

HCS HB 105 -- CREDIT HISTORY USE BY EMPLOYERS

SPONSOR: Pace

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Workforce Standards and Development by a vote of 9 to 0. Voted "Do Pass" by the Select Committee on Labor and Industrial Relations by a vote of 8 to 0.

This bill prohibits an employer or an agent, representative, or designee of an employer from requiring an employee or prospective employee to consent to a request for a credit report that contains information about the employee's or prospective employee's credit score, credit account balances, payment history, savings or checking account balances, or savings or checking account numbers as a condition of employment unless:

- (1) The employer is a financial institution as defined in the bill; or
- (2) The report is required by law;

An employee or prospective employee may file a complaint with the Department of Labor and Industrial Relations alleging a violation of the provisions of this bill. The department must conduct an investigation within thirty days after the filing of the complaint, and must render its findings. If the findings warrant, the department must hold a hearing to determine if a violation has occurred.

PROPOSERS: Supporters say that your credit rating is not an indication of your ability to be a good employee. It is a vicious cycle that needs to stop: if you can't get a job, you can't pay your bills, etc.

Testifying for the bill was Representative Pace.

OPPOSERS: Those who oppose the bill say that use of someone's credit history is a highly important tool for employers in making hiring decisions.

Testifying against the bill was Missouri Chamber Of Commerce.

OTHERS: Others testifying on the bill say they worked with Representative Pace to make sure this bill complies with federal law by expanding the exemption definition.

Testifying on the bill was Securities Industry & Financial Marketers Association.