



1 **ARTICLE 5G. EQUAL ACCESS TO EMPLOYMENT FOR ALL ACT.**

2 **§21-5G-1. Legislative findings and purpose.**

3 The Legislature finds and declares that:

4 (1) Consumer credit scores and credit reports often exclude  
5 relevant information or include inaccurate information, and some  
6 research, including a 2011 study conducted by the Policy and  
7 Economic Research Council, suggests that more than twenty million  
8 Americans have material errors on their credit reports;

9 (2) There is also evidence, according to researchers at the  
10 Center for Economic Justice and the National Consumer Law Center,  
11 that racial and ethnic disparities exist in, and are perpetuated  
12 by, consumer credit scoring and credit reporting;

13 (3) In spite of these systemic flaws, the nonpartisan public  
14 policy research and advocacy organization Demos concluded in its  
15 2011 report "Discrediting America" that consumer credit scores and  
16 credit reports are being used more often and in more contexts than  
17 ever before, including by employers, utility companies, and  
18 insurers;

19 (4) Despite a lack of evidence showing that consumer credit  
20 history correlates to an individual's job performance or likelihood  
21 to commit fraud, the number of employers relying on consumer credit  
22 information to evaluate employees or potential employees has  
23 increased dramatically, with sixty percent of employers using  
24 consumer credit information to evaluate job candidates;

1       (5) Currently, job-seekers may have no way of knowing whether  
2 or not their credit scores are being used as a factor in  
3 considering their applications for employment; and

4       (6) People who have lost their jobs are more likely to have  
5 lower credit scores and yet, as a result of employers' use of  
6 credit information to make employment decisions, people with lower  
7 credit scores are less likely to become reemployed. The impact of  
8 this practice has been to create chronic barriers to employment for  
9 otherwise qualified people who may have a reduced credit score as  
10 a result of one or more layoffs in the family, being a single  
11 parent, a medical emergency, a divorce, or a death in the family.

12       (7) The Legislature, therefore, intends to remove unnecessary  
13 barriers to employment and to mitigate some of the inequality that  
14 inheres in consumer credit information by ensuring that credit  
15 scoring is not used in making employment decisions unless it is  
16 legitimately related to the job.

17 **§21-5G-2. Use of credit history, credit score or credit report**  
18 **prohibited for employment purposes.**

19       (a) Except as provided in subsection (c) of this section, a  
20 person, including a prospective employer or current employer, may  
21 not use a credit history, credit score or credit report, or cause  
22 a credit history, credit score or credit report to be procured,  
23 with respect to any consumer where any information contained in the  
24 report bears on the consumer's credit worthiness, credit standing,

1 or credit capacity for employment purposes.

2 (b) The prohibition set forth in subsection (a) applies even  
3 if the consumer consents or otherwise authorizes the procurement or  
4 use of a credit history, credit score or credit report for  
5 employment purposes or in connection with an adverse action with  
6 respect to such consumer.

7 (c) Notwithstanding the prohibitions set forth in this  
8 section, an employer may use a credit history, credit score or  
9 credit report with respect to a consumer in the following  
10 situations:

11 (1) When the consumer applies for, or currently holds,  
12 employment that requires national security or FDIC clearance;

13 (2) When the consumer applies for, or currently holds,  
14 employment with a state or local government agency which otherwise  
15 requires use of a consumer report;

16 (3) When the consumer applies for, or currently holds, a  
17 supervisory, managerial, professional, or executive position at a  
18 financial institution;

19 (4) When the consumer applies for, or currently holds,  
20 employment as a law-enforcement officer; or

21 (5) When otherwise required by law.

22 **CHAPTER 33. INSURANCE.**

23 **ARTICLE 11. UNFAIR TRADE PRACTICES.**

24 **§33-11-5b. Use of credit history, credit score or credit report**

1                   **prohibited.**

2           With respect to insurance policies for passenger motor  
3 vehicles, residential property or other personal insurance lines,  
4 no person may:

5           (1) Refuse to underwrite, cancel, refuse to renew a risk or  
6 increase a renewal premium based, in whole or in part, on the  
7 credit history, credit score or credit report of an applicant for  
8 insurance or an insured person;

9           (2) Rate a risk based, in whole or in part, on the credit  
10 history, credit score or credit report of an applicant for  
11 insurance or an insured person in any manner, including, but not  
12 limited to, the provision or removal of a discount, assigning an  
13 applicant or insured person to a rating tier, or placing an  
14 applicant or insured person with an affiliated company; or

15           (3) Require a particular payment plan based, in whole or in  
16 part, on the credit history, credit score or credit report of the  
17 applicant for insurance or the insured person.

NOTE: The purpose of this bill is to prohibit the use of a person's credit history in employment hires except in limited circumstances where there is a legitimate job related purpose in requesting the credit history. The bill also prohibits the use of a person's credit history in insurance transactions.

§§21-5G-1 and 2, and §33-11-5b are new; therefore, they have been completely underscored.