

Department of Planning and Budget 2021 Fiscal Impact Statement

1. Bill Number: HB2248

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Miyares

3. Committee: Communications, Technology, and Innovation

4. Title: Department of Motor Vehicles; personal information requests; fees.

5. Summary: This bill prohibits the Department of Motor Vehicles from charging fees in excess of administrative fees to any entity submitting a request for personal information. The bill limits requesters from repackaging or reselling data to third parties without prior authorization.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: Virginia has some of the strictest laws in the nation concerning the release of customer information. Governed by §§ 46.2-208 through 46.2-214 and the Driver's Privacy Protection Act, the release of data contained in state motor vehicle agency databases provides many benefits to consumers, such as allowing manufacturers to identify customers with recalled vehicles, helping employees seeking driving-related job positions to demonstrate their safe driving record, and assisting prospective purchases by developing vehicle history reports.

While § 46.2-214 provides that the Department of Motor Vehicles (DMV) may "make a reasonable charge" for providing information from its records, this bill prohibits the agency from charging in excess of "administrative costs" for release of its data. DMV considers the fee paid to cover only the administrative costs of releasing the data. The agency does not charge any fees on top of the price of the product.

The agency generates approximately \$36 million annually from the release of data, approximately 15 percent of DMV's overall operating budget. While charging a fee for the production of data is authorized by both federal and state law, this revenue is used to support the costs of accurately and securely maintaining the information and DMV's database. DMV incurs costs from staffing and overhead related to creating and updating the driving record, system programming, and information technology maintenance. DMV's data management department consists of 45 individuals charged with reviewing, executing, and renewing data use agreements, reviewing and maintaining the integrity of customer data, responding to customer requests for information, and auditing data customers to ensure compliance with all contractual provisions. The data compliance and audit work unit travels onsite to data

customer locations to review processes and perform audits. DMV also maintains a staff of information security specialists to protect DMV customer information from external or internal threats. Finally, the agency incurs mainframe costs associated with maintaining and searching data through the state's information technology network.

It is unclear, as introduced, what impact the legislation will have on the agency's fee structure. As discussed above, DMV considers the currently authorized reasonable charges to be administrative charges. The agency is uncertain how the new language would impact the fees currently set for single data requests, bulk requests, use agreements and tokens.

9. Specific Agency or Political Subdivisions Affected: Department of Motor Vehicles.

10. Technical Amendment Necessary: No.

11. Other Comments: None.