

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 385 (as passed by the Senate)
Sponsor: Senator Loren Bennett
Committee: Local, Urban and State Affairs

Date Completed: 7-22-99

RATIONALE

There have been widespread reports about innocent citizens whose savings were stolen or credit ruined by criminals who obtained these persons' Social Security numbers and created false identities, or assumed the identity of the individuals whose Social Security numbers were stolen. According to the State Department of Treasury, State income tax forms previously included mailing labels that taxpayers peeled off and adhered to their tax returns. A taxpayer's Social Security number was printed on the label as a way of identifying the tax return. The Department stopped the practice three years ago. Now, it encrypts the Social Security number within a coded number on the label, making it difficult to decipher the Social Security number. Some State agencies and local governments, however, apparently still include Social Security numbers, as well as driver's license numbers, on documents that when mailed can be viewed not only by the recipient but by other persons as well. It has been suggested that State and local governments should be prohibited from mailing documents in envelopes or packages on which this type of information about the recipient is visible.

CONTENT

The bill would create a new act to prohibit a State agency or a local governmental unit from delivering or causing to be delivered an envelope or package that included on its outside personal information about the recipient or contained on the inside personal information about the recipient that was visible from the outside of the envelope or package.

"Personal information" would mean a Social Security number or a driver license number. "Local governmental unit" would mean a school district, intermediate school district, city, village, township, county, authority, or other political subdivision of the State. "State agency" would mean a department,

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board, commission, office, agency, authority, or other unit of State government in the executive, legislative, or judicial branch.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Persons who have had their Social Security or driver's license numbers stolen by skilled criminals have suffered horrible experiences when they discovered, often too late, that other people have opened credit card accounts or other charge accounts and amassed huge debts in the victims' names. By prohibiting the State or a local government from sending or delivering an envelope or package that displayed this personal information, the bill would help to decrease the exposure of Social Security and driver's license numbers to an ever-growing number of people who may want to use this information for criminal purposes.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no impact on the State and local units of government. Boilerplate language in the General Government appropriation bill, Section 958 of Public Act 310 of 1998, provides that local units of government that receive revenue sharing funds and distribute property tax statements or income tax forms shall not visibly include on the external address Social Security numbers. The Department of State reports that the new digital driver's license is contained in a tri-fold envelope and the license will not show.

Fiscal Analyst: B. Bowerman