

CHAPTER 94A
EMPLOYMENT AGENCIES

Referred to in §84A.5, 91.4

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94A.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. “*Commissioner*” means the labor commissioner, appointed pursuant to [section 91.2](#), or the labor commissioner’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](#)

94A.2 Licensing.

1. An employment agency shall obtain a license from the commissioner 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 commissioner 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 commissioner 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 commissioner shall grant or deny a license within thirty days from the filing date of a completed application.
4. The commissioner may revoke, suspend, or annul a license in accordance with [chapter 17A](#) upon good cause.

[99 Acts, ch 130, §2](#)

94A.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](#)

94A.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 commissioner without prior consent of the commissioner.

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](#)

94A.5 Powers and duties of the commissioner.

1. At any time, the commissioner may examine the records, books, and any papers relating to the conduct and operation of an employment agency.

2. The commissioner shall adopt rules pursuant to [chapter 17A](#) to administer [this chapter](#).

[99 Acts, ch 130, §5](#)

Referred to in [§94A.6](#)

94A.6 Violations.

1. A person who violates a provision of [this chapter](#) or who refuses the commissioner access to records, books, and papers pursuant to an examination under [section 94A.5](#) shall be guilty of a simple misdemeanor.

2. If a person violates a provision of [this chapter](#) or refuses the commissioner access to records, books, and papers pursuant to an examination under [section 94A.5](#), the commissioner shall assess a civil penalty against the person in an amount not greater than two thousand dollars.

[99 Acts, ch 130, §6](#)