

AMENDED IN ASSEMBLY APRIL 16, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1168**

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**Introduced by Assembly Member Jones**

February 23, 2007

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An act to add Section 1798.88 to the Civil Code, to amend Sections 9516 and 9521 of, and to add Section 9526.5 to, the Commercial Code, to add Section 66018.5 to the Education Code, and to add Section 15705 to the Government Code, relating to social security numbers.

LEGISLATIVE COUNSEL'S DIGEST

AB 1168, as amended, Jones. Social security numbers.

(1) Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, and private, independent institutions of higher education as the 4 segments of postsecondary education in this state.

This bill would require all colleges and universities located in this state to implement policies and procedures regarding the retention of social security numbers in their electronic records that are accessible through the Internet, which shall provide for the redaction of social security numbers. The bill would require that these policies and procedures authorize the Attorney General, or any injured person, to bring a civil action to enforce this provision.

(2) Existing law prohibits any person or entity from publicly posting or displaying in any manner an individual's social security number, printing an individual's social security number on any card required to access products or services, requiring an individual to transmit his or her social security number over the Internet, requiring an individual to use his or her social security number to access an Internet Web site, or printing an individual's social security number on any materials that are mailed to the individual, with specified exceptions. Existing law provides that these prohibitions do not apply to documents that are recorded or required to be open to the public pursuant to the California Public Records Act.

The California Public Records Act requires state and local agencies to make their records available for public inspection unless a record is exempt from disclosure. The act exempts from disclosure, among others, any record that is a personnel, medical, or similar file the disclosure of which would constitute an unwarranted invasion of personal privacy.

This bill would provide that, notwithstanding these provisions, a local agency, before disclosing to the public any record that is required to be open to the public by any provision of law, shall truncate any social security number on the record by redacting the first 5 digits of that number. The bill would provide exceptions to this requirement for a county recorder. By creating a new standard for disclosure of records by local agencies, this bill would impose a state-mandated local program.

(3) Existing law establishes in state government the Franchise Tax Board to, among other duties, administer the Personal Income Tax Law and the Corporation Tax Law.

This bill would provide that, notwithstanding any other provision of law, unless prohibited by federal law, the board shall truncate social security numbers on lien abstracts and any other records created by the board that are disclosable under the California Public Records Act—~~so that no more than the last four digits of any social security number are displayed~~ *before disclosing the record to the public.*

(4) Existing law specifies requirements for the filing of various documents with the Secretary of State and other filing offices.

This bill would apply requirements to truncate social security numbers on specified filings.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1798.88 is added to the Civil Code, to  
2 read:

3 1798.88. (a) Notwithstanding subdivision (c) of Section  
4 1798.85 or any other provision of law, unless required by federal  
5 law, a local agency, before disclosing to the public any record that  
6 is required to be open to the public by any provision of law, shall  
7 truncate any social security number on the record. For purposes  
8 of this section, “truncate” means to redact the first five digits of a  
9 social security number.

10 (b) (1) Notwithstanding subdivision (a), with respect to a county  
11 recorder, the requirement to truncate social security numbers shall  
12 apply only to public records and shall not apply to official records,  
13 as those terms are defined in this section.

14 (2) For purposes of this subdivision,

15 (A) “Public record” means \_\_\_\_.

16 (B) “Official record” means \_\_\_\_.

17 (3) This section shall become operative with respect to a county  
18 recorder on January 1, \_\_\_\_.

19 SEC. 2. Section 9516 of the Commercial Code is amended to  
20 read:

21 9516. (a) Except as otherwise provided in subdivision (b),  
22 communication of a record to a filing office and tender of the filing  
23 fee or acceptance of the record by the filing office constitutes  
24 filing.

25 (b) Filing does not occur with respect to a record that a filing  
26 office refuses to accept because of any of the following:

27 (1) The record is not communicated by a method or medium of  
28 communication authorized by the filing office.

29 (2) An amount equal to or greater than the applicable filing fee  
30 is not tendered.

- 1 (3) The filing office is unable to index the record because of  
2 any of the following:
- 3 (A) In the case of an initial financing statement, the record does  
4 not provide a name for the debtor.
- 5 (B) In the case of an amendment or correction statement, either  
6 of the following applies with respect to the record:
- 7 (i) It does not identify the initial financing statement as required  
8 by Section 9512 or 9518, as applicable.
- 9 (ii) It identifies an initial financing statement whose  
10 effectiveness has lapsed under Section 9515.
- 11 (C) In the case of an initial financing statement that provides  
12 the name of a debtor identified as an individual or an amendment  
13 that provides a name of a debtor identified as an individual which  
14 was not previously provided in the financing statement to which  
15 the record relates, the record does not identify the debtor's last  
16 name.
- 17 (D) In the case of a record filed or recorded in the filing office  
18 described in paragraph (1) of subdivision (a) of Section 9501, the  
19 record does not provide a sufficient description of the real property  
20 to which it relates.
- 21 (4) In the case of an initial financing statement or an amendment  
22 that adds a secured party of record, the record does not provide a  
23 name and mailing address for the secured party of record.
- 24 (5) In the case of an initial financing statement or an amendment  
25 that provides a name of a debtor which was not previously provided  
26 in the financing statement to which the amendment relates, the  
27 record does not do any of the following:
- 28 (A) Provide a mailing address for the debtor.
- 29 (B) Indicate whether the debtor is an individual or an  
30 organization.
- 31 (C) If the financing statement indicates that the debtor is an  
32 organization, provide any of the following:
- 33 (i) A type of organization for the debtor.
- 34 (ii) A jurisdiction of organization for the debtor.
- 35 (iii) An organizational identification number for the debtor or  
36 indicate that the debtor has none.
- 37 (6) In the case of an assignment reflected in an initial financing  
38 statement under subdivision (a) of Section 9514 or an amendment  
39 filed under subdivision (b) of Section 9514, the record does not  
40 provide a name and mailing address for the assignee.

