of any specialty code or codes for which the municipality has assumed responsibility under ORS 455.148 or 455.150. A municipality shall give the director notice of the proposed adoption of a new or increased fee under this subsection. The municipality shall give the notice to the director at the time the municipality provides the opportunity for public comment under ORS 294.160 regarding the fee or, if the proposed fee is contained in an estimate of municipal budget resources, at the time notice of the last budget meeting is published under ORS 294.426.

- (b) Ten or more persons or an association with 10 or more members may appeal the adoption of a fee described in this subsection to the Director of the Department of Consumer and Business Services. The persons or association must file the appeal no later than 60 days after the director receives notice of the proposed adoption of the fee from the municipality under paragraph (a) of this subsection. However, if the municipality failed to give notice to the director, an appeal may be filed with the director within one year after adoption of the new or increased fee. Upon receiving a timely appeal, the director shall, after notice to affected parties and hearing, review the municipality's fee adoption process and the costs of administering and enforcing the specialty code or codes referred to in paragraph (a) of this subsection. The director shall approve the fee if the director feels the fee is necessary and reasonable. If the director does not approve the fee upon appeal, the fee is not effective. The appeal process provided in this paragraph does not apply to fees that have been submitted for a vote and approved by a majority of the electors voting on the question.
- (c) Fees collected by a municipality under this subsection shall be used for the administration and enforcement of a building inspection program for which the municipality has assumed responsibility under ORS 455.148 or 455.150.
- (d) For purposes of paragraph (b) of this subsection, in determining whether a fee is reasonable the director shall consider whether:
- (A) The fee is the same amount as or closely approximates the amount of the fee charged by other municipalities of a similar size and geographic location for the same level of service;
- (B) The fee is calculated with the same or a similar calculation method as the fee charged by other municipalities for the same service;
- (C) The fee is the same type as the fee charged by other municipalities for the same level of service; and
- (D) The municipality, in adopting the fee, complied with ORS 294.160, 294.361 and 294.426 and this section and standards adopted by the director under ORS 455.148 (11) or 455.150 (11).
 - (4) Notwithstanding any other provision of this chapter:
- (a) For the purpose of partially defraying state administrative costs, there is imposed a surcharge in the amount of four percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, four percent of the total hourly charges collected.
- (b) For the purpose of partially defraying state inspection costs, there is imposed a surcharge in the amount of two percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, two percent of the total hourly charges collected.
- (c) For the purpose of defraying the cost of administering and enforcing the state building code, there is imposed a surcharge on permit fees and on hourly charges collected instead of permit fees. The surcharge may not exceed one percent of the total permit fees or, if the applicant chooses to pay an hourly rate instead of purchasing a permit, one percent of the total hourly charges collected.
 - (d) For the purpose of defraying the cost of developing and administering the electronic building

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codes information system described in ORS 455.095 and 455.097, there is imposed a surcharge in the amount of four percent on permit fees, or if the applicant chooses to pay an hourly rate instead of purchasing a permit, four percent of the total hourly charges collected.

- (5) Municipalities shall collect and remit surcharges imposed under subsection (4) of this section to the director as provided in ORS 455.220.
- (6) The director shall adopt administrative rules to allow reduced fees for review of plans that have been previously reviewed.

SECTION 16. ORS 479.155 is amended to read:

