## Senate Bill 749

Sponsored by Senator GELSER

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## **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.** 

Requires residential care referral agent to be registered with Department of Human Services. Imposes certain requirements on residential care referral agents.

Makes residential care referral agent mandatory reporter of child abuse.

Makes violation of certain provisions unfair trade practice.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to residential care referrals; creating new provisions; amending ORS 419B.005 and 646.608; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 3 of this 2021 Act:

- (1) "Client" means a parent or guardian or other person seeking a referral or recommendation for facilities for a person under the age of 18 who is experiencing behavioral, emotional, mental health, substance use, delinquency or disability-related challenges.
- (2) "Placement information" means any information a person collects from a client about the client or the subject of placement, including but not limited to name, electronic mail address, telephone number, zip code, medical history, information about necessary services or the reasons for seeking residential care.
  - (3)(a) "Referral agent" means a person that provides residential care referrals.
- (b) "Referral agent" does not include:
  - (A) A residential care facility or its employees.
  - (B) A public body as defined in ORS 174.109.
- (C) A physician licensed under ORS chapter 677 or a nurse practitioner licensed under ORS 678.375 to 678.390 if the subject of placement is a patient of the physician or nurse practitioner and the physician or nurse practitioner has deemed the placement to be medically necessary.
- (4)(a) "Residential care facility" means a residential program or facility that meets the criteria of a child-caring agency as defined in ORS 418.205, regardless of whether the facility is located in Oregon or out of Oregon.
- (b) "Residential care facility" does not include a hospital as defined in ORS 442.015 or a rural hospital as defined in ORS 442.470.
- (5) "Residential care referral" means a referral to a residential care facility in connection with which the referral agent receives compensation from any source when:
  - (a) The client or the subject of placement resides in this state;
  - (b) The referral agent resides in or has a primary place of business in this state; or
    - (c) The facility to which the referral is made is located in this state.

**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.

- (6) "Subject of placement" means the individual to be placed with a residential care facility through a residential care referral.
- SECTION 2. (1) No later than two days after providing a residential care referral and at least seven days before placement of a subject of placement in a residential care facility, a referral agent shall provide the client with a disclosure. The written disclosure must be conspicuous, provided in clear language and include:
- (a) A description of the residential care referral to be provided by the referral agent, including:
- (A) The name of the agency that licenses the facility and the type of license or licenses the facility currently holds.
- (B) Any licensing actions or violations taken against the facility or its parent company in the prior 36 months.
  - (C) The facility's restraint, seclusion and behavioral management policy.
  - (D) Names, titles and educational background of the leadership team of the facility.
  - (E) Day and nighttime staff to student ratio of the facility.
    - (F) Whether the facility serves youth offenders.

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- (G) Names, titles and educational background of all health care providers employed by the facility.
  - (H) If the facility advertises treatment services, whether the facility is regulated as a behavioral health center by its state's health authority.
  - (b) A description of the relationship between the referral agent and the facility the agent is making referral to, including:
  - (A) The length of any contract the referral agent has with a facility regarding placement information about the client or the subject of placement.
  - (B) A statement of whether the referral agent provides residential care referrals only to facilities with which the agent has an existing contract.
  - (C) A statement of whether referral fees for the residential care referral will be paid to the referral agent by the facility.
  - (D) A disclosure of any other source of fees, compensation or consideration the referral agent may receive in exchange for making the residential care referral.
    - (c) A description of the referral agent's qualifications and business practices, including:
    - (A) The referral agent's contact information, including address and telephone number.
    - (B) The referral agent's educational background and qualifications.
  - (C) The referral agent's privacy policy.
  - (2) A referral agent may not:
  - (a) Refer a client to a residential care facility that is not licensed by the agency responsible for licensing child-caring agencies in the state where the facility is located.
  - (b) Refer a client to a residential care facility that the agent has not personally toured within the prior 24 months.
  - (c) Refer a client to a residential care facility that has had a restriction, revocation or suspension of its license by any licensing entity within the prior 12 months.
  - (d) Refer a client to an organization or company that offers to provide transport services to the residential care facility in a manner that involves blindfolds or physical or mechanical restraints, or that is designed to surprise or alarm the subject of placement.
    - (e) Share a client's placement information with or sell a client's placement information

to a facility or marketing affiliate without obtaining affirmative consent from the client for each instance of sharing or selling the information.

