



## 2009 ASSEMBLY BILL 819

March 9, 2010 – Introduced by Representatives FIELDS, ZIGMUNT, VOS, BERCEAU, POPE-ROBERTS, TOWNSEND and LOTHIAN, cosponsored by Senators SULLIVAN, A. LASEE, TAYLOR and PLALE. Referred to Committee on Financial Institutions.

1     **AN ACT** *to amend* 409.520 (title), 409.520 (1), 409.521 (1), 409.521 (2) (form) 1d.,  
2             2d. and 11d. and 409.521 (3) (form) 7d.; and *to create* 224.30 (4), 409.516 (2)  
3             (h) and 409.520 (1m) of the statutes; **relating to:** prohibiting social security  
4             numbers on instruments under the corporate registration system and on  
5             records under Article 9 of the Uniform Commercial Code.

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### ***Analysis by the Legislative Reference Bureau***

This bill prohibits the Department of Financial Institutions (DFI) from recording in its corporate registration system any instrument containing an individual's social security number (SSN). If DFI is presented with an instrument containing an SSN, the bill allows DFI, prior to recording the instrument in the system, to remove or obscure characters from the SSN so that it is not discernable on the instrument. The bill also provides that, if DFI does not discover an SSN on an instrument until after DFI has recorded the instrument in the system, DFI is not liable for the instrument drafter's placement of the SSN on the instrument, and DFI is allowed to remove or obscure characters from the SSN so that it is not discernable on the instrument. In addition, if DFI records an instrument in the system containing a complete SSN, the bill provides that the drafter of the instrument is liable for actual damages resulting from the instrument being recorded.

The bill creates comparable provisions for records under the state's version of Article 9 of the Uniform Commercial Code, which deals with secured transactions. The bill prohibits an office in which financing statements are to be filed under Article

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9, which is referred to as a “filing office” and which is, with certain exceptions, DFI, from filing or indexing a record containing an individual’s SSN. If a filing office is presented with a record containing an SSN, the filing office may, prior to filing and indexing, remove or obscure characters as described above. If a filing office discovers an SSN on a record after filing and indexing, the filing office may also remove or obscure characters, and the filing office is not liable for the record drafter’s placement of the SSN on the record. In addition, if a filing office files or indexes a record containing a complete SSN, the drafter of the record is liable for actual damages resulting from the record being filed and indexed. The bill also eliminates references to SSNs on forms used for filing and amending financing statements.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 224.30 (4) of the statutes is created to read:

2           **224.30 (4)** RESTRICTIONS ON RECORDING INSTRUMENTS WITH SOCIAL SECURITY  
3 NUMBERS. (a) In this subsection, “system” means the department’s corporate  
4 registration information system.

5           (b) The department may not record in the system any instrument offered for  
6 recording that contains the social security number of an individual. If the  
7 department is presented with an instrument for recording in the system that  
8 contains an individual’s social security number, the department may, prior to  
9 recording the instrument, remove or obscure characters from the social security  
10 number such that the social security number is not discernable on the instrument.

11           (c) If the department is presented with an instrument for recording in the  
12 system that contains an individual’s social security number, and if the department  
13 records the instrument but does not discover that the instrument contains the  
14 individual’s social security number until after the instrument is recorded, the  
15 department is not liable for the instrument drafter’s placement of the individual’s  
16 social security number on the instrument and the department may remove or

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1       obscure characters from the social security number such that the social security  
2       number is not discernable on the instrument.

3           (d) If the department records an instrument in the system that contains the  
4       complete social security number of an individual, the instrument drafter is liable to  
5       the individual whose social security number appears in the recorded instrument for  
6       any actual damages resulting from the instrument being recorded.

7           **SECTION 2.** 409.516 (2) (h) of the statutes is created to read:

8           409.516 **(2)** (h) The record contains the social security number of an individual.

9           **SECTION 3.** 409.520 (title) of the statutes is amended to read:

10          **409.520 (title) Acceptance and refusal to accept record; social security**  
11          **numbers.**

12          **SECTION 4.** 409.520 (1) of the statutes is amended to read:

13          409.520 **(1)** MANDATORY REFUSAL TO ACCEPT RECORD. A filing office shall refuse  
14       to accept a record for filing for a reason set forth in s. 409.516 (2) and may refuse to  
15       accept a record for filing only for a reason set forth in s. 409.516 (2). The presence  
16       or absence of a social security number on a form of record providing for the insertion  
17       of a social security number as such shall not affect the decision of the filing office to  
18       accept or refuse the record for filing.

19          **SECTION 5.** 409.520 (1m) of the statutes is created to read:

20          409.520 **(1m)** SOCIAL SECURITY NUMBERS. (a) A filing office may not file and  
21       index a record under this subchapter if the record contains the social security  
22       number of an individual. If a filing office is presented with a record that contains an  
23       individual's social security number, the filing office may, prior to filing and indexing  
24       the record, remove or obscure characters from the social security number such that  
25       the social security number is not discernable on the record.

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1           (b) If a filing office is presented with a record for filing and indexing that  
2 contains an individual's social security number, and if the filing office does not  
3 discover that the record contains the individual's social security number until after  
4 the record is filed and indexed, the filing office is not liable for the record drafter's  
5 placement of the individual's social security number on the record and the filing  
6 office may remove or obscure characters from the social security number such that  
7 the social security number is not discernable on the record.

8           (c) If a filing office files and indexes a record that contains the complete social  
9 security number of an individual, the record drafter is liable to the individual whose  
10 social security number appears in the filed and indexed record for any actual  
11 damages resulting from the record being filed and indexed.

12           **SECTION 6.** 409.521 (1) of the statutes is amended to read:

13           409.521 **(1)** TAX IDENTIFICATION NUMBER. In publishing instructions for the  
14 forms specified in subs. (2) and (3), the department of financial institutions shall  
15 include a statement, where applicable, that inclusion of ~~a social security number or~~  
16 an employer identification number is not required under Wisconsin law.

17           **SECTION 7.** 409.521 (2) (form) 1d., 2d. and 11d. of the statutes are amended to  
18 read:

19           409.521 **(2)** (form)

