

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2079

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*La Costa Rickford*  
Operator's Signature

10/15/03  
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2079

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2079

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 01-13-03

| Tape Number                                     | Side A | Side B | Meter #  |
|---|--------|--------|----------|
| 1   | xx     | xx     | 4271-165 |
|   |        |        |          |
|   |        |        |          |
| Committee Clerk Signature <i>Lisa VanBerkom</i> |        |        |          |

Minutes: Chairman Mutch opened the hearing on SB 2079 relating to definition of employment agent or employment agency and licensure of employment agencies.

All Senators present.

**Testimony in support of SB 2079**

Mark Bachmeier, the commissioner of the ND Dept. of Labor, introduced the bill. He stated that North Dakota Century Code Chapter 34-13 is North Dakota's employment agency licensing law. It requires permanent-placement employment agencies operating in the state to submit an application, a \$200 license fee, proof of bond, and copies of all fee schedules and contracts for approval by the Commissioner of Labor annually. See attached testimony.

Senator Heitkamp was absent for a few minutes and returned.

**There was no opposing testimony.**

The hearing was closed.

**Senator Klein moved a motion for a DO PASS. Senator Krebsbach seconded.**

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 2079

Hearing Date 1-13-03

Roll Call Vote: 7 Yes. 0 No. 0 Absent.

Carrier: Senator Krebsbach

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10/15/03  
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**FISCAL NOTE**  
 Requested by Legislative Council  
 01/03/2003

Bill/Resolution No.: SB 2079

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

|                | 2001-2003 Biennium |             | 2003-2005 Biennium |             | 2005-2007 Biennium |             |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|                | General Fund       | Other Funds | General Fund       | Other Funds | General Fund       | Other Funds |
| Revenues       | \$0                | \$0         | (\$8,800)          | \$0         | (\$8,800)          | \$0         |
| Expenditures   | \$0                | \$0         | \$0                | \$0         | \$0                | \$0         |
| Appropriations | \$0                | \$0         | \$0                | \$0         | \$0                | \$0         |

1B. **County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

| 2001-2003 Biennium |        |                  | 2003-2005 Biennium |        |                  | 2005-2007 Biennium |        |                  |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties           | Cities | School Districts | Counties           | Cities | School Districts | Counties           | Cities | School Districts |
| \$0                | \$0    | \$0              | \$0                | \$0    | \$0              | \$0                | \$0    | \$0              |

2. **Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

3. **State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

|               |                   |                |                           |
|---------------|-------------------|----------------|---------------------------|
| Name:         | Mark D. Bachmeyer | Agency:        | Department of Labor (406) |
| Phone Number: | 328-3708          | Date Prepared: | 01/08/2003                |

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LaCosta Rickford 10/15/03  
 Operator's Signature Date

Date:  
Roll Call Vote #:

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2079

Senate IBL Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Klein Seconded By Krebsbach

| Senators                           | Yes | No | Senators             | Yes | No |
|------------------------------------|-----|----|----------------------|-----|----|
| 7- Sen. Duane Mutch, Chairman      | X   |    | Sen. Michael Every 5 | X   |    |
| 1- Sen. Jerry Klein, Vice Chairman | X   |    | Sen. Joel Heitkamp 4 | X   |    |
| 6- Sen. Duaine Espegard            | X   |    |                      |     |    |
| 2- Sen. Karen Krebsbach            | X   |    |                      |     |    |
| 3- Sen. Dave Nething               | X   |    |                      |     |    |
|                                    |     |    |                      |     |    |
|                                    |     |    |                      |     |    |
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|                                    |     |    |                      |     |    |
|                                    |     |    |                      |     |    |

Total (Yes) 7 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

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In Costa Rickford 10/15/03  
Operator's signature Date

REPORT OF STANDING COMMITTEE (410)  
January 13, 2003 1:20 p.m.

Module No: SR-05-0491  
Carrier: Krebsbach  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

SB 2079: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends  
**DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2079 was placed  
on the Eleventh order on the calendar.

(2) DESK, (3) COMM

Page No. 1

SR-06-0491

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*10/15/03*  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2079

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Operator's Signature

*La Costa Rickford*

10/15/03

Date



2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2079

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 3, 2003

| Tape Number   | Side A | Side B | Meter #   |
|---|--------|--------|-----------|
| 2   |        | X      | 2416-3597 |
|   |        |        |           |
|   |        |        |           |
| Committee Clerk Signature <i>Elizabeth R. Geier</i> |        |        |           |

Minutes: **Chair Keiser:** Opened hearing on SB 2079

**Mark Bachmeier (Commissioner of Labor):** Supports with written testimony. In addition, Bachmeier noted that when the law was written, employment agencies charged job seekers. Laws were in place so they did not charge too much. Now employers pay. This has been a fundamental shift in the industry.

