

SENATE BILL REPORT

SHB 1455

As Passed Senate, April 7, 2021

Title: An act relating to the use of social security numbers by the department of labor and industries and the employment security department.

Brief Description: Concerning the use of social security numbers by the department of labor and industries and the employment security department.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Mosbrucker, Boehnke, Young, Sutherland and Jacobsen).

Brief History: Passed House: 2/24/21, 96-0.

Committee Activity: Labor, Commerce & Tribal Affairs: 3/10/21, 3/17/21 [DP, w/oRec].

Floor Activity: Passed Senate: 4/7/21, 48-1.

Brief Summary of Bill

- Requires the Employment Security Department and the Department of Labor and Industries to examine their current practices that involve disclosing individuals' full Social Security numbers (SSNs) in agency correspondences with nongovernmental third parties.
- Mandates that if disclosure of the full SSNs in its correspondence with nongovernmental third parties is not required to comply with federal or state law, the agencies must institute procedures to replace the use of full SSNs with other forms of personal identifiers and by July 1, 2023, cease disclosing full SSNs in this correspondence.

SENATE COMMITTEE ON LABOR, COMMERCE & TRIBAL AFFAIRS

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair, Labor; Stanford, Vice Chair, Commerce & Tribal Affairs; King, Ranking Member; Braun, Honeyford, Robinson and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Saldaña.

Minority Report: That it be referred without recommendation.

Signed by Senator Schoesler.

Staff: Susan Jones (786-7404)

Background: For purposes of the unemployment insurance system, administered by the Employment Security Department (ESD), employers must report certain information about their employees, including Social Security numbers (SSNs), to ESD. ESD uses SSNs to, among other things, verify a person's employment and verify that unemployment insurance benefits are being charged to the appropriate employer.

The Department of Labor and Industries (L&I) also requires SSNs for certain purposes related to workers' compensation and prevailing wage requirements. For example, contractors on public works projects must provide certified payroll records to L&I that include employee SSNs, as part of L&I's verification and investigation process into potential prevailing wage law violations.

Both federal and state laws prohibit commercial entities and state and local governments from disclosing the SSNs of individuals, unless otherwise allowed by law. A person's SSN is also one of the pieces of information exempt from disclosure under the Public Records Act.

Summary of Bill: To prevent fraud and protect personal privacy, ESD and L&I must examine their current practices that involve disclosing an individual's full SSN in agency correspondences with nongovernmental third parties. If disclosure of the full SSN in its correspondence with nongovernmental third parties is not required to comply with federal or state law, the agencies must:

- institute procedures to replace the use of full SSNs with other forms of personal identifiers in its correspondence with nongovernmental third parties; and
- by July 1, 2023, cease disclosing full SSNs in its correspondence with nongovernmental third parties.

Correspondence means written communications and emails and excludes financial transactions or communications sent through secured or encrypted methods. Nongovernmental third party excludes a government, or a subdivision, agency, and instrumentality of government.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill improves cyber security. Hundreds of millions of dollars were stolen from ESD. Over a million people had their information exposed. They are very concerned. We may not need to use the full social security number. For example, we may be able to encrypt it and just use the last four digits, like with credit cards. We worked with the agencies, third parties, including credit agencies, to come to an agreement on the bill.

Persons Testifying: PRO: Representative Gina Mosbrucker, Prime Sponsor.

Persons Signed In To Testify But Not Testifying: No one.