- (f) Refer a client to a residential care facility in which the referral agent or an immediate family member of the referral agent has an ownership interest.
- (g) Contact a client who has requested in writing that the referral agent stop contacting the client.
- (3) For each residential care facility to which the referral agent makes residential care referrals, a referral agent shall provide to a client via a website or written notice:
- (a) A link to the state agency website listing licensing or abuse complaints concerning the facility.
- (b) Contact information to facilitate reporting of abuse or neglect or licensing violations in the state in which the facility is located.
- (c) Contact information for the law enforcement agency responsible for coverage of the community in which the facility is located.
- (4) If a client is referred to a residential care facility and the referral agent has received compensation from the facility for the residential care referral, the client may notify the referral agent in writing that the client wishes to use the services of another referral agent in the future for referral to another residential care facility in a subsequent move. After receiving notice under this subsection, the first referral agent may not receive compensation from another facility in a subsequent move for any referral made before receiving the notice.
- (5)(a) A referral agent must include in any contract with a residential care facility provisions prohibiting the referral agent from collecting compensation from the facility when the facility is a subsequent facility as described in this subsection. A facility is a subsequent facility if:
- (A) The subject of placement enters a residential care facility to which the subject of placement is referred by a first referral agent, but subsequently leaves that facility; and
  - (B) A new referral agent refers the subject of placement to the subsequent facility.
- (b) When a residential care referral is made to a subsequent facility for a subject of placement by a new referral agent as described in paragraph (a) of this subsection, the new referral agent must present evidence to the subsequent facility that the first referral agent is not entitled to compensation.
  - (6) Violation of this section is an unlawful practice under ORS 646.608.
- <u>SECTION 3.</u> (1) A person may not provide a residential care referral unless the person is registered with the Department of Human Services under this section.
- (2) The department shall issue a registration to provide residential care referrals to an applicant that meets requirements established by the department by rule and pays a \$750 fee.
- (3) A registration issued under this section must be renewed every two years. The department shall set the renewal fee by rule, but the renewal fee may not exceed \$750.
  - (4) The department shall require an applicant to:
  - (a) Identify an individual responsible for the application;
  - (b) Demonstrate that the applicant meets the requirements of section 2 of this 2021 Act;
- (c) Demonstrate that the applicant maintains at least \$1 million in general liability insurance; and
- (d) Perform background checks on referral agents who have direct contact with clients, as defined by rule of the department.

- (5) The department may adopt rules as necessary to administer sections 1 to 3 of this 2021 Act.
- 3 (6) The department may impose a civil penalty on a person for violation of sections 1 to 4 3 of this 2021 Act or violation of rules adopted under sections 1 to 3 of this 2021 Act.
  - **SECTION 4.** ORS 419B.005 is amended to read:
  - 419B.005. As used in ORS 419B.005 to 419B.050, unless the context requires otherwise:
  - (1)(a) "Abuse" means:

