

# BILL ANALYSIS

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Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Correa	SB 40

## SUBJECT

Personal Information/Social Security Numbers/County Recorder Reject Any Documents That Contain More Than Last 4 Digits of Social Security Number

## SUMMARY

This bill would provide that any document created on or after January 1, 2010, containing more than four digits of a social security number (SSN) is not entitled to be recorded when presented to a county recorder's office.

## PURPOSE OF BILL

According to the author's office, the purpose of this bill is to protect potential abuse of SSN information and clarify that a county recorder is required to reject documents that contain more than four digits of an SSN.

## EFFECTIVE/OPERATIVE DATE

If passed in the first year of the 2009/2010 Legislative Session, this bill would be effective on January 1, 2010, and would be operative as of that date.

## ANALYSIS

### FEDERAL/STATE LAW

Internal Revenue Code section 6103 (d) authorizes the IRS to share federal tax information (FTI) with state agencies for tax administration purposes. One of the requirements for the IRS to share FTI with states includes provisions that the state enter into a contract with the federal Department of Health and Human Services to provide the federal government with death record information to be used for purposes of ensuring that federal benefits are not paid to deceased individuals.

Current California law limits the use of an SSN to the last four digits on an abstract of judgment and other court documents ordering a party to pay money.

Governmental agencies are prohibited from presenting for recording or filing with a county recorder any document that is required to be open to the public that contains more than the last four digits of an SSN, unless it is required by state or federal law. Franchise Tax Board (FTB) is specifically required to truncate social security numbers on lien abstracts and any other records created by FTB that can be disclosed.

Brian Putler, FTB Contact Person (916) 845-6333 (Office)	Executive Officer Selvi Stanislaus	Date 09/02/09
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Within each county there exists the Social Security Number Truncation Program that requires the county recorder to create a “public record” version of each “official record” maintained in the county recorder files. A “public record” is a record that is an exact copy of an official record except that any SSN contained in the copied filing is truncated. An “official record” is the permanent archival record of all instruments, papers, and notices as accepted for filing by a county recorder.

### THIS BILL

This bill would prohibit, unless required by federal or state law, any person, entity, or government agency from presenting a document for recording or filing that is required by any provision of law to be open to the public if that record displays more than the last four digits of an SSN. The bill would also, unless authorized by state or federal law, provide that a document containing more than the last four digits of an SSN is not entitled for recording. A recorder is considered to be in compliance with these requirements if the recorder uses due diligence to truncate the SSN in a document recorded. The provisions of this bill do not apply to documents created prior to January 1, 2010.

This bill would make non-substantive, technical changes to provisions requiring only the last four digits of an SSN appear on judgment orders for spousal, child, or family support.

### **LEGISLATIVE HISTORY**

SB 216 (Cox, 2007/2008) would have limited the use of an SSN to the last four digits on an abstract of judgment and other court document ordering a party to pay money. This bill was referred to the Committee on Judiciary but was not heard in committee.

SB 644 (Correa et. al, Stats. 2007, Ch. 189) limits the use of an SSN to the last four digits on an abstract of judgment and other court document ordering a party to pay money.

### **FISCAL IMPACT**

Implementing this bill would not significantly impact department operations or programs.

### **ECONOMIC IMPACT**

This bill’s provisions would not impact state income tax revenues

### **Appointments**

None.

## Support/Opposition

According to the Assembly Judiciary Committee analysis of June 22, 2009, the following support and opposition are noted:

Support: Orange County Board of Supervisors (sponsor)  
American Civil Liberties Union  
California Funeral Directors Association  
Los Angeles District Attorney's Office  
Patricia Bates, Orange County Supervisor

Opposition:

None on file

## VOTES

Assembly Floor – Ayes: 78, Noes: 0  
Senate Floor – Ayes: 33, Noes: 0  
Concurrence – Ayes: 36 , Noes:0

## LEGISLATIVE STAFF CONTACT

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