- 479.155. (1) As used in this section, "director" means the Director of the Department of Consumer and Business Services.
- (2) Prior to construction or alteration of a hospital, public building as defined in ORS 479.168, public garage, dry cleaning establishment, apartment house, hotel, bulk oil storage plant, school, institution as defined in ORS 479.210, or any other building or structure regulated by the State Fire Marshal for use and occupancy [or] requiring approval by the State Fire Marshal [pursuant to statute,] or requiring approval by the Department of Consumer and Business Services program under section 3 of this 2017 Act, the owner shall submit to the director two copies of a plan or sketch showing the location of the building or structure with relation to the premises, distances, lengths and details of construction as the director shall require. A filing is not required with respect to any such building or structure in any area exempted by order of the State Fire Marshal pursuant to ORS 476.030. Approval of the plans or sketches by the director is considered approval by the State Fire Marshal and satisfies any statutory provision requiring approval by the State Fire Marshal. Approval by the director of plans or sketches for a health care facility that is subject to plan review as provided in section 3 of this 2017 Act is considered approval by the Department of Consumer and Business Services.
- (3) A declaration of the value of the proposed construction or alteration and the appropriate fee required under ORS 455.210 must accompany the plan or sketch. However, the determination of value or valuation shall be made by the director.
- (4) The director shall be furnished with not fewer than two accurate copies of the plan or sketch and details for the purpose of ascertaining compliance with applicable fire prevention and protection statutes and regulations. The plan examiner shall indicate on the plan or sketch and in writing approval or disapproval and conditions for approval of the construction or alteration. One copy of the plan or sketch shall be retained by the director and one copy shall be returned to the applicant. No building or structure referred to in subsection (2) of this section shall be erected or constructed without approval by the director if the building or structure requires approval by the State Fire Marshal or by the department. After such approval or issuance of the required permit, construction or alteration must comply with the plan or sketch in all respects unless modified by subsequent permit or order of the director.
- (5) The approval of a plan or sketch may not be construed to be a permit for, or an approval of, any violation of any statute or regulation or the applicable ordinances and regulations of any governmental subdivision of the state. The approval of a plan or sketch may not be construed as an approval for noncompliance with fire marshal **rules or other applicable** regulations. Any condition upon approval or disapproval is an order subject to appeal as other orders are appealable.
- (6) Notwithstanding the requirements of subsections (2) and (4) of this section, the State Fire Marshal may, by rule, require an additional copy of a plan or sketch for local government use and may specify that plans or sketches submitted for review be drawn clearly and to scale.

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SECTION 17. ORS 479.180 is amended to read:

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479.180. (1) If the owner, lessee, agent or occupant is aggrieved by the order of an officer under the provisions of ORS 476.030, 479.170, [479.210 to 479.220,] 479.215 (1) to (5), 479.220 (2), 480.123 to 480.160, 480.330, 480.340, 480.420 to 480.434 or 480.450 and desires a hearing, the person may complain or appeal in writing to the State Fire Marshal within 10 days from the service of the order. The complaint or appeal shall set forth the specific grounds of the complaint or appeal and no other ground shall be considered thereafter. The complaint or appeal shall be accompanied by a fee of \$40 payable to the State Fire Marshal, and the State Fire Marshal may refer the complaint or appeal to the regional appeal advisory board established for that region by notifying the chairperson of that board and sending a copy of the notice to the complainant or appellant. The board shall fix a time for hearing and notify the complainant or appellant of the time and place thereof, which shall be within 10 days after such referral by the State Fire Marshal. If the State Fire Marshal does not refer the matter to a regional appeal advisory board, the State Fire Marshal shall fix a time and place, not less than five and not more than 10 days thereafter, when and where the complaint or appeal will be heard by the State Fire Marshal. Within 10 days after receiving a recommendation from the regional appeal advisory board, or if no referral was made to such board, within 10 days after the hearing before the State Fire Marshal, the State Fire Marshal may affirm, modify, revoke or vacate the order complained of or appealed from. Unless the order is modified, revoked or vacated by the State Fire Marshal, it shall remain in force and be complied with by the owner, lessee, agent or occupant, and within the time fixed in the order or fixed by the State Fire Marshal. If the State Fire Marshal vacates or revokes the order complained of or appealed from, or modified it in any particular other than extending time for compliance, the fee paid with the complaint or appeal shall be refunded. Otherwise, it shall be credited to appropriate state funds, and the State Fire Marshal shall so notify the State Treasurer.

(2) If the complainant or appellant under subsection (1) of this section is aggrieved by the final order of the State Fire Marshal, and if such order necessitates the expenditure of money or involves statutory interpretation, the complainant or appellant may, within 10 days thereafter, appeal to the circuit court of the county in which the property is situated, notifying the State Fire Marshal of the appeal within 10 days thereafter, which notice. The notice of appeal given to the State Fire Marshal shall be in writing and delivered personally or by registered letter to the marshal, or left at the principal office of the State Fire Marshal at the state capital. The party so appealing shall, within two days after filing the appeal, file with the circuit court in which appeal is made a bond in an amount to be fixed by the court or judge, but in no case less than \$100, with two sufficient sureties possessing the qualification of bail on arrest, the bond to be approved by the court and conditioned to pay all the costs on the appeal in case the appellant fails to sustain it or it is dismissed for any cause. In the case of an appeal involving an order under ORS 479.170, the circuit court shall hear and determine the appeal within 10 days after the date of filing the same.

