

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 331
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Economic Development and Taxation, to which was referred S.B. No. 331, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC DATA AND INFORMATION, "

begs leave to report as follows:

The purpose of this measure is to continue state and private efforts to protect a person's vital information from identity theft by:

- (1) Prohibiting all governmental agencies of the State and county from displaying an individual's social security number contained in any record or document available for public inspection that is collected, created, or maintained by an agency; and
- (2) Appropriating funds to the Office of the Auditor for research and support services necessary to develop additional deterrents for identity theft, and in particular, those related to the compromise of electronic data and information.

Testimony in support of this measure was received from the Hawaii Financial Services Association. The Judiciary, Department of Land and Natural Resources, City and County of Honolulu, and Retail Merchants of Hawaii submitted testimony expressing concerns. The Consumer Data Industry Association opposed the bill. The Office of Information Practices submitted comments.



Your Committee finds that protecting electronic data and information from unauthorized use or disclosure is supported by all concerned.

Reservations about this measure are focused on section 2 of this measure, which would prohibit all state and county governmental agencies from displaying an individual's social security number contained in any record or document available for public inspection that is collected, created, or maintained by an agency.

In addition to the broad scope of the prohibition, several testifiers expressed concern at the implementation date of January 1, 2008. Act 137, Session Laws of Hawaii 2006, imposed restrictions on business and government to ensure the protection of social security numbers, effective July 1, 2007. The private sector is working toward meeting these requirements, but noted it is an enormous undertaking, and businesses that do not comply are subject to civil action, while governmental agencies are not.

Your Committee would also like to point out that while this measure was distributed to the Identity Theft Task Force, its members have not taken a position on the language in question. The next meeting of the Identity Theft Task Force is March 1, 2007, and the proposed legislation will be discussed at that time.

In response to the concerns expressed, your Committee finds that it may be more appropriate to request the Office of the Auditor to review the issue of social security numbers contained in governmental records or documents, as part of the Auditor's research for the Task Force.

It is the intent of your Committee to support the Office of the Auditor's ongoing research and support services necessary to develop additional deterrents for identity theft, particularly the compromise of electronic data and information.

Your Committee has amended this measure by:

- (1) Deleting section 2, relating to public records and social security numbers; and
- (2) Adding the issue of social security numbers in public records to the research tasks of the Office of the Auditor.



As affirmed by the record of votes of the members of your Committee on Economic Development and Taxation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 331, S.D. 1, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.B. No. 331, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Taxation,



CAROL FUKUNAGA, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Economic Development and Taxation
EDT

Bill / Resolution No.:*	Committee Referral:	Date:
<i>SB 331 SDI</i>	<i>EDT, WAM</i>	<i>2/13/07</i>

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
ESPERO, Will (VC)	✓			
ENGLISH, J. Kalani				✓
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	<i>4</i>			<i>1</i>

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *Will Espero*

Distribution: Original Yellow Pink
 File with Committee Report Clerk's Office Drafting Agency

*Only one measure per Record of Votes