

Employment Agency Licensing Requirements - State statute comparison

Included in the Secretary of State's (SoS) January 17, 2020 letter to the House Legislative Oversight Committee (LOC). This information was provided in response to the following question in LOC's December 12, 2019, letter to the SoS: "45. Please provide a list of states that do and do not have statutes similar to South Carolina's statutes related to private personnel placement services. For states that have similar statutes, please indicate the agency in which the attendant responsibilities are located."

In addition to providing the information in this document, SoS provided the following response:

- Please see the table that is provided in Attachment J.

ATTACHMENT J

States that do not have employment agency licensing requirements

	State	Additional Information
1	Arizona	Private Employment Agents statutes repealed. §§ 23-522 to 23-536. Repealed by Laws 2006, Ch. 15, § 2 (§41-3016.04), eff. Jan. 1, 2017.
2	California	In 1989, “the Employment Agency Act was repealed, and a new Employment Agency, Employment Counseling and Job Listing Services Act was approved. Under the new law, licensing is no longer required. Each agency or service continues to be required to post a surety bond. Specified requirements are mandated...various practices are prohibited...” *The surety bond is filed with the Secretary of State.
3	Delaware	In 1995, “the law providing for the licensing and regulation of private employment agencies was repealed.”
4	Florida	Repealed in 1981 (see footnote). Statutory reference here .
5	Georgia	Repealed in 2014.
6	Idaho	Repealed sometime prior to 2005 .
7	Kentucky	Repealed by 2000 .
8	Maryland	In 2003 “licensing and regulation of employment agencies and employment counselors were eliminated. An employment agency will now be required to submit a \$7,000 penal bond to the Commissioner of Labor and Industry.”
9	Minnesota	It looks like the provisions governing licensing of employment agencies have been repealed (2015) .
10	Mississippi	Cannot find evidence of licensing requirement.
11	Missouri	Private Employment Agencies repealed. 289.005 to 289.070. Repealed by L.1999, H.B. No. 343, § A
12	Montana	In 1995, “the Employment Agency Act was repealed.”
13	New Hampshire	Cannot find evidence of licensing requirement.
14	New Mexico	Laws 1981, ch. 241, § 35, repeals former 61-22-1 to 61-22-16 NMSA 1978 , relating to the regulation of employment agencies, effective April 8, 1981.
15	Ohio	Personnel Placement Services sections repealed effective 9/26/1996 .
16	Oregon	In 1997, “licensing and licensing-related requirements for all private employment agencies were repealed . The Bureau of Labor and Industries retains regulation of and enforcement authority over those private employment agencies that charge fees to applicants for employment (employer-fee-paid only agencies are now exempt from all regulations).”
17	Pennsylvania	Reason : “The law is outdated and the department’s limited resources can be better utilized. PEAL applies to businesses who procure work directly with an applicant and charge a fee for services. Most employment agencies today, including temporary employment agencies, no longer charge a fee to the applicant, but rather to an employer requesting the services. PEAL is less relevant in today’s economy due to internet companies providing employment services, such as Monster.com. The reality is that most individuals turn to online resources or to other types of

		employment agencies where they are not directly responsible for a fee in order to find work. The department registers approximately 60 businesses each year. In fiscal year 2012-13, the department collected \$23,760 in fees, yet it cost the taxpayers \$109,977 to administer and enforce the law.” Co-sponsorship memoranda Article
18	South Dakota	Repealed in 1981.
19	Tennessee	Repealed and replaced with one not requiring registration in 1996.
20	Texas	I cannot find any indication that employment agencies are required to register or be licensed. Beginning 9/1/2017, companies employing temporary common workers in Texas no longer have to get a Temporary Common Worker Employer license (which is different, but the closest thing I could find).
21	Virginia	Appears to have been repealed in 1996.

States where requirements are unclear

	<i>State</i>	<i>Agency</i>	<i>Licensing fees</i>	<i>When due?</i>	<i>Links</i>
1	Colorado	Department of Labor and Employment	Does not appear to be licensing-addressed/regulated in criminal statutes		Related statute link
2	Oklahoma	Formerly Department of Labor	Unclear- no information on website. Some statutes repealed, but existing statutes still refer to “licensed employment agencies.” Unclear how they are licensed at this point.		Agency link *Links to forms are broken. Statute link (Title 40, beginning with section 52).
3	Vermont	Could not find.			Unclear if/when repealed or if never in place.

States that allow for local employment agency licensing

	<i>State</i>	<i>Additional Information</i>
1	Maine	No apparent state level licensing requirement, but municipalities may license or regulate them or require a bond.
2	Rhode Island	Licensing and regulation are handled by local authorities.
3	Utah	Licensing is at the local level.

States with employment agency licensing requirements

	State	Agency	Licensing fees	When due?	Links
1	Alabama	Commissioner of the State Department of Revenue of Alabama	Application fee is \$50.00. *Could not find forms online, but information in statute.	Annually	Statute link
2	Alaska	Department of Labor and Workforce Development - Division of Labor Standards and Safety	The cost is \$10.00 for filing an application for a permit and \$100.00 for issuance of a permit.	Biennially	Statute link Agency link
3	Arkansas	Department of Labor	Initial application and renewals are \$250.00.	Annually	Statute link Statute link
4	Connecticut	Department of Labor - Division of Wage and Workplace Standards	Initial application and renewals are \$150.00.	Annually	Agency link
5	District of Columbia	Department of Consumer and Regulatory Affairs, Business Licensing Division	Employer-Paid Personnel Service – \$1,534.50 Employment Agency – \$1,534.50 Employment Counseling Service – \$1,534.50	Unclear	Agency link
6	Hawaii	Department of Commerce and Consumer Affairs - Professional and Vocational Licensing	\$315 if you file from July 1 of an even-numbered year to June 30 of an odd-numbered year and \$190 if you file from July 1 of an odd-numbered year to June 30 of an even-numbered year.	Biennially	Agency link
7	Illinois	Department of Labor	\$250 for organizations with less than 3 counselors, \$350 for organizations with 3-5 counselors, \$400 for organizations with 6-10 counselors, and \$500 for organizations with more than 10 counselors.	Annually	Legislation link Agency link
8	Indiana	Department of Revenue	Initial application and renewals are \$150.00.	Annually	Agency link
9	Iowa	Division of Labor	Application fee is \$75.	Annually	Agency link Link to statute and rules
10	Kansas	Department of Labor	Application fee is \$25.00	Annually	Agency link