(3) The State Fire Marshal shall make or have made a certified summary of the proceedings at the hearing before the regional appeal advisory board or before the State Fire Marshal, and together with all the evidentiary matter filed in the office of the State Fire Marshal or presented to the regional appeal advisory board, transmit them to the circuit court at least three days prior to the date fixed by the court for hearing when it shall be tried de novo.

SECTION 18. ORS 479.215 is amended to read:

479.215. (1) Except as provided in subsection (3) of this section or [in] ORS 479.217, for an institution that is not a health care facility as defined in section 3 of this 2017 Act, the De-

partment of Human Services or the Oregon Health Authority may not issue an initial license or an initial certificate of approval [to any institution when] if the State Fire Marshal, a deputy of the State Fire Marshal or an approved [representative] authority under ORS 476.030 (3) [as provided in subsection (3) of this section,] notifies in writing that the institution is not in substantial compliance with all applicable laws and rules relating to safety from fire established pursuant to ORS 476.030.

- (2) On January [1st] 1 of each year or as soon thereafter as practicable, the Department of Human Services and the Oregon Health Authority shall furnish the State Fire Marshal with a complete list of all institutions licensed or approved by the department or the authority within the State of Oregon that are not health care facilities as defined in section 3 of this 2017 Act.
- (3) The State Fire Marshal, deputy or the approved authority shall make or have made at least once each year an inspection of any [such] licensed or approved institution **identified in a list provided under subsection (2) of this section** to determine its substantial compliance with the laws and rules as provided in subsection (1) of this section. If any required corrective measures are not completed within the reasonable time fixed or an extension thereof made by order of the inspecting authority, the Department **of Human Services** or the Oregon Health Authority shall be notified of the fact of noncompliance and appropriate action shall be initiated in accordance with provisions of ORS 476.030 and 479.170.
- (4) Except as provided in ORS 479.217, if, at any time, the State Fire Marshal, or deputy, or the approved authority notifies the Department of Human Services or the Oregon Health Authority in writing that an institution subject to subsection (1) of this section is not in substantial compliance with all applicable laws and rules as provided in subsection (1) of this section, the licensing agency shall deny, withhold, suspend or revoke the license or certificate of approval of the institution.
- [(4)] (5) When an area has been exempted by the State Fire Marshal under ORS 476.030, certification, annual inspection and notification of noncompliance when appropriate, shall be made and performed by the approved authority of the governmental subdivision having jurisdiction in such area.
- (6) Except as provided in ORS 479.217, for an institution that is a health care facility as defined in section 3 of this 2017 Act, the Department of Human Services or the Oregon Health Authority may not issue an initial license or an initial certificate of approval if the Department of Consumer and Business Services notifies the Department of Human Services or the authority in writing that the institution is not in substantial compliance with all applicable laws and rules relating to safety from fire that are described in section 3 of this 2017 Act.
- (7) On January 1 of each year or as soon thereafter as practicable, the Department of Human Services and the Oregon Health Authority shall furnish the Director of the Department of Consumer and Business Services with a complete list of all institutions licensed or approved by the Department of Human Services or the Oregon Health Authority within the State of Oregon that are health care facilities as defined in section 3 of this 2017 Act.
- (8) The Department of Consumer and Business Services shall inspect a licensed or approved institution identified in a list provided under subsection (7) of this section at least once every three years to determine whether the institution is in substantial compliance with the applicable laws and rules as provided in subsection (6) of this section. If any required corrective measures are not completed within the reasonable time fixed or an exten-

sion thereof made by order of the inspecting authority, the Department of Human Services or the Oregon Health Authority shall be notified of the fact of noncompliance and appropriate action shall be initiated as provided by state or local law.

(9) Except as provided in ORS 479.217, if, at any time, the Department of Consumer and Business Services notifies the Department of Human Services or the Oregon Health Authority in writing that an institution subject to subsection (6) of this section is not in substantial compliance with all applicable laws and rules as provided in subsection (6) of this section, the licensing agency shall deny, withhold, suspend or revoke the license or certificate of approval of the institution.

