

SENATE BILL 325

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SB 406/00 - FIN

2001 Regular Session
11r2345
CF 11r2346

By: **Senator Astle**

Introduced and read first time: January 31, 2001

Assigned to: Finance

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 and 2000 Supplement)

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, 2001.