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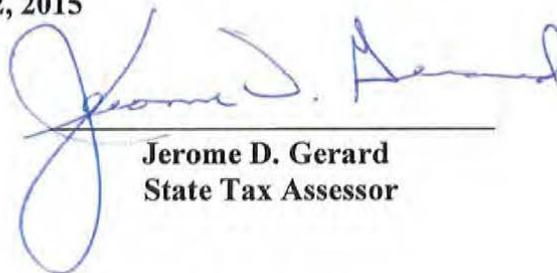


Use of Bureau of Motor Vehicle Information
In Maine Revenue Services'
Data Warehouse Collection Initiative

A Report Prepared for the
Joint Standing Committee on Transportation
Pursuant to PL 2009, C. 213, Part TTTT

Department of Administrative and Financial Services
Maine Revenue Services

December 22, 2015



Jerome D. Gerard
State Tax Assessor



PAUL R. LEPAGE
GOVERNOR

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MAINE REVENUE SERVICES
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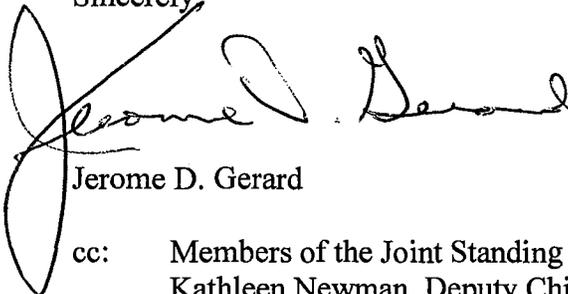
December 22, 2015

Senator Ronald F. Collins
Representative Andrew J. McLean
Joint Standing Committee on Transportation
100 State House Station
Augusta, ME 04333

Dear Co-Chairs:

Pursuant to PL Law 2009, Chapter 213, Part TTTT, I have enclosed herewith the report regarding the uses of Bureau of Motor Vehicle information in Maine Revenue Services' data warehouse collection initiative. Please feel free to contact me if you have any questions about this report.

Sincerely,



Jerome D. Gerard

cc: Members of the Joint Standing Committee on Transportation
Kathleen Newman, Deputy Chief of Staff, Office of the Governor
Aaron Chadbourne, Senior Policy Advisor, Office of the Governor
Richard W. Rosen, DAFS Commissioner
David Heidrich, DAFS Legislative Coordinator

**BMV Data Report for the Bureau of Motor Vehicles and Maine Revenue Services to
the Joint Standing Committee on Transportation
December 15, 2015**

Overview

Maine Revenue Services (MRS) is engaged in a project to discover additional revenue through the Data Warehouse Collection Initiative (DWCI). MRS has contracted with Revenue Solutions Inc. (RSI) to develop the data warehouse and discover new individual income tax non-filer leads. RSI utilizes its Portfolio Warehouse product (formerly called Discover Tax or “DTAX”) to identify individuals with Maine-sourced income who have not filed Maine individual income tax returns.

Driver’s license and motor vehicle registration information from Maine’s BMV is loaded into Portfolio Warehouse to assist the MRS Tax Compliance Unit (TCU) in determining residency. The BMV data also helps to provide more accurate taxpayer address information. With the information accumulated from BMV and other data sources, TCU is able to generate notices for the new-found taxpayers and send them to the most accurate addresses, thus generating significant savings in the annual postal cost of this project.

MRS receives updated files from BMV on a quarterly basis (on the first day of the quarter).

Security of data

BMV creates one file for driver’s license data and another file for vehicle registration data on a quarterly schedule. These files do not include social security numbers. BMV places the files in an FTP folder, which MRS logs into to retrieve the files. The files are downloaded to the secure DWCI server, which is protected by a unique firewall in addition to the State’s existing firewall. Only authorized personnel have access to the server in order to perform these downloads. The raw data is loaded into an Oracle database that serves as the foundation for Portfolio Warehouse.

In addition, Portfolio Warehouse tracks each page that a user accesses; this is a key component of the system’s auditing and user authentication security.

Timeline and usage of BMV data in DWCI

- Over the last year MRS received four quarterly uploads of current license and registration information.
- All potential non-filer populations are compared to the BMV data. The lack of a BMV match does not disqualify an individual but it does lower the individual in the selection hierarchy.

Revenue

From the inception of the DWCI project in FY 2010 through the end of September 2015, the overall project has generated revenues of \$41.29 million; about 32% of this figure is attributable to stopping erroneous refund claims, with the other 68% attributable to non-filer Compliance programs.

MEMORANDUM OF AGREEMENT
Between
State of Maine
DEPARTMENT OF THE SECRETARY OF STATE
And
State of Maine
MAINE REVENUE SERVICES
Department of Administrative and Financial Services

1. Purpose

This Memorandum of Agreement (“Memorandum” or “MOA”) between the Maine Department of Administrative and Financial Services, Bureau of Revenue Services (“Maine Revenue Services,” or “MRS”) and the Maine Department of the Secretary of State (“the Secretary,” or “SOS”), sets forth the electronic data transfer and security protocol for implementing the data warehouse project provisions set forth in 36 MRSA §194 with respect to data requested by MRS of the Secretary.

