

HOUSE JOINT RESOLUTION 644

By Shaw

A RESOLUTION relative to the use of credit information in making employment decisions.

WHEREAS, the Tennessee General Assembly has been historically focused on protecting vulnerable populations from arbitrary factors that limit or prohibit their ability to prosper; and

WHEREAS, we support efforts to re-engage constituents in the workforce and facilitate greater job opportunities; and

WHEREAS, we oppose any unlawful or discriminatory hiring practices that may negatively and unjustly impact a person's ability to secure employment and oppose legislation that could be perceived as culturally biased; and

WHEREAS, federal law allows employment credit checks under the Fair Credit Reporting Act (FCRA), which permits employers to request credit reports on job applicants and existing employees; and

WHEREAS, credit reports were not designed as an employment screening tool, rather as a means for lenders to evaluate whether a borrower would be a good credit risk; and

WHEREAS, those that would be most adversely impacted by credit-based employment decisions would be individuals in the low-and middle-income households with credit card debt and households experiencing job loss, lack of health coverage, or medical debt; and

WHEREAS, a new civil rights agenda must include consumer protection from arbitrary factors that limit a person's ability to prosper in a global economy; and

WHEREAS, one of the factors many employers examine when determining whether to offer an applicant employment is the person's credit information; and

WHEREAS, many employers claim a person's credit score is indicative to some degree of his or her trustworthiness, but substantial data suggests that there is no relationship between these two factors; and

WHEREAS, according to a 2012 Federal Trade Commission (FTC) study, 42 million Americans have errors on their credit reports; and

WHEREAS, these errors can have an adverse impact on a consumer's credit score; and

WHEREAS, 45 bills in 25 states and the District of Columbia relating to the use of credit information in employment decisions were introduced in 2013 legislative sessions; and

WHEREAS, eight states passed legislation to restrict the use of credit checks in employment, and dozens of additional cities and states introduced bills to do so; and

WHEREAS, in 2013, legislation was introduced in Congress to amend the Fair Credit Reporting Act to prohibit the use of employment credit checks; and

WHEREAS, the Tennessee General Assembly understands the importance of fair and just hiring practices and the negative impact that credit ratings, history, or scores may have, especially on persons from certain socioeconomic or cultural backgrounds; and

WHEREAS, the Tennessee General Assembly discourages the use of credit scores and similar types of information to be used in determining a job applicant's employability and whether this information should be used to deny employment; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED EIGHTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that the Tennessee General Assembly urges the United States Congress to make it an unlawful discriminatory hiring practice for an employer to use a person's credit rating, credit score, or consumer credit history to render decisions regarding such person's employment.

BE IT FURTHER RESOLVED that the Tennessee General Assembly also recognizes credit information is sometimes needed in certain circumstances, or for certain kinds of jobs and

security clearances, and supports limited, reasonable exceptions to laws prohibiting the use of credit information in employment.

BE IT FURTHER RESOLVED, that a certified copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Tennessee's Congressional delegation.