

Honolulu, Hawaii

FEB 17

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

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology, to which was referred S.B. No. 2293 entitled:

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

beg leave to report as follows:

The purpose of this measure is to restrict businesses, subject to limited exceptions, from disclosing an individual's social security number to the general public.

Specifically, this measure:

- (1) Restricts business from printing the social security number on an identification card or in mailings to customers; and
- (2) Restricts the transmission of an individual's social security number to third parties without the individual's written consent unless the third party needs the information for a legitimate purpose.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, Retail Merchants of Hawaii, Hawaii Medical Service Association, the Chamber of Commerce of Hawaii, Hawaii Bankers Association, and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the American Council of Life Insurers.



Comments were submitted by Consumer Data Industry Association, Hawaii Insurers Council, and the ILWU Local 142.

As one measure from the Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force.

In 2005, the Hawaii Anti-Phishing Task Force was established by the Department of the Attorney General to develop a state policy on how best to prevent further occurrences of phishing and other forms of electronic-based crimes in the State.

The Task Force's recommendations have focused primarily on providing law enforcement with better tools to prosecute ID-theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

This measure imposes requirements on businesses to protect a person's identity. However, the Department of Commerce and Consumer Affairs recognizes and these Committees find that the obligations imposed by this measure should also extend to government agencies in Hawaii.

Your Committees further find that one of the tools most often used to steal a person's identity is the person's social security number and this measure will minimize the abuses associated with the fraudulent use of a person's social security number by restricting its use as an identifier.

Your Committees have amended this measure by:

- (1) Exempting employer-to-employee communications or materials requested by the individual from the prohibition of printing an individual's entire social security number on these materials;
- (2) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and



- (3) Extending the effective date of this measure to January 1, 2007.

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

Respectfully submitted on behalf of the members of the Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology,


CAROL FUKUNAGA, Chair


RON MENOR, Chair