1 (7) In the case of a continuation statement, the record is not  
2 filed within the six-month period prescribed by subdivision (d) of  
3 Section 9515.

4 (8) The record contains more than the last four digits of a social  
5 security number.

6 (c) For purposes of subdivision (b), both of the following rules  
7 apply:

8 (1) A record does not provide information if the filing office is  
9 unable to read or decipher the information.

10 (2) A record that does not indicate that it is an amendment or  
11 identify an initial financing statement to which it relates, as  
12 required by Section 9512, 9514, or 9518, is an initial financing  
13 statement.

14 (d) A record that is communicated to the filing office with tender  
15 of the filing fee, but which the filing office refuses to accept for a  
16 reason other than one set forth in subdivision (b), is effective as a  
17 filed record except as against a purchaser of the collateral which  
18 gives value in reasonable reliance upon the absence of the record  
19 from the files.

20 SEC. 3. Section 9521 of the Commercial Code is amended to  
21 read:

22 9521. (a) A filing office that accepts written records may not  
23 refuse to accept a written initial financing statement in the  
24 following form and format ~~or in the following form and format~~  
25 ~~but lacking a space identified for the disclosure of the social~~  
26 ~~security number of an individual~~, except for a reason set forth in  
27 subdivision (b) of Section 9516:



**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – Insert only one debtor name (1a or 1b) – do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
1d. TAX ID#: OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATION ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – Insert only one debtor name (2a or 2b) – do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
2d. TAX ID#: OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATION ID #, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE or ASSIGNOR S/P) – Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR				
3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

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5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)  7. Check if REQUEST SEARCH REPORT(S) or Debtor(s) (optional)  All Debtor's  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME		
	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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11d. TAX ID#: OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATION ID #, if any	<input type="checkbox"/> NONE
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12.  ADDITIONAL SECURED PARTY'S or  ASSIGNOR S/PS NAME - Insert only one debtor name (12a or 12b)

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME		
	FIRST NAME	MIDDLE NAME	SUFFIX

12c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate.

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.  
 Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured Home Transaction — effective 30 years  
 Filed in connection with a Public Finance Transaction — effective 30 years

1 (b) A filing office that accepts written records may not refuse  
2 to accept a written record in the following form and format ~~or in~~  
3 ~~the following form and format but lacking a space identified for~~  
4 ~~the disclosure of the social security number of an individual except,~~  
5 *except* for a reason set forth in subdivision (b) of Section 9516:



**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input type="checkbox"/>
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2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  DELETE name: Give record name to be deleted in item 6a or 6b.  ADD name: Complete item 7a or 7b, and also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. TAX ID#: OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATION ID #, if any <input type="checkbox"/> NONE
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8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

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NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

**UCC FINANCING STATEMENT AMENDMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
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13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 SEC. 4. Section 9526.5 is added to the Commercial Code, to  
2 read:

3 9526.5. (a) Notwithstanding any other provision of law, a  
4 filing office shall truncate any social security number on a filed  
5 record before disclosing the record to the public. For purposes of  
6 this section, “truncate” means to redact the first five digits of a  
7 social security number.

8 (b) Notwithstanding subdivision (a), a local agency in  
9 compliance with Section 1798.88 of the Civil Code shall be deemed  
10 to be in compliance with this section. Nothing in this section shall  
11 be deemed to require a local agency to comply with the provisions  
12 of Section 1798.88 of the Civil Code before January 1, \_\_\_\_.

13 SEC. 5. Section 66018.5 is added to the Education Code, to  
14 read:

15 66018.5. (a) All colleges and universities in this state shall  
16 implement policies and procedures regarding the retention of social  
17 security numbers in electronic records that are accessible through  
18 the Internet. The policies and procedures shall provide for the  
19 redaction of social security numbers except where necessary and  
20 shall include, but not be limited to, all of the following:

21 (1) Regarding records that pertain to taxes, loans, or financial  
22 aid, social security numbers shall be discarded upon the expiration  
23 of the retention schedule prescribed by state or federal law.

24 (2) Regarding applications for admission to undergraduate and  
25 graduate courses of study, social security numbers shall be  
26 discarded no later than one year after the application is submitted  
27 to the college or university.

28 (b) A college or university shall be deemed to have discarded  
29 a social security number if it erases the number from its electronic  
30 records, if it truncates the number so that only the last four digits  
31 remain or if it creates a “one-way hash” of the number. For  
32 purposes of this section, a “one-way hash” means \_\_\_\_.

33 (c) Notwithstanding Section 67400, this section shall apply to  
34 the University of California and all of its campuses.

35 (d) The Attorney General, or any person injured by a violation  
36 of this section, may bring a civil action to enforce this section.

37 SEC. 6. Section 15705 is added to the Government Code, to  
38 read:

39 15705. Notwithstanding any other provision of law, unless  
40 prohibited by federal law, the ~~board~~ *Franchise Tax Board* shall

1 truncate social security numbers on lien abstracts and any other  
2 records created by the board that are disclosable under Chapter  
3 3.5 (commencing with Section 6250) of Division 7 of Title 1—~~so~~  
4 ~~that no more than the last four digits of any social security number~~  
5 ~~are displayed.~~ *before disclosing the record to the public. For*  
6 *purposes of this section, “truncate” means to redact the first five*  
7 *digits of a social security number.*  
8 SEC. 7. If the Commission on State Mandates determines that  
9 this act contains costs mandated by the state, reimbursement to  
10 local agencies and school districts for those costs shall be made  
11 pursuant to Part 7 (commencing with Section 17500) of Division  
12 4 of Title 2 of the Government Code.