

## Does Your City Utility Require a Social Security Number?

House Bill 1130, passed during the Seventy-Ninth Legislative Session and effective September 1, 2005, prohibited a city utility from requiring a customer to provide a social security number (SSN) for any reason, unless the utility adopts and makes available a privacy policy to its customers. The privacy policy adopted pursuant to the bill, which amended what is now Texas Business and Commerce Code Section 501.052, must include:

- How personal information is collected.
- How and when the personal information is used.
- How the personal information is protected.
- Who has access to the personal information.
- How the personal information is disposed of.

Because each utility collects and uses personal information in different ways, the Texas Municipal League is unable to provide a model policy. However, to assist a utility in developing its own policy, TML has prepared the following guidelines:

**How personal information is collected:** How will you be getting personal information from your customers? To comply with this requirement, a privacy policy should contain information about how your utility obtains information from customers, e.g., by phone, via a form in the mail, or on the Internet, etc.

**How and when the personal information is used:** What is this information for? Many cities use SSNs for identification purposes, for credit checks, and for collection. Other personal information is also used for other identification purposes. How will your utility be using it? Detail that information here.

**How the personal information is protected:** What kind of systems do you have in place to protect your customers' information? Explain in your privacy policy how information is protected, such as through physical and electronic barriers to access. Any statutes or ordinances that mandate protections should also be included.

**Who has access to the personal information:** Who will see this information? Who has the right, under statute, to request the personal information? Compliance with the Texas Public Information Act should be outlined here as well.

**How the personal information is disposed of:** What is your city's policy on records retention? Here, it is a good idea to direct the customer to your city's records retention policy and affirm compliance with that policy.

**Note:** Any city utility that does not *require* a social security number from a customer is not required to adopt a policy pursuant to Section 501.052. Some cities have chosen to stop requiring a social security number rather than rewrite their privacy policies.

**This document is intended for guidance only. Any policy should be reviewed and approved by local legal counsel prior to adoption.**