- (A) Any assault, as defined in ORS chapter 163, of a child and any physical injury to a child which has been caused by other than accidental means, including any injury which appears to be at variance with the explanation given of the injury.
- (B) Any mental injury to a child, which shall include only observable and substantial impairment of the child's mental or psychological ability to function caused by cruelty to the child, with due regard to the culture of the child.
- (C) Rape of a child, which includes but is not limited to rape, sodomy, unlawful sexual penetration and incest, as those acts are described in ORS chapter 163.
  - (D) Sexual abuse, as described in ORS chapter 163.
  - (E) Sexual exploitation, including but not limited to:
- (i) Contributing to the sexual delinquency of a minor, as defined in ORS chapter 163, and any other conduct which allows, employs, authorizes, permits, induces or encourages a child to engage in the performing for people to observe or the photographing, filming, tape recording or other exhibition which, in whole or in part, depicts sexual conduct or contact, as defined in ORS 167.002 or described in ORS 163.665 and 163.670, sexual abuse involving a child or rape of a child, but not including any conduct which is part of any investigation conducted pursuant to ORS 419B.020 or which is designed to serve educational or other legitimate purposes; and
- (ii) Allowing, permitting, encouraging or hiring a child to engage in prostitution as described in ORS 167.007 or a commercial sex act as defined in ORS 163.266, to purchase sex with a minor as described in ORS 163.413 or to engage in commercial sexual solicitation as described in ORS 167.008.
- (F) Negligent treatment or maltreatment of a child, including but not limited to the failure to provide adequate food, clothing, shelter or medical care that is likely to endanger the health or welfare of the child.
- (G) Threatened harm to a child, which means subjecting a child to a substantial risk of harm to the child's health or welfare.
  - (H) Buying or selling a person under 18 years of age as described in ORS 163.537.
- (I) Permitting a person under 18 years of age to enter or remain in or upon premises where methamphetamines are being manufactured.
- (J) Unlawful exposure to a controlled substance, as defined in ORS 475.005, or to the unlawful manufacturing of a cannabinoid extract, as defined in ORS 475B.015, that subjects a child to a substantial risk of harm to the child's health or safety.
- (b) "Abuse" does not include reasonable discipline unless the discipline results in one of the conditions described in paragraph (a) of this subsection.
  - (2) "Child" means an unmarried person who:
  - (a) Is under 18 years of age; or
- (b) Is under 21 years of age and residing in or receiving care or services at a child-caring agency as that term is defined in ORS 418.205.
  - (3) "Higher education institution" means:

- 1 (a) A community college as defined in ORS 341.005;
- 2 (b) A public university listed in ORS 352.002;
- 3 (c) The Oregon Health and Science University; and
- 4 (d) A private institution of higher education located in Oregon.
- 5 (4)(a) "Investigation" means a detailed inquiry into or assessment of the safety of a child alleged
- 6 to have experienced abuse.
  - (b) "Investigation" does not include screening activities conducted upon the receipt of a report.
- 8 (5) "Law enforcement agency" means:
- 9 (a) A city or municipal police department.
- 10 (b) A county sheriff's office.
- 11 (c) The Oregon State Police.
- 12 (d) A police department established by a university under ORS 352.121 or 353.125.
- 13 (e) A county juvenile department.
- 14 (6) "Public or private official" means:
- 15 (a) Physician or physician assistant licensed under ORS chapter 677 or naturopathic physician,
- 16 including any intern or resident.
- 17 (b) Dentist.
- 18 (c) School employee, including an employee of a higher education institution.
- 19 (d) Licensed practical nurse, registered nurse, nurse practitioner, nurse's aide, home health aide 20 or employee of an in-home health service.
- 21 (e) Employee of the Department of Human Services, Oregon Health Authority, Early Learning
- 22 Division, Department of Education, Youth Development Division, Office of Child Care, the Oregon
- 23 Youth Authority, a local health department, a community mental health program, a community de-
- 24 velopmental disabilities program, a county juvenile department, a child-caring agency as that term
- 25 is defined in ORS 418.205 or an alcohol and drug treatment program.
- 26 (f) Peace officer.
- 27 (g) Psychologist.
- 28 (h) Member of the clergy.
- 29 (i) Regulated social worker.
- 30 (j) Optometrist.
- 31 (k) Chiropractor.
- 32 (L) Certified provider of foster care, or an employee thereof.
- 33 (m) Attorney.
- 34 (n) Licensed professional counselor.
- 35 (o) Licensed marriage and family therapist.
- 36 (p) Firefighter or emergency medical services provider.
- 37 (q) A court appointed special advocate, as defined in ORS 419A.004.
- 38 (r) A child care provider registered or certified under ORS 329A.030 and 329A.250 to 329A.450.
- 39 (s) Member of the Legislative Assembly.
- 40 (t) Physical, speech or occupational therapist.
- 41 (u) Audiologist.
- 42 (v) Speech-language pathologist.
- 43 (w) Employee of the Teacher Standards and Practices Commission directly involved in investi-44 gations or discipline by the commission.
- 45 (x) Pharmacist.

