



Substitute Senate Bill No. 361

Public Act No. 11-223

AN ACT PREVENTING THE USE OF CREDIT SCORES BY CERTAIN EMPLOYERS IN HIRING DECISIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2011*) (a) As used in this section:

(1) "Employee" means any person engaged in service to an employer in a business of his employer;

(2) "Employer" means any person engaged in business who has one or more employees, including the state or any political subdivision of the state;

(3) "Financial institution" means any entity or affiliate of a state bank and trust company, national banking association, state or federally chartered savings bank, state or federally chartered savings and loan association, state or federally chartered credit union, insurance company, investment advisor, broker-dealer or an entity registered with the securities and exchange commission; and

(4) "Substantially related to the employee's current or potential job" means the information contained in the credit report is related to the position for which the employee or prospective employee who is the

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subject of the report is being evaluated because the position:

(A) Is a managerial position which involves setting the direction or control of a business, division, unit or an agency of a business;

(B) Involves access to customers', employees' or the employer's personal or financial information other than information customarily provided in a retail transaction;

(C) Involves a fiduciary responsibility to the employer, including, but not limited to, the authority to issue payments, collect debts, transfer money or enter into contracts;

(D) Provides an expense account or corporate debit or credit card;

(E) Provides access to (i) confidential or proprietary business information, or (ii) information, including a formula, pattern, compilation, program, device, method, technique, process or trade secret that: (I) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from the disclosure or use of the information; and (II) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; or

(F) Involves access to the employer's nonfinancial assets valued at two thousand five dollars or more, including, but not limited to, museum and library collections and to prescription drugs and other pharmaceuticals.

(b) No employer or employer's agent, representative or designee may require 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

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savings or checking account numbers as a condition of employment unless (1) such employer is a financial institution, (2) such report is required by law, (3) the employer reasonably believes that the employee has engaged in specific activity that constitutes a violation of the law related to the employee's employment, or (4) such report is substantially related to the employee's current or potential job or the employer has a bona fide purpose for requesting or using information in the credit report that is substantially job-related and is disclosed in writing to the employee or applicant.

(c) Any employee or prospective employee may file a complaint with the Labor Commissioner alleging a violation of the provisions of subsection (b) of this section. Within thirty days after the filing of such complaint, the commissioner shall conduct an investigation and shall render his findings. Should said findings warrant, the commissioner shall hold a hearing, in accordance with the provisions of chapter 54 of the general statutes. An employer shall be liable to the Labor Department for a civil penalty of three hundred dollars for each inquiry made in violation of subsection (b) of this section.

(d) The Attorney General, upon complaint of the Labor Commissioner, shall institute civil actions to recover the penalties provided for under subsection (c) of this section. Any amount recovered shall be deposited in the General Fund.

Approved July 13, 2011