

M I N U T E S

SPECIAL COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

October 11-12, 1977
Room 510, State House

Members Present

Senator Neil H. Arasmith, Chairman
Representative Jim Holderman, Vice-Chairman
Senator John Crofoot
Senator Paul Feleciano, Jr.
Senator Larry Rogers
Representative Herman Dillon
Representative Charles Laird
Representative John Reimer
Representative Marjorie Thomson

Members Absent - Excused

Representative Lloyd Buzzi
Representative Mike Meacham

Staff Present

Bill Wolff, Kansas Legislative Research Department
Bill Edds, Revisor of Statutes Office

Others Present

Mark Bennett, American Insurance Association
Homer Cowan, Jr., The Western Insurance Company
Gerald Perri, Equifax Services, Inc.
Brian N. Garrett, Equifax Services, Inc.
Randell Basarge, Equifax Services, Inc.
Dan Molden, Kansas Life Underwriters
Sara Miller, Security Benefit Life
Paul Lewis, Kansas Bankers Association
Marvin Umholtz, Kansas Credit Union League
Jan Price, American Civil Liberties Union of Kansas
Harold Stones, Kansas Bankers Association
F. Kent Kalb, Secretary, Department of Revenue
Robert Olsen, Department of Revenue
Bill Gough, Kansas Association of Commerce and Industry
Bob Karr, Independent Underwriter
Tom Gregg, Kansas Association of Life Underwriters
Ed Jenkins, First State Bank and Trust Company
James E. Foster, Topeka Bank and Trust Company
Jack Roberts, Blue Cross/Blue Shield
Jay Lohmann, Blue Cross/Blue Shield
Grant Vonderschmidt, Blue Cross/Blue Shield
Robert Harder, Secretary, Department of Social and Rehabilitation Services
Charles Hamm, Social and Rehabilitation Services
Irv Franzen, Department of Health and Environment
Dwight Metzler, Secretary, Department of Health and Environment
Ross Freeman, Security Benefit Life
Jim Turner, Kansas Savings and Loan League
Jim Holt, Kansas Credit Union League

October 11, 1977

Morning Session

The Chairman, Senator Neil Arasmith, called the meeting to order at 10:00 a.m. Senator Feleciano moved, seconded by Representative Reimer, that the minutes of the previous meeting be approved as written. Motion carried.

Proposal No. 11 - Usury Rate for Savings
and Loan Associations

Representative Holderman moved, seconded by Senator Feleciano, that the Committee recommendation on this subject be incorporated into a new bill. Proponents of the motion thought that it would be easier to explain a clean bill draft to the 1978 Legislature than to discuss an amended version of H.B. 2530. Motion carried.

Proposal No. 10 - Privacy of Financial Records

The Chairman introduced Randell Basarge, Branch Manager of Equifax Services, Inc., Topeka area office (See Attachment A). Mr. Basarge introduced Brian Garrett from the home office of Equifax in Atlanta, Georgia.

In response to questions, Mr. Basarge said that the activities of Equifax are regulated by the Fair Credit Reporting Act. While that Act does not require a company to provide a copy of its file to an individual who is the subject of a report, he noted that Equifax provides that copy as a matter of company policy.

Replying to Senator Feleciano's question concerning the manner in which background checks are done by Equifax, Mr. Basarge indicated that the information given on an application is validated according to the individual company's requirements. Generally, the validation is done by contacting the parties making the application. However, should those persons be unavailable, friends, neighbors, bankers, etc., may be questioned.

In conclusion, Mr. Basarge cautioned the Committee that the full flow of information is vital to all business transactions.

Ms. Jan Price, representing the American Civil Liberties Union (ACLU), addressed the Committee (See Attachments B and C). She told the members that there is a potential for violations of civil liberties whenever a government or commercial agency compiles personal dossiers on citizens. Ms. Price further commented that she liked the provisions of H.B. 2480. She said the ACLU strongly believes in the prenotification of a person who is the subject of a request for information. Ms. Price added that the ACLU is concerned particularly with political surveillance resulting from access to personal data.

F. Kent Kalb, Secretary, Kansas Department of Revenue, presented the Committee with information regarding privacy of records in the Department of Revenue (See Attachment D.)

In responding to questions, the Secretary made the following points: the Post Auditor does have access to tax records solely as a check upon the Department's handling of returns; employees of the Department have strict guidelines to follow as they use private data; the Attorney General's access to files is limited to a written request for a specific investigation; Social and Rehabilitation Services does not have access to Revenue files, except in a limited way for the runaway fathers program; files are made available as ordered by the courts; and the individual Kansas citizen can have access to his file in the Department.

Representative Reimer questioned the nature of confidentiality of information on intangibles, since the state of necessity discloses that information to the counties. Secretary Kalb explained that the state only makes that disclosure to the counties, but because the requirement for privacy is not clear, the counties may disclose that data. Mr. Kalb said he would feel comfortable with legislation which established guidelines for privacy of records in areas not presently protected.

The Committee recessed at 12:00 p.m.

October 11, 1977
Afternoon Session

Chairman Arasmith reconvened the meeting at 1:30 p.m. He called upon Paul Lewis to make the presentation for the Kansas Bankers Association. Mr. Lewis introduced Ed Jenkins of the First State Bank and Trust Company of Topeka, and Jim Foster of the Topeka Bank and Trust Company. The two bank officials responded to Committee questions.

Neither gentleman knew of customer complaints concerning divulgence of private information. On the contrary, both officers reported customer complaints because they could not have access to information about themselves, particularly when asked for by telephone. Also, both conferees said they had dismissed bank employees for discussing bank business with unauthorized persons.

Mr. Jenkins and Mr. Foster told the Committee that their banks can provide ledger information, *i.e.*, date of notes, balance, payment schedules, to other lending institutions without violating the Fair Credit Reporting Act (FCRA). The Committee then discussed in some length the application of the FCRA to the banking business. In that regard, the Vice-Chairman explained the FCRA requirements for obtaining a credit report.

