

**1999 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1095**

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1095

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-6-99

Tape Number	Side A	Side B	Meter #
1	x		34.6 - 49.7
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: Bethanie Jensen: ND Dept. of Labor, introduced bill 1095 relating to bond requirements to renew employment agency licenses. See written testimony.

Rep. Keiser: Do you have any information relative to the difficulty in obtaining bonding in the last several years, and what is the typical value associated with the bonds that are taken out by the employment agency?

Bethanie Jensen: The bond has three parts that have to be filled out by the agency and the bonding company. There also needs to be a Power of Attorney attached. All three parts need to be notarized. The bond takes three to four weeks to be approved. I'm not sure of the cost to the agency.

Rep. Keiser: Is there any feasibility of an escrow account for the agency?

Bethanie Jensen: There has been no consideration of that. The agency's think it would be easier if there was a continuous bond.

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House Industry, Business and Labor Committee

Bill/Resolution Number Hb1095

Hearing Date 01-06-99

Chairman Berg: The issue of this is for New bonds.

Rep. Glassheim: Is there a form for a continuous bond?

Bethanie Jensen: The attorney General's office has that. I believe it is a short form that says continuous bond with the bond number on it.

Rep. Glassheim: What is the purpose of the \$5000 fee?

Bethanie Jensen: It has never been tested, it's just a requirement.

Chairman Berg: What would be the danger in just eliminating the bond completely?

Bethanie Jensen: That has not been researched as of yet.

Chairman Berg: If there is any business that doesn't pay there employee wages that they are entitled to, why do we single out employment agencies and not include every business to have a bond to make sure the employee gets there wages?

Rep. Keiser: In this particular case if a corporation goes bankrupt there is a potential liability to the citizen and this does provide some protection. This we prevent any fly by night operations.

No action taken. Closed the hearing.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1095 1-12-99

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-12-99

Tape Number	Side A	Side B	Meter #
1	x		75 - 350
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: Chairman Berg opened the discussion of amendments to HB 1095.

Rep. Keiser explained to the committee what the amendments were.

Rep. Keiser made a motion to adopt the amendments.

Rep. Severson second the motion.

The voice vote on the amendments was 15 yea, 0 nay.

The motion carries.

Rep. Keiser made a motion for a Do Pass as Amended.

Rep. Koppang second the motion.

The roll call vote was 14 yea, 0 nay, 1 absent. The motion carries.

Rep. Keiser will carry the bill.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1095

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 2-3-99

Tape Number	Side A	Side B	Meter #
2		x	50.8
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

HB 1095

Chairman Berg opened the meeting on the bill.

Representative Kempenich moved to reconsider the bill, Second by Severson

By voice vote, all voting yes, 0 no, motion carried.

Moved by Representative Stefonowicz to remove the amendment, Second by Representative

Ekstrom

By voice vote, all voting yes, 0 no, motion carried.

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House Industry, Business and Labor Committee  
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Hearing Date 2-3-99

Moved by Representative Ekstrom for do pass without amendment, Second Representative

Klein.

By roll vote, 13 voting yes, 2 no, motion carried.

Representative Kempenich will carry the bill.

Berg explained that letters of credit could be used in place of a bond. Bonds could be used every year but a decision could not be reached on who would hold the bond until the bond is actually needed.

Chairman Berg closed the meeting on the bill.

Date: 1-12-99  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1095

House Industry, Business and Labor Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken do pass

Motion Made By Keiser Seconded By Keppang

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Keiser

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

Date: 2-3-99  
Roll Call Vote #: \_\_\_\_\_

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1095

House Industry, Business and Labor Committee \_\_\_\_\_

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken do pass

Motion Made By Eckstrom Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		/
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/	<del>/</del>			
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson		/			
Rep. Stefonowicz	/				

Total (Yes) 13 No 2

Absent 0

Floor Assignment Kempenich

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



REPORT OF STANDING COMMITTEE (410)  
February 3, 1999 4:14 p.m.

Module No: HR-22-1828  
Carrier: Keiser  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1095: Industry, Business and Labor Committee (Rep. Berg, Chairman)** recommends **DO PASS** (13 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1095 was placed on the Eleventh order on the calendar.

