

Senate Fiscal Agency
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Senate Bill 385 (as enrolled)
Sponsor: Senator Loren Bennett
Senate Committee: Local, Urban and State Affairs
House Committee: Local Government and Urban Policy

PUBLIC ACT 1 of 2000

Date Completed: 1-9-01

RATIONALE

There have been widespread reports about innocent citizens whose savings were stolen or credit ruined by criminals who obtained these individuals' Social Security numbers and created false identities, or assumed the identity of the people 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 affixed 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 several 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 included Social Security numbers, as well as driver's license numbers, on documents that when mailed could be viewed not only by the recipient but by other persons as well. It was suggested that State and local governments be prohibited from mailing documents in envelopes or packages on which this type of information about the recipient is visible.

CONTENT

The bill created 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 includes on its outside personal information or contains on the inside personal information that is visible from the outside of the envelope or package.

"Personal information" means a Social Security number, a driver license number, or a State identification number. "Person" means an individual, corporation, partnership, association, governmental entity, or other legal entity. "Local governmental unit" means a school district, intermediate school district, city, village, township, county, authority, or other political subdivision of the State. "State agency"

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

MCL 37.251 & 37.252

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

People 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 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 displays this personal information, the bill will help to decrease the exposure of Social Security, driver's license, and State identification 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 will 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, provided that local units of government that received revenue sharing funds and distributed property tax statements or income tax forms could not visibly include on the external address Social Security numbers. The Department of State reports that the new digital driver's license and State personal identification cards are contained in a tri-fold envelope and the license or card will not

show.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.