

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2587-01
BILL NO. SB 538
SUBJECT: Motor Vehicle Public Records
TYPE: Original
DATE: January 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Highway Fund	(\$302,574)	(\$315,090)	(\$317,122)
Total Estimated Net Effect on <u>All</u> State Funds	(\$302,574)	(\$315,090)	(\$317,122)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(\$65,000)	(\$78,000)	(\$78,000)

Numbers within parentheses: () indicate costs or losses

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

The **Department of Insurance** and the **Department of Public Safety-Highway Patrol** do not expect to be affected, administratively.

The **Department of Transportation (MoDOT)** assumes this proposal would reduce the amount of funds credited to the State Highways and Transportation Fund because of the reduction in the amount of income received from the sale of motor vehicle and driver's license records. The MoDOT concurs with the Department of Revenue's response to this proposal.

Officials of the **Department of Revenue (DOR)** assumes that the provisions of this proposal will render obsolete the procedures implemented on September 13, 1997, to accommodate SB 19 (1997 legislative session). Presently, the Department of Revenue asks the individual at the time of driver's license or motor vehicle transaction if he/she desires to restrict their personal information on the DOR computer files. This proposal will require complete closure of all records, and require the owner of the personal information to give written permission before the DOR releases the record/information to the requester. Since implementing the provisions of SB 19, 63% of license applicants have chosen to restrict access to the personal information contained on their driver's license and motor vehicle records.

Drivers License Bureau -The Driver's License Bureau receives approximately 1.5 million requests for driver records through the Electronic Driver Record System. This bureau could no longer accept and process electronic requests for records as each request must be accompanied by written authorization from the record holder. It is assumed that 1.2 million records will be closed as a result of the provisions of this proposal and 300,000 will remain open. It is also assumed that 10% of the closed records will have provided written consent for the release of personal information. It is assumed that most of the entities requesting information will only request driver record history, such as convictions, suspension, etc. and not require "personal information". Therefore, this bureau will require the services of 3 FTE and associated equipment and expenses to convert electronic driver record system to the manual process.

This bureau will require approximately \$15,000 for required forms changes and information pamphlets and flyers to educate the public of the new changes in the disclosure/restriction of driver records.

This bureau will also require approximately \$5,000 for programming changes required to the OTC system. Programming modifications are required to be completed the current contract vendor and it is estimated it will take approximately 40 hours of programming. 40 x \$125 per hour contract price = \$5,000

Motor Vehicle Bureau - This bureau will require the services of 2 FTE and associated equipment and expenses to implement the provisions of this proposal. This bureau will require \$6,516 for form modifications, policy revisions and postage. The Field Automated System for Titling and Registration will also require changes in edits, screen changes and testing requirements. It is estimated that those modifications will cost approximately \$100,000.

Information Technology and Management Bureau -To implement the provisions of this proposal extensive programming modifications must be made to the Drivers License and General Registration Computer Systems. This will entail programming, unit testing, system testing, implementation and documentation. To accommodate these modifications, this Division will incur State Data Center (SDC) costs in the amount of \$7,439.

REVENUE IMPACT

As the provisions of this proposal require the written permission of the record holder to accompany the request for a driver or motor vehicle record, it is anticipated that the Information Fund will lose approximately \$312,000 dollars in record sales for driver and motor vehicle records as a result of the provisions of this proposal. The loss identified in this proposal results from the individual sales of drivers records and does not reflect the same revenue impact as other proposals which prohibit the sale of bulk information by DOR.

Oversight assumes that conversion from electronic to manual systems would be accomplished with existing personnel, except for programming changes required to be performed by Polaroid, Inc. on the OTC system. Oversight also assumes that one FTE could process about 30,000 of these transactions per year (DOR assumption from its response to a similar proposal during 1998 session). Therefore, Oversight assumes three permanent FTE would be needed.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

HIGHWAY FUND

<u>Costs-Department of Revenue (DOR)</u>			
Personal Service (3 FTE)	(\$48,630)	(\$61,310)	(\$62,843)
Fringe Benefits	(\$14,954)	(\$18,853)	(\$19,324)
Expense and Equipment	(\$10,035)	(\$927)	(\$955)
Forms and Postage	(\$21,516)	\$0	\$0
State Data Center Costs	(\$7,439)	\$0	\$0
OTC Programming by Polaroid, Inc.	(\$5,000)	\$0	\$0
Total <u>Costs</u> -DOR	(\$107,574)	(\$81,090)	(\$83,122)

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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(Continued) (10 Mo.)
HIGHWAY FUND

Loss-Department of Transportation (DHT)

Reduced Income from DOR Information Fund Transfers	(\$195,000)	(\$234,000)	(\$234,000)
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ESTIMATED NET EFFECT ON HIGHWAY FUND	<u>(\$302,574)</u>	<u>(\$315,090)</u>	<u>(\$317,122)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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POLITICAL SUBDIVISIONS

Cities	(\$39,000)	(\$46,800)	(\$46,800)
Counties	(\$26,000)	(\$31,200)	(\$31,200)

NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(\$65,000)</u>	<u>(\$78,000)</u>	<u>(\$78,000)</u>
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FISCAL IMPACT - Small Business

This proposal would not have a direct fiscal impact on small businesses.

DESCRIPTION

This proposal would automatically close personal information in drivers' license and motor vehicle records maintained by the Department of Revenue. The Department of Revenue would be prohibited from disclosing personal information obtained unless the person gives permission. Exceptions would be provided for disclosure to governmental agencies and their representatives carrying out governmental functions; insurance organizations carrying out claims investigations, antifraud activities, ratings and underwritings; and motor vehicle manufacturers in connection with matters of motor vehicle or driver safety and theft, motor vehicle product alterations, recalls, advisories, warranty service or performance monitoring.

This legislation is not federally mandated, would not duplicate any other program, would require additional capital improvements or rental space and would impact total state revenue.

SOURCES OF INFORMATION

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Department of Revenue
Department of Insurance
Department of Transportation
Department of Public Safety
Missouri Highway Patrol

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 10, 2000