



SENATE BILL No. 1163

May 19 1994 Introduced by Senator CARL and
referred to the Committee on Labor

A bill to amend sections 1012 and 1020 of Act No 299 of the
Public Acts of 1980, entitled as amended

"Occupational code "

as amended by Act No 253 of the Public Acts of 1992 being sec-
tions 339 1012 and 339 1020 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 1012 and 1020 of Act No 299 of the
2 Public Acts of 1980, as amended by Act No 253 of the Public Acts
3 of 1992, being sections 339 1012 and 339 1020 of the Michigan
4 Compiled Laws, are amended to read as follows

5 Sec 1012 (1) A type A personnel agency shall enter into a
6 written contract with each client for the services to be rendered
7 for which a charge is to be made by the personnel agency The
8 contract shall embody all the terms and conditions of the

1 agreement between the personnel agency and the client and shall
2 include, but not be limited to, the following

3 (a) The licensed name, address, and telephone number of the
4 personnel agency

5 (b) A notice that the personnel agency is licensed, bonded,
6 required to operate under the laws of the state of Michigan, and
7 regulated by the department

8 (c) The name and address of the client

9 (d) The personnel agency's fee schedule

10 (e) The duration of time the client is obligated under the
11 terms of the contract

12 (f) The guarantee period of employment after which no refund
13 will be made

14 (g) The services to be provided and the manner in which the
15 services are to be provided to the client

16 (h) The terms under which the fee is to be paid

17 (i) The terms under which a client may receive a refund

18 (j) The signatures of the client and the personnel agency
19 employee executing the contract

20 (2) A TYPE A PERSONNEL AGENCY MAY CHARGE A REGISTRATION FEE
21 OF NOT MORE THAN \$150 00 SUBJECT TO SUBSECTION (3), THE REGIS-
22 TRATION FEE SHALL BE REFUNDABLE UNDER EITHER OF THE FOLLOWING
23 CIRCUMSTANCES

24 (A) THE CLIENT'S ACCEPTANCE OF A BONA FIDE OFFER OF
25 EMPLOYMENT

26 (B) THE EXPIRATION OF 12 MONTHS AFTER THE EXECUTION OF A
27 WRITTEN CONTRACT FOR EMPLOYMENT

1 (3) NOTWITHSTANDING SUBSECTION (2) THE TYPE A PERSONNEL
2 AGENCY MAY REFUSE TO GRANT A REFUND UNDER ANY OF THE FOLLOWING
3 CIRCUMSTANCES

4 (A) THE CLIENT FAILS TO ACCEPT 3 OR MORE BONA FIDE JOB
5 OFFERS

6 (B) THE CLIENT IS REFUSED 3 OR MORE BONA FIDE JOB OFFERS

7 (C) THE CLIENT FAILS TO TAKE REASONABLE AND APPROPRIATE
8 ACTION TO OBTAIN A BONA FIDE JOB REFERRAL AS USED IN THIS SUB-
9 DIVISION, "REASONABLE AND APPROPRIATE ACTION" MEANS ACTION BY THE
10 CLIENT TO COMPLY WITH THE REASONABLE REQUESTS OF THE PROSPECTIVE
11 EMPLOYER REGARDING INFORMATION OR ACTION NEEDED TO DETERMINE THE
12 CLIENT'S SUITABILITY FOR THE JOB INCLUDING, BUT NOT LIMITED TO,
13 APPEARING AT A SCHEDULED INTERVIEW AND SUPPLYING ADDITIONAL
14 INFORMATION OR REFERENCES PROBATIVE OF THE CLIENT'S QUALIFICA-
15 TIONS FOR THE JOB

16 (4) ~~-(2)-~~ If a client accepts employment as a result of the
17 action of a type A personnel agency, reports for work, and ~~is~~
18 ~~employed for less than~~ THE POSITION FOR WHICH THE CLIENT IS
19 HIRED IS TERMINATED, THROUGH NO FAULT OF THE CLIENT BEFORE the
20 personnel agency's guarantee period as indicated in the contract,
21 the gross fee charged to the client shall not exceed 20% of the
22 salary or wages earned by the employee The minimum guarantee
23 period shall be at least 60 calendar days The terms of the
24 refund shall include a notice that if a fee in excess of the
25 amount required has been collected by the personnel agency, the
26 excess amount shall be refunded to the client within 7 days after
27 the client requests the refund AND AFTER VERIFICATION OF PAYROLL

1 INFORMATION AND THE REASON FOR THE TERMINATION OF THE CLIENT HAS
2 BEEN RECEIVED BY THE PERSONNEL AGENCY FROM THE EMPLOYER

3 (5) ~~-(3)-~~ A type A personnel agency shall provide 1 copy of
4 the signed contract to the client and shall maintain 1 copy in
5 the agency's file relating to that client

6 (6) ~~-(4)-~~ If a client accepts employment as a result of the
7 services of a type A personnel agency, the agency shall maintain
8 in that client's contract file a record showing the name and
9 address of the client, the name and address of the employer with
10 whom employment is accepted, the nature of the employment, the
11 amount of the agency fee, the dates and amounts of payment, and
12 the date and amount of any refund The record shall include a
13 space for remarks of an individual nature which supplement the
14 required information

15 (7) ~~-(5)-~~ A type A personnel agency shall give to a client
16 from whom a fee is received for the services rendered or assist-
17 ance given a receipt bearing the name and address of the person-
18 nel agency, the name of the client the name of the individual
19 receiving the fee, the amount of the fee, the date of payment of
20 the fee, and the reason for payment of the fee The original
21 receipt shall be given to the client and a copy shall be filed by
22 the agency in the same place as the contract under which payment
23 was made

24 (8) ~~-(6)-~~ A type A personnel agency shall maintain a client
25 file containing the contract, the employment and payment record,
26 and receipts of payment for at least 3 years following the last
27 payment or refund

1 Sec 1020 A type A personnel agency, its licensed
2 employment agent, or any other agent or employee of the type A
3 personnel agency, shall not do any of the following

4 (a) Persuade, induce, or solicit an employee to leave
5 employment which has been secured for that employee by the per-
6 sonnel agency

7 (b) Send a client to a place where a strike or lockout
8 exists or is impending without informing the client of the strike
9 or lockout, and so noting that fact upon the job referral slip
10 given to the client

11 (c) Require or accept a fee from a client ~~until the client~~
12 ~~has made a bona fide acceptance of employment~~ IN VIOLATION OF
13 SECTION 1012(2) AND (3)

14 (d) Enter into or enforce a contract with a client if
15 another personnel agency or business entity is a party to the
16 contract