

Honolulu, Hawaii

March 16, 2012

RE: S.B. No. 2419  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 2419, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION,"

begs leave to report as follows:

The purpose of this measure is to protect personal information while providing reasonable access to this information in certain circumstances by allowing the scanning and retention of personal information contained in a state identification card or driver's license for limited purposes.

The Department of Customer Services of the City and County of Honolulu and American Civil Liberties Union of Hawaii testified in support of this measure. The Office of Consumer Protection of the Department of Commerce and Consumer Affairs and the Retail Equation testified in support of the intent of this measure. Verizon testified in opposition to this measure. The Retail Merchants of Hawaii, AT&T Services, Inc., and the Consumer Data Industry Association provided comments.

The recently increasing practice of private businesses scanning the bar codes on customer driver's licenses or state identification cards for all manner of purchases has raised privacy concerns. Hawaii driver's licenses contain bar codes with significant personal information, including name, address, date of birth, hair color, eye color, height, weight, gender, license



expiration date, organ donor status, driver's license number, fingerprint, medical indicators and driver classification codes. While the collection of some of this information is a result of regulations some businesses must follow, private businesses are also able to keep and use this data for any purpose. Although the protection of a consumer's personal information is a priority for most businesses, the sheer amount of information amassed in databases increases the likelihood that personal information will be misused or stolen, leading to risks of identity theft. This measure attempts to address this issue.

However, your Committee notes that according to several of the testifiers on this measure, H.B. No. 2309, H.D. 1, better addresses this issue. Accordingly, your Committee has amended this measure by deleting its contents and inserting the language contained in H.B. No. 2309, H.D. 1, which is substantially similar in purpose to S.B. No. 2419, S.D. 2. As amended, this measure continues to protect personal information while providing reasonable access to this information in certain circumstances but, among other things, additionally stipulates that scanned information may be used to:

- (1) Verify the identity of the individual who possesses the Hawaii certificate of identification or driver's license if the individual pays for goods or services with a method other than cash, returns an item, or requests a refund;
- (2) Verify the individual's age when providing age-restricted goods or services to the individual if there is any reasonable doubt of the individual's having reached 21 years of age;
- (3) Prevent fraud or other criminal activity if the individual returns an item or requests a refund and the business uses a fraud prevention service company or system; and
- (4) Establish or maintain a contract between a business and an individual; provided that the information collected for this purpose is specifically limited in its scope.



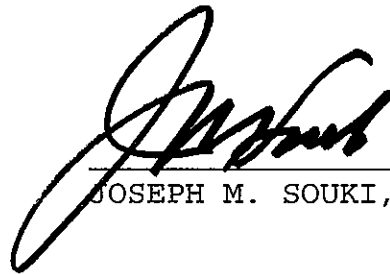
In addition, the amended version of this measure contains:

- (1) A savings clause;
- (2) An effective date of January 7, 2059, to facilitate further discussion; and
- (3) Technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee realizes that this remains a work in progress and continues to urge the concerned parties to work together in formulating a solution amenable to all parties.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2419, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2419, S.D. 2, H.D. 1, and be referred to the Committee on Economic Revitalization & Business.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



JOSEPH M. SOUKI, Chair



HSCR 1042-12

State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 2419, SD2	Committee Referral: TRN, ERB, JUD	Date: 3/12/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia	/			
<del>7. OKAMURA, Tom</del>				
8. SAIKI, Scott K.				✓
9. TAKUMI, Roy M.	/			
10. YAMASHITA, Kyle T.	/			
11. FONTAINE, George R.	/			
12. JOHANSON, Aaron Ling	/			
TOTAL (12)	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u>Linda Ichiyama</u>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				