

SENATE BILL 406

Unofficial Copy  
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2000 Regular Session  
0lr2402  
CF HB 237

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By: **Senator Astle**

Introduced and read first time: February 3, 2000

Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Unemployment Insurance - Quarterly Wage Reports - Electronic Access for**  
3                                   **Credit Reporting**

4 FOR the purpose of requiring the Secretary of the Department of Labor, Licensing,  
5 and Regulation to contract with consumer reporting agencies to provide  
6 electronic access by users of credit reports to the quarterly wage reports  
7 submitted by employers to the Secretary; limiting access to a certain number of  
8 quarters; requiring that an employee's written consent be obtained before the  
9 information is released; requiring that certain notice be given the employee;  
10 requiring that the consumer reporting agency and the user of the information  
11 safeguard the confidentiality of the information accessed; providing for the  
12 applicability of certain State and federal laws and penalties; requiring the  
13 Secretary to adopt certain regulations and audit procedures; providing for the  
14 use of revenues generated; requiring the original credit reporting agency to  
15 reimburse the Secretary for all development and start-up costs for electronic  
16 access before the Secretary may provide access to that or any other credit  
17 reporting agency; and generally relating to electronic access to quarterly wage  
18 reports for credit reporting purposes.

19 BY adding to  
20 Article - Labor and Employment  
21 Section 8-625.1  
22 Annotated Code of Maryland  
23 (1999 Replacement Volume)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

26                                   **Article - Labor and Employment**

27 8-625.1.

28 (A) FOR PURPOSES OF THIS SECTION, "USER" HAS THE MEANING USED IN THE  
29 FEDERAL FAIR CREDIT REPORTING ACT, TITLE 15, CHAPTER 41 OF THE UNITED  
30 STATES CODE.

1 (B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE  
2 SECRETARY SHALL CONTRACT WITH ONE OR MORE CONSUMER REPORTING  
3 AGENCIES TO PROVIDE SECURE ELECTRONIC ACCESS BY USERS TO THE QUARTERLY  
4 WAGE REPORTS SUBMITTED TO THE SECRETARY BY EMPLOYING UNITS UNDER §  
5 8-626 OF THIS SUBTITLE.

6 (2) THE SECRETARY SHALL LIMIT ELECTRONIC ACCESS TO THE  
7 QUARTERLY WAGE REPORTS TO THE 16 CALENDAR QUARTERS PRECEDING A  
8 REQUEST BY A USER.

9 (C) (1) BEFORE ANY INFORMATION PROVIDED TO THE SECRETARY BY AN  
10 EMPLOYING UNIT MAY BE MADE AVAILABLE ELECTRONICALLY ON REQUEST BY A  
11 CONSUMER REPORTING AGENCY TO A USER, THE SECRETARY SHALL OBTAIN  
12 WRITTEN CONSENT FROM THE EMPLOYEE WHOSE RECORDS ARE THE SUBJECT OF  
13 THE USER'S REQUEST.

14 (2) AN EMPLOYEE'S WRITTEN CONSENT SHALL BE SIGNED BY THE  
15 EMPLOYEE AND SHALL INCLUDE:

16 (I) NOTICE THAT:

17 1. THE EMPLOYEE'S WAGE AND EMPLOYMENT HISTORY  
18 INFORMATION WILL BE RELEASED TO A CONSUMER REPORTING AGENCY;

19 2. THE RELEASE IS BEING MADE FOR THE SOLE PURPOSE OF  
20 REVIEWING A SPECIFIC APPLICATION MADE BY THE EMPLOYEE, IN ACCORDANCE  
21 WITH THE FEDERAL FAIR CREDIT REPORTING ACT, TITLE 15, CHAPTER 41 OF THE  
22 UNITED STATES CODE; AND

23 3. THE FILES OF THE SECRETARY CONTAINING WAGE AND  
24 EMPLOYMENT HISTORY INFORMATION SUBMITTED BY THE INDIVIDUAL'S  
25 EMPLOYING UNIT MAY BE ELECTRONICALLY ACCESSED; AND

26 (II) A LISTING OF THE PERSONS AUTHORIZED TO RECEIVE THE  
27 INFORMATION BEING ACCESSED.

