

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2880 Session of
2000

INTRODUCED BY TULLI, WILT, WOJNAROSKI, BAKER, SHANER AND
PISTELLA, NOVEMBER 22, 2000

REFERRED TO COMMITTEE ON LABOR RELATIONS, NOVEMBER 22, 2000

AN ACT

1 Authorizing the Department of Labor and Industry to enter into
2 certain contracts with consumer-reporting agencies; providing
3 for confidentiality of certain information obtained from the
4 department; and imposing penalties.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Consumer
9 Credit Reporting Access Act.

10 Section 2. Definition.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Consumer-reporting agency." A person who, for monetary
15 fees, dues or on a cooperative nonprofit basis, regularly
16 engages in whole or in part in the practice of assembling or
17 evaluating consumer credit information or other information on
18 consumers for the purposes of furnishing consumer reports to

1 third parties.

2 "Department." The Department of Labor and Industry of the
3 Commonwealth.

4 Section 3. Department contract with consumer-reporting agency.

5 (a) Authorization.--In accordance with the provisions of
6 this act, the department is authorized to contract with one or
7 more consumer-reporting agencies to provide secure electronic
8 access to employer-provided information relating to the
9 quarterly wages report submitted in accordance with the act of
10 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as
11 the Unemployment Compensation Law. Electronic access under this
12 section shall be limited to the wage reports for the preceding
13 16 calendar quarters.

14 (b) Administrative costs to be paid by consumer-reporting
15 agency.--The department may not provide wage and employment
16 history information to a consumer-reporting agency under
17 contract with the department until the consumer-reporting agency
18 pays all development and other start-up costs incurred in
19 connection with the design, installation and administration of
20 all systems and procedures for the electronic-access program.

21 (c) Cost of electronic access.--In contracting with one or
22 more consumer-reporting agencies under this section, any
23 revenues generated by such contract shall be used to pay the
24 entire cost of providing electronic access to the information.
25 Any revenues generated from a contract entered into under this
26 act shall be deposited into the Administration Fund authorized
27 by the Unemployment Compensation Act and shall be used for the
28 purposes set forth in this act.

29 Section 4. Consent of consumer required.

30 The party that is authorized to receive the employer-provided

1 information shall obtain the written consent of the consumer
2 prior to the release of the employer-provided information. The
3 written consent must be signed by the consumer and contain a
4 notice stating:

5 (1) The individual's wage and employment history
6 information will be released to a consumer-reporting agency.

7 (2) The information obtained by the consumer-reporting
8 agency may only be used for a single transaction.

9 (3) The release is made in accordance with the Fair
10 Credit Reporting Act (Public Law 91-508, 15 U.S.C. § 1681 et
11 seq.) for the sole purpose of reviewing a specific
12 application made by the individual.

13 (4) The records of the department containing wage and
14 employment history information submitted by the individual or
15 his employers may be accessed.

16 (5) The list of the parties authorized to receive the
17 released information.

18 (6) Any other information required by the department.

19 Section 5. Confidentiality.

20 (a) General rule.--Consumer-reporting agencies and other
21 persons receiving information under this act shall:

22 (1) Maintain the confidentiality of the information
23 obtained from the department.

24 (2) Only use the information to support a single
25 transaction in order to satisfy standard financial
26 underwriting and creditworthiness requirements or to satisfy
27 obligations under applicable Federal or State laws.

28 (3) Comply with any other requirements regarding the
29 release of such information established by the department and
30 the United States Department of Labor.

1 (b) Standards to be established by department.--The
2 department shall establish minimum audit, security, net-worth,
3 liability-insurance standards, technical requirements and any
4 other terms and conditions considered necessary in the
5 discretion of the department to maintain the confidentiality of
6 the information released under this act and to otherwise serve
7 the public interest. The department shall have the authority to
8 audit a consumer-reporting agency's use of the information and
9 such audits shall be conducted by an independent auditor
10 selected by the department. The costs of such audits shall be
11 incurred by the consumer-reporting agency.

12 Section 6. Penalties.

13 (a) Contractual.--If a consumer-reporting agency violates
14 any provision of this act, the department may terminate the
15 contract. Any contract entered into by the department with a
16 consumer-reporting agency providing electronic access under this
17 act shall provide for liquidated damages to be paid to the
18 department upon the breach of the contract by the consumer-
19 reporting agency.

20 (b) Criminal.--Any officer or employee of a consumer-
21 reporting agency who obtains electronic access to the
22 department's records in accordance with this act who knowingly
23 and willfully provides information concerning an individual to a
24 person not authorized to receive the information commits a
25 misdemeanor of the third degree and shall, upon conviction, be
26 sentenced to pay a fine of not more than \$5,000 or to
27 imprisonment for not more than one year, or both.

28 Section 7. Effective date.

29 This act shall take effect in 60 days.