



House of Representatives

General Assembly

File No. 120

January Session, 2017

House Bill No. 6519

House of Representatives, March 22, 2017

The Committee on Banking reported through REP. LESSER of the 100th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT PROHIBITING EMPLOYER CREDIT INQUIRIES FOR POSITIONS INVOLVING ACCESS TO CERTAIN NONFINANCIAL ASSETS.

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

1 Section 1. Subsection (a) of section 31-51tt of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2017*):

4 (a) As used in this section:

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

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

10 (3) "Financial institution" means (A) any entity or affiliate of a state
11 bank and trust company, national banking association, state or

12 federally chartered savings bank, state or federally chartered savings
13 and loan association, state or federally chartered credit union,
14 insurance company, investment advisor, broker-dealer, (B) an entity
15 registered with the Securities and Exchange Commission, or (C) any
16 mortgage broker, mortgage correspondent lender or mortgage lender
17 licensed pursuant to chapter 668 or any mortgage servicing company,
18 as defined in section 36a-715; and

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

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

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

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

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

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

41 [(F) Involves access to the employer's nonfinancial assets valued at
42 two thousand five dollars or more, including, but not limited to,

43 museum and library collections and to prescription drugs and other
44 pharmaceuticals.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2017</i>	31-51tt(a)

BA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which narrows the circumstances under which an employer can require an employee or job applicant to consent to a credit report request, does not result in any fiscal impact to the state or municipalities.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6519*****AN ACT PROHIBITING EMPLOYER CREDIT INQUIRIES FOR POSITIONS INVOLVING ACCESS TO CERTAIN NONFINANCIAL ASSETS.*****SUMMARY**

This bill prohibits employers or their agents, representatives, or designees from requiring, as a condition of employment, a current or prospective employee's consent to a request for a credit report solely because the job involves access to nonfinancial assets valued at more than \$2,500.

It does so by removing jobs with access to such nonfinancial assets from the statutory definition of "substantially related." By law, employers may require current or prospective employees to consent to a credit report request when the (1) report is substantially related to the employee's current or potential job or (2) employer has a bona fide reason to request or use information in the report that is substantially job-related and this reason is disclosed to the employee or applicant in writing.

Under existing law, employers may also require a current or prospective employee's consent to a credit report if it is required by law or the employer (1) is a financial institution or (2) reasonably believes the employee committed a violation of the law related to the employee's job.

EFFECTIVE DATE: October 1, 2017

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 13 Nay 6 (03/07/2017)