

Requested by SENATE COMMITTEE ON EDUCATION

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2701**

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 pre-
3 scribing an effective 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 Educa-
7 tion Coordinating Commission shall, and on the commission’s own motion
8 may, investigate the actions of any career school or agent, or any person
9 who assumes to act in either capacity within this state.

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

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

1 “(a) Obtained a license by misrepresentation.

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

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

4 “(d) Willfully used or employed any method, act or practice declared un-
5 lawful by ORS 646.608.

6 “[3] (4)(a) When notice of suspension or revocation is issued, the
7 licensee shall be notified and, upon request, shall be granted a contested case
8 hearing under ORS 183.310 (2).

9 “(b) **If a licensee requests a contested case hearing under this sub-**
10 **section, the suspension or revocation may take effect only after a**
11 **hearing officer determines that there is proper cause.**

12 “[4] (5) A licensee [*placed on probation*] **that is issued a notice for**
13 **corrective action** must be formally notified by the commission that it has
14 deficiencies that must be corrected within a time specified in the notice.

15 “[5] (6) A licensee whose license is suspended is prohibited from adver-
16 tising, recruiting or enrolling students but may remain in operation to com-
17 plete training of students enrolled on the effective date of the suspension.

18 “[6] (7) A licensee whose license has been revoked is not authorized to
19 continue in operation on and after the effective date of the revocation.”.

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

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

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

23 “345.995. (1) After consultation with the advisory committee established
24 under ORS 345.330, the Higher Education Coordinating Commission shall
25 adopt by rule a schedule or schedules establishing the amount of civil pen-
26 alty that may be imposed for a particular violation of ORS 345.010 to 345.450.
27 A civil penalty may not exceed \$500 per violation. The commission shall
28 consult with the Attorney General before adopting the schedule of penalties
29 for violations of ORS 345.120 [(2)(d)] **(3)(d)**.

30 “(2) In imposing a penalty for violation of ORS 345.010 to 345.450 pursuant

1 to the schedule or schedules authorized by this section, the commission shall
2 consider the following factors:

3 “(a) The past history of the person incurring a penalty in taking all fea-
4 sible steps or procedures necessary or appropriate to correct any violation.

5 “(b) Any prior violations of ORS 345.010 to 345.450 or rules adopted pur-
6 suant thereto.

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

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

12 “(4) The commission may impose penalties that may be remitted or miti-
13 gated on condition that a particular violation not continue or occur after a
14 certain period not to exceed 15 days.

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

19 **“SECTION 5. The amendments to ORS 345.030, 345.120, 345.325 and**
20 **345.995 by sections 1 to 4 of this 2017 Act apply to any action taken by**
21 **the Higher Education Coordinating Commission with respect to a ca-**
22 **reer school or agent on or after the effective date of this 2017 Act.**

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

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