

CONFERENCE COMMITTEE REP. NO.
40-04

Honolulu, Hawaii

, 2004

RE: H.B. No. 2674

H.D. 1

S.D. 1

C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Second State Legislature
Regular Session of 2004
State of Hawaii
Honorable Robert Bunda
President of the Senate
Twenty-Second State Legislature
Regular Session of 2004
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2674, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO IDENTITY THEFT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to exempt disclosure of social security numbers from government public records, and to restrict retail merchant club card issuers from requesting personal information except for credit purposes.

Specifically, this measure:

- (1) Ensures that social security numbers are exempt from disclosure in payroll records that are otherwise public records;
- (2) Prohibits retail merchant club card issuers from requesting personal information in club card application forms except for credit, check cashing, or check verification; and
- (3) Allows retail merchant club card issuers to share cardholder information, including personal information, for marketing purposes if the issuer complies with established procedures and permits the cardholder to opt-out from sharing the information.

Your Committee on Conference finds that identity theft is a serious problem in Hawaii. Most consumers are unaware of the amount of personal information, such as a social security number, that is collected about them. Consumers are also unaware that such information is shared with other business entities with whom they have no business relationship. One method of curtailing opportunities for identity theft is by protecting personal information from being collected and disseminated without a sound business purpose that benefits the consumer.

Your Committee also finds that while government should provide access to public information, access to documents containing an individual's social security number should be protected from disclosure.

Your Committee received additional correspondence from Costco Wholesale Corporation and after discussion with Costco, has amended this bill by:

- (1) Defining "cardholder information" to mean name, mailing address, email address, and unique membership identifiers assigned by the club card issuer, to clarify and limit the type of information that may be shared with an unaffiliated third party for marketing purposes if the club card issuer complies with certain requirements;
- (2) Defining "personal information" to mean information associated with a person that includes social security number, driver's license, account numbers, or other personal identifiers;
- (3) Clarifying that the restrictions on requesting personal information in a club card application do not apply when the application form is used for club card membership and privileges for check cashing, check verification, or credit, provided that no club card issuer shall require, as a condition of obtaining a club card, that the cardholder obtain the club card as an identification card for check cashing or credit;

(4) Clarifying that the club card issuer may use the application form as an application for a credit card with a designated credit card company provided that the credit application is separately identified and discloses that the cardholder is applying for credit with a designated credit card company;

(5) Amending the effective date to ensure that the section of this bill relating to retail merchant club cards will not take effect until July 1, 2005; and

(6) Making technical, nonsubstantive amendments for consistency, style, and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2674, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2674, H.D. 1, S.D. 1, C.D. 1.

Respectfully
submitted on
behalf of the
managers:

ON THE PART OF THE SENATE		ON THE PART OF THE HOUSE
<p>_____</p> <p>COLLEEN HANABUSA, Co-Chair</p>		<p>_____</p> <p>ERIC G. HAMAKAWA, Co-Chair</p>
<p>_____</p> <p>RON MENOR, Co-Chair</p>		<p>_____</p> <p>KENNETH T. HIRAKI, Co-Chair</p>