

Elimination of the Employment Agency Licensing Program

Issue: The current business model for the employment agency industry has changed since the law was enacted, and the risk to the public has been drastically reduced, thus there is no longer a need for the regulation this type of business.

- Job seekers are no longer required to pay the employment agency a fee for their services – the hiring employer now pays those fees directly to the employment agency.
- The majority of costs in this program are merely the operating costs involved in tracking funds collected and keeping phone lines and contact open.
- There are fewer than five complaint phone calls each month, and over the last five years none of the complaints fell within the Department of Licensing’s jurisdiction.
- The Department has not brought a disciplinary action against a licensee in several biennia.

Proposed Solution: This request legislation would eliminate the need to maintain a program that has only three businesses to regulate.

- The bill eliminates the licensing portion of the law. Elimination of the program supports DOL’s objective of attaining more efficient, effective, and economical business practices.
- Although the workload is quite small, the license revenues do not support these minimal administrative costs.
- While consumers no longer take the risk in the current business environment, we are recommending that the statutes protecting the public from abuses be retained, any future complaints would be filed with the Attorney General’s Consumer Protection Division or handled in civil court. Since there are few complaints, there should be a minimal impact to their workload.



By the numbers

Licensed agencies: 3

Licensed branches: 2

Complaints: 0

Data as of September 2011