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HOUSE FILE No. 131

FIRST COMMITTEE ENGROSSMENT

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The bill was read for the first time and referred to the Committee on Commerce and Labor

January 26, 2007

As Amended in the Committee on Labor and Consumer Protection Division

1.1 A bill for an act
1.2 relating to consumer protection; restricting the use of Social Security numbers;
1.3 amending Minnesota Statutes 2006, section 325E.59, subdivision 1, by adding a
1.4 subdivision; repealing Minnesota Statutes 2006, section 325E.59, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 325E.59, subdivision 1, is amended to read:

1.7 Subdivision 1. **Generally.** (a) A person or entity, not including a government entity,
1.8 may not do any of the following:

1.9 (1) publicly post or publicly display in any manner an individual's Social Security
1.10 number. "Publicly post" or "publicly display" means to intentionally communicate or
1.11 otherwise make available to the general public;

1.12 (2) print an individual's Social Security number on any card required for the
1.13 individual to access products or services provided by the person or entity;

1.14 (3) require an individual to transmit the individual's Social Security number over
1.15 the Internet, unless:

1.16 (i) the connection is secure or the Social Security number is encrypted;

1.17 (ii) the Social Security number is essential to the transaction; and

1.18 (iii) the Social Security number is otherwise required or authorized by state or
1.19 federal law,

1.20 except as required by titles XVIII and XIX of the Social Security Act and by Code
1.21 of Federal Regulations, title 42, section 483.20;

1.22 (4) require an individual to use the individual's Social Security number to access an
1.23 Internet Web site, unless a password or unique personal identification number or other
1.24 authentication device is also required to access the Internet Web site;

2.1 (5) print a number that the person or entity knows to be an individual's Social
2.2 Security number on any materials that are mailed to the individual, unless state or federal
2.3 law requires the Social Security number to be on the document to be mailed. ~~If, in~~
2.4 ~~connection with a transaction involving or otherwise relating to an individual, a person~~
2.5 ~~or entity receives a number from a third party, that person or entity is under no duty to~~
2.6 ~~inquire or otherwise determine whether the number is or includes that individual's Social~~
2.7 ~~Security number and may print that number on materials mailed to the individual, unless~~
2.8 ~~the person or entity receiving the number has actual knowledge that the number is or~~
2.9 ~~includes the individual's Social Security number;~~

2.10 (6) assign or use a number as the primary account identifier that is identical to or
2.11 incorporates an individual's complete Social Security number; ~~or~~

2.12 (7) sell Social Security numbers obtained from individuals in the course of business;

2.13 (8) sell, lease, loan, trade, or rent an individual's Social Security number to a
2.14 nonaffiliated third party, unless the disclosure is required or authorized by law, for law
2.15 enforcement or public safety purposes, or there has been affirmative consent from the
2.16 individual; or

2.17 (9) refuse to do business with an individual because the person will not consent to
2.18 the receipt by the person of the person's Social Security number, unless in connection
2.19 with the transaction:

2.20 (i) the person has a permissible purpose to obtain the individual's credit report under
2.21 section 604 of the federal Fair Credit Reporting Act, United States Code, title 15, section
2.22 1681(b);

2.23 (ii) the business is expressly required or authorized by federal or state law to obtain
2.24 the individual's Social Security number;

2.25 (iii) the business has a reasonable basis to believe that the person is using a false
2.26 identity or false documents; or

2.27 (iv) the business transaction cannot otherwise be completed without the person's
2.28 Social Security number.

2.29 ~~Notwithstanding clauses (1) to (5), Social Security numbers may be included in~~
2.30 ~~applications and forms sent by mail, including documents sent as part of an application or~~
2.31 ~~enrollment process, or to establish, amend, or terminate an account, contract, or policy,~~
2.32 ~~or to confirm the accuracy of the Social Security number. Nothing in this paragraph~~
2.33 ~~authorizes inclusion of a Social Security number on the outside of a mailing or in the bulk~~
2.34 ~~mailing of a credit card solicitation offer.~~

2.35 (b) A person or entity, not including a government entity, must restrict access to
2.36 individual Social Security numbers it holds so that only employees who require the

3.1 numbers in order to perform their job duties have access to the numbers, except as required
3.2 by titles XVIII and XIX of the Social Security Act and by Code of Federal Regulations,
3.3 title 42, section 483.20.

3.4 ~~(c) Except as provided in subdivision 2, this section applies only to the use of Social~~
3.5 ~~Security numbers on or after July 1, 2007.~~

3.6 Sec. 2. Minnesota Statutes 2006, section 325E.59, is amended by adding a subdivision
3.7 to read:

3.8 Subd. 6. **Penalties and remedies.** A person violating this section is subject to
3.9 the penalties and remedies in section 8.31.

3.10 Sec. 3. **REPEALER.**

3.11 Minnesota Statutes 2006, section 325E.59, subdivision 2, is repealed.

3.12 Sec. 4. **EFFECTIVE DATE.**

3.13 Sections 1 to 3 are effective July 1, 2007.