



Hundredth Legislature - First Session - 2007
Revised Committee Statement
LB 674

Hearing Date: January 31, 2007
Committee On: Judiciary

Introducer(s): (Lathrop)

Title: Prohibit use of social security numbers by employers as prescribed and provide a penalty

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Sen. Ashford, Sen. Lathrop, Sen. Chambers, Sen. McDonald, Sen. McGill, Sen. Pedersen, Sen. Pirsch
	No	
	Present, not voting	
1	Absent	Sen. Schimek

Proponents:

Sen. Lathrop
 Robert O’Conner, Jr
 Ray Linewebber
 Jamie Napp
 Amy Miller

Representing:

Introducer
 Self
 United Transportation Union
 Identity Theft Action Council of Nebraska
 ACLU Nebraska

Opponents:

Laura Peterson
 Janis McKenzie
 William Peters
 Virgil Horne
 Jack Cheloha
 Bob Hallstrom
 Perry Pirsch
 David Lechner

Representing:

Department of Administrative Service
 Nebraska Insurance Federation
 Burlington North Santa Fe Railroad
 Lincoln Public Schools
 City of Omaha
 Nebraska Bankers Association
 Nebraska State Treasurer
 University of Nebraska

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 674 provides that an employer may use an employee's social security number only for state and federal tax purposes, and specifically prohibits the use of an employee's social security number in lieu of or in addition to an employee identification number. An employer who utilizes an employee's social security number in violation of the act is guilty of a Class V misdemeanor, punishable by a maximum penalty of a \$100 fine. LB 674 also defines employer and employee for purposes of the act and also provides that a conviction for misuse of an employee's social security number is admissible in a civil action as evidence of the employer's negligence.

Explanation of amendments, if any:

COMMITTEE AMENDMENT

The committee amendment to LB 674, AM 805 replaces the green copy and replaces the blanket prohibition on use of social security numbers with the following restrictions on employers. An employer shall not:

- Post, display or otherwise make available to the public or coworkers more than the last 4 digits of a social security number;
- Require an individual to transmit more than the last 4 digits of his or her social security number over the internet unless encrypted or over a secure connection;
- Require the use of more than 4 the last 4 digits of a social security number to access an internet site unless a password or other unique identifier is also required;
- Use more than the last 4 digits of a social security number as an employee number.

The amendment also specifies that employers may only use more than the last 4 digits of a social security number for internal administrative purposes and commercial transactions voluntarily entered into by the employee to purchase goods and services from the employer. Internal

administrative purposes are defined to include transmission to third parties for personnel benefit and employment screening purposes. The internal administrative purposes exception does not permit the following uses:

- As an administrative number for occupational licensing;
- As an identification number for drug-testing purposes except as required by law;
- Storage in company files with unrestricted access or in files accessible by temporary employees who are not bonded or otherwise insured;
- For posting company information.

Senator Brad Ashford, Chairperson