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# 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. This Act shall be known and may be cited as the  
2 "Social Security Number Protection Act of 2006."

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

6 **"CHAPTER**

7 **SOCIAL SECURITY NUMBER PROTECTION**

8 § -1 **Purpose.** Identity theft is a serious crime, with  
9 lasting negative repercussions on the finances and life of the  
10 person whose identity was stolen. One of the tools most  
11 frequently used to steal a person's identity is the person's  
12 social security number. While it was originally introduced by  
13 the federal government to keep track of payroll taxes, its use  
14 has spread so that it has virtually become a universal  
15 identifier. Security experts recommend, to the greatest extent  
16 possible, that people protect their social security number and  
17 use it only for its intended federal purposes. The purpose of  
18 this chapter is to minimize the abuses associated with the

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 the materials are employer-to-employee communications,  
22 or where specifically requested by the individual; 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;



- 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.



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 any provision of this chapter  
6 shall be deemed to have engaged in an unfair or deceptive act or  
7 practice in the conduct of trade or commerce within the meaning  
8 of section 480-2. The attorney general or the director of the  
9 office of consumer protection may bring an action based upon  
10 unfair or deceptive acts or practices declared unlawful by this  
11 section."

12           SECTION 3. This Act shall take effect on January 1, 2007.



SB2293, SD1

**Report Title:**

Identity Theft; Social Security Information

**Description:**

Requires 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; 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.

(SD1)