Each bank official said that a customer could see his file, but that the physical contents of the file were the property of the bank. The officers also noted that certain records are required to be maintained for specified periods of time.

Senator Feleciano, after examining a sample loan application form, questioned the need for certain questions on the form. Mr. Jenkins and Mr. Foster replied that the data sought reflected upon the applicant's ability to repay a loan. They contended that while every question did not pertain to every client, in general, the information was helpful. Representative Reimer asked if the forms had been designed to meet the requirements of the Equal Credit Opportunity Act. The conferees replied affirmatively.

Dan Molden, Kansas Association of Life Underwriters, introduced Tom Gregg, President of the Association, to give testimony. Mr. Gregg explained the procedure for verifying the information on an insurance application. He noted that after the form is submitted to an investigative firm, that firm communicates only with the home office. The agent does not get access to the firm's report. Generally, the report contains more information of a "moral" or "mode of living" nature than of a financial nature. Information in the report describing "mode of living" would have confirmation from more than one source.

Senator Rogers wondered how the person who was the subject of an investigative report would know if an error had been made in the report. He was told that the pre-notification and post notification provisions in the law cover that situation.

Robert Karr, an independent underwriter with 25 years in the insurance underwriting business, made the following comments and responses: home office underwriters do not rely much upon "moral" factors in a report, except perhaps in the bond business; companies keep investigative reports on file for the life of a policy; no secondary use is made of information gathered; and that data accumulated in a bureau, *i.e.*, Medical Information Bureau, would be kept indefinitely and updated as claims are reported.

Jack Roberts, Blue Cross and Blue Shield of Kansas, introduced Jay Lohmann, Director of Medicare Claims Processing and Plan 65, and Grant Vonderschmidt, Vice President for Subscriber Services to give testimony for BC/BS. Mr. Lohmann told the Committee that the federal privacy act allowed the release of certain Medicare information to private insurers. Mr. Vonderschmidt said that information is available only to subscribers, hospitals and physicians, certain federal and state agencies, and to the Insurance Department.

Having heard all conferees scheduled for the day, the Chairman asked the Committee to discuss the testimony taken during the day's hearing.

Senator Feleciano concurred in the Chairman's expressions that the subject has proven to be far-reaching and complicated. He wanted to hear from other department

secretaries and agency heads in state government. He said he was concerned about "in-house" regulations for maintaining privacy which have no statutory foundation.

Senator Crofoot concluded that perhaps restrictions were already too tight, since he could not obtain information on himself.

Representative Laird told the Committee that none of the testimony heard to date indicated the existence of a problem.

Senator Rogers said that it seemed to him that information on an individual was open to everyone except that individual. Personally, he intended to do more studying and reading on the subject. Chairman Arasmith thought that the testimony of the conferees was exactly the opposite of Senator Rogers' observations. Senator Rogers suggested that the Committee hear from persons connected with privacy in schools, since these individuals would have some experience which might be helpful.

Representative Holderman believed that, if the Committee were to meet in November, it should hear from additional state agencies. It was his observation that the Committee had only touched the tip of the iceberg, and, therefore, had the responsibility to continue hearings to determine if a problem exists and to make the appropriate recommendations to the Legislature.

Representative Reimer concluded that private financial institutions were far ahead of government agencies in the area of privacy control.

The meeting recessed at 3:40 p.m.

October 12, 1977
Morning Session

The Chairman called the meeting to order at 9:00 a.m. He introduced Dr. Robert Harder, Secretary, Department of Social and Rehabilitation Services (SRS). Dr. Harder noted the presence of Charles Hamm, legal counsel, and indicated that both Mr. Hamm and himself would answer any questions the Committee might have.

Dr. Harder said that SRS keeps records in a number of areas, including public assistance, medical assistance, hospital admissions, vocational rehabilitation adoptions, and runaways. He told the Committee that generally the information available in those records would be available to the party who was the subject of the file, except case histories, background assessments as in adoption, and medical records, if the physician thought their disclosure would be detrimental to the patient's health. Most of the record files are confidential by statutory classification and are handled according to adopted rules and regulations.

Dr. Harder told the Committee that the name of a welfare recipient and the amount of payment are public information. Also, he noted that 1977 H.B. 2645 would make the address of the recipient public knowledge. There was some discussion on the merits of such an enactment.

In response to a question regarding the retention of records, Dr. Harder said that different records are kept for different durations; some as required by federal law, some indefinitely, and others forever -- adoption files and foster care records.

Concerning the verification process of information supplied on an application for assistance, Dr. Harder explained that quality control people within SRS do an investigation on a certain percentage of the agency's clients. These persons are authorized to check as a consequences of the applicant signing the application.

When asked if he would feel more confident about the privacy of records within SRS if the Legislature were to speak specifically to each type of record, Dr. Harder responded negatively. He said that the Department has not had difficulties in this area under the present system of controls, and, therefore, could see no reason to change. He expressed the belief that client records were consistently protected by statutory language. The numbers of complaints from clients are very small and the mechanics for handling the complaints are well established. Dr. Harder did admit that records concerning vendors with whom the agency does business are less protected by privacy requirements. Consequently, providers complain from time to time.

In conclusion, Dr. Harder agreed to meet with Committee staff to identify those areas where there is specific statutory prohibition against information disclosure and where there is perhaps a need for additional language.

Dwight Metzler, Secretary, Department of Health and Environment, and Irv Franzen, Director, Division of Vital Statistics, were introduced by the Chairman (See Attachment E).

In response to questions, Mr. Franzen said that the information requested on the sample questionnaire provided the Committee is part of a minimum data set which the Department must gather according to state and federal laws. The exact uses of the information have not been determined; however, no data are furnished for commercial purposes.

Staff reviewed the responses of the Medical Information Bureau provided the Committee by William B. Swartz, III, Associate Counsel for the Bureau (See Attachment F).

