

HOUSE No. 2019

The Commonwealth of Massachusetts

PRESENTED BY:

Elizabeth A. Malia

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act regulating the use of credit reports by employers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>	<i>2/18/2021</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	<i>2/26/2021</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>	<i>2/26/2021</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>2/26/2021</i>
<i>Peter Capano</i>	<i>11th Essex</i>	<i>2/26/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>3/10/2021</i>
<i>Jacob R. Oliveira</i>	<i>7th Hampden</i>	<i>3/10/2021</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>4/1/2021</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>7/22/2021</i>

HOUSE No. 2019

By Ms. Malia of Boston, a petition (accompanied by bill, House, No. 2019) of Elizabeth A. Malia and others for legislation to further regulate the use of credit reports by employers. Labor and Workforce Development.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1659 OF 2019-2020.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act regulating the use of credit reports by employers.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 51 of Chapter 93 of the General Laws, as appearing in the 2018
2 Official Edition, is hereby amended by inserting after the word “purposes”, in line 12, the
3 following words:- under section 51C.

4 SECTION 2. Said Chapter 93 is hereby further amended by inserting after Section
5 51B the following section:-

6 Section 51C. (a) For the purposes of this section, the following terms shall have
7 the following meanings unless the context clearly indicates otherwise:

8 “Employment purposes”, when used in connection with a consumer report, a
9 purpose related to the evaluation of a consumer for employment, promotion, reassignment or

10 retention, termination, demotion, discipline, compensation or the terms, conditions or privileges
11 of employment.

12 (b) A person shall not: (i) use a consumer report in connection with or as a
13 criterion for an employment purpose; (ii) request or procure a consumer report for employment
14 purposes; or (iii) require an employee or applicant to answer a question about the contents of a
15 consumer report or the information contained in it regarding credit worthiness, credit standing or
16 credit capacity.

17 (c) Notwithstanding subsection (b), a person may use or request a consumer
18 report for employment purposes under subsection (e) if 1 of the following conditions are met:

19 (i) a person is required by federal or state law or regulation or the rules of a self-
20 regulatory organization, as defined in 15 U.S.C. 78c(a)(26), to use a consumer report for
21 employment purposes; or

22 (ii) the employee or applicant applies for or holds a position that requires national
23 security clearance.

24 (d) Notwithstanding subsection (c), a person shall not use a consumer report in a
25 manner that results in adverse employment discrimination prohibited by law.

26 (e) An employer, or person acting on behalf of the employer for an employment
27 purpose, shall not obtain, use or seek the consumer report of an employee or applicant under
28 subsection (c) unless the employer or person acting on behalf of the employer:

29 (i) obtains the written consent of the employee or applicant in a document that
30 consists solely of the consent and does so each time that the person seeks to obtain the consumer
31 report of an employee or applicant;

32 (ii) discloses the employer's reason for accessing the consumer report to the
33 employee or applicant in writing; provided, however, that if an employer intends to take an
34 adverse employment action that is based, in whole or in part, on the report, the employer shall
35 disclose the reason for the action, including the information in the report that was the basis for
36 the action, in writing at least 14 days prior to taking the action, along with a copy of the report
37 and the notice of consumer rights required by 15 U.S.C. 1681g(c)(1); and provided further, that
38 the employer shall provide the employee or applicant, in a private discussion, the opportunity to
39 dispute the relevance of the information upon which the employer based the adverse employment
40 action and shall consider the dispute before making a final decision; and

41 (iii) ensures that costs associated with obtaining a consumer report are not paid by
42 or passed on to the employee or applicant.

43 If, during the 14 day period under clause (ii), the employee or applicant provides
44 oral or written notice to an employer or person acting on behalf of the employer that the
45 employee or applicant is disputing the accuracy of the consumer report with a consumer
46 reporting agency, the employer or person acting on behalf of the employer shall not take an
47 adverse employment action until the resolution of the dispute under section 58 or 15 U.S.C.
48 1681i(a) and shall consider the results of the resolution before taking an adverse action.

49 (f) An employer or person acting on behalf of the employer shall not retaliate,
50 discriminate or take an adverse action against an employee or applicant on the basis that the

51 employee or applicant has or intends to: (i) file a complaint pursuant to subsection (h); (ii) allege
52 that the person violated this section; (iii) testify, assist, give evidence or participate in an
53 investigation, proceeding or action concerning a violation of this section; or (iv) otherwise
54 oppose a violation of this section.

55 (g) A waiver of this section shall be void and a person shall not require or request
56 that an employee or applicant waive it.

57 (h) Failure to comply with this section shall constitute an unfair practice under
58 clause (a) of section 2 of chapter 93A.

59 SECTION 3. This act shall take effect on January 1, 2023.