(y) An operator of a preschool recorded program under ORS 329A.255.

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- (z) An operator of a school-age recorded program under ORS 329A.257.
- 3 (aa) Employee of a private agency or organization facilitating the provision of respite services, 4 as defined in ORS 418.205, for parents pursuant to a properly executed power of attorney under ORS 5 109.056.
  - (bb) Employee of a public or private organization providing child-related services or activities:
  - (A) Including but not limited to youth groups or centers, scout groups or camps, summer or day camps, survival camps or groups, centers or camps that are operated under the guidance, supervision or auspices of religious, public or private educational systems or community service organizations; and
  - (B) Excluding community-based, nonprofit organizations whose primary purpose is to provide confidential, direct services to victims of domestic violence, sexual assault, stalking or human trafficking.
  - (cc) A coach, assistant coach or trainer of an amateur, semiprofessional or professional athlete, if compensated and if the athlete is a child.
    - (dd) Personal support worker, as defined in ORS 410.600.
    - (ee) Home care worker, as defined in ORS 410.600.
    - (ff) Animal control officer, as defined in ORS 609.500.
    - (gg) Member of a school district board or public charter school governing body.
    - (hh) An individual who is paid by a public body, in accordance with ORS 430.215, to provide a service identified in an individualized written service plan of a child with a developmental disability.
      - (ii) Referral agent, as defined in section 1 of this 2021 Act.
      - **SECTION 5.** ORS 646.608 is amended to read:
    - 646.608. (1) A person engages in an unlawful practice if in the course of the person's business, vocation or occupation the person does any of the following:
      - (a) Passes off real estate, goods or services as the real estate, goods or services of another.
    - (b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of real estate, goods or services.
    - (c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another.
    - (d) Uses deceptive representations or designations of geographic origin in connection with real estate, goods or services.
    - (e) Represents that real estate, goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, quantities or qualities that the real estate, goods or services do not have or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the person does not have.
    - (f) Represents that real estate or goods are original or new if the real estate or goods are deteriorated, altered, reconditioned, reclaimed, used or secondhand.
    - (g) Represents that real estate, goods or services are of a particular standard, quality, or grade, or that real estate or goods are of a particular style or model, if the real estate, goods or services are of another.
    - (h) Disparages the real estate, goods, services, property or business of a customer or another by false or misleading representations of fact.
  - (i) Advertises real estate, goods or services with intent not to provide the real estate, goods or services as advertised, or with intent not to supply reasonably expectable public demand, unless the

advertisement discloses a limitation of quantity.

