
A BILL FOR AN ACT

RELATING TO SOCIAL SECURITY NUMBER PROTECTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that identity theft is a
2 serious crime, with lasting negative repercussions on the
3 finances and life of the person whose identity was stolen. One
4 of the tools most frequently used to steal a person's identity
5 is the person's social security number. While it was originally
6 introduced by the federal government to keep track of payroll
7 taxes, its use has spread so that it has virtually become a
8 universal identifier. Security experts recommend, to the
9 greatest extent possible, that people protect their social
10 security number and use it only for its intended federal
11 purposes.

12 The purpose of this Act is to minimize the abuses
13 associated with the fraudulent use of a social security number
14 by restricting its use as an identifier.

15 SECTION 2. The Hawaii Revised Statutes is amended by
16 adding a new chapter to title 26 to be appropriately designated
17 and to read as follows:

1 "CHAPTER

2 SOCIAL SECURITY NUMBER PROTECTION

3 § -1 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.

13 "Government agency" means any department, division, board,
14 commission, public corporation, or other agency or
15 instrumentality of the State or of any county.

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

20 § -2 Social security number protection. (a) Except as
21 otherwise provided in subsection (b), a business or government
22 agency may not do any 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; and
- 17 (5) Print an individual's entire social security number on
18 any materials that are mailed to the individual,
19 unless the materials are employer-to-employee
20 communications, or where specifically requested by the
21 individual.
- 22 (b) Subsection (a) shall not apply to:

1 (1) The inclusion of a social security number in documents
2 that are mailed and:

3 (A) Are specifically requested by the individual
4 identified by the social security number;

5 (B) Required by state or federal law to be on the
6 document to be mailed;

7 (C) Required as part of an application or enrollment
8 process;

9 (D) Used to establish, amend, or terminate an
10 account, contract, or policy; or

11 (E) Used to confirm the accuracy of the social
12 security number for the purpose of obtaining a
13 credit report pursuant to 15 U.S.C. section
14 1681(b).

15 A social security number that is permitted to be
16 mailed under this paragraph may not be printed, in
17 whole or in part, on a postcard or other mailer not
18 requiring an envelope, or visible on the envelope or
19 without the envelope having been opened;

20 (2) The opening of an account or the provision of or
21 payment for a product or service authorized by an
22 individual;

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



1 employment, including an individual's termination from
2 employment, retirement from employment, injuries
3 suffered during the course of employment, and other
4 related claims, benefits, or procedures;

5 (7) The collection, use, or release of a social security
6 number as required by state or federal law;

7 (8) The sharing of the social security number by business
8 affiliates;

9 (9) The use of a social security number for internal
10 verification or administrative purposes;

11 (10) A social security number that has been redacted; and

12 (11) Documents or records that are recorded or required to
13 be open to the public pursuant to the constitution or
14 laws of the State or court rule or order.

15 (c) A business or government agency covered by this
16 section shall make reasonable efforts to cooperate, through
17 systems testing and other means, to ensure that the requirements
18 of this chapter are complied with.

19 § -3 Penalties; civil action. (a) Any business that
20 violates any provision of this chapter shall be subject to
21 penalties of not more than \$2,500 for each violation. The
22 attorney general or the executive director of the office of



1 consumer protection may bring an action pursuant to this
2 section. No such action may be brought against a government
3 agency.

4 (b) In addition to any penalty provided for in subsection
5 (a), any business that violates any provision of this chapter
6 shall be liable to the injured party in an amount equal to the
7 sum of any actual damages sustained by the injured party as a
8 result of the violation. The court in any action brought under
9 this section may award reasonable attorneys' fees to the
10 prevailing party. No such action may be brought against a
11 government agency.

12 (c) The penalties provided in this section shall be
13 cumulative to the remedies or penalties available under all
14 other laws of this State.

15 § -4 **Reporting requirements.** A government agency shall
16 submit a written report to the legislature within twenty days
17 after the discovery of a material occurrence of a social
18 security number disclosure by the government agency that is
19 prohibited by this chapter. The report shall contain information
20 relating to the nature of the incident, the number of
21 individuals affected by the incident, and any procedures that
22 have been implemented to prevent the incident from reoccurring.



1 In the event that a law enforcement agency informs the
2 government agency that the report may impede a criminal
3 investigation or jeopardize national security, the report to the
4 legislature may be delayed until twenty days after the law
5 enforcement agency has determined that the report will no longer
6 impede the investigation or jeopardize national security."

7 SECTION 3. This Act shall take effect on July 1, 2007.



Report Title:

Identity Theft; Social Security Information

Description:

Prohibits businesses, subject to limited exceptions, from disclosing an individual's social security number to the general public, printing the SSN on an identification card or in mailings to customers, requiring the transmission of a SSN to third parties; and selling or otherwise disclosing the SSN to third parties without written consent. (CD1)

