## **HB 293 - FINAL VERSION**

## 2019 SESSION

19-0814 04/01

HOUSE BILL 293

AN ACT relative to employee credit privacy.

SPONSORS: Rep. Cushing, Rock. 21; Rep. King, Hills. 33; Rep. D. Ley, Ches. 9; Rep. Rogers,

Merr. 28; Rep. O'Brien, Hills. 36; Rep. Mangipudi, Hills. 35; Rep. Berch, Ches. 1;

Sen. Feltes, Dist 15; Sen. Cavanaugh, Dist 16; Sen. Fuller Clark, Dist 21

COMMITTEE: Labor, Industrial and Rehabilitative Services

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## **ANALYSIS**

This bill prohibits employers from using credit history in employment decisions.

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Explanation: Matter added to current law appears in **bold italics**.

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

#### STATE OF NEW HAMPSHIRE

## In the Year of Our Lord Two Thousand Nineteen

AN ACT relative to employee credit privacy.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Subdivision; Employee Credit Privacy. Amend RSA 275 by inserting after section 77 the following new subdivision:

Employee Credit Privacy

275:78 Definitions. In this subdivision:

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- I. "Credit history" means any written or other communication of any information about the employee's or prospective employee's credit score, credit account balances, payment history, savings or checking account balances, or savings or checking account numbers by a consumer reporting agency as defined in RSA 359-B:3, VI.
- II. "Employer" means an individual or entity that permits one or more individuals to work or that accepts applications for employment or is an agent of such individual or entity. "Employer" shall not include:
- (a) Any bank holding company, financial holding company, bank, savings bank, savings and loan association, credit union, or trust company, or any subsidiary or affiliate thereof, that is chartered by any state or the United States.
- (b) Any state or local government agency which requires use of the employee's or applicant's credit history or credit report.
- (c) Any individual or entity that is required by federal law or regulation to obtain an employee's or applicant's credit history or credit report.
- III. "Substantially related to the employee's current or potential job" means the information contained in the credit history is related to the position for which the employee or prospective employee who is the subject of the report is being evaluated because the position:
- (a) Is a managerial position which involves setting the direction or control of a business, division, unit, or agency of a business;
- (b) Involves access to customers', employees', or the employer's personal or financial information other than information customarily provided in a retail transaction;
- (c) Involves a fiduciary responsibility to the employer, including, but not limited to, the authority to issue payments, collect debts, transfer money, or enter into contracts; or
  - (d) Provides an expense account or corporate debit or credit card.
- 275:79 Use of Credit History Prohibited. No employer, labor organization, or employment agency shall use or request information in the credit history of a job applicant or employee in connection with or as a criterion for employment decisions related to hiring, termination, promotion,

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1	demotion, discipline, compensation, or the terms, conditions, or privileges of employment unless the
2	employer is required by state or federal law to use individual credit history for employment
3	purposes, or the employer has a bona fide purpose for requesting or using information in the credit
4	history report that is substantially related to the employee's current or potential job and the
5	employer complies with the notice and consent requirements of the Federal Fair Credit Reporting
6	Act, 15 U.S.C. section 1681 et seq.
7	275:80 Penalty. Any employer violating any provision of this subdivision shall be subject to a
8	civil penalty, to be imposed by the labor commissioner in accordance with the procedures established
9	in RSA 273:11-a. An employer aggrieved by the commissioner's assessment of such penalty may
10	appeal in accordance with RSA 273:11-c.
11 12	2 Effective Date. This act shall take effect January 1, 2020.

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VETOED July 10, 2019 Veto Sustained September 18, 2019 14