The Committee recessed until 1:30 p.m.

October 12, 1977
Afternoon Session

Chairman Arasmith called the meeting to order at 1:30 p.m. for the purposes of Committee discussion on Proposal No. 10. He briefly outlined several courses of action open to the Committee, including: (1) making a recommendation on H.B. 2480 in its present form; (2) proposing certain amendments to H.B. 2480 as some conferees suggested; (3) expand H.B. 2480 beyond its present application to financial records of financial institutions; and (4) recommend a continuation of the study into the next interim.

Representative Reimer concluded that limiting the Committee's attention to H.B. 2480 was an unsatisfactory approach, perhaps having cost implications for institutions affected by the bill. He suggested that the Committee expand its purview beyond H.B. 2480.

Representative Holderman said that nothing he heard from conferees indicated a pressing need for Committee action. Since all areas involved in the privacy of records have not been examined, he did not think a piecemeal approach to the subject was desirable. Instead, he suggested that the Committee report to the Legislature on the complexity of the study and the need for further study in the next interim. Meanwhile, he could see some benefit from a two-day meeting in November to hear from additional agencies, i.e., law enforcement.

Representative Thomson thought that local officials should be invited before the Committee, since they too are concerned with privacy.

Senator Rogers again expressed his concern about school privacy and wanted the benefit of school officials' experience with privacy legislation.

Representative Laird said it was an impossibility to confine the topic to financial records.

Representative Dillion told the Committee that he could see the need for collecting information and the possibility of some problem with recordkeeping. Nevertheless, he contended that the Committee had heard no concrete examples of privacy violations. Even the ACLU could only say that it "believed" problems existed. He said he would still like to hear from someone whose privacy has been violated.

Following the Committee discussion, Vice-Chairman Holderman moved, seconded by Senator Feleciano, that the Special Committee on Commercial and Financial Institutions make no recommendation for privacy legislation to the 1978 Session. In addition, the Committee recommends that the Legislative Coordinating Council assign a privacy study topic in the 1978 interim. Motion carried.

The Committee directed staff to draft a detailed Committee Report on Proposal No. 10, including full background information; legislation in other states; conferees heard on the subject; the expansion of the subject beyond financial records; no specific problem identified; concern about legislative over-reaction; and recommendations.

For the agenda of the November 1-2, 1977, meeting, staff was directed to contact school officials, law enforcement agencies, the Attorney General, Secretary of State, Department of Administration, Department of Corrections, League of Municipalities, Kansas Association of Counties, and other associations of county officials.

The meeting adjourned at 3:00 p.m.

Prepared by William G. Wolff

Approved by the Committee on:

(Date)

"A"

STATEMENT OF
EQUIFAX SERVICES INC.
CONCERNING
CONSUMER REPORTING
AND
PRIVACY OF INFORMATION

Presented By:
Randell Bosarge, Manager
Equifax Services Inc.
Topeka, Kansas Branch
October 11, 1977

Atch. A

My name is Randell Bosarge and I am Branch Manager in Topeka for Equifax Services Inc. which is the oldest and largest of several companies that provide a broad range of information services to the American business community. Among our customers are some of the nation's leading firms - companies that insure lives and property, companies that grant credit for the things people want and need, and companies that provide jobs for millions of our citizens.

In the State of Kansas, Equifax Services maintains 20 branch and sub-office locations, where we employ approximately 50 persons at an annual payroll in excess of 600,000 dollars. During the first 8 months of this year our offices submitted 84,000 reports in connection with pending business transactions involving citizens of Kansas. In the overwhelming majority, these transactions were completed quickly and routinely - - in part because of the routine availability of information to verify the consumer's qualifications.

We are not an organization of private detectives. We do not handle investigations in connection with divorce actions or industrial espionage. We refuse employment in any matters of a questionable nature. We do not report to individuals who may be merely curious. We do not use bugging devices or any other method of electronic eavesdropping. We do not invade privacy.

We are a consumer reporting agency as defined by the Federal Fair Credit Reporting Act and the Kansas Fair Credit Reporting Act, and in all of our activities, the consumer's interests are represented, and his or her rights protected, by these laws. The purposes of

Consumer Reporting Legislation seem particularly significant to this discussion of individual privacy.

It was recognized by the Legislature that consumer reporting agencies have assumed a vital role in assembling consumer credit and other information on consumers.

It was felt that a need existed to insure that consumer reporting agencies continue to exercise their grave responsibilities with fairness, impartiality, and a respect for the consumer's right to privacy.

"It is the purpose of this title to require that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality of such information . . ."

We think there are two questions facing American Legislators today:

- A. Are current statutes which address individual privacy and Fair Information Practices adequate? Or is there clear evidence of abusive practices within the American business community which cannot be corrected under present law?
- B. Are the remedies for alleged abusive practices which are

being proposed, and which are typified by the recommendations of the Federal Privacy Commission, practical and workable and reasonable? Or will they only lead to the establishment of complex and burdensome procedures, the growth of bureaucratic regulatory bodies, and increased costs which can only be passed along to the citizens of Kansas and other states?

It is our belief that consumer reporting legislation to date has, indeed, accomplished its purposes, including standards of confidentiality and respect for privacy. We also believe that a recognition of the protections afforded consumers, and the responsibilities placed upon businesses which use consumer reports, as well as upon consumer reporting agencies, will demonstrate that there is no practical need for additional regulation of information use and availability in the private sector.

Our statement will describe our role as a consumer reporting agency, and the workings of existing Federal and State laws with which we come in contact, and will comment briefly on the work of the Federal Privacy Commission and their recommendations. Our written statement covers these points in greater detail than is possible orally, and we will, of course, be glad to respond to any specific questions.

The Kansas Fair Credit Reporting Act provides very specific consumer protections in the area of collection, maintenance and distribution of personal information by consumer reporting agencies. These are:

That a reporting agency may by current law, issue a consumer report only in connection with a legitimate business transaction involving the consumer.

