

CHAPTER 84I EMPLOYMENT AGENCIES

Referred to in §84A.5

Chapter transferred from chapter 94A in Code 2024 pursuant to directive in 2023 Acts, ch 19, §2288

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84I.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Applicant*” means a person applying for a private employment agency license.
2. “*Director*” means the director of the department of workforce development or the director’s designee.
3. “*Employee*” means a person who seeks employment or who obtains employment through an employment agency.
4. “*Employer*” means a person who seeks one or more employees or who obtains one or more employees.
5. “*Employment agency*” means a person who brings together those desiring to employ and those desiring employment and who receives a fee, privilege, or other consideration directly or indirectly from an employee for the service. “*Employment agency*” does not include furnishing or procuring theatrical, stage, or platform attractions or amusement enterprises.

[99 Acts, ch 130, §1](#)

CS99, §94A.1

[2023 Acts, ch 19, §2282, 2288](#)

C2024, §84I.1

Section transferred from §94A.1 in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)
Subsection 2 amended

84I.2 Licensing.

1. An employment agency shall obtain a license from the director prior to transacting any business. Licenses expire on June 30 of each year.
2. A license application shall be in the form prescribed by the director and shall be accompanied by all of the following:
 - a. A surety company bond in the sum of thirty thousand dollars, to be approved by the director and conditioned to pay any damages that may accrue to any person due to a wrongful act or violation of law on the part of the applicant in the conduct of business.
 - b. The schedule of fees to be charged by the employment agency.
 - c. All contract forms to be signed by an employee.
 - d. An application fee of seventy-five dollars.
3. The director shall grant or deny a license within thirty days from the filing date of a completed application.
4. The director may revoke, suspend, or annul a license upon good cause pursuant to rules adopted by the director.

[99 Acts, ch 130, §2](#)

CS99, §94A.2

[2023 Acts, ch 19, §2283, 2288](#)

C2024, §84I.2

Section transferred from §94A.2 in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)
Section amended

84I.3 General requirements.

Each employment agency shall do all of the following:

1. Keep an employee record, which shall include the name of each employee signing a

contract or agreement, the name and address of the employer, if employment is found, and the fee charged, paid, or refunded. Each record shall be maintained for at least two years.

2. Prior to referral to an employer, provide an employee with a copy of the contract or agreement, which specifies the fee or consideration to be paid by the employee.

[99 Acts, ch 130, §3](#)

CS99, §94A.3

[2023 Acts, ch 19, §2288](#)

C2024, §84I.3

Section transferred from [§94A.3](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)

84I.4 Prohibitions.

1. A person shall not require an employee to pay a fee as a condition of application with an employer or an employment agency.

2. An employee shall not be required to pay a fee to an employer as a condition of hire.

3. An employer shall not require an employee to reimburse the employer for a fee the employer paid to an employment agency or other person or entity when the employee was hired.

4. An employment agency shall not do any of the following:

a. Send an employee or an application of an employee to an employer who has not applied to the employment agency for help or labor.

b. Through false notice, advertisement, or other means, fraudulently promise or deceive a person seeking help or employment with regard to the service to be rendered by the employment agency.

c. Divide a fee received from an employee with an employer or any member of an employer's staff. The division of fees between one or more employment agencies that provided services is not prohibited.

d. Charge an employee any fee greater than the fee schedule on file with the director without prior consent of the director.

e. Charge a fee greater than fifteen percent of the employee's annual gross earnings.

f. Require an employee to pay a fee in advance of earnings. If an employee wishes to pay a fee in advance of earnings, the contract between the employee and employment agency shall state that any advance payment by the employee is voluntary. If an employee works less than one year at the referred employment, the employment agency shall refund any amount in excess of fifteen percent of the employee's gross earnings from the referred employment.

[99 Acts, ch 130, §4](#)

CS99, §94A.4

[2023 Acts, ch 19, §2284, 2288](#)

C2024, §84I.4

Section transferred from [§94A.4](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)

Subsection 4, paragraph d amended

84I.5 Powers of the director.

The director may examine the records, books, and any papers relating to the conduct and operation of an employment agency at any time.

[99 Acts, ch 130, §5](#)

CS99, §94A.5

[2023 Acts, ch 19, §2285, 2288](#)

C2024, §84I.5

Referred to in [§84I.6](#)

Section transferred from [§94A.5](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)

Section amended

84I.6 Violations.

1. A person who violates a provision of [this chapter](#) or who refuses the director access to records, books, and papers pursuant to an examination under [section 84I.5](#) shall be guilty of a simple misdemeanor.

2. If a person violates a provision of [this chapter](#) or refuses the director access to records,

books, and papers pursuant to an examination under [section 84I.5](#), the director shall assess a civil penalty against the person in an amount not greater than two thousand dollars.

[99 Acts, ch 130, §6](#)

CS99, §94A.6

[2023 Acts, ch 19, §2286, 2288](#)

C2024, §84I.6

Section transferred from [§94A.6](#) in Code 2024 pursuant to directive in [2023 Acts, ch 19, §2288](#)

Section amended

84I.7 Rules.

1. The director shall adopt rules pursuant to [chapter 17A](#) to administer [this chapter](#).
2. The director may establish rules pursuant to [chapter 17A](#) to assess and collect interest on fees and penalties owed to the department of workforce development. The director may delay or, following written notice, deny the issuance of a license, if the applicant for the license owes a debt to the department of workforce development.

[2023 Acts, ch 19, §2287, 2288](#)

NEW section