**1999 SENATE INDUSTRY, BUSINESS AND LABOR**

**HB 1095**


1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1095

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1		x	3650-4000
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on HB1095. All senators were present.

Mark Bachmeier, Interim Commissioner for the Department of Labor. His testimony is included. Senator Heitkamp asked Mr. Bachmeier if there would still be proof for the old bond.

Mr. Bachmeier told him that there would be.

Senator Mutch closed the hearing on HB1095.

Senator Krebsbach motioned for a do pass committee recommendation on HB1095. Senator

Klein seconded her motion. The motion carried with a 7-0-0 vote.

Senator Krebsbach will carry the bill.

SR444522

Date: 3/09  
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
~~HOUSE~~ BILL/RESOLUTION NO. 1095

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

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

Action Taken DO PASS

Motion Made By KREBSBACH Seconded By KLEIN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment KREBSBACH

REPORT OF STANDING COMMITTEE (410)  
March 11, 1999 10:38 a.m.

Module No: SR-44-4522  
Carrier: Krebsbach  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**HB 1095: Industry, Business and Labor Committee (Sen. Mutch, Chairman)** recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1095 was placed on the Fourteenth order on the calendar.

**1999 TESTIMONY**

**HB 1095**

**House Industry Business & Labor Committee**  
**Testimony on 1095**  
**Employment Agency Bonding**

Good morning Chairman Berg and members of the House Industry, Business and Labor committee. I am Bethanie Jensen, Labor Standards Inspector, for the North Dakota Department of Labor. I am here today in support of House Bill 1095.

The North Dakota Department of Labor is responsible for licensing employment agencies operating in the state. North Dakota Century Code (NDCC) 34-13 requires each employment agency to annually submit a license fee of \$200, an application, a copy of a contract, and a bond in the amount of \$5000. NDCC 34-13-07 currently requires the bond to be renewed each year.

HB 1095 amends NDCC 34-13-07 to allow employment agencies to submit proof of the continuation of a previously approved bond. We feel the proposed change would improve the licensure process by simplifying the annual requirements for employment agencies. Submitting proof of a continuous bond would involve less time and less complicated paperwork than applying for a new bond.

The Labor Department's concern is that the employment agency be bonded. Whether the bond is new each year or continued is of little consequence provided that either is approved by the commissioner.

I would be happy to answer any questions the committee may have.

Thank you.

# State of North Dakota



State Capitol  
600 East Boulevard - 6th Floor  
Bismarck, North Dakota 58505

## North Dakota Department of Labor

### Testimony in support of HB 1095 prepared for the Senate Industry, Business, & Labor Committee

March 9, 1999

Chairman Mutch and members of the committee, good morning. For the record, I am Mark Bachmeier and I am the Interim Commissioner at the Department of Labor.

HB 1095 is a bill introduced by the Department of Labor in response to requests by employment agencies in the state. The Department of Labor is responsible, under N.D.C.C. 34-13, for licensing employment agencies operating in the state. Each agency is required to apply for a license annually and each application must be accompanied by a \$200 license fee, a copy of the contract they use with their clients, a copy of their fee schedule, and a bond in the amount of \$5000.

N.D.C.C. § 34-13-05 requires the bond but does not specifically require that it be a "new" bond each year. A subsequent section dealing with the duration of a license (34-13-07) makes reference to the filing of a "new" bond and the department has consequently required a new bond to be secured each year by each agency. Owners of employment agencies have inquired frequently about this issue and specifically about why they are unable to continue a previously approved bond. Their argument is that securing a new bond involves a more complicated and time consuming process than does a request to continue a bond.

HB 1095 simply amends N.D.C.C. § 34-13-07 to allow employment agencies to submit either a new bond or an authenticated certificate continuing a previously approved bond. We believe that as long as a valid bond is filed, the protection intended under N.D.C.C. § 34-13-05 exists whether the bond is new or continued from a previous year. The bill will make the licensure process simpler for the applicants without compromising any protections provided in the chapter.

I ask for your support for this simple change and I would be pleased to answer any questions you may have.