That a consumer is already formally notified when an investigative consumer report is requested.

That whenever an individual is denied a benefit, or pays more for the benefit, because of information supplied by a reporting agency, he is already being notified of the fact, and supplied with the name and address of the reporting agency.

That a consumer, at his request, has the right to reporting agency disclosure of information pertaining to him contained in the agency's file.

That a reporting agency must reinvestigate any file information that is questioned by the consumer.

That any information which cannot be reconfirmed by the reporting agency must be deleted from its files and a corrected report must be sent to previous recipients of the information.

That a consumer has the right to make a written statement concerning reconfirmed information which

he has questioned, and that statement must be included in all future reports that are issued.

That a consumer who feels that he has received incomplete disclosure or has suffered some other abuse may file a complaint with the Federal Trade Commission, which has responsibility for the enforcement of the Federal Fair Credit Reporting act, or, in Kansas, with the Office of Consumer Credit Commissioner, which is the State Regulatory Body.

That a consumer is entitled to monetary considerations for any reporting agency's willful abuse of these provisions.

A typical consumer file in an Equifax Services Office will consist principally of one or more recently completed consumer reports. The content of the reports, and thus of the file, will vary considerably according to the purpose for which reports were ordered. Auto insurance, life insurance, hospitalization insurance, employee selection, credit, etc. all have different information requirements. Most such reports are destroyed after 13 months - we review, on a regular basis, every item of file for potential destruction. Our files are not computerized, and they are not centralized.

Individual consumer files may also contain other materials such as Motor Vehicle Records, newspaper clippings, public record information of various types, tips to slow payment or collection of an

account, and similar items of information. Some files will also include internal memoranda, records of consumer contacts with our offices for file disclosure and correspondence with our customer regarding a report. Our files do not contain medical information.

Some data is obtained from merchants or financial institutions who have had direct dealings with the individual, from present and former employers and from business or social associates. The type of information requested by the customer who ordered the report largely determines the type of source from which the data is sought. For example, we would attempt to obtain information on past job performance from a former employer rather than from a neighbor, and information on past convictions from a police record whenever available rather than from a former employer. Data is collected solely for the purposes of transmitting it to responsible organizations entering into a business transaction with the consumer. The information is available only to our employees within our office, who have been carefully screened, and we require our customers to sign an Agreement for Service certifying that they will continue to preserve the confidentiality of information reported to them.

Ordinarily, we do not seek arrest and conviction information until the existence of such information has been brought to our attention in some manner. For example, if our representative is informed by the individual himself that he has a police record, or that he

has been arrested, or if we become aware of such a situation through newspaper articles or conversations with acquaintances or employers, we will go to the local authorities and verify the existence of the subject's record if we are able to do so. On occasion, too, our customers will specifically request that we confirm and verify such things as the disposition of arrests admitted on an application. However, we do not engage in a general practice of monitoring police records or other criminal justice information sources in anticipation of future need.

The Federal Privacy Commission was established by the Privacy Act of 1974. This law was passed in the last hours of the Congress by a concession: application to the private sector was excluded because of a lack of evidence that the type of problems existed in the business community that had become evident in government. So, the Commission was formed and given two years to attempt to determine just what the situation is with private business.

In 60 days of hearings and meetings, and countless additional hours of staff work, the Commission attempted to put together a framework for a national information policy. The result, however, was only a series of separate recommendations aimed at several diverse types of business operations. Of specific interest to Equifax Services, of course, were the recommendations for the use of information in the employment relationship, the insurance relationship, and the consumer credit relationship.

In fact, almost every single proposal for privacy legislation in

these areas has been previously considered, and previously rejected, in the form of consumer reporting legislation.

Where is the justification for these recommendations?

The NALU, a group made up of insurance agents, significantly, not insurance companies, stated that a review of some 790 pages of testimony at the Commission's public hearing "reveals not one single statement by an aggrieved member of the public alleging harm or damage, or even invasion of privacy, from the activities on the part of insurance companies that the Commission's recommendations are designed to control or prohibit."

What is even more surprising to us is that the recommendations sometimes favor passing statutory protections which already exist. For example, credit recommendation 6 sees a need for a federal law to require that a credit grantor disclose to an individual who is the subject of an adverse credit decision:

1. the specific reasons for the decision;
2. the specific items of information which support it;
3. the names and addresses of institutional sources of information;
4. the right to see and copy all information pertaining to the decision; and
5. applicable rights under the Fair Credit Reporting Act.

The recommendation takes no recognition of the fact that each of these disclosures, with the exception of the fourth, is already required by Federal law, plus applicable state laws. The fourth, the right to see and copy all information, does not exist at this moment to our knowledge.

In view of the protections granted by the Fair Credit Reporting Act, the Equal Credit Opportunity Act, and the Fair Credit Billing Act, the practicality of implementing such a right is questionable. How could a right to "see and copy" be applied to a consumer in Paola, Kansas and a credit grantor in Houston, Texas? And since the consumer has already been told in plain language why his application was not acceptable as submitted, and already has a right to dispute the accuracy of the information under both the Fair Credit Reporting Act and the Fair Credit Billing Act, is the cost of this so-called protection - which will inevitably be passed along to all consumers - really justified?

The same type of questions can be raised concerning almost every single recommendation involving insurance, employment, and credit.

If information cannot be exchanged within the business community unless it is authorized by the consumer, how is business to protect itself against the dishonest minority who will selectively authorize the release of only favorable information?

What is the justification for detailed pre-notification and post-notification statements such as the commission recommends? State and federal consumer reporting laws, and federal consumer protec-

tion legislation already require more notices than the average consumer ever reads.

How can an employer, insurer or support organization comply with a subjective standard of completeness and timeliness? For example, how can information on a former employee be complete and timely six months after he has left? Current law, wisely, already establishes a standard of accuracy.

