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**SUBSTITUTE HOUSE BILL 2443**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Hudgins, Hasegawa and McDermott)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to consumer reports procured for employment  
2 purposes; 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 1993 c 476 s 4 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) A person may not procure a consumer report, or cause a  
8 consumer report to be procured, for employment purposes with respect to  
9 any consumer who is not an employee at the time the report is procured  
10 or caused to be procured unless:

11 (i)(A) A clear and conspicuous disclosure has been made in writing  
12 to 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+)) (B) The consumer authorizes the procurement of the report;  
17 and

18 (ii) If the consumer requests a copy of the consumer report, the  
19 person must furnish the consumer report to the consumer to whom the  
20 consumer report relates within a reasonable time and less than one week  
21 after receipt.

22 (b)(i) A person may not procure a consumer report, or cause a  
23 consumer report to be procured, for employment purposes with respect to  
24 any employee unless:

25 (A) The employee has received, at any time after the person became  
26 an employee, written notice that consumer reports may be used for  
27 employment purposes. A written statement that consumer reports may be  
28 used for employment purposes that is contained in employee guidelines  
29 or manuals available to employees or included in written materials  
30 provided to employees constitutes written notice for purposes of this  
31 subsection; and

32 (B) If the consumer requests a copy of the consumer report, the  
33 person must furnish the consumer report to the consumer to whom the  
34 consumer report relates within a reasonable time and less than one week  
35 after receipt.

36 (ii) This subsection (2)(b) does not apply with respect to a  
37 consumer report of an employee who the employer has reasonable cause to

1 believe has engaged in specific activity that constitutes a violation  
2 of law.

3 (c) In using a consumer report for employment purposes, before  
4 taking any adverse action based in whole or part on the report, a  
5 person shall provide to the consumer to whom the report relates: (i)  
6 The name, address, and telephone number of the consumer reporting  
7 agency providing the report; (ii) a description of the consumer's  
8 rights under this chapter pertaining to consumer reports obtained for  
9 employment purposes; and (iii) a reasonable opportunity to respond to  
10 any information in the report that is disputed by the consumer.

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