



## CONNECTICUT

**TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)  
OPPOSING  
HB-6519, AA PROHIBITING EMPLOYER CREDIT INQUIRIES FOR POSITIONS INVOLVING  
ACCESS TO CERTAIN NONFINANCIAL ASSETS  
BEFORE THE  
BANKING COMMITTEE  
FEBRUARY 14, 2017**

*A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, NFIB/Connecticut offers the following comments:*

**NFIB/Connecticut opposes HB-6519.** This bill would significantly expand existing restrictions an employer's ability to request a credit inquiry on their employees or potential employees by overly narrowing the definition of "substantially related" through removing the reference in lines 41-44 to employees or potential employees that may have access to an employers "non-financial assets" valued above the specified threshold dollar amount (\$2,500). This existing statutory balancing was the product of compromise language that was discussed and negotiated with various representatives of the business community in 2011 when P.A. 11-223 first passed.

This bill would now unnecessarily eliminate a legitimate screening tool available for small business owners related to their employees who regularly deal with and/or have access to significant amounts of company non-financial assets. In a small business, these non-financial assets often include things like: vehicles; machinery; tools and equipment; computer hardware and electronic devices; contents of vaults and safes; product and inventory; and valuable raw materials, etc. Without unfettered access to full information about potential employees, employers are unable to act to protect their business from potential loss and ensure the trust of their employees, vendors, customers/clients, and the general public, when making hiring decisions. Small business owners must have all available information to best be able to make proper hiring decisions. There needs to remain some tool in the toolbox for a small business owner to use a credit check when they feel they need to use it in regards to those who may have access to their important and valuable non-financial assets.

It must also be noted that small businesses are particularly vulnerable to loss, often because they lack the checks and balances of larger corporations. Long-term research on employee theft strongly reinforces its frequency and the substantial impact it can have on employers, particularly small employers. For example, U.S. Department of Commerce estimates are that 30 percent of business failures result from employee theft. And



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according to retail-industry research, employee theft is one of the most significant threats to employers. Finally, federal law (primarily through the Fair Credit Reporting Act) already adequately governs this area and provides for employee protections.

Therefore, for the aforementioned reasons, NFIB/CT suggests no action on the bill at this time.

Thank you for the opportunity to comment and for your consideration of NFIB's concerns on behalf of small business. For any questions or additional information, please contact Andy Markowski, NFIB/Connecticut State Director, at 860-248-NFIB.