

A bill for an act

relating to consumer protection; modifying restrictions on the collection and use of Social Security numbers; amending Minnesota Statutes 2006, section 325E.59, subdivision 3, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 325E.59, subdivision 1.

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

Section 1. Minnesota Statutes 2007 Supplement, 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 used to verify the identity of the individual, is used solely for that purpose, and it would be impracticable to use another method to verify the identity of the individual,

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

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(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 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~~ 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;

(8) lease, loan, trade, or rent an individual's Social Security number to a nonaffiliated third party; 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 consumer report under the federal Fair Credit Reporting Act, United States Code, title 15, section 1681(b);

(ii) the person or entity is expressly required or authorized pursuant to federal, state, county, or municipal law or authority 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;

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

(v) the request is consistent with the purposes of and made by an entity regulated under Title V of the federal Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.

~~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) This section applies only to the use of Social Security numbers on or after July 1, 2008.~~

Sec. 2. Minnesota Statutes 2006, section 325E.59, subdivision 3, is amended to read:

Subd. 3. **Coordination with other law and general exclusions.** This section does not prevent the collection, use, or release of a Social Security number:

(1) as required by state or federal law or the use of a Social Security number for internal verification or administrative purposes, or for purposes expressly permitted or authorized by the federal Fair Credit Reporting Act, United States Code, title 15, section 1681(b), or Title V of the Gramm-Leach-Bliley Act, United States Code, title 15, section 6801, et seq.;

(2) for civil or criminal claims or settlement administration, law enforcement, government, or public safety purposes, including employee background checks;

(3) when it is reasonably necessary for fraud prevention or identity verification and it would otherwise be impracticable to use another method;

(4) for internal verification or to administer payroll, health, retirement, or deferred compensation plans, benefits, or federally or state regulated investment products; or

(5) to approve, administer, maintain, or service an account, loan, or mortgage (i) when the transaction is originated, (ii) for review or management of the account, loan, or mortgage, or (iii) to be used when the account, loan, or mortgage is later transferred

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4.1 or sold, provided that the Social Security number is incidental to the larger transfer
4.2 or sale and it would be impracticable to use another method to administer, maintain,
4.3 or service the account, loan, or mortgage. For the purposes of this clause, "account" is
4.4 defined as a checking, savings, or money market account at a federal or state regulated
4.5 financial institution, or an open-ended line of credit as defined by the federal Regulation Z
4.6 section 226.2 (20).

4.7 Sec. 3. Minnesota Statutes 2006, section 325E.59, is amended by adding a subdivision
4.8 to read:

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

4.11 Sec. 4. **EFFECTIVE DATE.**

4.12 Sections 1 to 3 are effective July 1, 2008.