SECTION 19. ORS 479.217, as amended by section 52, chapter 106, Oregon Laws 2016, is amended to read:

479.217. (1) In lieu of [an] inspection and approval under ORS 479.215 by the State Fire Marshal or the approved authority of a governmental subdivision having jurisdiction in an area exempted by the State Fire Marshal, [under ORS 479.215] for institutions licensed under ORS 412.001 to 412.161, 418.005 to 418.025, 418.205 to 418.327, 418.470, 418.475, 418.625 to 418.685, 418.647, 418.950 to 418.970, [441.015 to 441.087, 441.525 to 441.595,] 441.815, 441.820, 441.990[,] or 442.400 to 442.463 [or 443.400 to 443.455], the State Fire Marshal or the approved authority may issue a temporary permit [which] that meets the requirements of ORS 479.215 for licensing of such institutions. [The] In lieu of inspection and approval under ORS 479.215 by the Department of Consumer and Business Services, for institutions licensed under ORS 441.015 to 441.087, 441.525 to 441.595 or 443.400 to 443.455, the department may issue a temporary permit that meets the requirements of ORS 479.215 for licensing of those institutions. Plans for compliance with all applicable laws and rules relating to safety from fire must be submitted with the application for a temporary permit. A temporary permit may be issued only when it appears that:

- (a) The facilities for protection from fire in an institution are adequate so that the institution can operate without jeopardizing the health or safety of its residents or patients; and
- (b) The institution can comply with all applicable laws and rules relating to safety from fire within a period of two years from the date of issuance of the temporary permit.
- (2) [In issuing the temporary permit, the State Fire Marshal or approved authority of the governmental subdivision having jurisdiction in an exempt area] The issuer of a temporary permit may require that during the two-year period in which the temporary permit is in effect:
- [(a) Plans for compliance with all applicable laws and rules relating to safety from fire be submitted with the application for a temporary permit;]
 - [(b)] (a) Periodic reports be submitted on the progress of the plans for compliance; and
- [(c)] (b) Special temporary provisions specified by the [State Fire Marshal or the approved authority] issuer be maintained for the protection from fire of the residents or patients of the institution.
- (3) If at any time, the [State Fire Marshal or the approved authority] issuer of a temporary permit determines that the facilities for protection from fire at the institution are no longer adequate to protect the residents or patients or that the requirements imposed under subsection (2) of this section are not being maintained, the [State Fire Marshal or the approved authority] issuer shall cancel the temporary permit and shall notify the licensing agency of such cancellation.
 - (4) Extensions and renewals may be granted on the temporary permit.
- **SECTION 20.** ORS 479.220 is amended to read:
 - 479.220. (1) When application is made for the initial issuance or reinstatement of a license or

certificate of approval to operate and maintain an institution, or for an enlargement or addition to a licensed or approved institution, the licensing agency **under ORS 479.215** shall [notify in writing]:

- (a) Except as provided in paragraph (b) of this subsection, give written notice to the State Fire Marshal[, and].
- (b) If the institution is a health care facility as defined in section 3 of this 2017 Act, give written notice to the Director of the Department of Consumer and Business Services.
- (2) No later than 30 days after notice is received by the State Fire Marshal under subsection (1)(a) of this section, the State Fire Marshal or deputy, or the approved authority in the case of an institution located in an area exempted under ORS 476.030 (3), shall [within 30 days] inspect the institution as authorized by ORS 476.150 and [within that time shall] notify the licensing agency under ORS 479.215 in writing [when] if the institution is not [substantially] in substantial compliance with all applicable laws and rules.
- (3) No later than 30 days after notice is received by the director under subsection (1)(b) of this section, the Department of Consumer and Business Services shall inspect the institution and notify the licensing agency under ORS 479.215 in writing if the institution is not in substantial compliance with the applicable laws and rules for a health care facility as defined in section 3 of this 2017 Act.
- <u>SECTION 21.</u> (1) Sections 1 to 4 of this 2017 Act and the amendments to ORS 441.025, 441.030, 441.060, 441.061, 441.710, 443.415, 443.420, 443.425, 443.435, 443.452, 455.210, 479.155, 479.180, 479.215, 479.217 and 479.220 by sections 5 to 20 of this 2017 Act become operative January 1, 2018.
- (2) Notwithstanding subsection (1) of this section, the State Fire Marshal, affected government subdivisions and approved authorities, the Director of the Department of Consumer and Business Services, the Oregon Health Authority and the Department of Human Services may take any actions reasonable or necessary prior to January 1, 2018, for the purpose of facilitating the administration and enforcement beginning January 1, 2018, of sections 1 to 4 of this 2017 Act and the amendments to ORS 441.025, 441.030, 441.060, 441.061, 441.710, 443.415, 443.420, 443.425, 443.435, 443.452, 455.210, 479.155, 479.180, 479.215, 479.217 and 479.220 by sections 5 to 20 of this 2017 Act.

<u>SECTION 22.</u> This 2017 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect on its passage.