



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

**Testimony of Kia F. Murrell
Assistant Counsel, CBIA
Before the Committee on Labor and Public Employees
Hartford, CT
February 15, 2011**

**S.B. 361 AA Preventing the Use of Credit Scores
by Certain Employers in Hiring Decisions**

Good Afternoon Senator Prague, Representative Zalaski and other members of the Committee. My name is Kia Murrell and I am Assistant Counsel at the Connecticut Business and Industry Association (CBIA). CBIA represents more than 10,000 companies throughout the state of Connecticut, ranging from large corporations to small businesses, but the vast majority of our members are small businesses of 50 or fewer employees.

CBIA does not support legislation which increases the costs of doing business in the state; creates new administrative burdens for employers when making hiring or personnel decisions; or limits employers' flexibility when assessing the qualifications and fitness of job candidates.

Based on the above, we are concerned that S.B. 361 may negatively impact Connecticut businesses in the following ways:

- It unnecessarily limits employers' ability to fully assess the fitness of potential job candidates by narrowly prescribing the circumstances in which they may consider credit reports as a basis for employment decisions.
- By limiting some employers' use of credit reports to only those criteria listed in this legislation, other employers would be forced to shoulder the burden of defending against Labor Department complaints and potential fines, at a time when the state has limited resources for the additional investigations.
- Many financial institutions are already subject to federal law governing how and when such employers use consumer credit reports in hiring. The Fair Credit Reporting Act regulates employer background check procedures and it allows job applicants and employees to challenge such reports as adverse or irrelevant to employment.

In summary, S.B. 361 creates another layer of regulation for employers to contend with in managing their workforces and hiring new employees, at a time when job retention and growth in the state should be the top priority in public policy. For that reason, we oppose this legislation.