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82

State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 131

January 16, 2007

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

March 1, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Public Safety and Civil Justice

March 19, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

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; and

1.17 (ii) the Social Security number is necessary to the transaction,

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

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

1.23 (5) print a number that the person or entity knows to be an individual's Social
1.24 Security number on any materials that are mailed to the individual, unless state or federal

2.1 ~~law requires the Social Security number to be on the document to be mailed. If, in~~
2.2 ~~connection with a transaction involving or otherwise relating to an individual, a person or~~
2.3 ~~entity receives a number from a third party, that person or entity is under no duty to inquire~~
2.4 ~~or otherwise determine whether the number is or includes that individual's Social Security~~
2.5 ~~number and may print that number on materials mailed to the individual, unless the person~~
2.6 ~~or entity receiving the number has actual knowledge that the number is or includes the~~
2.7 ~~individual's Social Security number;~~ (5) send or cause to be sent or delivered any letter,
2.8 envelope, or package that displays a Social Security number on the face of the mailing
2.9 envelope or package, or from which a Social Security number is visible, whether on the
2.10 outside or inside of the mailing envelope or package. A person is further prohibited from
2.11 printing a number that the person or entity knows to be an individual's Social Security
2.12 number on any materials that are mailed to the individual, unless state or federal law
2.13 requires the Social Security number to be on the document to be mailed or as part of
2.14 applications and forms sent by mail, including documents sent as part of an application or
2.15 enrollment process, or to establish, amend, administer, or terminate an account, contract,
2.16 or policy, or to confirm the accuracy of the Social Security number;

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

2.19 (7) sell Social Security numbers obtained from individuals in the course of business.
2.20 Nothing in this clause prohibits the sale, transfer, or disclosure of an individual's Social
2.21 Security number to a third party if the sale, transfer, or disclosure (i) has no independent
2.22 economic value and is incidental to a larger transaction and (ii) is necessary for the
2.23 purpose of verifying the identity of the individual;

2.24 (8) lease, loan, trade, or rent an individual's Social Security number to a nonaffiliated
2.25 third party, unless (i) the person or entity has the written consent to the disclosure from the
2.26 individual, or (ii) the disclosure is required or authorized by federal or state law. Nothing
2.27 in this clause prohibits the sale, transfer, or disclosure of an individual's Social Security
2.28 number to a third party if the sale, transfer, or disclosure has no independent economic
2.29 value and is incidental to a larger transaction and is necessary for the purpose of verifying
2.30 the identity of the individual; or

2.31 (9) refuse to do business with an individual because the individual will not consent to
2.32 the disclosure of, or provide, the individual's Social Security number, unless in connection
2.33 with the transaction:

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

3.1 (ii) the person or entity is expressly required or authorized by federal or state law to
3.2 obtain the individual's Social Security number;

3.3 (iii) the person or entity has a reasonable basis to believe that the individual is
3.4 using a false identity or false documents; or

3.5 (iv) the business transaction cannot otherwise be completed without the individual's
3.6 Social Security number.

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

3.13 (b) A person or entity, not including a government entity, must restrict access to
3.14 individual Social Security numbers it holds so that only employees who require the
3.15 numbers in order to perform their job duties have access to the numbers, except as required
3.16 by titles XVIII and XIX of the Social Security Act and by Code of Federal Regulations,
3.17 title 42, section 483.20.

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

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

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

3.24 Sec. 3. **REPEALER.**

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

3.26 Sec. 4. **EFFECTIVE DATE.**

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

325E.59 USE OF SOCIAL SECURITY NUMBERS.

Subd. 2. **Continuation of prior use.** A person or entity, not including a government entity, that has used, prior to July 1, 2007, an individual's Social Security number in a manner inconsistent with subdivision 1, may continue using that individual's Social Security number in that manner on or after July 1, 2007, if all the following conditions are met:

- (1) the use of the Social Security number is continuous. If the use is stopped for any reason, subdivision 1 applies;
- (2) the individual is provided an annual disclosure, commencing in 2007, that informs the individual that the individual has the right to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1;
- (3) a written request by an individual to stop the use of the individual's Social Security number in a manner prohibited by subdivision 1 must be implemented within 30 days of the receipt of the request. A fee may not be charged for implementing the request; and
- (4) a person or entity, not including a government entity, shall not deny services to an individual because the individual makes a written request pursuant to this subdivision.