

Date of Hearing: July 12, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT  
Cecilia Aguiar-Curry, Chair  
SB 184 (Morrell) – As Amended March 15, 2017

**SENATE VOTE:** 39-0

**SUBJECT:** Social security number truncation program.

**SUMMARY:** Allows county recorders to include documents recorded prior to January 1, 1980, in their social security number (SSN) truncation programs. Specifically, **this bill:**

- 1) Allows county recorders to include documents recorded prior to January 1, 1980, in their SSN truncation programs.
- 2) Finds and declares that this bill imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution and, pursuant to that constitutional provision, makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest: In order to protect against the risk of identity theft when government documents recorded before January 1, 1980, and maintained by county recorders contain SSNs, it is necessary to enact legislation that ensures the confidentiality of SSNs.
- 3) Contains an urgency clause.

**EXISTING LAW:**

- 1) Establishes a recorder in each county.
- 2) Requires county recorders to establish SSN truncation programs to create a public record version of every official record that contains a SSN for documents recorded since January 1, 1980.
- 3) Requires the public record version to be an exact electronic copy of the official record that has been redacted to show no more than the last four digits of any SSNs in the document.
- 4) Allows a county recorder to charge a \$1 fee on the first page of every recorded document to fund the SSN truncation program. A county recorder shall not charge this fee after December 31, 2017, unless the recorder receives reauthorization by the county's board of supervisors. A county recorder shall not seek reauthorization of the fee by the board before June 1, 2017, or after December 31, 2017.
- 5) In determining the additional period of authorization described in 4), above, the board shall consider the following review. The board shall require the county auditor to conduct two reviews to verify that the funds generated by the fee are used only for the purpose of the program and for conducting these reviews. The reviews shall state the progress of the county recorder in truncating recorded documents, and shall estimate any ongoing costs to the county recorder of complying with the statutes governing the SSN truncation program. The

board shall require that the first review be completed not before June 1, 2012, or after December 31, 2013, and that the second review be completed not before June 1, 2017, or after December 31, 2017. The reviews shall adhere to generally accepted accounting standards, and the review results shall be made available to the public.

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Background.** The public records of county recorders – such as deeds, deeds of trust, judgments, and liens – often contain Social Security numbers (SSNs). Many public records are increasingly becoming available electronically.

Identity theft occurs whenever someone uses the personal identifying information of another person for an unlawful purpose, including obtaining or attempting to obtain credit, goods, services, or medical information in the name of the other person without that person's consent. For the identity thief, the SSN is the single-most useful tool.

In an attempt to combat identity theft, the Legislature approved AB 1168 (Jones), Chapter 627, Statutes of 2007, which required the truncation of SSNs in various local and state records that may be disclosed to the public. Among other things, AB 1168 required county recorders to establish a SSN truncation program to create a public record version of every official record that contains a SSN. The public record version is an electronic copy of the official record, but redacted to show no more than the last four digits of any SSNs in the document.

Under AB 1168, all documents recorded since January 1, 1980, must be included in the SSN truncation program. However, current law is silent regarding documents recorded prior to that date.

- 2) **SSN Truncation Program Fee Authority.** AB 1168 allowed a county recorder to charge a \$1 fee on the first page of every recorded document to fund the SSN truncation program. A county recorder is prohibited from charging this fee after December 31, 2017, unless the recorder receives reauthorization by the county's board of supervisors. A county recorder is able to seek reauthorization during a limited time window, not before June 1, 2017, or after December 31, 2017.

If a board of supervisors determines an additional period of authorization, it must consider specified reviews. The board must require the county auditor to conduct two reviews to verify that the funds generated by the fee are used only for the purpose of the program and for conducting the program reviews. The reviews must state the progress of the county recorder in truncating recorded documents, and must estimate any ongoing costs to the county recorder of complying with the statutes governing the SSN truncation program. The first review must be completed not before June 1, 2012, or after December 31, 2013. The second review must be completed not before June 1, 2017, or after December 31, 2017. The reviews must adhere to generally accepted accounting standards, and the review results must be made available to the public.

- 3) **Bill Summary.** This bill allows county recorders to include documents recorded prior to January 1, 1980, in their SSN truncation programs. By doing so, this bill would allow

recorders, until December 31, 2017, to seek additional fee authority for this purpose from their boards of supervisors. This bill is sponsored by the County Recorders' Association of California.

- 4) **Author's Statement.** According to the author, "SB 184 would extend existing law by allowing county recorders to include documents recorded before January 1, 1980 in their SSN truncation program. By doing so, this bill will protect the privacy of all our citizens, including those with records established prior to January 1, 1980."
- 5) **Arguments in Support.** The County Recorders' Association of California, sponsor of this measure, writes, "County recorders report their progress (on implementing AB 1168) annually. At the end of 2016, all 58 counties have truncated recorded documents from January 1, 2009 to present and 33 of counties reported that all recorded documents from 1980 to present are truncated. The other counties continue to work on the truncation back to 1980 as resources become available. Current law is unclear as to whether county recorders are authorized to truncate any SSNs that are identified on documents recorded prior to 1980 even at the request of a citizen. SB 184 would provide this authority and give this privacy protection to our citizens whose documents were recorded prior to 1980."
- 6) **Arguments in Opposition.** None on file.
- 7) **Urgency Clause.** This bill contains an urgency clause and requires a 2/3 vote of each house.
- 8) **Double-Referral.** This bill was heard by the Privacy and Consumer Protection Committee on June 20, 2017, where it passed with a 9-0 vote.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

County Recorders' Association of California [SPONSOR]  
California State Association of Counties  
Privacy Rights Clearinghouse  
Santa Clara County Board of Supervisors

##### **Opposition**

None on file

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