

ELIMINATE LICENSURE OF EMPLOYMENT AGENCIES

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House Bill 4933 as introduced
Sponsor: Rep. Donni Steele
Committee: Economic Competitiveness
Complete to 10-21-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4933 would repeal Article 10 of the Occupational Code,¹ which requires the licensure of *personnel agencies* and personnel agents (agency managers),² and would remove references to personnel agencies elsewhere in the code. The bill also would repeal the section of the State License Fee Act that prescribes fee amounts for licensure as a personnel agency.

Personnel agency means either or both of the following:

- A type A personnel agency (e.g., an employment agency), which is a person that meets all of the following:
 - Is engaged in the business of serving or assisting a client in seeking employment or making basic career decisions.
 - Puts a client in direct contact with employers.
 - Receives a fee from the client for the services offered or rendered.
- A type B personnel agency (e.g., a career counseling or consulting agency), which is a person that meets both of the following:
 - Is engaged in the business of serving, assisting, or consulting with a client in making basic career decisions.
 - Receives a fee from the client for the services offered or rendered.

MCL 339.303a and 339.411 (amend) and MCL 339.1001 to 339.1022 and 338.2227 (repeal)

BACKGROUND:

Private employment agencies were initially licensed and regulated by the state under 1913 PA 301 and two successor laws, 1925 PA 255 and 1929 PA 321, each of which incorporated, rewrote, and repealed its predecessor act. The 1929 act represented a significant revision that, among other things, specifically addressed theatrical agencies and created three license classes. (A 1965 amendment added a fourth.) The 1929 act was itself superseded and repealed by the Private Employment Bureau Licensing Act, enacted in 1974, which added a fifth class of licensure and newly required the general managers of employment agencies to themselves be licensed. In 1980, the Occupational Code was passed to incorporate the provisions of about 20 occupational statutes into a single, uniform code. Article 10 of the code addressed employment agencies and incorporated, with changes, the provisions of the Private Employment Bureau Licensing Act. The current scope and structure of Article 10 are largely the result of extensive 1992 amendments that, among other things, removed all employer-paid agencies from the

¹ <https://www.legislature.mi.gov/documents/mcl/pdf/MCL-299-1980-10.pdf>

² Under Article 10, individuals responsible for the general management of a type A personnel agency are referred to as employment agents, and those responsible for type B agencies are called consulting agents.

code's provisions, eliminated the several license classes, and created the distinction described above between type A (employment) agencies and type B (counseling or consulting) agencies.

FISCAL IMPACT:

House Bill 4933 would have a minimal fiscal impact on the Department of Licensing and Regulatory Affairs (LARA). The bill would eliminate licensure of personnel agencies and agents; currently, there are about 100 licensees. The resulting annual reduction in license fee revenue would be approximately \$8,200.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.