**Rep. Ekstrom:** In the event of an employer complaint, do they come to the labor commission. Bachmeier could only think of one complaint and it was by an individual. The employers could come to them though.

**Rep. Keiser:** Will the one firm continue to pay the fee? Bachmeier said he would not be surprised if they change their system if the bill passes, but yes, they would continue to follow the same rules.

**Rep. Boe:** Does this mothball the law instead of repealing it? Bachmeier said that this will leave the provision in just in case agencies do start to charge individuals again. Rep. Keiser

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Operator's Signature

10/15/03  
Date

Page 2  
House Industry, Business and Labor Committee  
Bill/Resolution Number 2079  
Hearing Date March 3, 2003

noted that this protects the future so that in the next two years, they do have agencies start charging.

**Rep. Nottestad:** Was this prevalent in ND? Bachmeier said that it was. There were abuses to the system.

**Chair Keiser:** Closed hearing on SB 2079.

Rep. Klein moved DP. 2nd by Thorpe

**Vote: 13 Yes 0 No 1 Absent and not voting**

**Carrier: Boe**

Date: 3/3/03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2079

House INDUSTRY BUSINESS & LABOR Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DP

Motion Made By Klein Seconded By Thorpe

| Representatives     | Yes | No | Representatives | Yes    | No |
|---------------------|-----|----|-----------------|--------|----|
| Chairman Keiser     | ✓   |    | Boe             | ✓      |    |
| Vice-Chair Severson | ✓   |    | Ekstrom         | ✓      |    |
| Dosch               | ✓   |    | Thorpe          | ✓      |    |
| Froseth             | ✓   |    | Zaiser          | Absent |    |
| Johnson             | ✓   |    |                 |        |    |
| Kasper              | ✓   |    |                 |        |    |
| Klein               | ✓   |    |                 |        |    |
| Nottestad           | ✓   |    |                 |        |    |
| Ruby                | ✓   |    |                 |        |    |
| Tieman              | ✓   |    |                 |        |    |
|                     |     |    |                 |        |    |
|                     |     |    |                 |        |    |
|                     |     |    |                 |        |    |
|                     |     |    |                 |        |    |

Total (Yes) 13 No 0

Absent 1

Floor Assignment Boe

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REPORT OF STANDING COMMITTEE (410)  
March 4, 2003 10:35 a.m.

Module No: HR-38-3823  
Carrier: Boe  
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2079: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends  
DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2079 was placed  
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-38-3823

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2003 TESTIMONY

SB 2079

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10/15/03  
Date

John Hoeven  
Governor

Mark D. Bachmeler  
Commissioner



State Capitol - 13th Floor  
600 E Boulevard Ave Dept 406  
Bismarck, ND 58505-0340

www.state.nd.us/labor  
E-mail: labor@state.nd.us

Testimony on SB 2079  
Prepared for the  
Senate Industry, Business, and Labor Committee

January 13, 2003

*Same testimony given to Hoeven*

Chairman Mutch and members of the Industry, Business, and Labor Committee, good morning. For the record, I am Mark Bachmeler, Commissioner of Labor.

North Dakota Century Code Chapter 34-13 is North Dakota's employment agency licensing law. It requires permanent-placement employment agencies operating in the state to submit an application, a \$200 license fee, proof of a bond, and copies of all fee schedules and contracts for approval by the Commissioner of Labor annually.

When ours, and similar laws in other states, were enacted, employment agencies were businesses that charged fees to individual workers to find jobs for them. Employment agency licensing laws were enacted to protect individual workers from being charged excessive fees or asked to agree with other unreasonable terms in exchange for a job. Over time, however, the employment agency industry has become one in which employment agencies charge fees to employers to provide workers for them. Of twenty-three agencies currently licensed in North Dakota, only one charges any fee to an individual worker under any circumstance.

Because of this fundamental change in the industry, from "employee paid" to "employer paid", the regulatory purpose for which employment agency licensing laws were intended no longer exists. For exactly this reason, many states, including Minnesota, Iowa, South Dakota, and Montana, have repealed their employment agency licensing laws. I am not proposing to repeal our law entirely because we cannot be absolutely certain that economic or other conditions will never turn the industry back to charging fees to individual workers again. Instead, I am proposing, in SB 2079, to stipulate that employment agencies are not subject to licensure if they charge fees exclusively to employers. I believe this proposal eliminates an unnecessary set of regulations for practical purposes without eliminating protections for individuals if and when they are asked to pay fees for employment agency services.

This bill carries a small fiscal impact of approximately \$4,400 per year because it would largely eliminate the collection of employment agency licensure fees.

Thank you for your time and consideration. I would be happy to answer any questions you have.

Telephone: (701) 328-2660 ND Toll Free: 1-800-582-8032 Fax: (701) 328-2031 TTY: 1-800-366-6888

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