

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 131

**DATE:** February 27, 2007

**Version:** First engrossment

**Authors:** Hilstrom and others

**Subject:** Use of Social Security Numbers

**Analyst:** Thomas R. Pender, 651-296-1885

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### Overview

This bill amends an existing law to further restrict the use of Social Security numbers. The existing law was enacted in 2005, with a delayed effective date of July 1, 2007, so it has not yet gone into effect.

#### Section

**1**

**Generally.** In clause (3), the bill adds one additional requirement that must be met to allow requiring an individual to send a Social Security number over the internet. The addition is that the number must be necessary to the transaction.

Replaces clause (5) entirely. That eliminates current language that permits printing a Social Security number on materials mailed to the individual, if the person mailing it received the number from someone else and did not know it was a Social Security number. Also eliminates current language that says the person sending the mailing has no duty to investigate whether the number is a Social Security number. The new clause (5) prohibits sending anything that shows a Social Security number on the outside of the envelope. Also prohibits printing a number that the sender knows to be a Social Security number on any document mailed to a person, unless inclusion of the number on that document is required by law or necessary to complete a transaction.

Amends clause (7), which prohibits selling a Social Security number obtained in the course of business, to clarify that it does not apply to a disclosure of a number when it has no independent economic value, is incidental to a larger transaction, and necessary to verify a

person's identity.

A new clause (8) prohibits providing an individual's Social Security number to a nonaffiliated third party, unless the disclosure is required or authorized by law, or the individual has consented in writing to the disclosure. States that this clause does not prohibit disclosing the number if the disclosure has no independent economic value, is incidental to a larger transaction, and is necessary to verify the individual's identity.

A new clause (9) prohibits refusing to do business with an individual because the individual refuses to permit access to the individual's Social Security number, unless the person requesting the number has a legally permissible reason to need to obtain a credit report on the individual under the federal Fair Credit Reporting Act, the person requesting the number is required or authorized by federal law to obtain the number, the business has a reasonable basis to believe the person is using a false identity or documents, or the business transaction cannot be completed without the number.

Eliminates current language that is shown below the new clause (9) that permits a Social Security number on certain mailed applications and other forms, but does not permit putting it on the outside of the mailing or in a bulk mailing of credit card solicitations.

Eliminates the existing paragraph (c), which provides that this entire section of existing law, other than subdivision 2 (not shown in this bill, and repealed in section 3 below), is effective July 1, 2007.

- 2 **Penalties and remedies.** Provides that a violation of this section of law subjects the violator to section 8.31. That section permits the Attorney General to enforce the law and also permits a private right of action under section 8.31, subdivision 3a. Current law does not specify an enforcement method or penalty for violations, so by default a violation under current law is a misdemeanor under section 645.241.
- 3 **Repealer.** Repeals subdivision 2, which is a "grandfather clause" that permits continued use of an individual's Social Security number after July 1, 2007, by a person who was using it before then, under certain conditions.
- 4 **Effective date.** Makes the bill effective July 1, 2007.