

HB 164 -- USE OF CREDIT HISTORY BY PROSPECTIVE EMPLOYERS

Sponsor: Pace

This bill specifies that it will be an improper employment practice for any employer to directly or indirectly use a job applicant's personal credit history as hiring criteria. The term "employer" does not include specified financial institutions, insurance or surety companies, state law enforcement agencies, state or local government agencies that require use of the employee's or applicant's credit history, and any entity defined as a debt collector under federal or state statute.

An employer may request a credit history background check as part of the application process where it is shown to be directly related to the position sought by the applicant under at least one of the following circumstances:

- (1) The position requires bonding or other security under state or federal law for an individual holding the position;
- (2) The position is managerial and involves setting the direction or control of the business;
- (3) The position meets criteria in specified federal or state administrative rules to establish the circumstances when a credit history is a bona fide occupational requirement;
- (4) The duties of the position involve access to customers', employees', or the employer's personal or financial information other than information customarily provided in a retail transaction;
- (5) The duties of the position involve a fiduciary responsibility to the employer; or
- (6) The position includes an expense account.