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## FISCAL IMPACT REPORT

SPONSOR HJC DATE TYPED 3/17/05 HB CS/363/aSJC

SHORT TITLE Social Security Number Confidentiality Act SB \_\_\_\_\_

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### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI		\$0.1		

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Corrections Department (CD) for HB 363

Department of Health (DOH) for HB 363

### SUMMARY

#### Synopsis of SJC Amendment

The Senate Judiciary Committee amendment to the House Judiciary Committee substitute for House Bill 363 makes clarifying changes. The amendment strikes reference to the Privacy Protection Act in provisions regarding the acceptable use of social security numbers. The effect of this is to allow uses of social security numbers as authorized by any state law. The amendment re-words the provision prohibiting a business from refusing to transact business with a person who refuses to provide his/her social security number.

The amendment also adds to the provision regarding acceptable uses of social security numbers use as part of a contract or policy.

#### Synopsis of Original Bill

The House Judiciary Committee Substitute for HB 363 enacts a new section of the Privacy Protection Act proposing limitations on the permissible uses of social security identification numbers.

Significant Issues

In Section 2, paragraph A:

(1) A business shall not make a social security number available to the general public, either through verbal communication or by print,

(2) A business shall not require the use of a social security number over the internet without a secure connection, or access an internet account unless with a password,

(3) A business shall not print a social security number on materials mailed to consumers. However, a business may require a consumer to provide a social security number as part of a process to enroll, amend or terminate a contract,

(4) The Act defines parameters for banking and credit union industries,

(5) A business may not refuse to transact business because of a refusal to provide a social security number.

In Section 2, paragraph B:

(1) A business will be permitted to use a social security number if copying a document generated prior to January, 1, 2006; or if it exists on an original documented generated prior to January 1, 2006.

(2) A business will be permitted to use a social security number if the collection, use or release of a social security number is to establish, amend or terminate an account; is required by federal or state law; or is for internal verification or administrative purposes.

(3) Provisions of the Act do not apply to court or public records open to the public under federal or state law.

**PERFORMANCE IMPLICATIONS**

The provisions of the Act will be implemented January 1, 2006.

**FISCAL IMPLICATIONS**

There may be moderate administrative costs to agencies in regards to staff training and system requirements to store and retrieve information.

**ADMINISTRATIVE IMPLICATIONS**

HB 363 has wide implications for how private and public agencies store and retrieve public information.

**TECHNICAL ISSUES**

The substitute bill does not provide a definition for “business”.

Section 4, paragraph A, could more clearly define the intent behind “internal verification” or “administrative purposes”.

It is unclear as to what agency or jurisdiction will enforce the conditions of the Act.

### **OTHER SUBSTANTIVE ISSUES**

The DOH has the following comments:

The Bureau of Vital Records and Health Statistics require social security numbers on death certificates. The Bureau provides the Social Security Administration with social security numbers of deceased persons for the purpose of identifying individuals no longer eligible for social security benefits and for fraud prevention purposes. The Bureau also requires a social security number on the acknowledgement of paternity forms. This information is shared, through a cooperative agreement, with the Child Support Enforcement Division of the New Mexico Human Services Department. The Bureau requests social security numbers from one parent at the birth of a child for whom the parent has requested social security enumeration at birth. However, this is a voluntary request, and is not required by the Bureau to forward a parental request for issuance of an infant’s social security card from the Social Security Administration.

The CD reports citizens who apply for inmate visiting privileges are required to provide a social security number.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

There will be no state prohibition against revealing a complete social security number to the general public.

AHO/lg:sb:yr