



California New Car Dealers Association

September 13, 2011

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol, First Floor
Sacramento, California 95814

FOR ENROLLED BILL FILE

***Re: Re: AB 22 (Mendoza) – Credit Reports in Employment
Position: VETO REQUESTED***

Dear Governor Brown:

The California New Car Dealers Association (CNCDA) is a statewide trade association that represents the interests of over 1100 franchised new car and truck dealer members. CNCDA members are primarily engaged in the retail sale and leasing of new and used motor vehicles, but also engage in automotive service, repair and part sales. We are writing to urge you to return AB 22 to the legislature without your signature. The bill would prohibit employers from using consumer credit reports for employment purposes, unless the position is subject to a specific exemption. This bill is similar to AB 2918 of 2008, AB 943 of 2009 and AB 482 of 2010 which were all vetoed by Governor Schwarzenegger.

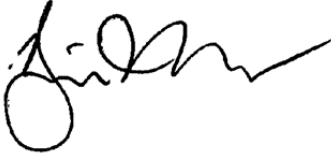
Nothing has changed since the prior measures were vetoed and there continue to be legitimate reasons why an employer may seek credit reports for employment purposes, including whether a prospective employee is organized and pays his or her bills on time. The exceptions contained in the bill for financial institutions, the Department of Justice, and law enforcement, to name a few, expose the fundamental flaw in this approach: certain employers would have the right to obtain this valuable information, while most private employers would not. The author and sponsors have failed to explain why credit information is more valuable for a city police department than it is for the largest private employer in that same jurisdiction.

Existing law also contains protections for a job applicant from whom an employer might seek a credit report. Prior to obtaining a credit report, the prospective employer must disclose in writing that a credit report may be obtained for employment purposes and obtain from the applicant the written authorization to order the credit report. Furthermore, in California the employer must also offer the applicant a copy of the credit report free of charge. These and other legal safeguards ensure that the information obtained is done consensually and in a manner protective of the prospective employee's identity and credit status. A blanket prohibition, as AB 22 provides, would harm the ability of employers to properly evaluate potential new hires.

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Based upon the foregoing, we urge you to veto AB 22.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Brian Maas', with a large, stylized initial 'B' and a long horizontal flourish extending to the right.

Brian Maas
Director of Government Affairs

BWM:ef

cc: The Honorable Tony Mendoza
Gareth Elliott, Legislative Secretary
Ralph Simoni, California Advocates, Inc.
Mike Belote, California Advocates, Inc.