

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 742

DATE: February 15, 2005

Version: First Engrossment

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Subject: Exemptions from employee agency licensing requirements

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Overview

This bill reenacts a provision that was repealed in the 2001 session, effective July 1, 2003. It exempts search firms from regulation as employment agencies.

Section

1 Exemptions. Defines "search firm" and then exempts search firms meeting certain conditions from regulation as employment agencies. To be exempt:

- The search firm must be retained by the employer, act on the employer's behalf, and receive compensation only from the employer, subject to an agreement stating the position to be filled;
- No candidate identified by the search firm will have to pay any kind of direct or indirect fee for the search firm's services;
- The search firm must not encourage anyone it has placed with an employer to terminate employment with that employer; and
- The search firm must not in any other way act as an "employment agency."

Gives the commissioner the right to inspect search firm records to ensure compliance with these conditions.

Section

2 **Fee payment prohibited.** Prohibits an employer from directly or indirectly requiring an employee placed with the employer by a search firm to pay any of the search firm's fee.