

SENATE AMENDMENTS TO A-ENGROSSED HOUSE BILL 2701

By COMMITTEE ON EDUCATION

June 5

1 On page 1 of the printed A-engrossed bill, line 2, delete “and”.

2 In line 3, delete “and 345.325” and insert “, 345.325 and 345.995; and prescribing an effective
3 date”.

4 Delete lines 5 through 26 and insert:

5 “**SECTION 1.** ORS 345.120 is amended to read:

6 “345.120. (1) On the written complaint of any person, the Higher Education Coordinating Com-
7 mission shall, and on the commission’s own motion may, investigate the actions of any career school
8 or agent, or any person who assumes to act in either capacity within this state.

9 “**(2) After receiving a written complaint or deciding to proceed to an investigation on its
10 own motion under subsection (1) of this section, the commission shall notify the career
11 school that is the subject of the investigation. When conducting an investigation under this
12 section, the commission shall engage with both the career school under investigation and
13 with any affected students.**

14 “[2] **(3)** As a result of the investigation, and in addition to any penalty that may be imposed
15 under ORS 345.992, the commission may [*place a licensee on probation or*] **issue a notice for cor-
16 rective action or, subject to the procedures set forth in subsection (4) of this section,** may
17 suspend or revoke any license issued under ORS 345.010 to 345.450 when the licensee has:

18 “(a) Obtained a license by misrepresentation.

19 “(b) Violated ORS 345.010 to 345.450 or any applicable rule.

20 “(c) Ceased to engage in the business authorized by the license.

21 “(d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

22 “[3] **(4)(a)** When notice of suspension or revocation is issued, the licensee shall be notified and,
23 upon request, shall be granted a contested case hearing under ORS 183.310 (2).

24 “**(b) If a licensee requests a contested case hearing under this subsection, the suspension
25 or revocation may take effect only after a hearing officer determines that there is proper
26 cause.**

27 “[4] **(5)** A licensee [*placed on probation*] **that is issued a notice for corrective action** must
28 be formally notified by the commission that it has deficiencies that must be corrected within a time
29 specified in the notice.

30 “[5] **(6)** A licensee whose license is suspended is prohibited from advertising, recruiting or en-
31 rolling students but may remain in operation to complete training of students enrolled on the ef-
32 fective date of the suspension.

33 “[6] **(7)** A licensee whose license has been revoked is not authorized to continue in operation
34 on and after the effective date of the revocation.”.

35 On page 2, line 16, delete “(2)” and insert “(3)”.

1 On page 3, delete lines 40 through 42 and insert:

2 “**SECTION 4.** ORS 345.995 is amended to read:

3 “345.995. (1) After consultation with the advisory committee established under ORS 345.330, the
4 Higher Education Coordinating Commission shall adopt by rule a schedule or schedules establishing
5 the amount of civil penalty that may be imposed for a particular violation of ORS 345.010 to 345.450.
6 A civil penalty may not exceed \$500 per violation. The commission shall consult with the Attorney
7 General before adopting the schedule of penalties for violations of ORS 345.120 [(2)(d)] **(3)(d)**.

8 “(2) In imposing a penalty for violation of ORS 345.010 to 345.450 pursuant to the schedule or
9 schedules authorized by this section, the commission shall consider the following factors:

10 “(a) The past history of the person incurring a penalty in taking all feasible steps or procedures
11 necessary or appropriate to correct any violation.

12 “(b) Any prior violations of ORS 345.010 to 345.450 or rules adopted pursuant thereto.

13 “(c) The economic and financial conditions of the person incurring a penalty.

14 “(3) The penalty imposed under this section may be remitted or mitigated upon such terms and
15 conditions as the commission considers proper and consistent with the public welfare.

16 “(4) The commission may impose penalties that may be remitted or mitigated on condition that
17 a particular violation not continue or occur after a certain period not to exceed 15 days.

18 “(5) From each penalty recovered under this section, the commission may retain reasonable
19 costs related to the investigation and assessment of the penalty. This subsection does not apply to
20 penalties that are required to be deposited in the Tuition Protection Fund established under ORS
21 345.110.

22 “**SECTION 5.** The amendments to ORS 345.030, 345.120, 345.325 and 345.995 by sections 1
23 to 4 of this 2017 Act apply to any action taken by the Higher Education Coordinating Com-
24 mission with respect to a career school or agent on or after the effective date of this 2017
25 Act.

26 “**SECTION 6.** This 2017 Act takes effect July 1, 2018.”.
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