

SENATE BILL 312

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By: **Senators Lenett, Pugh, Conway, Currie, Exum, Harrington, Jones, Kelley, King, Klausmeier, Madaleno, McFadden, Miller, Muse, Peters, Pinsky, Raskin, and Stone**

Introduced and read first time: January 27, 2010

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Credit Reports and Credit Histories of Applicants**
3 **and Employees – Limitations on Use by Employers**

4 FOR the purpose of prohibiting an employer from using a certain individual's credit
5 report or credit history for certain purposes; authorizing an employer to request
6 or consider a certain individual's credit report or credit history under certain
7 circumstances; requiring the Commissioner of Labor and Industry to adopt
8 certain regulations; authorizing certain civil actions under certain
9 circumstances; providing that this Act does not apply to certain employers; and
10 generally relating to the credit reports and credit histories of applicants and
11 employees.

12 BY adding to

13 Article – Labor and Employment

14 Section 3–710

15 Annotated Code of Maryland

16 (2008 Replacement Volume and 2009 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Labor and Employment**

20 **3–710.**

21 **(A) THIS SECTION DOES NOT APPLY TO AN EMPLOYER THAT IS:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(1) REQUIRED TO INQUIRE INTO AN APPLICANT'S OR EMPLOYEE'S**
2 **CREDIT REPORT OR CREDIT HISTORY UNDER FEDERAL LAW OR ANY PROVISION**
3 **OF STATE LAW FOR THE PURPOSE OF EMPLOYMENT; OR**

4 **(2) A FINANCIAL INSTITUTION WHERE DEPOSITS ARE INSURED BY**
5 **A FEDERAL AGENCY THAT HAS JURISDICTION OVER THE FINANCIAL**
6 **INSTITUTION.**

7 **(B) AN EMPLOYER MAY NOT USE AN APPLICANT'S OR EMPLOYEE'S**
8 **CREDIT REPORT OR CREDIT HISTORY IN DETERMINING WHETHER TO:**

9 **(1) DENY EMPLOYMENT TO THE APPLICANT;**

10 **(2) DISCHARGE THE EMPLOYEE; OR**

11 **(3) DETERMINE COMPENSATION OR THE TERMS, CONDITIONS, OR**
12 **PRIVILEGES OF EMPLOYMENT.**

13 **(C) (1) AN EMPLOYER MAY REQUEST OR CONSIDER AN APPLICANT'S**
14 **CREDIT REPORT OR CREDIT HISTORY IF:**

15 **(I) 1. THE APPLICANT HAS RECEIVED AN OFFER OF**
16 **EMPLOYMENT; AND**

17 **2. THE CREDIT REPORT OR CREDIT HISTORY WILL**
18 **BE USED FOR A PURPOSE OTHER THAN THOSE PROHIBITED BY SUBSECTION (B)**
19 **OF THIS SECTION; OR**

20 **(II) THE REQUEST HAS A BONA FIDE WORK-RELATED**
21 **PURPOSE.**

22 **(2) THE COMMISSIONER SHALL ADOPT REGULATIONS**
23 **SPECIFYING WHAT IS A BONA FIDE WORK-RELATED PURPOSE.**

24 **(D) IF AN EMPLOYER VIOLATES SUBSECTION (B) OR (C) OF THIS**
25 **SECTION, THE APPLICANT OR EMPLOYEE MAY BRING AN ACTION FOR**
26 **INJUNCTIVE RELIEF, DAMAGES, OR OTHER RELIEF.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2010.