

1 fraudulent use of a social security number by restricting its
2 use as an identifier.

3 **§ -2 Definitions.** As used in this chapter:

4 "Business" means a sole proprietorship, partnership,
5 limited partnership, corporation, limited liability company,
6 association, or any other form of business entity. The term
7 also includes a financial institution organized, chartered, or
8 holding a license or authorization certificate under the laws of
9 this State, any other state, the United States, or any other
10 country, or the parent or the subsidiary of any such financial
11 institution. The term also includes an entity whose business is
12 records destruction. The term shall not include any government
13 or governmental subdivision or agency.

14 "Redacted" means the rendering of data so that it is
15 unreadable or is truncated so that no more than the last four
16 digits of the identification number are accessible as part of
17 the data.

18 **§ -3 Social security number protection.** (a) Except as
19 otherwise provided in subsection (b), a business may not do any
20 of the following:

- 1 (1) Intentionally communicate or otherwise make available
2 to the general public an individual's entire social
3 security number;
- 4 (2) Intentionally print or imbed an individual's entire
5 social security number on any card required for the
6 individual to access products or services provided by
7 the person or entity;
- 8 (3) Require an individual to transmit the individual's
9 entire social security number over the Internet,
10 unless the connection is secure or the social security
11 number is encrypted;
- 12 (4) Require an individual to use the individual's entire
13 social security number to access an Internet website,
14 unless a password or unique personal identification
15 number or other authentication device is also required
16 to access the Internet website;
- 17 (5) Print an individual's entire social security number on
18 any materials that are mailed to the individual,
19 unless state or federal law requires the social
20 security number to be on the document to be mailed;
21 and

1 (6) Sell, lease, loan, trade, rent, or otherwise
2 intentionally disclose an individual's social security
3 number to a third party without written consent to the
4 disclosure from the individual, when the party making
5 the disclosure knows or in the exercise of reasonable
6 diligence would have reason to believe that the third
7 party lacks a legitimate purpose for obtaining the
8 individual's social security number.

9 (b) Subsection (a) shall not apply in the following
10 instances:

11 (1) To the inclusion of a social security number in an
12 application or in documents related to an enrollment
13 process, or to establish, amend, or terminate an
14 account, contract, or policy; or to confirm the
15 accuracy of the social security number for the purpose
16 of obtaining a credit report pursuant to 15 U.S.C.
17 section 1681(b). A social security number that is
18 permitted to be mailed under this section may not be
19 printed, in whole or in part, on a postcard or other
20 mailer not requiring an envelope, or visible on the
21 envelope or without the envelope having been opened;

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- 1 (2) To the opening of an account or the provision of or
2 payment for a product or service authorized by an
3 individual;
- 4 (3) To the collection, use, or release of a social
5 security number to investigate or prevent fraud;
6 conduct background checks; conduct social or
7 scientific research; collect a debt; obtain a credit
8 report from or furnish data to a consumer reporting
9 agency pursuant to the Fair Credit Reporting Act, 15
10 U.S.C. sections 1681 to 1681v, as amended; undertake a
11 permissible purpose enumerated under the federal Gramm
12 Leach Bliley Act, 15 U.S.C. sections 6801 to 6809, as
13 amended; or locate an individual who is missing or due
14 a benefit, such as a pension, insurance, or unclaimed
15 property benefit; or locate a lost relative;
- 16 (4) To a business acting pursuant to a court order,
17 warrant, subpoena, or when otherwise required by law;
- 18 (5) To a business providing the social security number to
19 a federal, state, or local government entity including
20 a law enforcement agency or court, or their agents or
21 assigns; and
- 22 (6) To a social security number that has been redacted.

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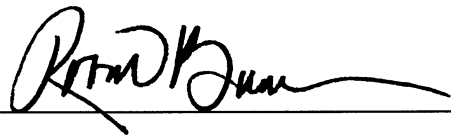
1 (c) A business covered by this section shall make
2 reasonable efforts to cooperate, through systems testing and
3 other means, to ensure that the requirements of this chapter are
4 complied with.

5 (d) Any person who violates or attempts to violate any
6 provision of this chapter shall be deemed to have engaged in an
7 unfair or deceptive act or practice in the conduct of trade or
8 commerce within the meaning of section 480-2."

9 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

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JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO SOCIAL SECURITY NUMBER PROTECTION.

PURPOSE: To require businesses, subject to limited exceptions, from disclosing an individual's social security number (SSN) to the general public, printing the SSN on an identification card or in mailings to customers, and requiring the transmission of a SSN to third parties without the individual's written consent unless the third party needs the information for a legitimate purpose.

MEANS: Add a new chapter to title 26 of the Hawaii Revised Statutes.

JUSTIFICATION: The SSN is the key to a consumer's financial identity. The widespread use of the SSN as an identifier makes it relatively easy for thieves to obtain and fraudulently misuse consumers' SSNs in order to assume their identities and gain access to financial accounts and other sensitive information. Minimizing the use and display of SSNs is important. Businesses should not be able to use SSNs as identifiers on identification cards or include them on mailings. The sale or public display of SSNs also should be restricted except where a third party seeks it for a legitimate purpose, such as compliance with an investigation or a court order. Limiting the collection and approved uses of the SSN will help to reduce new cases of identity theft.

Impact on the public: This measure will enhance personal privacy by limiting the unnecessary use of SSNs.

Impact on the department and other agencies: This bill will assist law enforcement in its

battle against identity theft.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: CCA-110.

OTHER AFFECTED
AGENCIES: Federal Trade Commission; County Police
Departments.

EFFECTIVE DATE: Upon approval.