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|  | **The Council of the City of New York**  **Finance Division**  Latonia McKinney, Director  **Fiscal Impact Statement**  **Proposed Intro. No. 261-A**  **Committee:** Civil Rights |
| **Title:**  A Local Law to amend the administrative code of the city of New York, in relation to prohibiting discrimination based one’s consumer credit history. | **Sponsors:** Council Members Lander, Rose, Arroyo, Chin, Dickens, Dromm, Ferreras, Garodnick, King, Koslowitz, Levin, Mendez, Richards, Van Bramer, Williams, Wills, Gentile, Gibson, Constantinides, Levine, Miller, Reynoso, Rosenthal, Torres, Menchaca, Kallos, Cornegy, Cumbo, Crowley, Johnson, Eugene, Treyger, Rodriguez, Cabrera, Espinal, Barron, Mealy, Vallone, Koo, Deutsch, Maisel, Cohen and the Public Advocate (Ms. James) |

**Summary of Legislation**: Proposed Int. No. 261-A would amend the City’s Human Rights Law to make it an unlawful discriminatory practice for an employer, labor organization or employment agency to request or use a job applicant’s or employee’s consumer credit history in making employment decisions. Consumer credit history refers to the information contained in a consumer credit report, a credit score, or information obtained directly from an individual in response to questions about their ouststanding debt. The bill would not prohibit employers from searching or reviewing matters of public record, such as bankruptcies, judgments or liens.

Proposed Int. No. 261-A does not prohibit employers from inquiring into the circumstances surrounding an applicant’s separation from prior employment; considering, among other things, substantially job-related qualifications when making employment decisions; advertising job openings that include substantially job-related qualifications; giving priority to applicants currently employed by the employer; or making employment decisions based on an applicant’s actual experience.

The legislation makes exceptions for certain categories of employment and in these circumstances would allow for the use of consumer credit information. For example, where required by State or federal law or regulations or by a self-regulatory organization or employment as a police officer; as a peace officer; in a law enforcement or investigatory position at the Department of Investigation (DOI); in a position subject to a DOI background check; in a position required to be bonded under City, State or federal law; in a position involving regular access to intelligence information or national security information; or in a positon involving certain fiduciary responsibilities.

In addition, the legislation would prohibit City agencies from using consumer credit history as part of the licensing or permitting process. Pursuant to the legislation, the Commission on Human Rights would request information from public and private employers regarding their use of the exempted categories and would issue a report to the Council on this information within two years of the effective date of the legislation.

**Effective Date:** This local law would take effect one hundred twenty days after enactment.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2017

**Fiscal Impact Statement:**

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|  | **Effective FY16** | **FY Succeeding**  **Effective FY17** | **Full Fiscal Impact FY17** |
| **Revenues (+)** | $0 | $0 | $0 |
| **Expenditures (-)** | $0 | $0 | $0 |
| **Net** | $0 | $0 | $0 |

**Impact on Revenues:** There would be no impact on revenues resulting from this legislation.

**Impact on Expenditures:** The Finance Division expects that the administrative requirements or functions proposed under this bill can be implemented by existing personnel at the Commission on Human Rights.

**Source of Funds to Cover Estimated Costs:** NA

**Sources of Information:** Finance Division

**Estimate Prepared by:** Eisha Wright, Unit Head, Finance Division

**Estimate Reviewed by:** Regina Poreda Ryan, Deputy Director, Finance Division

Rebecca Chasan, Assistant Counsel, Finance Division

Tanisha Edwards, Chief Counsel, Finance Division

**Legislative History:**  Intro. No. 261 was introduced by the Council on April 10, 2014 and referred to the Committee on Civil Rights. The Committee considered the legislation at a hearing on September 12, 2014 and the legislation was laid over. The legislation was subsequently amended and the amended version, Proposed Intro. No. 261-A, will be voted on by the Committee at a hearing on April 13, 2015. Upon successful vote of the Committee, Proposed Intro. No. 261-A will be submitted to the full Council for a vote on April 16, 2015.

**Date Prepared:** April 13, 2015