How can mandatory interviews be completed without causing severe delays in what are now routine business transactions? Despite our best efforts, we cannot contact everyone.

How can disclosure of consumer report information by a report user, or disclosure of a consumer report by mail, be implemented without completely destroying the effectiveness of the Kansas Fair Credit Reporting Act?

How can credit grantors, insurers and employers prove to a regulatory body that they are exercising reasonable care in the selection of support organizations? What are the criteria by which "reasonable care" is measured?

These are only a few examples of the questions that the Privacy Commission left unanswered in publishing their recommendations. These are the questions this committee is going to have to face.

I am a consumer too. I try to be careful about how I spend my

money. Before I am forced, by legislation or regulation, to buy protection against unfair treatment by insurance companies, credit grantors, consumer reporting agencies, financial institutions, or even by my employer, I would like some additional assurances. I would like someone to tell me just how I am being abused - in reality, not theoretically or potentially. I would like someone to tell me what remedies my fellow consumers and I now have available, and about how much these new protections are going to cost us in taxes and inflated prices.

I am not only a consumer, I am a businessman. I employ a number of people. I would like to know how I can protect myself against that very small percentage of incompetents or undesirables that could do severe damage to the reputation of my business. I think it is my responsibility to screen employees for honesty, responsibility and dependability before I put them on the job, and I think that many other employers with sensitive jobs to fill would agree with me.

In the preface of the published report of the Privacy Commission is expressed the wish that the Commission's work "...will contribute to a growing public awareness and increased dialog about the various dimensions of personal privacy." That is what these hearings in Kansas are about. This forum is to be congratulated for taking up where the Commission was compelled to stop, for engaging in the type of dialog that the Commission planned in the form of hearings on the recommendations, but which it was not able to hold.

Your job, too, is a big one. Based on our experience over the last several years, Equifax Services believes that you will find that your job consists of answering the questions the Commission was unable to resolve in the time available. Most of these questions will probably concern costs of implementing complex mechanisms, burdensome bureaucracies, and formalized programs. These costs can only be justified to consumers, taxpayers and constituents if specific and actual abusive practices exist in the private sector which cannot be corrected under present law.

Our experience with over 100,000,000 consumer reports since the implementation of the Fair Credit Reporting Act, and our disclosure interviews with over 51,000 inquiring consumers each year, suggest to us that the use of information in the business community is accepted and condoned by our citizens, and that there is no need for additional legislation.

Each day, Equifax Services' Field Representatives across the country interview over 150,000 people, many of whom are the very applicants on whom reports are being prepared. It is abundantly clear, on the basis of our experience, that the American public is already aware that the validation of information is an essential step in approving the benefits of credit, insurance, or employment. It is significant, I think, that the sources we interview in the process of making consumer reports are consumers too. This is true whether they are business people, merchants, bankers, supervisors, or associates. The very fact that these people continue to talk to our people everyday is conclusive evidence

that the right of business to obtain information and the role
we in Equifax Services serve, are understood and accepted by the
American public.

"B"

American Civil Liberties Union of Kansas

TO: Special Committee on Commercial and Financial Institutions

FROM: Jan Price, Executive Director, American Civil Liberties Union of Kansas

SUBJECT: Privacy of 3rd Party Records

DATE: October 11, 1977

I thank you for this opportunity to let me make a few brief comments on privacy of records.

American Civil Liberties Union believes there is a threat to civil liberties whenever a government or private commercial agency compiles personal dossiers about citizens. Most often it appears that such information is used to restrict free political expression of citizens. Such collection of information is abusive when released or used for reasons other than the original stated purpose. In such cases additional protections must be established for the individual, namely consent of the person giving the data.

The consolidation and centralization of manual record systems into computerized data systems creates risks to interests of privacy and due process. We believe a review is necessary of personal data systems that already have been computerized and that review and safeguards must be provided for them and for future computerization.

ACLU urges the study by your committee of the issue of licensing and regulation of all personal data banks, public and private.

To maintain privacy an individual must have the ability to know fully the precise contents of files concerning the person. He must also have the power to assure protection against the distribution of false, malicious or misleading information and against the misuse of information.

The American Civil Liberties Union believes that legislative guarantees embodying these principles are desirable:

- 1) Each individual must have the right to demand and inspect any information about himself in a governmental or private commercial data bank provided that, in any such case, the person having custody to data, which may be maintained legitimately, may apply for a protection order from a court, which shall be issued only upon strong justification for non-disclosure.
- 2) Each individual must have a right to contest the accuracy of information, to correct errors, and to have such corrections recorded in the files and reported to prior recipients of the erroneous data.
- 3) Each individual must have the right to place explanatory information in the file.

I would like to be more specific at this point and comment on HB 2480 requiring confidentiality of financial institutions' customer records.

110 E. 7th, Topeka, Kansas 66603

Atch. B

It is a much needed bill especially in light of the failure of the courts to respond adequately to the vulnerability of private records to arbitrary governmental intrusion.

We would hope that the intent of the bill provides for notification to the bank customer and allows for delay in compliance with a subpoena thereby giving the customer opportunity to invoke his constitutional rights of privacy. Perhaps the reference in HB 2480 to search warrants accomplishes this and provides for probable cause showing that the records are not needed merely for a fishing expedition. We hope this is the intent of the bill.

ACIU would like to see the same attention to notification and time delay given to other 3rd party records such as credit records, telephone records, insurance records and medical records.