28 (D) A CONSUMER REPORTING AGENCY AND A USER ACCESSING INFORMATION  
29 UNDER THIS SECTION SHALL:

30 (1) SAFEGUARD THE CONFIDENTIALITY OF THE INFORMATION; AND

31 (2) USE THE INFORMATION ONLY TO SUPPORT A SINGLE TRANSACTION  
32 FOR WHICH THE USER OF THE INFORMATION MUST SATISFY STANDARD FINANCIAL  
33 UNDERWRITING REQUIREMENTS OR OTHER REQUIREMENTS IMPOSED UNDER  
34 APPLICABLE STATE OR FEDERAL FAIR CREDIT REPORTING LAWS.

35 (E) A CONSUMER REPORTING AGENCY AND A USER ACCESSING INFORMATION  
36 UNDER THIS SECTION SHALL BE SUBJECT TO:

1 (1) THE CIVIL PENALTIES AND FINES PROVIDED UNDER ALL STATE AND  
2 FEDERAL FAIR CREDIT REPORTING LAWS;

3 (2) THE CIVIL PENALTIES AND FINES PROVIDED UNDER ALL STATE AND  
4 FEDERAL PRIVACY LAWS;

5 (3) ANY FEDERAL REGULATIONS REGARDING THE RELEASE OF  
6 INFORMATION ADOPTED BY THE UNITED STATES DEPARTMENT OF LABOR; AND

7 (4) ANY REGULATIONS ADOPTED BY THE SECRETARY UNDER THIS  
8 SUBTITLE.

9 (F) (1) THE SECRETARY SHALL SAFEGUARD THE CONFIDENTIALITY OF THE  
10 INFORMATION ACCESSED UNDER THIS SECTION BY ADOPTING REGULATIONS THAT  
11 SET OUT:

12 (I) MINIMUM AUDIT, SECURITY, NET WORTH, AND LIABILITY  
13 INSURANCE STANDARDS;

14 (II) TECHNICAL REQUIREMENTS; AND

15 (III) ANY OTHER TERMS AND CONDITIONS THAT THE SECRETARY  
16 CONSIDERS NECESSARY.

17 (2) THE SECRETARY ALSO SHALL ADOPT, IN COORDINATION WITH ANY  
18 OTHER APPROPRIATE STATE AGENCY, NECESSARY AUDIT PROCEDURES TO ENSURE  
19 THAT THE REGULATIONS ADOPTED UNDER THIS SUBSECTION ARE FOLLOWED.

20 (G) (1) THE SECRETARY SHALL USE THE REVENUES GENERATED BY A  
21 CONTRACT WITH A CONSUMER REPORTING AGENCY UNDER THIS SECTION TO PAY  
22 THE ENTIRE COST OF PROVIDING ACCESS TO THE INFORMATION.

23 (2) THE SECRETARY SHALL PAY ANY REVENUES GENERATED UNDER  
24 THIS SECTION ABOVE THE REVENUES NECESSARY TO PAY THE COST OF PROVIDING  
25 ACCESS TO THE INFORMATION INTO THE SPECIAL ADMINISTRATIVE EXPENSE FUND  
26 CREATED UNDER SUBTITLE 4 OF THIS TITLE.

27 (H) THE SECRETARY MAY NOT PROVIDE WAGE AND EMPLOYMENT HISTORY  
28 INFORMATION TO ANY CONSUMER REPORTING AGENCY UNDER THIS SECTION  
29 BEFORE THE CONSUMER REPORTING AGENCY UNDER CONTRACT WITH THE  
30 SECRETARY REIMBURSES ALL DEVELOPMENT AND OTHER START-UP COSTS  
31 INCURRED BY THE STATE IN THE DESIGN, INSTALLATION, AND ADMINISTRATION OF  
32 TECHNOLOGICAL SYSTEMS AND PROCEDURES NECESSARY FOR ELECTRONIC  
33 ACCESS.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
35 October 1, 2000.