

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
 Revised

House Bill 722 (Delegate Kopp. *et al.*)

Commerce and Government Matters

Motor Vehicle Administration - Privacy Protection Act of 1999

This bill prohibits the Motor Vehicle Administration (MVA) from disclosing 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. This prohibition does not apply when certain entities such as law enforcement agencies, the courts, and insurance companies request the information; nor does it apply in cases involving for-hire vehicles, funeral vehicles, ambulances, or limousines. It also does not apply in any matter relating to public safety or the treatment by the operator of a member of the public.

The bill is effective July 1, 2000.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures could increase by \$35,000 in FY 2000 only, exclusive of potential computer programming costs. TTF expenditures could decrease by \$240,900 in FY 2001. Future years reflect inflation. TTF revenues could decrease by \$869,100 beginning in FY 2001. Future years assume a constant number of driver's records sold.

| (in dollars) | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 |
|-----------------|------------|-------------|-------------|-------------|-------------|
| SF Revenues | \$0 | (\$869,100) | (\$869,100) | (\$869,100) | (\$869,100) |
| SF Expenditures | 35,000 | (240,900) | (243,300) | (245,700) | (248,200) |
| Net Effect | (\$35,000) | (\$628,200) | (\$625,800) | (\$623,400) | (\$620,900) |

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

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 February 1999, about 937,583 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 that 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 \$869,100 in fiscal 1998. 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 and 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 \$869,100 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 proposed fiscal 2000 budget includes \$238,500 in operating costs associated with requests to close records. It is assumed that future year expenditures would be set at a similar level, reflecting inflation. 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, the budgeted operating costs would no longer be necessary in fiscal 2001, at which time TTF expenditures would decrease by \$240,900. However, it is estimated that one-time costs of \$35,000 would be required in fiscal 2000 for form changes and replacement of form inventory to notify drivers of the new privacy requirement.

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

Fiscal Note History: First Reader - February 19, 1999
ncs/jr Revised - House Third Reader - April 2, 1999
Revised - Enrolled Bill - April 29, 1999

| | |
|------------------------------|--|
| Analysis by: Jody J. Minnich | Direct Inquiries to: John Rixey, Coordinating Analyst (410) 946-5510 (301) 970-5510 |
|------------------------------|--|