11	Louisiana	Workforce Commission, Assistant Secretary of the Office of Workforce Development	Initial Application Fee: \$200 per year for each location, plus a \$300 investigation fee and an examination fee of \$100 (total of \$600). License Renewal Fee: \$200	Annually	Agency link Statute link
12	Massachusetts	Department of Labor Standards	Initial or Renewal License and Registration: Licensed Employment Agency (one to four counselors) - \$300 per year Licensed Employment Agency (five or more counselors) - \$550 per year Registered Placement Agency (main office) - \$300 per year Registered Placement Agency (each branch office) - \$180 per year	Annually	Agency link
13	Michigan	Department of Licensing and Regulatory Affairs (LARA)	<u>Application Processing Fees:</u> Personnel Agency: \$225.00 Employment or consulting agent: \$30.00 Officer or stockholder change: \$25.00 <u>Examination Fee:</u> Agent Examination: \$59.00 Examination review: \$20.00 License Fee Per Year: Personnel agency: \$125.00 Employment or consulting agent: \$40.00 <u>Other Fees:</u> Late Renewal Fee: \$20.00 Verification of license: \$15.00 Duplicate License, if lost, stolen or destroyed: \$10.00 Agency Relicensure: \$370.00 Agent Relicensure: \$90.00		Agency link
14	Nebraska	Department of Labor- Office of Labor Standards	Application fee is \$150.00	Annually	Application form Renewal form
15	Nevada	Department of Business and Industry - Office of the Labor Commissioner	Application fee is \$100.00.	Annually	Application info and check list

16	New Jersey	Division of Consumer Affairs - Regulated Business Section	Employment agency license: \$250 Agent's license: \$25 Transfer of agent's license: \$10	Annually	Agency link Statutes																
17	New York	State Department of Labor	<i>License length of time</i>		Biennially	Agency link Application form Renewal form															
			<i>Number of Placement Employees</i>	<i>Less than 6 months</i>			<i>6 months or to 1 year</i>	<i>1-2 years, renewals</i>													
			4 or fewer	\$125			\$250	\$500													
			5 or more	\$175			\$300	\$700													
18	North Carolina	Department of Labor - Wage and Hour Division	Application fee is \$500.00.	Annually	Agency link Application form Renewal form																
19	North Dakota	Department of Labor and Human Rights	Application fee is \$200.00.	Annually	Agency link																
20	South Carolina	Secretary of State	Initial application is \$300.00. Renewal application is \$100.00.	Biennially	Application form Renewal form																
21	Washington	Department of Revenue - Business Licensing Service	<table border="0"> <tr> <td><u>Specialty license</u></td> <td style="text-align: right;"><u>Fee</u></td> </tr> <tr> <td>Main office licensing fee</td> <td style="text-align: right;">\$783</td> </tr> <tr> <td>Branch office licensing fee</td> <td style="text-align: right;">\$540</td> </tr> <tr> <td>General Manager exam fee</td> <td style="text-align: right;">\$150</td> </tr> <tr> <td><u>Other fees that may apply</u></td> <td style="text-align: right;"><u>Fee</u></td> </tr> <tr> <td>State tax registration</td> <td style="text-align: right;">No fee</td> </tr> <tr> <td>Registering your business name as a trade name</td> <td style="text-align: right;">\$5</td> </tr> <tr> <td>Business License Application fee</td> <td style="text-align: right;">\$19 (non-refundable)</td> </tr> </table> <p>*Website unclear as to whether renewal is required.</p>	<u>Specialty license</u>	<u>Fee</u>	Main office licensing fee	\$783	Branch office licensing fee	\$540	General Manager exam fee	\$150	<u>Other fees that may apply</u>	<u>Fee</u>	State tax registration	No fee	Registering your business name as a trade name	\$5	Business License Application fee	\$19 (non-refundable)	Unclear	Agency link
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22	West Virginia	Division of Labor, Wage & Hour Section	No filing fee.	*Once approved by the Division of Labor to operate as a private employment	Agency link Filing instructions																

				agency, monthly reports relating to employee placement activity are required.	
23	Wisconsin	Department of Workforce Development	*An agency's annual license fee is based on 1% of its gross receipts for the license year but no less than a minimum license fee of \$50.00 (which ever is greater) or a maximum license fee of \$300.00. Additionally, an employment agency is charged \$150.00 for each branch office the agency maintains in the same community. Initial license fees may be waived under the Veteran's License Fee Waiver Program. To request the waiver, you will be asked to provide an 8-digit code provided by the Department of Veterans Affairs (DVA).	Appears to be renewed annually.	Agency link
24	Wyoming	Department of Workforce Services	The uniform fee for such license in cities of five thousand (5,000) inhabitants and over shall be twenty-five dollars (\$25.00) per annum, and in cities containing less than five thousand inhabitants, ten dollars (\$10.00) per annum.	Annually	Agency link *Only saw bond form online. Statute link