

SENATE BILL REPORT

SB 5045

As of January 20, 2017

Title: An act relating to the regulation of employment agencies.

Brief Description: Concerning the regulation of employment agencies.

Sponsors: Senators Hasegawa and Chase.

Brief History:

Committee Activity: Commerce, Labor & Sports: 1/19/17.

Brief Summary of Bill

- Repeals most of the Employment Agency Act (Act) other than the definitions section, which is amended.
- Prohibits an employment agency, directory, or listing service from charging a fee to an applicant or prospective employee.
- Provides that charging a fee is a Consumer Protection Act violation.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Susan Jones (786-7404)

Background: Under the Act, employment agencies must be licensed with the Department of Licensing (Department). Conducting an employment agency business in this state without a license is a misdemeanor.

An employment agency is generally a business that charges job applicants a fee and engages in one of the following activities:

- offering, promising, procuring, or attempting to procure employment for job applicants;
- giving information regarding where and from whom employment may be obtained; or
- selling a list of jobs.

Excluded from the definition of employment agency are unions, certain schools, career guidance and counseling services, theatrical agencies, farm labor contractors, the Washington

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State Employment Agency, and temporary service contractors. A temporary service contractor is a business that employs individuals directly for the purpose of furnishing the individuals as part-time or temporary help to others.

The Act imposes the following conditions and requirements on employment agencies:

- no fee may be charged until the agency refers a job applicant to an employer and the employer hires the job applicant;
- the maximum fees that may be charged to a job applicant are specified in statute under certain circumstances, such as the maximum gross fee chargeable to temporary domestic employees, agricultural workers, and day laborers is 25 percent of the first full month's gross salary or wages;
- employment agency contract provisions are specified in statute and the contracts and fee schedules must be approved by the Department prior to use; and
- a \$2,000 surety bond is required.

Summary of Bill: Most of the Act is repealed other than the definitions section, which is amended.

No employment agency, employment directory, or employment listing service may charge a fee to an applicant or prospective employee. An applicant is any person, whether employed or unemployed, seeking or entering into any arrangement for employment or change of employment through the service of an employment agency. Charging a fee is considered an unfair or deceptive act in trade and commerce and an unfair method of competition for the purposes of applying the Consumer Protection Act.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.