- (j) Makes false or misleading representations of fact concerning the reasons for, existence of, or amounts of price reductions.
- (k) Makes false or misleading representations concerning credit availability or the nature of the transaction or obligation incurred.
- (L) Makes false or misleading representations relating to commissions or other compensation to be paid in exchange for permitting real estate, goods or services to be used for model or demonstration purposes or in exchange for submitting names of potential customers.
- (m) Performs service on or dismantles any goods or real estate if the owner or apparent owner of the goods or real estate does not authorize the service or dismantling.
- (n) Solicits potential customers by telephone or door to door as a seller unless the person provides the information required under ORS 646.611.
- (o) In a sale, rental or other disposition of real estate, goods or services, gives or offers to give a rebate or discount or otherwise pays or offers to pay value to the customer in consideration of the customer giving to the person the names of prospective purchasers, lessees, or borrowers, or otherwise aiding the person in making a sale, lease, or loan to another person, if earning the rebate, discount or other value is contingent upon an event occurring after the time the customer enters into the transaction.
- (p) Makes any false or misleading statement about a prize, contest or promotion used to publicize a product, business or service.
- (q) Promises to deliver real estate, goods or services within a certain period of time with intent not to deliver the real estate, goods or services as promised.
  - (r) Organizes or induces or attempts to induce membership in a pyramid club.
- (s) Makes false or misleading representations of fact concerning the offering price of, or the person's cost for real estate, goods or services.
- (t) Concurrent with tender or delivery of any real estate, goods or services fails to disclose any known material defect or material nonconformity.
  - (u) Engages in any other unfair or deceptive conduct in trade or commerce.
- (v) Violates any of the provisions relating to auction sales, consignment sales, auctioneers, consignees or auction marts under ORS 698.640, whether in a commercial or noncommercial situation.
  - (w) Manufactures mercury fever thermometers.
- (x) Sells or supplies mercury fever thermometers unless the thermometer is required by federal law, or is:
  - (A) Prescribed by a person licensed under ORS chapter 677; and
- (B) Supplied with instructions on the careful handling of the thermometer to avoid breakage and on the proper cleanup of mercury should breakage occur.
- (y) Sells a thermostat that contains mercury unless the thermostat is labeled in a manner to inform the purchaser that mercury is present in the thermostat and that the thermostat may not be disposed of until the mercury is removed, reused, recycled or otherwise managed to ensure that the mercury does not become part of the solid waste stream or wastewater. For purposes of this paragraph, "thermostat" means a device commonly used to sense and, through electrical communication with heating, cooling or ventilation equipment, control room temperature.
- (z) Sells or offers for sale a motor vehicle manufactured after January 1, 2006, that contains mercury light switches.

- 1 (aa) Violates the provisions of ORS 803.375, 803.385 or 815.410 to 815.430.
- 2 (bb) Violates ORS 646A.070 (1).
- 3 (cc) Violates any requirement of ORS 646A.030 to 646A.040.
- 4 (dd) Violates the provisions of ORS 128.801 to 128.898.
- 5 (ee) Violates ORS 646.883 or 646.885.
- 6 (ff) Violates ORS 646.569.
- 7 (gg) Violates the provisions of ORS 646A.142.
- 8 (hh) Violates ORS 646A.360.
- 9 (ii) Violates ORS 646.553 or 646.557 or any rule adopted pursuant thereto.
- 10 (jj) Violates ORS 646.563.
- 11 (kk) Violates ORS 759.680 or any rule adopted pursuant thereto.
- 12 (LL) Violates the provisions of ORS 759.705, 759.710 and 759.720 or any rule adopted pursuant
- 13 thereto.
- 14 (mm) Violates ORS 646A.210 or 646A.214.
- 15 (nn) Violates any provision of ORS 646A.124 to 646A.134.
- 16 (oo) Violates ORS 646A.095.
- 17 (pp) Violates ORS 822.046.
- 18 (qq) Violates ORS 128.001.
- 19 (rr) Violates ORS 646A.800 (2) to (4).
- 20 (ss) Violates ORS 646A.090 (2) to (5).
- 21 (tt) Violates ORS 87.686.
- 22 (uu) Violates ORS 646A.803.
- 23 (vv) Violates ORS 646A.362.
- 24 (ww) Violates ORS 646A.052 or any rule adopted under ORS 646A.052 or 646A.054.
- 25 (xx) Violates ORS 180.440 (1) or 180.486 (1).
- 26 (yy) Commits the offense of acting as a vehicle dealer without a certificate under ORS 822.005.
- 27 (zz) Violates ORS 87.007 (2) or (3).
- 28 (aaa) Violates ORS 92.405 (1), (2) or (3).
- 29 (bbb) Engages in an unlawful practice under ORS 646.648.
- 30 (ccc) Violates ORS 646A.365.
- 31 (ddd) Violates ORS 98.853, 98.854, 98.856 or 98.858 or a rule adopted under ORS 98.864.
- 32 (eee) Sells a gift card in violation of ORS 646A.276.
- 33 (fff) Violates ORS 646A.102, 646A.106 or 646A.108.
- 34 (ggg) Violates ORS 646A.430 to 646A.450.
- 35 (hhh) Violates a provision of ORS 744.318 to 744.384
- 36 (iii) Violates a provision of ORS 646A.702 to 646A.720.
- 37 (jjj) Violates ORS 646A.530 30 or more days after a recall notice, warning or declaration de-
- 38 scribed in ORS 646A.530 is issued for the children's product, as defined in ORS 646A.525, that is the
- 39 subject of the violation.
- 40 (kkk) Violates a provision of ORS 697.612, 697.642, 697.652, 697.662, 697.682, 697.692 or 697.707.
- 41 (LLL) Violates the consumer protection provisions of the Servicemembers Civil Relief Act, 50
- 42 U.S.C. 3901 et seq., as in effect on January 1, 2010.
- 43 (mmm) Violates a provision of ORS 646A.480 to 646A.495.
- 44 (nnn) Violates ORS 646A.082.
- 45 (ooo) Violates ORS 646.647.

