

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 354 (Delegate Kopp. *et al.*)

Commerce and Government Matters

Motor Vehicle Administration - Privacy Protection Act of 1998

This bill prohibits the Motor Vehicle Administration (MVA) from disclosing personal and sensitive personal information without the expressed written consent of the person in interest. Personal information is information that identifies an individual including an address, driver's license number, medical information, name, photograph, Social Security number, or telephone number. Sensitive personal information includes the physical characteristics of an individual. This prohibition does not apply when certain entities such as law enforcement agencies, the courts, and insurance companies request the information.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues could decrease by \$520,700 in FY 1999. Future years reflect annualization and assume a constant number of driver's records sold. TTF expenditures would decrease by \$184,000 in FY 1999, exclusive of computer programming costs. Future years reflect annualization and inflation.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
SF Revenues	(\$520,700)	(\$694,300)	(\$694,300)	(\$694,300)	(\$694,300)
SF Expenditures	(184,000)	(294,900)	(297,900)	(300,800)	(303,900)
Net Effect	(\$336,700)	(\$399,400)	(\$396,400)	(\$393,500)	(\$390,400)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Chapter 338 of 1997 allows a person in interest to prohibit the disclosure of personal information by the MVA, and prohibits the disclosure of such information for telephone solicitation. The legislation conformed Maryland law to the requirements of the Federal Driver's Privacy Protection Act. As of March 1998, about 646,000 records were closed as a result of the legislation.

State Effect: The MVA sells certified and non-certified records for fees of \$10 and \$5, respectively. Additionally, the MVA sells groups of records for a minimum fee of \$500, and \$.05 for each record over 10,000. The majority of certified and non-certified records are purchased by individuals or entities that would still have authorized access under the exceptions provided for in the bill. However, the bill prohibits the sale of groups of records which are sold to marketers, surveyors, and solicitors, unless the expressed written consent of the person in interest is received by the MVA. It is assumed that no individuals will give consent to have drivers' records remain open. Revenue from the sale of such lists was approximately \$694,000 in fiscal 1997. It is assumed that a constant level of revenues would be generated by the MVA absent this bill. Regardless of the driver's ability to close records, as under current law, the majority of drivers' records have remained open and thus are available for sale. It is expected that the MVA could meet demand for drivers' records using the remaining available records. Therefore, closing all drivers' records would result in future year revenue losses of approximately \$694,000 annually.

Currently, the MVA closes records if so requested by the driver. To process such requests the MVA utilizes a toll-free phone and fax system, written forms, Internet access, and contractual employees to operate the phone panel, process information and correspondence, and sort forms. The fiscal 1998 budget for such activities was \$1,070,900. This included one-time costs as well as ongoing operating costs. The proposed fiscal 1999 budget includes \$300,000 for ongoing operating expenses. The Department of Legislative Services (DLS) advises that those individuals seeking to keep their records open will be significantly less than those seeking to close their records. Accordingly, ongoing operating costs, such as \$182,000 for contractual employees, \$50,000 for operation of the phone system and \$60,000 for postage, would no longer be necessary. However, it is estimated that one-time costs of \$35,000 would be required for form changes and replacement of form inventory to notify drivers of the new privacy requirement. Therefore, total fiscal 1999 expenditures should decrease by \$184,000 accounting for the bill's October 1 effective date.

The MVA advises that computer programming expenditures could increase by an estimated \$200,000 to modify the computer programs to recode driving records to reflect a private status. DLS advises that if other legislation is passed requiring computer reprogramming

changes, economies of scale could be realized. This would reduce computer programming costs associated with this bill and other legislation affecting the MVA system. Further, DLS advises that the increased computer expenditure is simply an estimate and the MVA may be able to handle the changes with either less money than it estimates or existing resources.

Small Business Effect: The MVA allows businesses to subscribe to the Direct Access Record System (DARS) to gain immediate access to driver records. The vast majority of companies that currently subscribe would still be allowed such access under the exemptions listed in the bill. However, companies that purchase motor vehicle records for marketing or solicitation purposes would no longer have access to such records unless persons in interest authorize the access. Small businesses that rely on motor vehicle records would be required to find alternative sources of address and telephone number information.

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

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Analysis by: Jody J. Minnich

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710