"Of course, procedural protections for personal records are by themselves no guarantee of an effective right of privacy. The courts must still decide in each instance whether to uphold the government's subpoena or grant a search warrant, and in view of prevailing judicial attitudes toward issues of information privacy, it would be foolish to expect the courts to resolve close or difficult questions in favor of privacy if the choice is left solely to their judgment. However, the courts will respond to indications of legislative intent. This is why it is essential that every privacy statute clearly reflect the legislature's judgment that the individual's constitutional right of privacy protects his personal records as well as his dwelling place, and that the burden of overcoming this presumption of privacy rests on the government. The legislative presumption of privacy must be further underscored by providing the individual record subject with a direct litigative remedy, a statutory recognition of his standing to sue any government official who invades his privacy by an unreasonable record search. If the legislatures speak, clearly and firmly, the courts will listen."*1

*1 The Privacy Report, Vol IV, No. 9, April, 1977, American Civil Liberties Union Foundation

- "C"
- Shattuck, John, Patricia Brown, and Stephen Carlson. The Lie Detector as a Surveillance Device. New York: American Civil Liberties Union, 1973. 75 pp. Use of polygraph for pre-employment screening and criminal investigations. Privacy and other constitutional arguments against lie detectors. /Out of stock at ACLU; available only in libraries./
- U.S. Congress. House of Representatives. Committee on Government Operations. The Use of Polygraphs and Similar Devices by Federal Agencies. Washington, D.C.: GPO, 1976. 61 pp. Government's use of polygraph, psychological stress evaluator, voice analyzer, and other "truth" devices. Covers research on reliability, policy and standards established by Civil Service Commission.
- U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Constitutional Rights. Privacy, Polygraphs, and Employment. Washington, D.C.: GPO, 1974. 18 pp. Use, reliability, constitutionality.

Political Surveillance

- Association of the Bar of the City of New York. Military Surveillance of Civilian Political Activities: Report and Recommendations for Congressional Action. New York: 1973. Historical background, constitutional and legal issues.
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Atch. C

"7"

Senator Neil Arasmith

Chairman and Members of the Special Committee on Commercial and Financial Institutions

The open record's law (K.S.A. 1976 Supp. 45-201, et seq.) makes all records required by law to be kept and maintained by the Department of Revenue open unless closed by law or by direct authorization by law. There are four categories into which you can lump the secrecy provisions:

- (1) Those containing their own secrecy section.
- (2) Those which are supplemental to and a part of an act which contains a secrecy provision.
- (3) Those which require information which is secret pursuant to a provision in a separate but related act.
- (4) Those which require federal information which is protected by federal law.

The following denotes those areas within the Department of Revenue which contains specific sections dealing with confidentiality of records and information:

- (1) The Kansas Income Tax Act---K.S.A. 1976 Supp. 79-3234;
- (2) The Motor Fuel Tax Law---K.S.A. 1976 Supp. 79-3420;
- (3) Special Fuels Tax Law---K.S.A. 1976 Supp. 79-3483;
- (4) Liquified Petroleum Motor Fuel Tax Law---K.S.A. 1976 Supp. 79-3499;
- (5) The Interstate Motor Fuel User Tax Law---K.S.A. 1976 Supp. 79-34,113;

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(6) The Kansas Retailers' Sales Tax Act---K.S.A. 79-3614;

(7) The Taxation of Intangibles---K.S.A. 79-3116.

The Department strictly adheres to the provisions of these statutes and construes them as requiring absolute secrecy except in those situations in which disclosure is expressly authorized.

Other areas within the dominion of the Department of Revenue which are supplemental to acts which contain secrecy provisions requires individualized explanation.

1. The Kansas Withholding and Declaration of Estimated Tax Act contains no specific section dealing with confidentiality. However, K.S.A. 79-3294 provides in part:

"All of the provisions of the Kansas Income Tax Act shall apply to and be effective to the provisions of this act to the extent to which they are not inconsistent herewith"

Pursuant to this provision, the Department of Revenue applies the Income Tax Secrecy Provisions of K.S.A. 1976 Supp. 79-3234 to records and information concerning withholding and estimated taxes.

2. The Kansas Compensating Tax Act does not specifically impose confidentiality upon the Department of Revenue. However, K.S.A. 79-3702(b) provides in part:

"The provisions of K.S.A. 79-3601 to 79-3625, both inclusive, relating to enforcement, collection and administration, insofar as practical, shall have full force and effect with respect to taxes imposed under the provisions of this act."

Therefore, the Sales Tax Secrecy Provisions of K.S.A. 79-3614, concerning the confidentiality of records pertaining to retailers' sales tax, are made applicable to compensating use tax records.

There are several areas within the Department where records are not encompassed within a specific secrecy section, but the information sought is covered within the provisions of a secrecy section of a complementary act. In these instances, the required information is deemed to be secret while the general information is open under the open record's law (K.S.A. 1976 Supp. 45-201).

These areas are as follows:

1. Cereal malt beverage and malt products tax, retailers' liquor sales enforcement tax, cigarette tax and tobacco products tax do not have specific secrecy provisions. However, returns often include sales tax information or are filed with the sales tax information. Therefore, all information relating to sales tax is deemed secret pursuant to the sales tax secrecy provision, and all other information will be open to the public under K.S.A. 1976 Supp. 45-201. One exception to the above is the location of cigarette vending machines which is specifically secret by K.S.A. 79-3303.
2. As homestead property tax relief commences its calculation with Kansas adjusted gross income and as the claim is often accompanied by income tax information, the entire homestead file is treated by the Department as being under the umbrella of the Income Tax Secrecy Provision. To do otherwise would be to open the records of the elderly and disabled to the public while keeping similar records of all other

Kansas citizens secret.

3. Bingo enforcement tax does not have its own secrecy provision. However, the tax is based on gross proceeds and accompanies the sales tax return. Therefore, all information regarding gross proceeds and other sales tax information is deemed secret. While other records are open under K.S.A. 1976 Supp. 45-201. In addition, investigative matters which are not required by the Department to be maintained would be deemed secret by the Department of Revenue as to do otherwise would be to cripple the Department's efforts to enforce the bingo law.
4. Local retailers' sales tax does not have a specific secrecy provision, but much like homestead property tax relief, all information collected is information required by a separate act and deemed secret by that second act. The entire local sales tax file is information required for state sales tax. As such, this entire file is deemed secret pursuant to the Kansas Retailers' Sales Tax Secrecy Provision.

