



New Law in Washington State Adds Job Relatedness Requirement for Employers Using Credit Reports

On April 18, 2007, a new law was signed restricting an employer from using credit reports unless the information is substantially related to the job in question or required by law. This law will go into effect on July 22, 2007. The law specifically states that :

[A] person may not procure a consumer report for employment purposes where any information contained in the report bears on the consumer's credit worthiness, credit standing, or credit capacity, unless the information is either: (i) Substantially job related and the employer's reasons for the use of such information are disclosed to the consumer in writing; or (ii) Required by law.

S.B. 5827 passed the Senate March 12th on a 43-3 vote. The measure passed by a 60-37 vote in the House April 4th and was sent to the governor April 12th.

Washington now joins Pennsylvania, Wisconsin, Hawaii, and New York which already have specific statutes requiring employers to consider whether the information on a background check is related to the job in question before taking an adverse employment action.

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