



1050 17th Street, N.W.
Suite 1150
Washington, DC 20036
202.525.5717

Free Markets. Real Solutions.
www.rstreet.org

Testimony to Texas Senate Committee on State Affairs

May 11, 2017

Chair Nelson, members, my name is Josiah Neeley and I am the Texas director for the R Street Institute, a nonpartisan research organization that works on issues related to the sharing economy, as well as other issues. I am here today to testify in support of H.B. 100 because of the important role ridesharing services play in keeping Texans safe.

I'd like to focus my remarks today on something that's not in H.B. 100, but that has been the subject of prior testimony: fingerprint-based background checks. We've heard claims that H.B. 100 is flawed because it does not require ridesharing companies to perform this type of background check on its drivers. It is important to note, however, that the FBI database used to conduct these background checks is subject to some severe limitations.

Fundamentally, the FBI's fingerprint database is not a database of convictions, but of arrests. Fingerprinting is typically done during an early phase of the criminal-justice process and about 30 percent of all arrests do not result in a conviction. This is significant, as approximately half of all records in the FBI's database do not include information about the ultimate disposition or outcome of the case.

To quote Sen. Charles Grassley, R-Iowa, chairman of the U.S. Senate Judiciary Committee: "if an employer uses the [FBI] database for hiring purposes, the records can be inaccurate and old. And, just as bad, the database includes arrest records that never resulted in a conviction. It's unfair that an arrest—not resulting in a conviction—is included in a criminal background check."

While the federal government recognizes the limitations of its fingerprint database, fixing the problem has proved difficult. For the foreseeable future, therefore, we have to expect that the FBI fingerprint database will continue to be a flawed system for determining a driver's criminal history.

Because fingerprint-based background checks have such a high potential for false positives, they should not be mandated for ridesharing drivers. I would be happy to answer any questions.