



General Assembly

February Session, 2016

**Raised Bill No. 40**

LCO No. 367



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:  
(LAB)

**AN ACT CONCERNING EMPLOYER INQUIRIES ABOUT AN  
EMPLOYEE'S OR PROSPECTIVE EMPLOYEE'S CREDIT HISTORY.**

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

1 Section 1. Section 31-51tt of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 (a) As used in this section:

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

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

9 (3) "Financial institution" means (A) any entity or affiliate of a state  
10 bank and trust company, national banking association, state or  
11 federally chartered savings bank, state or federally chartered savings  
12 and loan association, state or federally chartered credit union,  
13 insurance company, investment advisor, broker-dealer, (B) an entity

14 registered with the Securities and Exchange Commission, or (C) any  
15 mortgage broker, mortgage correspondent lender or mortgage lender  
16 licensed pursuant to chapter 668 or any mortgage servicing company,  
17 as defined in section 36a-715; and

18 (4) "Substantially related to the employee's current or potential job"  
19 means the information contained in the credit report is related to the  
20 position for which the employee or prospective employee who is the  
21 subject of the report is being evaluated because the position:

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

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

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

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

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

40 (F) Involves access to [the employer's nonfinancial assets valued at  
41 two thousand five dollars or more, including, but not limited to,]  
42 museum and library collections [and] or to prescription drugs and

43 other pharmaceuticals.

44 (b) No employer or employer's agent, representative or designee  
45 may require an employee or prospective employee to consent to a  
46 request for a credit report that contains information about the  
47 employee's or prospective employee's credit score, credit account  
48 balances, payment history, savings or checking account balances or  
49 savings or checking account numbers as a condition of employment  
50 unless (1) such employer is a financial institution, (2) such report is  
51 required by law, (3) the employer reasonably believes that the  
52 employee has engaged in specific activity that constitutes a violation of  
53 the law related to the employee's employment, or (4) such report is  
54 substantially related to the employee's current or potential job or the  
55 employer has a bona fide purpose for requesting or using information  
56 in the credit report that is substantially job-related and is disclosed in  
57 writing to the employee or applicant.

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	31-51tt

**Statement of Purpose:**

To restrict the circumstances under which an employer may require an employee or job applicant to consent to a credit report by removing a provision allowing employers to require a credit report from an employee or job applicant who has access to nonfinancial assets valued at two thousand five dollars or more.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*