

HB 1801 -- CREDIT HISTORY USE FOR EMPLOYERS

SPONSOR: Pace

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Workforce Standards and Development by a vote of 10 to 0. Voted "Do Pass" by the Select Committee on Labor and Industrial Relations by a vote of 8 to 1.

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 30 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.

This bill is similar to HB 105 (2015).

PROPONENTS: Supporters say that credit scores are not an indication of whether an individual would be a good employee. Furthermore, an individual who is aggressively looking for a job may have his or her credit history checked repeatedly, which could negatively affect that individual's score.

Testifying for the bill was Representative Pace.

OPPONENTS: Those who oppose the bill say that the exclusions in the bill for people in positions of trust should be by function, not by institution. Opponents also say that sometimes there could be a correlation between the employment position and the need for a credit score. This would take another tool out of the employers' toolbox to be used during the hiring process. Employers have a right to know whether potential employees have stolen or committed similar crimes in the past.

Testifying against the bill were Consumer Data Industry

Association; Missouri Chamber Of Commerce and Industry; Associated Industries Of Missouri; Missouri Society Of Certified Public Accountants; Missouri Retailers Association; and the Missouri Grocers Association.