



Senate

General Assembly

File No. 241

February Session, 2012

Substitute Senate Bill No. 315

Senate, April 3, 2012

The Committee on General Law reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PROHIBITING THE UNNECESSARY COLLECTION OF SOCIAL SECURITY NUMBERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2012*) (a) For the purposes of this
2 section, "person" means any individual, firm, partnership, association,
3 corporation, limited liability company, organization or other entity,
4 but does not include the state or any political subdivision of the state,
5 or any agency thereof.

6 (b) Except as provided in subsection (c) of this section, a person
7 doing business in the state shall not request or collect from an
8 individual such individual's Social Security number.

9 (c) The provisions of this section shall not apply to (1) the collection
10 of a Social Security number as required to comply with state or federal
11 law, (2) the collection of a Social Security number by an entity subject
12 to the provisions of the Gramm-Leach-Bliley Financial Modernization
13 Act, (3) a credit transaction or an entity regulated by the Fair Credit

14 Reporting Act, for a purpose authorized by such act, (4) a report
 15 prepared by a consumer credit reporting agency in response to a
 16 request by the individual, (5) a background check on the individual,
 17 identity verification, fraud prevention, medical treatment, law
 18 enforcement purposes or the individual's employment, including
 19 employment benefits, or (6) the collection of a Social Security number
 20 for the purpose of verifying an individual's identity or age or to allow
 21 such individual to obtain access to or enroll in an age-restricted
 22 marketing program.

23 (d) Any person who violates the provisions of subsection (b) of this
 24 section shall be fined not more than five hundred dollars for a first
 25 offense and shall be fined not more than one thousand dollars for each
 26 subsequent offense.

27 (e) Any person who wilfully violates the provisions of subsection (b)
 28 of this section shall be subject to a civil penalty of one thousand dollars
 29 for each such violation.

30 (f) All civil penalties received pursuant to subsection (e) of this
 31 section shall be deposited into the privacy protection guaranty and
 32 enforcement account established under section 42-472a of the general
 33 statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2012	New section

Statement of Legislative Commissioners:

In subsection (c), "subsection" was changed to "section" for accuracy.

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Consumer Protection, Dept.	GF, Privacy Protection Guaranty and Eforcement account - Revenue Gain	less than \$10,000 total	less than \$10,000 total

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a revenue gain to the state of less than \$10,000 due to fines and civil penalties that would be deposited into the General Fund and the Privacy Protection Guaranty and Enforcement account respectively for violations set forth in the bill. It is anticipated that less than five such violations would occur in any one year. The maximum fine and maximum civil penalty is \$1,000 per violation.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations.

OLR Bill Analysis**sSB 315*****AN ACT PROHIBITING THE UNNECESSARY COLLECTION OF SOCIAL SECURITY NUMBERS.*****SUMMARY:**

With various exceptions, this bill prohibits anyone doing business in Connecticut from requesting or collecting an individual's Social Security number (SSN).

This prohibition does not apply to the state, its political subdivisions, or any of their agencies. The prohibition also does not apply to:

1. collecting SSNs as required to comply with state or federal law;
2. collecting SSNs by entities subject to the Gramm-Leach-Bliley Financial Modernization Act;
3. credit transactions or an entity regulated by the Fair Credit Reporting Act for purposes authorized by that act;
4. reports prepared by consumer credit reporting agencies in response to an individual's request;
5. background checks, identity verification, fraud prevention, medical treatment, law enforcement purposes, or the individual's employment, including employment benefits; or
6. collecting SSNs to verify an individual's identity or age or to allow the individual to access or enroll in an age-restricted marketing program.

Violators are subject to a fine of up to \$500 for a first offense and up to \$1,000 for each subsequent offense. Any willful violators are subject

to a civil penalty of \$1,000 for each violation, which is deposited into the privacy protection guaranty and enforcement account, which is an account used to reimburse losses sustained by those injured by violations of the SSN protection statutes.

EFFECTIVE DATE: July 1, 2012

BACKGROUND

Federal Law

Gramm-Leach-Bliley Financial Modernization Act. The Act applies to "financial institutions" that offer financial products or services to individuals, such as loans, financial or investment advice, or insurance. Among other things, it requires these companies to give consumers privacy notices that explain the institutions' information-sharing practices. In turn, consumers have the right to limit some, but not all, sharing of their information.

Fair Credit Reporting Act. The Act regulates the collection, dissemination, and use of consumer information, including consumer credit information for companies such as credit reporting agencies. Credit reporting agencies are companies that collect and disseminate information about consumers for credit evaluation and other purposes, including employment.

State Protections of SSNs

Existing law includes various provisions restricting the use or disclosure of SSNs. For example, the law requires anyone possessing personal information about another person to safeguard it, including the computer files and documents that contain it. "Personal information" is information that can be associated with an individual through an identifier like a Social Security number. The law also requires a business that collects Social Security numbers to create a privacy protection policy that must ensure confidentiality of Social Security numbers. These requirements do not apply to the state or its political subdivisions (CGS § 42-471).

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 13 Nay 5 (03/20/2012)