

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1471
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is no law in Texas authorizing the Texas Workforce Commission (TWC) to allow for the release of information regarding an individual's income and employment history.

In many credit granting decisions, it is difficult to verify an individual's income and employment history. This is because a comprehensive, cost-effective and independent means to verify this information does not exist outside of the information retained by each state's workforce agency.

Due to this same inability to independently verify income and employment data, prospective employers are not able to verify an applicant's employment history, particularly when a previous employer is no longer in business or unable to locate records. This may prevent someone from obtaining a job for which they are qualified, and makes hiring decisions less clear for employers.

C.S.S.B. 1471 authorizes TWC to contract with a consumer reporting agency to provide secure electronic access to employer-provided wage and employment information. All requests for information would be subject to state and federal privacy laws.

This bill further requires written opt-in and uncoerced consent to be obtained from the individual prior to release of the information. Such consent is only for the single transaction authorized by the consumer and only for permissible purposes as established under state and federal fair credit reporting laws and the U.S. Department of Labor.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 2 (Section 301.0811, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 301.081(c), Labor Code, to prohibit, except as the Texas Workforce Commission (TWC) considers necessary for the proper administration of this title, employment information obtained or otherwise secured under this section from being published and provides that the information is not open to public inspection, other than to a consumer reporting agency in the manner provided by Section 301.0811. Deletes existing text referring to the disclosure of employment information and adds numerical designations for existing text and renumbers accordingly.

SECTION 2. Amends Subchapter F, Chapter 301, Labor Code, by adding Section 301.0811, as follows:

Sec. 301.0811. AGREEMENT WITH CONSUMER REPORTING AGENCY. (a) Authorizes TWC, subject to the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.), as amended, to 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 TWC from employing units under Section 301.081.

(b) Requires the commission by rule, before entering into an agreement with a consumer reporting agency under this section, to establish minimum audit,

security, net worth, and liability insurance standards, technological requirements, and any other standards or requirements TWC considers necessary to safeguard the confidentiality of the employee wage information provided to a credit reporting agency under this section or to otherwise serve the public interest.

(c) Requires an agreement entered into under this section to provide that an employee's wage information is authorized to 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 performs certain functions.

(d) Authorizes information released by a consumer reporting agency to a private or governmental entity under an agreement with TWC to be used by the entity only for certain purposes.

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

(f) Requires each consumer reporting agency that enters into an agreement with TWC under this section to pay a proportionate share of all development and other start-up costs and ongoing costs incurred by TWC 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. Requires the consumer reporting agency to make the payment in the amount and manner prescribed by TWC.

SECTION 3. Effective date: upon passage or September 1, 2007.