
HOUSE BILL 1733

State of Washington

62nd Legislature

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By Representatives Schmick, Parker, Takko, Short, Fagan, Van De Wege, Hasegawa, and Kelley

Read first time 02/01/11. Referred to Committee on Business & Financial Services.

1 AN ACT Relating to the transfer of information by consumer
2 reporting agencies; and amending RCW 19.182.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 19.182.020 and 2007 c 93 s 1 are each amended to read
5 as follows:

6 (1) A consumer reporting agency may furnish a consumer report only
7 under the following circumstances:

8 (a) In response to the order of a court having jurisdiction to
9 issue the order;

10 (b) In accordance with the written instructions of the consumer to
11 whom it relates; or

12 (c) To a person that the agency has reason to believe:

13 (i) Intends to use the information in connection with a credit
14 transaction involving the consumer on whom the information is to be
15 furnished and involving the extension of credit to, or review or
16 collection of an account of, the consumer;

17 (ii) Intends to use the information for employment purposes;

18 (iii) Intends to use the information in connection with the
19 underwriting of insurance involving the consumer;

1 (iv) Intends to use the information in connection with a
2 determination of the consumer's eligibility for a license or other
3 benefit granted by a governmental instrumentality required by law to
4 consider an applicant's financial responsibility or status; or

5 (v) Otherwise has a legitimate business need for the information in
6 connection with a business transaction involving the consumer.

7 (2)(a) Subject to (c) of this subsection, a person may not procure
8 a consumer report, or cause a consumer report to be procured, for
9 employment purposes with respect to any consumer who is not an employee
10 at the time the report is procured or caused to be procured unless:

11 (i) A clear and conspicuous disclosure has been made in writing to
12 the consumer before the report is procured or caused to be procured
13 that a consumer report may be obtained for purposes of considering the
14 consumer for employment. The disclosure may be contained in a written
15 statement contained in employment application materials; or

16 (ii) The consumer authorizes the procurement of the report.

17 (b) A person may not procure a consumer report, or cause a consumer
18 report to be procured, for employment purposes with respect to any
19 employee unless the employee has received, at any time after the person
20 became an employee, written notice that consumer reports may be used
21 for employment purposes. A written statement that consumer reports may
22 be used for employment purposes that is contained in employee
23 guidelines or manuals available to employees or included in written
24 materials provided to employees constitutes written notice for purposes
25 of this subsection. This subsection does not apply with respect to a
26 consumer report of an employee who the employer has reasonable cause to
27 believe has engaged in specific activity that constitutes a violation
28 of law.

29 (c) As applied to (a) and (b) of this subsection, a person may not
30 procure a consumer report for employment purposes where any information
31 contained in the report bears on the consumer's creditworthiness,
32 credit standing, or credit capacity, unless the information is either:

33 (i) Substantially job related and the employer's reasons for the
34 use of such information are disclosed to the consumer in writing; or

35 (ii) Required by law.

36 (d) In using a consumer report for employment purposes, before
37 taking any adverse action based in whole or part on the report, a
38 person shall provide to the consumer to whom the report relates: (i)

1 The name, address, and telephone number of the consumer reporting
2 agency providing the report; (ii) a description of the consumer's
3 rights under this chapter pertaining to consumer reports obtained for
4 employment purposes; and (iii) a reasonable opportunity to respond to
5 any information in the report that is disputed by the consumer. This
6 subsection applies to job applicants and current employees.

7 (3)(a) For the purposes of this subsection, a "third party"
8 includes, but is not limited to, a contractor, foreign affiliate,
9 wholly owned entity, or an employee of a consumer reporting agency.

10 (b) A consumer reporting agency must provide notice in writing to
11 an applicant or employee prior to procuring the consumer report for
12 employment purposes if information in the consumer report that concerns
13 the applicant or employee will be transferred from the consumer
14 reporting agency to a third party outside of the United States or its
15 territories.

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