

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 3 - 2 - 0

**Yeas:** Monroe, Prozanski, Rosenbaum

**Nays:** George, Telfer

**Exc.:** -

**Prepared By:** Jim Stembridge, Administrator

**Meeting Dates:** 2/3, 2/8, 2/10

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**WHAT THE MEASURE DOES:** Prohibits the use of credit history for employment purposes including hiring, discharge, promotion, and compensation. Provides exceptions for financial institutions, public safety offices, and other job-related employment. Establishes violation as unlawful employment practice, enforceable through the Bureau of Labor and Industries and civil action. Establishes an operative date of July 1, 2010. Declares an emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Use of credit histories in employment decision-making
- Predictive value of private personal credit information, such as spending habits or medical history
- Rights of employers to ask questions they need to ask
- Specific language of exemption provisions
- Enforcement by the Bureau of Labor and Industries
- Accuracy of credit information and difficulty getting errors corrected
- Explanations for less-than-stellar credit histories
- Definitions of “job-related” and “substantially job related”
- Federal regulation of credit reporting and uses of credit reports, including “adverse action” letters
- National statistics on business theft and fraud by employees
- Connections, or lack thereof, between credit history and employee trustworthiness or ability to do the job

**EFFECT OF COMMITTEE AMENDMENT:** Deletes bona fide occupational qualification language. Requires that use of credit history be substantially job-related and that the employer’s reasons be disclosed to the applicant or employee in writing. Changes police officer exemption to include part-time; deletes corrections officers.

**BACKGROUND:** SB 1045 A limits the amount a prevailing party can be awarded in a civil action to the same amounts as outlined in current statute related to civil rights violations.

SB 1045 A defines “credit history” as a communication of information by a consumer reporting agency that bears of a consumer’s creditworthiness, credit standing, or credit capacity. “Credit” is often used to mean borrowing capacity or the ability to repay loans of money. Credit history has been used as a surrogate measure of trustworthiness and/or verification of application information. Credit reports maintained by consumer reporting agencies, however, are said to often contain incorrect information.