The final way in which records can become secret is if the information required is federal information and secret pursuant to federal law. In most areas there are corresponding state secrecy provisions as is the case with income tax, but this is not always the case. There are two areas which include information covered by federal law. They are Kansas inheritance tax and employment security information obtained in the collection of employment security taxes under the Non-resident Contractor's Law.

Inheritance tax information is subject to the open record's act except for federal information received from the estate or the federal government. The federal information is confidential pursuant to federal statute and is accordingly treated as confidential information by the Department.

Employment security tax information is generally confidential by both state and federal law when compiled pursuant to the state employment security law (K.S.A. 1976 Supp. 44-701; et seq.). However, the Department's connection with employment security is purely as a collection agent on a surety bond. Thus, the information available to the Department is limited to the tax liability. This information may or may not be encompassed by the Kansas statute governing confidentiality, K.S.A. 1976 Supp. 44-714(f), but it is definitely confidential pursuant to federal law. Therefore, it is deemed confidential by the Department of Revenue.

The Division of Vehicles has its own secrecy provision which is unique and deserves special note. The provisions of K.S.A. 1976 Supp. 74-2012 govern the disclosure of records of the Division of Vehicles of the Department of Revenue. Pursuant to said statute, all records of the Division of Vehicles, other than records relating to the physical or mental condition of any person, are open to inspection by the public. Records relating to the physical or mental condition of any person are regarded as being confidential in nature.

This provision has been interpreted by the Department of Revenue as opening division records for inspection only. Copies can be obtained only by those individuals specifically so authorized pursuant to statute. Therefore, all Division of Vehicles records other than those relating to physical or mental condition are open for inspection by the public but copies can be obtained only by 1) the person to whom such information relates, 2) a person who has a security interest or is being offered a security interest in a motor vehicle owned by a person to whom such information relates, 3) a person

who is the employer or prospective employer of the person to whom such information relates when a condition of such employment is the operation of motor vehicles owned by the employer, 4) the information relates to an application for a renewal or cancellation of insurance, and 5) those individuals requesting information for the purpose of providing a manufacturer of motor vehicles registered in this state with the addresses of individuals who own their vehicles in the state for purposes of recall.

Alcoholic Beverage Control Division records are encompassed by the Open Record's Act, K.S.A. 1976 Supp. 44-201. As such all records required by law to be kept or maintained by the Alcoholic Beverage Control Division are open. All investigation reports and matters of a similar nature which are not required to be kept or maintained are deemed to be confidential as to open such records would be to destroy the ability of the Division to police the licensees.

Division of Property Valuation records as to assessment of tangible property are open to public inspection pursuant to K.S.A. 79-1412(b). As every aspect of Division work relates to the assessment of tangible property, all Division records are open for inspection. The two exceptions to this are the work sheet information used to develop the standards used by the Division and the certificates of value used in the ratio study pursuant to K.S.A. 58-2223(b). The work sheet records are not required to be kept and maintained and do not themselves relate to the assessment of tangible property. Therefore, the information is not open to the public.



F. Kent Kalb
Secretary of Revenue

NYLE H. MILLER Executive Director
 EDGAR LANGSDORF Deputy Director - Treasurer
 MRS. GEORGE T. HAWLEY Librarian
 ROBERT W. RICHMOND State Archivist
 STANLEY D. SOHL Museum Director
 THOMAS A. WITTY Archeologist



September 7, 1972

Mr. Raymond Barkley
 State Department of Revenue
 Topeka, Ks.

Dear Mr. Barkley:

I have received the list of Department of Revenue records under consideration for disposition.

Since the State Records Board has already considered those records and established retention schedules and the procedures for disposal nothing further needs to be done. Consequently, you may proceed to dispose of them in accordance with the Records Board regulations and current statutes. The Historical Society has no desire to further review the records in question.

Sincerely yours,

Robert W. Richmond
 State Archivist

ADMINISTRATIVE SERVICES DIVISION

ACCOUNTING CONTROL SECTION

AGENCY 53.--STATE RECORDS BOARD

Article 2.--General Provisions

53-2-38. The State Records Board authorized the following agencies to destroy or otherwise dispose of the records herein listed:

Department of Revenue

Budget Control Section - All vouchers processed for payment (and ledgers recording same), prior to July 1, 1967.

These records may be disposed of regularly so long as five (5) fiscal years' records are always on file, unless future state law should require longer retention.

Exception: Vendors' Ledger to be retained indefinitely.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962).

Document files of assessment vouchers, abatement vouchers, refund orders: Income Tax, all dated prior to January 1, 1968.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

Document files of assessment vouchers, abatement vouchers: Sales Taxes, all dated prior to January 1, 1967.

These records may be disposed of regularly so long as five (5) years' records are always on file, unless future state law should require longer retention.

Original daily posting ledgers, monthly summaries, yearly summaries: Incomes Taxes, Sales Taxes, Motor Fuel Taxes, all dated prior to January 1, 1968.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

Original daily posting ledgers, monthly summaries, yearly summaries.
Motor Fuel Refunds all dated prior to January 1, 1970.

These records may be disposed of regularly so long as two (2) years' records are always on file, unless future state law should require longer retention.

Daily computer produced listings, update total sheets, related information and statistical listings: Income Taxes, Sales Taxes, Motor Fuel Taxes, all dated prior to January 1, 1968.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

Accounts Receivable debit and credit listings, computer produced: Income Taxes, Sales Taxes, all dated prior to January 1, 1968.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

Sales Tax: Where licensee has gone out of business and/or all cash bond amount has been refunded to depositor and/or applied to sales tax liability:

Cash Bond Ledger Card.

Cash Bond Receipt.

These records may be disposed of regularly so long as five (5) years' records are always on file, unless future state law should require longer retention.

