
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2207 Session of
2024

INTRODUCED BY BOYD, GIRAL, KHAN, SAMUELSON, McANDREW,
SCHLOSSBERG, SMITH-WADE-EL, McNEILL, NEILSON, HOHENSTEIN,
HILL-EVANS, HOWARD, CERRATO, SANCHEZ, WARREN, CONKLIN,
WAXMAN, DALEY, DELLOSO AND SCOTT, APRIL 11, 2024

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 11, 2024

AN ACT

1 Prohibiting employers from conducting credit check histories on
2 employees and prospective employees; establishing the
3 Employment Credit Check Prohibition Enforcement Account;
4 imposing duties on the Department of Labor and Industry and
5 the Secretary of Labor and Industry; prescribing penalties;
6 and establishing a private right of action.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

10 This act shall be known and may be cited as the Credit Check
11 in Employment Prohibition Act.

12 Section 2. Definitions.

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

16 "Account." The Employment Credit Check Prohibition
17 Enforcement Account established under this act.

18 "Adverse employment action." A refusal to hire or a
19 discharge, demotion, suspension, retaliation or unlawful

1 discrimination against an employee or job applicant.

2 "Credit check history." A written, oral or other
3 communication of information by a consumer reporting agency that
4 bears on a consumer's creditworthiness, credit standing, credit
5 capacity, character, general reputation, personal
6 characteristics or mode of living.

7 "Department." The Department of Labor and Industry of the
8 Commonwealth.

9 "Employ." To engage, suffer or permit to work.

10 "Employee." An individual who:

11 (1) is employed by an employer;

12 (2) is not free from the control and direction of the
13 employer in connection with the performance of the work;

14 (3) does not perform work outside the usual course of
15 the employer's business; and

16 (4) is not customarily engaged in an independently
17 established trade, occupation or business of the same nature
18 as that involved in the work performed.

19 "Employer." The term includes the Commonwealth, its
20 political subdivisions and their instrumentalities or any
21 person, association, entity, organization, partnership, business
22 trust, limited liability company or corporation that directly or
23 indirectly, or through an agent or any other person, employs or
24 exercises control over the wages, hours or working conditions of
25 an employee.

26 "Employment purpose." Evaluating an employee or job
27 applicant for employment, hiring, promotion, demotion,
28 reassignment, adjustment in compensation, adjustment in benefits
29 or retention as an employee.

30 "Secretary." The Secretary of Labor and Industry of the

1 Commonwealth.

2 Section 3. Prohibiting credit checks in employment.

3 (a) General rule.--Except as provided in subsection (b), an
4 employer may not obtain or use information contained in a credit
5 check history for an employment purpose, including refusal to
6 hire, discharge, demote, suspend, retaliate or otherwise
7 discriminate against an employee with regard to promotion,
8 compensation or the terms, conditions or privileges of
9 employment.

10 (b) Exception.--Subsection (a) shall not apply to:

11 (1) An employer that is a federally insured bank,
12 savings bank, savings and loan association or credit union.

13 (2) An employer that is required by Federal, State or
14 local law or ordinance to use an individual's credit check
15 history for an employment purpose.

16 (3) The obtainment or use of information in the credit
17 check history of an employee when the information in the
18 credit check history is substantially job-related and the
19 employer's reason for the use of the information is disclosed
20 in writing to the employee prior to the employer obtaining a
21 credit check history. The employer shall obtain consent from
22 the employee to obtain a credit check history.

23 (c) Use of credit check history information.--

24 (1) An employer that is identified under subsection (b)
25 may not use an employee's credit check history as the sole
26 factor in a decision regarding employment, compensation or a
27 term, condition or privilege of employment.

28 (2) If the employer that is identified under subsection
29 (b) seeks to obtain or act upon an employee's credit check
30 history, the employer shall:

1 (i) Disclose the reason for the use of the
2 information to the employee.

3 (ii) Obtain the employee's written consent each time
4 the employer seeks to obtain the employee's credit check
5 history.

6 (iii) Not require the employee to pay for any cost
7 associated with obtaining the employee's credit check
8 history.

9 (iv) If an adverse employment action is taken based
10 in whole or in part upon the credit check history,
11 disclose the reason for the action in writing.

12 (3) The employer shall maintain the confidentiality of
13 the information contained in the employee's credit check
14 history and, if the employment is terminated or the job
15 applicant is not hired, provide the employee with the credit
16 check history or have the credit check history destroyed in a
17 secure manner that ensures the confidentiality of the
18 information in the credit check history.

19 Section 4. Penalties.

20 (a) Duty of department.--The department shall establish a
21 system for adjudicating complaints received under this act. The
22 system shall be promulgated by the department through
23 regulations.

24 (b) Right to file complaint.--An employee may file a
25 complaint with the department, on a form and in a manner
26 prescribed by the department, for an alleged violation of this
27 act.

28 (c) Administrative penalty.--An employer that is found in
29 violation of this act shall pay an administrative penalty of
30 \$500 for each violation.

1 (d) Restricted account established.--The penalties collected
2 under this act shall be paid to the department and deposited
3 into a restricted account within the General Fund which shall be
4 known as the Employment Credit Check Prohibition Enforcement
5 Account. The money in the account is appropriated on a
6 continuing basis to the department for the purpose of
7 administering and enforcing this act.

8 Section 5. Enforcement powers of secretary.

9 The secretary may take any of the following actions under
10 this act:

11 (1) Enter and inspect a worksite or place of business at
12 any reasonable time to examine and inspect records that
13 relate to compliance with this act.

14 (2) Subpoena witnesses, administer oaths, examine
15 witnesses and copy or compel the production of records,
16 contracts and other documents that are necessary and
17 appropriate to the enforcement of this act.

18 (3) Petition the Commonwealth Court to enforce any
19 subpoena or order issued by the department under this act.

20 Section 6. Private right of action.

21 (a) General rule.--An employee who received an adverse
22 employment decision based on a credit check history in violation
23 of this act, or has been discharged, been threatened or has
24 otherwise suffered retaliation, discrimination or other adverse
25 action as a result of participating in an investigation or
26 reporting a violation of this act, may bring an action in a
27 court of common pleas in accordance with established civil
28 procedures of this Commonwealth.

29 (b) Limitation.--An action under this section must be
30 brought within three years from the date that the employee knew

1 of the violation, discharge, threat, retaliation or
2 discrimination.

3 (c) Relief.--If an employee prevails in an action brought
4 under this section, the employee shall be entitled to the
5 following relief:

6 (1) Reinstatement of the employee without a loss in
7 seniority status, if applicable.

8 (2) Reasonable attorney fees and costs of the action.

9 (3) Other legal and equitable relief the court deems
10 appropriate.

11 Section 7. Construction.

12 Nothing in this act shall be construed to supersede or
13 preempt a local ordinance or regulation that prohibits an
14 employer from obtaining a credit check history or similar credit
15 worthiness report of an employee or prospective employee
16 consistent with the provisions of this act.

17 Section 8. Effective date.

18 This act shall take effect in one year.