

STAND. COM. REP. NO. 1296 -06

Honolulu, Hawaii

March 30, 2006

RE: S.B. No. 2293
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 2293, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SOCIAL SECURITY NUMBER
PROTECTION,"

beg leave to report as follows:

The purpose of this bill is to protect social security
numbers (SSNs) from theft and misuse, by prohibiting businesses
and state and county agencies from disclosing an individual's SSN
to the general public, providing limited exceptions, and
establishing penalties for noncompliance.

The Department of Commerce and Consumer Affairs, AARP Hawaii,
Hawaii Bankers Association, Hawaii Financial Services Association,
and Hawaii Government Employees Association supported this bill.
The Consumer Data Industry Association and Property Casualty
Insurers Association of America supported the intent of the bill
and requested amendments. The American Council of Life Insurers
opposed the bill.

Your Committees have amended this bill by replacing its
substance with that of H.B. No. 2330, H.D. 1, which was reported
out of your Committee earlier this session. As amended, this bill
differs from the S.D. 2 in that it:

SB2293 HD1 HSCR CPC-JUD HMS 2006-2839



- (1) Regulates state, but not county agencies;
- (2) Does not contain an exemption for:
 - (A) SSNs on mailed materials that are employer-to-employee communications; and
 - (B) SSNs used to administer a claim, benefit, or procedure relating to an individual's employment;
- (3) Specifically restricts to documents that are mailed, exemptions for SSNs:
 - (A) In documents specifically requested by an individual;
 - (B) Required as part of an application or enrollment process;
 - (C) Used to establish, amend, or terminate an account, contract, or policy; or
 - (D) Used for confirmation when obtaining a credit report;
- (4) Provides exemptions for SSNs:
 - (A) Used as required by state or federal law;
 - (B) Shared by business affiliates;
 - (C) Used for internal verification or administrative purposes; and
 - (D) On recorded documents or those required by law to be open to the public;
- (5) Does not contain a provision stating that a party injured by violation of the chapter may sue for actual damages or damages not less than \$500, whichever is greater;
- (6) Takes effect on July 1, 2096 rather than July 1, 2050; and



(7) Contains technical, nonsubstantive differences.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2293, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2293, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



SYLVIA LUKE, Chair



ROBERT N. HERKES, Chair



