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## NEWS RELEASE

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Contacts:

Michael Cox (503) 986-1904

Molly Woon (503) 367-4327

### **Job Applicant Fairness Act Takes Effect Tomorrow**

*Most job seekers will not be subject to credit checks as part of hiring process*

SALEM – The Job Applicant Fairness Act takes effect tomorrow, July 1<sup>st</sup>, removing unnecessary barriers to employment during these challenging economic times. SB 1045, championed by Senator Diane Rosenbaum and Representative Tina Kotek, restricts job related credit checks, making it easier for qualified job applicants to get back to work. Democrats' top priority is getting Oregonians back to work and helping families struggling because of the recession. The Job Applicant Fairness Act was a key piece of this effort during the February 2010 session.

“With substantial and prolonged unemployment, thousands of Oregon families are struggling to pay their bills and to find a job,” said Rep. Kotek (D-N/NE Portland). “This bill removes an unfair obstacle to getting hired and will help Oregonians get back to work.”

Credit status is not a valid predictor of job performance or honesty, and credit reports are notoriously inaccurate. One in four credit reports contain significant errors; minor errors are even more prevalent. Correcting errors through the Fair Credit Reporting Act can be a lengthy process. Delays of 30 days or more hurt a job applicant's chance at correcting the error in time to be considered for the position.

“Pre-employment credit screening punishes people based on their financial status,” said Sen. Rosenbaum (D-Portland). “This bill removes that roadblock for people who need work the most. This is a balanced, common-sense standard that both working people and employers can understand.”

SB 1045 prohibits employers from obtaining and considering an applicant's credit history when making hiring decisions, with few exceptions. An employer can still consider an applicant's

credit history if the employer is a bank or credit union that is federally ensured; is required by law to conduct a credit check; employs public safety officers; or demonstrates that credit information is substantially job related. The bill preserves employers' right to check criminal records and all other job-related reference checks. The new legislation is enforced and administered by the Bureau of Labor and Industries. Oregon is the third state in the nation to take this step.

"BOLI is proud to be a part of this important effort to ensure job applicant fairness in Oregon," said Commissioner Brad Avakian, head of the Bureau of Labor and Industries and chief enforcer of the new law. "Through the Civil Rights Division, we will continue to lead the fight to defend all Oregonians' right to an equal shot at employment in this state."

BOLI coordinated the administrative rulemaking process in March, April and May, incorporating input from both businesspeople and worker advocates. During June, BOLI made a priority of employer education through its Technical Assistance for Employers Program (TA). TA's efforts included offering a variety of resources about the law and the new rules on the agency website and culminated in a free seminar in Portland on July 1. More info about the law, the rules, and the seminar is available at <http://www.oregon.gov/boli>.

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