

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 260 (Senator Frosh, *et al.*)

Judicial Proceedings

Referred to Commerce and Government Matters

Motor Vehicle Administration - Access to Public Records

This amended bill prohibits the Motor Vehicle Administration (MVA) from disclosing certain personal information, at the direction of the party in interest, except under specified circumstances. The bill also prohibits the use of information disclosed by the MVA for telephone solicitations. The bill requires the MVA, in consultation with appropriate members of the public and private sectors, to establish procedures so that persons with motor vehicle records may contact the MVA to prohibit disclosure of their personal information.

The bill is effective September 1, 1997.

Fiscal Summary

State Effect: Potential minimal decrease in Transportation Trust Fund revenues. Transportation Trust Fund expenditures could increase by \$100,000 in FY 1998.

Local Effect: None.

Small Business Effect: Potential minimal effect on small businesses as discussed below.

Fiscal Analysis

State Revenues: In fiscal 1995, approximately 2.5 million certified and non-certified records of driver and registration information were sold yielding \$12.5 million in special fund revenues. The MVA imposes a \$5 fee for non-certified records and \$10 for certified copies.

The bill allows the Motor Vehicle Administration (MVA) to disclose personal information unless an individual requests that the MVA prohibit access to the individual's motor vehicle

record. The MVA may continue its practice of selling motor vehicle records: (1) through direct access to their computer database; (2) as lists to businesses and advertisers; and (3) over the counter. Accordingly, the revenue loss that would result is dependent upon the number of individuals that restrict disclosure of their records.

Under current law, drivers may request that their information be restricted from disclosure from lists sold for advertising purposes. Approximately 6,000 persons have requested such non-disclosure of their records out of 3.5 million motor vehicle records. Based on past experience, it is estimated that a minimal number of individuals will request that their records remain confidential. Thus, it is estimated that the bill could result in a minimal decrease in Transportation Trust Fund revenues.

State Expenditures: Transportation Trust Fund expenditures could increase by approximately \$100,000 to modify forms in order to notify individuals of the non-disclosure allowance in the issuance or renewal of a driver's license, a certificate of title, a registration, or an identification card.

The MVA estimates that additional special fund expenditures of \$497,000 would be required in fiscal 1998 to maintain the records of the persons receiving the motor vehicle information.

This estimate includes nine contractual employees at a cost of \$168,400 and increased data processing expenditures of \$329,000. In addition, beginning in fiscal 1999, the MVA estimates that it would need to hire four Customer Service Representatives at an annual cost of \$90,400 and purchase imaging equipment at a one-time cost of \$250,000.

The Department of Fiscal Services (DFS) advises that the computer expenditures and personnel costs are not justified. The bill does not require the MVA to maintain records on the persons receiving the personal information, but rather requires the person receiving the information to make the records available to the MVA on request. The imaging equipment expenditures are unnecessary for the requirements under the bill and the data processing costs could be absorbed within existing resources. Further, since the MVA advises that the increased personnel would be used to operate the imaging equipment, the personnel costs are also unnecessary.

Small Business Effect: To the extent that individuals restrict disclosure of their motor vehicle records, a decreased number of records would be available to small businesses that utilize MVA records. However, the number of restricted records are assumed to be minimal.

Additional Comments: The Federal Driver's Privacy Protection Act of 1994 establishes certain permissible uses of a state department of motor vehicles records. This Federal law requires State compliance by September 1997 and provides for a maximum penalty of \$5,000 per day. This bill conforms Maryland law to the requirements of the Federal Driver's Privacy Protection Act.

Information Source(s): Department of Transportation (Motor Vehicle Administration),
Department of Fiscal Services

Fiscal Note History: First Reader - January 28, 1997
brd Revised - Senate Third Reader - March 17, 1997

Analysis by: Christina H. Kim

Reviewed by: Paul Ballou

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710