- 1 (ppp) Violates ORS 646A.115.
- 2 (qqq) Violates a provision of ORS 646A.405.
- 3 (rrr) Violates ORS 646A.092.
- 4 (sss) Violates a provision of ORS 646.644.
- 5 (ttt) Violates a provision of ORS 646A.295.
  - (uuu) Violates ORS 646A.564.

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- (vvv) Engages in the business of, or acts in the capacity of, an immigration consultant, as defined in ORS 9.280, in this state and for compensation, unless federal law authorizes the person to do so or unless the person is an active member of the Oregon State Bar.
- 10 (www) Violates ORS 702.012, 702.029 or 702.054.
- 11 (xxx) Violates ORS 646A.806.
- 12 (yyy) Violates ORS 646A.810 (2).
- 13 (zzz) Violates ORS 443.376.
- 14 (aaaa) Violates a provision of ORS 646A.770 to 646A.787.

## (bbbb) Violates section 2 of this 2021 Act.

- (2) A representation under subsection (1) of this section or ORS 646.607 may be any manifestation of any assertion by words or conduct, including, but not limited to, a failure to disclose a fact.
- (3) In order to prevail in an action or suit under ORS 336.184 and 646.605 to 646.652, a prosecuting attorney need not prove competition between the parties or actual confusion or misunderstanding.
- (4) An action or suit may not be brought under subsection (1)(u) of this section unless the Attorney General has first established a rule in accordance with the provisions of ORS chapter 183 declaring the conduct to be unfair or deceptive in trade or commerce.
- (5) Notwithstanding any other provision of ORS 336.184 and 646.605 to 646.652, if an action or suit is brought under subsection (1)(xx) of this section by a person other than a prosecuting attorney, relief is limited to an injunction and the prevailing party may be awarded reasonable attorney fees.
- SECTION 6. (1) Sections 1 to 3 of this 2021 Act and the amendments to ORS 419B.005 and 646.608 by sections 4 and 5 of this 2021 Act become operative on July 1, 2022.
- (2) The Department of Human Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department, on and after the operative date specified in subsection (1) of this section, to exercise all of the duties, functions and powers conferred on the department by sections 1 to 3 of this 2021 Act and the amendments to ORS 419B.005 and 646.608 by sections 4 and 5 of this 2021 Act.
- <u>SECTION 7.</u> Section 2 of this 2021 Act applies only to contracts entered into between a referral agent and a facility or between a referral agent and a client on or after July 1, 2022.
- SECTION 8. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.