

By: Eltife S.B. No. 1471  
(In the Senate - Filed March 8, 2007; March 20, 2007, read first time and referred to Committee on Business and Commerce; April 20, 2007, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; April 20, 2007, sent to printer.)

COMMITTEE SUBSTITUTE FOR S.B. No. 1471 By: Eltife

A BILL TO BE ENTITLED  
AN ACT

relating to employment verification agreements between the Texas Workforce Commission and consumer reporting agencies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 301.081(c), Labor Code, is amended to read as follows:

(c) Except as the commission considers necessary for the proper administration of this title, employment [Employment] information [thus] obtained or otherwise secured under this section may not be published and is not open to public inspection, other than to:

(1) a public employee in the performance of public duties; or

(2) a consumer reporting agency in the manner provided by Section 301.0811[~~, except as the commission considers necessary for the proper administration of this title~~].

SECTION 2. Subchapter F, Chapter 301, Labor Code, is amended by adding Section 301.0811 to read as follows:

Sec. 301.0811. AGREEMENT WITH CONSUMER REPORTING AGENCY.

(a) Subject to the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.), as amended, the commission may enter into an agreement with one or more consumer reporting agencies under which the consumer reporting agency provides to private and governmental entities secure electronic access to employee wage information for each of the preceding 16 or more quarters obtained by the commission from employing units under Section 301.081.

(b) Before entering into an agreement with a consumer reporting agency under this section, the commission by rule shall establish minimum audit, security, net worth, and liability insurance standards, technological requirements, and any other standards or requirements the commission considers necessary to safeguard the confidentiality of the employee wage information provided to a consumer reporting agency under this section or to otherwise serve the public interest.

(c) An agreement entered into under this section must provide that an employee's wage information may be released by the consumer reporting agency to a private or governmental entity only if the entity has obtained from the employee a written consent or an approved electronic equivalent that:

(1) informs the employee that:  
(A) the employee's consent to the disclosure of the employee's wage information is voluntary;

(B) the employee's refusal to consent to disclosure of the employee's wage information may not be made the basis for the denial of credit;

(C) if the employee grants consent, the employee's wage and employment history will be released;

(D) the release of the employee's wage information is being made for a specific transaction; and

(E) commission files containing wage and employment history information regarding the employee submitted by employers of the employee may be accessed;

(2) identifies the specific transaction for which the release of the employee's wage information is being made; and

(3) includes the name of each entity authorized to

receive released information regarding the employee.

(d) Information released by a consumer reporting agency to a private or governmental entity under an agreement with the commission under this section may be used by the entity only to:

(1) verify the accuracy of the wage or employment information previously provided by an employee in connection with a single permissible transaction; and

(2) satisfy:

(A) obligations imposed on the entity by applicable fair credit reporting laws; or

(B) standard underwriting or eligibility requirements or other requirements imposed on the entity.

(e) The release of any information obtained by a consumer reporting agency under an agreement with the commission under this section may be made only for a purpose and in a manner authorized by the United States Department of Labor.

(f) Each consumer reporting agency that enters into an agreement with the commission under this section shall pay a proportionate share of all development and other start-up costs and ongoing costs incurred by the commission in connection with implementing systems and procedures for the purposes of this section and a reasonable cost for the disclosure of employee wage information under this section. The consumer reporting agency shall make the payment in the amount and manner prescribed by the commission.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

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