The statutory provision directing the implementation of the electronic data transfer to the MRS data warehouse is set forth in §194(1), which provides as follows:

§194. Data warehouse

1. Information provided to State Tax Assessor; use and confidentiality of data.

Notwithstanding any other provision of law, the Secretary of State and all executive branch departments, boards, commissions, divisions, authorities, districts or other executive branch agencies of the State shall annually provide to the State Tax Assessor, within 3 months of the request of the assessor, and in such form as the assessor may prescribe, electronic data that those entities possess unless such release is prohibited by federal law. Information provided to the assessor pursuant to this section must be treated as though it is tax return information that is subject to the confidentiality and disclosure provisions of section 191 and its disclosure is further restricted as requested by the agency providing the information and as agreed to by the Commissioner of Administrative and Financial Services.

This Memorandum of Agreement sets forth the categories of data that may be requested and shall be transferred, the procedure for changing the categories of data to be requested, the technical specifications for the format of the data transfer, the data security plan for the transferred data, and coordination for an annual summary report to the Legislature of the data transfer process between SOS and MRS.

2. Categories of Data to be Requested and Transferred

For licenses:

- First Name
- Middle Initial
- Last Name
- Name Suffix
- Mailing Address Street

- Mailing Address City
- Mailing Address State
- Mailing Address Zip Code
- Date of Birth
- License Number
- License Class
- License Status
- License Original Issue Date
- License Issue Date
- License Expiration Date

For registrations:

- Plate Type
- Plate Number
- Name Last
- Name First
- Middle Initial
- Date of Birth
- Mailing Address Street
- Mailing Address City
- Mailing Address State
- Mailing Address Zip Code
- Leased Indicator
- Issued Date
- Expiration Date
- VIN
- Make
- Model
- Body
- Year

3. Procedure for Changing the Categories of Data to be Requested

MRS and the Secretary agree to use best efforts to coordinate discussion and efficient resolution of a request by either part for a change in the categories of data that may be requested. Any change in such request will be preceded by amendment of this MOA. Notice of proposed amendments to the MOA shall be provided by MRS and/or the Secretary to the joint standing committee of the Legislature having jurisdiction over transportation matters at least 60 days prior to adoption of any such amendment.

With respect to Social Security Number data in the possession of the Secretary, the parties agree to continue joint discussion to identify the specific nature of any federal law prohibition on the release of such data to MRS pursuant to 36 MRSA §194, and whether by administratively adopted measures the data may be transferred to MRS consistent with the requirements of Maine and federal law.

4. Technical Specifications for Electronic Data Transfer

MRS and the Secretary agree to use best efforts to further agree on the technical format specifications for electronic data transfer of data pursuant to this MOA.

5. Data Security Plan and Agreement of Additional Confidentiality Requirements

Data transferred by the Secretary to MRS pursuant to this MOA shall be treated as confidential taxpayer information subject to the confidentiality protections of 36 MRSA §191. Further, MRS, the Secretary, and the Commissioner of the Department of Administrative and Financial Services agree that the data transferred by the Secretary pursuant to this MOA (“the transferred data”) shall have the following additional disclosure restriction: the transferred data may not be retransferred to any other person outside of MRS except for MRS’s contractors, the Office of the Commissioner of DAFS, the DAFS Office of Information Technology (“OIT”), SOS, or the Office of the Attorney General. MRS shall require its contractors working with the transferred data to sign a written confirmation that the contractor, its officers and employees will not retransfer the data except as otherwise permitted by this paragraph.

MRS will provide to the Secretary, upon request, certification of the security practices of MRS and its contractors from a qualified independent vendor, with respect to operations of MRS and its contractors relating to administration of the MRS electronic data warehouse.

6. Annual Report to Legislature

In addition to the annual report by the State Tax Assessor to the Legislature required by 36 MRSA §194(3), the State Tax Assessor and the Secretary of State shall annually report to the joint standing committee of the Legislature having jurisdiction over transportation matters a copy of the current MRS-SOS MOA, a description of the data transferred pursuant to this MOA, and a summary of the tax revenues collected using the data warehouse authorized by 36 MRSA §194.

7. Duration

This MOA will commence upon signature and will continue until terminated by either party on 10 days notice, or until amended upon mutual agreement of the parties.

8. Signatories

The parties hereto have executed this Memorandum of Agreement.

**Maine Department of the
Secretary of State**

Signature: Catherine Curtis
Name: Catherine Curtis
Title: Deputy Secretary of State
Date: 5/24/10

Maine Revenue Services
Signature: Jerome D. Gerard
Name: Jerome D. Gerard
Title: Acting Executive Director,
Maine Revenue Services
Date: 5/20/10

**Maine Department of the
Secretary of State**

Signature: Matthew Dunlap
Name and Title: Matthew Dunlap, Secretary of
State
Date: 5/24/10

Additional signatory as to additional data restrictions listed in paragraph 5 above:

**Commissioner, Maine
Department of Administrative
and Financial Services**

Signature: Ryan Low
Name: Ryan Low
Title: Commissioner
Date: 5/20/10