



HB 5434/SB 695

FACT SHEET

2025 LEGISLATIVE SESSION

OVERVIEW

The proposed legislation ensures that a consumer who successfully disputes an incorrect record receives a correct report, accessible online and free of charge.

The bill amends the Business and Commerce Code to create a requirement for CRAs that receive an email address from the consumer, to email the consumer a link to an Internet website that allows the consumer to securely obtain a corrected copy of the consumer's credit report. The language also stipulates that the report must be sent no later than the 30th business day after the date the agency corrects the information and at no additional cost to the consumer

RESEARCH SUPPORTING POLICY CHANGE

A recurring issue with criminal background checks is the inconsistency and inaccuracy of information provided by consumer reporting agencies. Consumer reporting agencies (CRAs) are entities that gather and assess credit information to create reports on consumer's (criminal) backgrounds.¹ CRAs typically rely on a person's name, date of birth, and Social Security number to gather information.² They can also purchase criminal history information from Texas state agencies, including but not limited to: the Department of Public Safety, the Criminal Justice Department, and county and district courts.³ Even for individuals who secure record relief through expunctions or non-disclosure orders, CRAs' databases may still display outdated or irrelevant arrests and charges.

The impact of a criminal legal record extends far beyond what might seem immediately apparent. Housing, employment, and education are three critical pillars for reintegration into society and long-term success. Nearly 9 out of 10 employers, 4 out of 5 landlords, and 3 out of 5 colleges rely on background checks when screening applicants.⁴ Additionally, almost 40 percent of schools do not admit students who have not completed their term of community supervision which creates another obstacle to upward mobility.⁵

Texans from all backgrounds understand the difficulties associated with having a criminal legal record and overwhelmingly support initiatives that promote positive reentry. Seven in ten Texans say that denying people opportunities for housing, education, and employment hinders their reintegration efforts.⁶ Moreover, **two-thirds of registered voters in Texas agree that the state should take action to remove these barriers to reentry.**⁷

By ensuring that Texans have access to the most accurate information regarding their criminal legal record, those impacted will have the necessary documentation to secure access to the critical components needed to live a pro-social life.

RECOMMENDATION

Texas Appleseed recommends that the Texas Legislature vote to optimize the opportunities to secure stable jobs, safe housing, and higher education opportunities for Texans impacted by inaccurate records. The benefits of doing so include:

- ✔ **Economic growth across Texas' communities and state.**
- ✔ **Promoting current efforts aimed at reducing recidivism.**
- ✔ **Increasing the accuracy collected and disseminated by CRAs from Texas systems.**

REFERENCES & ENDNOTES

- ¹ Federal Credit Reporting Act, 15 U.S.C. §1681a(f) (2000). [https://uscode.house.gov/view.xhtml?req=granuleid:USC-1999-title15-section1681a&num=0&edition=1999#:~:text=\(f\)%20The%20term%20%22consumer,of%20furnishing%20consumer%20reports%20to](https://uscode.house.gov/view.xhtml?req=granuleid:USC-1999-title15-section1681a&num=0&edition=1999#:~:text=(f)%20The%20term%20%22consumer,of%20furnishing%20consumer%20reports%20to)
- ² Duane, M., La Vigne, N., Lynch, M., & Reimal, E. (2017). Criminal background checks: Impact on employment and recidivism. *Urban Institute Justice Policy Center*. https://www.urban.org/sites/default/files/publication/88621/2001174_criminal_background_checks_impact_on_employment_and_recidivism_1.pdf.
- ³ Pahl, S. (2014). *Interim testimony 2014: Senate committee on State Affairs*. Texas Criminal Justice Coalition. <https://texascjje.zocalodesign.com/system/files/publications/SPahl%20Interim%20Senate%20SA%20Criminal%20Records%20Testimony.pdf>
- ⁴ Lo, K. (2020). Expunging and sealing criminal records: How jurisdictions can expand access to second chances. *Center for American Progress*. https://www.americanprogress.org/wpcontent/uploads/2020/04/04-23_Expunging-and-Sealing.pdf.
- ⁵ Center for Community Alternatives. (n.d.). The use of criminal history records in college admissions: Reconsidered. *Prison Policy*. https://www.prisonpolicy.org/scans/communityalternatives/reconsidered_criminal_hist_recs_in_college_admissions.pdf.
- ⁶ Change Research & WPAi (November 2022). *Texans' support for change*. Clean Slate Texas. <https://www.cleanslatetexas.org/texans-support-for-change>.
- ⁷ *Ibid.*



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