

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

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

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

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

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

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

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

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

(ii) the Social Security number is necessary to the transaction.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. **REPEALER.**

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

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective July 1, 2007.