



## HOUSE BILL 175

### Labor and Employment - Credit Reports and Credit Histories of Applicants and Employees - Limitations on Use by Employers

February 18, 2010

#### POSITION: Oppose

Mr. Chairman and Members of the Economic Matters Committee:

On behalf of the members of the *Restaurant Association of Maryland*, we strongly oppose House Bill 175. This legislation prohibits an employer from using a credit report in the hiring decision of a job applicant unless the employer has a bona fide work-related reason, as determined by the Maryland Commissioner of Labor and Industry.

As part of an industry that manages large numbers of financial transactions each day, some of our members include credit reports as part of background checks for employees in financial, managerial or supervisory roles. While this legislation allows for exceptions through regulation, we are not confident that the Commissioner of Labor and Industry will define “bona fide work-related purpose” with the same degree of scrutiny as our employers. Moreover, with federal legislation pending in Congress on this subject, many of our chain restaurant members who operate in multiple states would prefer a uniform nationwide approach to this issue. With the federal Fair Credit Reporting Act regulating the use of consumer credit reports, it makes more sense that related law changes occur at the federal level.

For these reasons, we oppose HB 175 and request an unfavorable report.

Respectfully submitted,

Melvin R. Thompson  
Senior Vice President  
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