

Senate File 374 - Introduced

SENATE FILE _____
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 1258)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning restrictions on the resale and use of motor
2 vehicle operating records furnished by the department of
3 transportation and making a penalty applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2490SV 83
6 dea/nh/8

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1 1 Section 1. Section 321A.3, subsection 8, Code 2009, is
1 2 amended to read as follows:
1 3 8. a. ~~A person making a request for a record or an who~~
1 4 ~~purchases a certified abstract of an operating record directly~~
1 5 ~~from the department~~ under this section that is subject to a
1 6 fee shall only use the ~~record or~~ abstract requested one time,
1 7 for one purpose, and ~~it the person~~ shall not supply that
1 8 ~~record abstract~~ to more than one other person. ~~Any subsequent~~
1 9 ~~use of the same record or abstract shall require that the The~~
1 10 person shall make a subsequent request for the record or
1 11 abstract and pay an additional fee for the request in the same
1 12 manner as provided for the initial request ~~for any subsequent~~
1 13 ~~use of the same certified abstract or to supply the same~~
1 14 ~~certified abstract to another person, except as provided in~~
1 15 ~~paragraph "c".~~
1 16 b. ~~A person who is supplied a certified abstract by a~~
1 17 ~~person who purchases the certified abstract under subsection 1~~
1 18 ~~shall only use the abstract one time, for one purpose, except~~
1 19 ~~as provided in paragraph "c".~~
1 20 c. ~~A person who purchases or is supplied a certified~~
1 21 ~~abstract pursuant to this section may use the certified~~
1 22 ~~abstract pursuant to this paragraph "c" for more than one use~~
1 23 ~~for the following purposes:~~
1 24 (1) ~~Consumer disclosure purposes.~~
1 25 (2) ~~Internal auditing purposes, or similar internal~~
1 26 ~~purposes as defined by rule of the department.~~
1 27 (3) ~~Internal purposes in a manner consistent with the~~
1 28 ~~federal Driver's Privacy Protection Act, 18 U.S.C. }~~
1 29 ~~2721=2725, by a person who is an insurer.~~
1 30 (4) ~~Compliance with the retention requirements imposed~~
1 31 ~~under this section or other law.~~
1 32 (5) ~~To provide to a producer licensed under chapter 522B~~
1 33 ~~and appointed by an insurer for purposes of a specific~~
1 34 ~~application for coverage. However, a producer who is provided~~
1 35 ~~a certified abstract pursuant to this subparagraph shall not~~
2 1 ~~reuse, resell, or redistribute the abstract with respect to~~
2 2 ~~any transaction not associated with the insurer who appointed~~
2 3 ~~the producer.~~
2 4 (6) ~~To provide to an insurer for purposes of a specific~~
2 5 ~~application for coverage if the person requesting the~~
2 6 ~~certified abstract is a producer licensed under chapter 522B~~
2 7 ~~and appointed by the insurer for purposes of the specific~~
2 8 ~~application for coverage.~~
2 9 (7) ~~To provide a copy of a previously purchased certified~~
2 10 ~~abstract to the person who is an insurer who was originally~~
2 11 ~~supplied the certified abstract associated with the specific~~
2 12 ~~previous purchase, or to an affiliate of the person who is an~~
2 13 ~~insurer.~~
2 14 d. (1) ~~For purposes of this subsection, "a person who is~~
2 15 ~~an insurer" includes an affiliate of the insurer.~~

2 16 (2) For purposes of this subsection, "affiliate" means a
2 17 person who directly or indirectly, through one or more
2 18 intermediaries, controls, or is controlled by, or is under
2 19 common control with, the person who is an insurer.
2 20 e. A person requesting a record or an who purchases a
2 21 certified abstract directly from the department pursuant to
2 22 this section shall keep records identifying who the record or
2 23 abstract is provided to, and the use of the record or
2 24 abstract, for a period of five years. Records maintained
2 25 pursuant to this subsection shall be made available to the
2 26 department upon request. A person who is otherwise supplied a
2 27 certified abstract and who then provides that record to
2 28 another person for a purpose other than the purposes
2 29 identified under paragraph "c" shall also be subject to the
2 30 recordkeeping requirements under this paragraph.
2 31 f. A person shall not sell, retain, distribute, provide,
2 32 or transfer any record or use or supply any abstract
2 33 information or portion of the record or abstract information
2 34 acquired under this agreement section except as authorized by
2 35 this section and any applicable rules of the department, and
3 1 consistent with the federal Driver's Privacy Protection Act,
3 2 18 U.S.C. } 2721=2725.

3 3 EXPLANATION

3 4 This bill addresses restrictions on the use of the
3 5 certified abstract of the operating record of an individual.
3 6 A certified abstract of the operating record is the document
3 7 that identifies, for an individual driver's licensee, certain
3 8 personal information, including records of motor vehicle
3 9 violations, convictions, and sanctions, that may only be
3 10 disclosed for permissible uses pursuant to the federal
3 11 Driver's Privacy Protection Act. Pursuant to current law, a
3 12 person other than a public agency that requests a certified
3 13 abstract of the operating record from the department of
3 14 transportation must pay a fee of \$5.50 for each abstract. The
3 15 person may use the record one time, for one purpose, and may
3 16 not supply the record to more than one other person.

3 17 The bill provides that a person who purchases a certified
3 18 abstract from the department shall use the abstract one time,
3 19 for one purpose, and shall not supply the abstract to more
3 20 than one other person. The person who purchases a certified
3 21 abstract must make another request for the abstract and pay an
3 22 additional fee for any subsequent use of the same abstract or
3 23 to supply the abstract to another person, and a person who is
3 24 supplied an abstract by a person who purchased the abstract
3 25 may only use the abstract one time, for one purpose. However,
3 26 the bill provides exceptions to the single use requirement for
3 27 a person who purchases an abstract or a person who is supplied
3 28 an abstract, if the use is for consumer disclosure, internal
3 29 auditing or similar internal purposes as defined by rule,
3 30 internal purposes by an insurer in a manner consistent with
3 31 the federal Driver's Privacy Protection Act, compliance with
3 32 record retention requirements, to provide to an insurance
3 33 producer appointed by the insurer for purposes of a specific
3 34 application for coverage, to provide to an insurer for
3 35 purposes of a specific application for coverage, or to provide
4 1 a copy of a previously purchased abstract to a person who is
4 2 an insurer who was originally supplied the abstract associated
4 3 with the previous purchase or to an affiliate of the person
4 4 who is an insurer.

4 5 The bill defines "affiliate" as a person who directly or
4 6 indirectly, through one or more intermediaries, controls, is
4 7 controlled by, or is under common control with a person who is
4 8 an insurer, and under the bill, "a person who is an insurer"
4 9 includes an affiliate.

4 10 The bill requires a person who purchases a certified
4 11 abstract from the department to keep records for five years
4 12 identifying parties to whom the abstract is provided and the
4 13 use of the abstract. A person who is supplied an abstract and
4 14 who then provides that abstract to another person for purposes
4 15 that are not excepted under the bill is also subject to
4 16 recordkeeping requirements.

4 17 The bill prohibits a person from using or supplying
4 18 abstract information for unauthorized purposes or in a manner
4 19 inconsistent with the federal Driver's Privacy Protection Act.
4 20 Pursuant to current Code section 321A.32(4), a person who
4 21 violates any of these provisions is guilty of a serious
4 22 misdemeanor. A serious misdemeanor is punishable by
4 23 confinement for no more than one year and a fine of at least
4 24 \$315 but not more than \$1,875.