Accounts Receivable Journal: (Motor Fuel refund applications, County Clerk, Permit Fees).

These records may be disposed of regularly so long as two (2) years' records are always on file, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; effective December 20, 1962.)

OFFICE SERVICES SECTION

Department of Revenue

Office Services Section records, prior to January 1, 1967, as follows:

Form DA-101, Purchase order vouchers

Department of Revenue

Office Services (continued)

Form DA-103, Agency purchase order vouchers

Form DA-104, Requisitions on state printer

Form OS-9, Requisitions for Department of Revenue forms (duplicating).

Those records may be disposed of regularly so long as five (5) years' records are always on file, unless future state law should require longer retention.

Office Services Section records, prior to January 1, 1969, as follows:

Form OS-1, Purchase requisitions from various divisions.

Form OS-6, Summary: volume and cost, services, photostat, etc.

Form DA-80, Property inventory.

These records may be disposed of regularly so long as three (3) years' records are always on file, unless future state law should require longer retention.

Office Services Section records, prior to January 1, 1970, as follows:

Form OS-6, Meter mail ticket, record of metered mail.

Form OS-7, Microfilm certificate

Form OS-10, Inventory, central stockroom

Form OS-13, Monthly record mailing and inserting machine.

Form OM-206, Record of LD telephone calls.

Form OS-210, Requisition on central stockroom for supplies.

These records may be disposed of regularly so long as two (2) years' records are always on file, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962).

FIELD DIVISION

FIELD AUDITS SECTION

Department of Revenue

Field Audit Section

Working papers for audit reports, prior to January 1, 1968.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962.)

FIELD SERVICES SECTION

Department of Revenue

Field Services Section records, prior to January 1, 1967, as follows:

Form FS/f-09, transmittal of collections from examiner in field.

Form FS/f-02, collector's receipts.

These records may be disposed of regularly so long as five (5) years' records are always on file, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962).

INCOME & INHERITANCE TAX DIVISION

Income Tax records as follows:

Prior to January 1, 1971;

INC/K-99, (Military), Information Return
Resident with income of \$1,999.99 or less and
nonresident with income of \$4,999.99 or less
may be destroyed annually as long as one (1)
year is on file.

These records may be disposed of regularly so long as one (1) years' records are on file, unless future state law should require longer retention.

Prior to January 1, 1969;

INC/K-2, Wage and Tax Statement

INC/K-99, Information Return

INC/K-3, Employer's Yearly Tax Return

INC/K-96, Annual Information Return

INC/K-16, Declaration of Estimated Income Tax

INC/K-17, Notice of Installment - Estimated Tax

INC/K-18, Nonresident Beneficiary Tax Withheld

INC/K-19, Estimated Corporate Income Tax

INC/K-20, Notice of Installment - Corporate Estimated Tax

These records may be disposed of regularly so long as three (3) years' records, plus the incoming years records are always on file, unless future state law should require longer retention.

Income and Inheritance Tax Division (continued)

Prior to January 1, 1968;

INC/K,5, Employers Quarterly Tax Return

Maintain four (4) years' plus the incoming year.

NOTE: Due to the original filing procedures, no K-5 returns may be destroyed until 1974. Beginning in 1974, those returns received in 1970 and prior years, may be destroyed.

INC/40H, Homestead Property Tax Credit Return

Maintain four (4) years plus the incoming year.

These records may be disposed of regularly so long as (4) years' records, plus the incoming years records are always on file, unless future state law should require longer retention.

INTANGIBLES TAX UNIT

Form INC-200, Intangibles tax returns, showing no tax due.

The last named item above (Form INC-200), may be disposed of regularly when the examination of said record is completed.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962).

Intangibles tax Form INC-200, supporting schedules and correspondence relating thereto.

The above listed records may be disposed of regularly so long as five (5) years' records are always on file, unless future state law should require longer retention.

(Authorized by Kansas Statutes, Annotated, 75-3504; Effective May 14, 1969).

INC/40, 40S, 40NR, 40NRS, Income Tax Returns.

INC/41, Fiduciary Returns

INC/65, Partnership Return

INC/B2A, Index Listing Sheets.

The index listing sheets are to be micro-filmed prior to destruction. May be destroyed at the same time the INC/40, 40S, 40NR, 40NRS, and 41 are destroyed for the respective year.

These records may be disposed of regularly so long as six (6) years' plus the incoming year records are always on file, unless future state law should require longer retention.

INHERITANCE TAX UNIT

Inheritance Tax Unit records as follows:

IH/22, Non-probated taxable estate

IH/12, Probated taxable estate

IH/25, Non-taxable estate

IH/27, Descent Form

These records may be disposed of after they have been satisfactorily microfilmed for the purpose of permanent preservation.

CORPORATE INCOME AND PRIVILEGE TAX SECTION

INC/130, Privilege Tax Return

These records may be disposed of regularly so long as ten (10) years' records are always on file, (Unless extension agreements executed), unless future state law should require longer retention.

INC/120 and 120S, Corporation Returns

These records may be disposed of regularly so long as fifteen (15) years' records are always on file, (unless extension agreements executed), unless future state law should require longer retention.

RECORDS DIVISION

Motor fuel tax refund permit applications (MFT/rf 51-3), ledger cards, invoices, claims (MFT/rf 81) and related documents shall be disposed of regularly so long as two (2) full calendar years are always on file.

Those records may be disposed of regularly so long as two (2) full calendar years are always on file, unless future state law should require longer retention.

All documents relating to and including the license (LB/i 71) and bond (LB/i 72) for interstate motor fuel users.

All documents relating to and including the license (LB/lf 90) and bond (LB/lf 104) for liquid fuel carriers.

All documents relating to and including the license (LB/d 54) and bond (G-102) for motor vehicle fuel distributors.

All documents relating to and including the license (LB-6) and bond (LB/lp 123) for LP gas users-dealers.

All documents relating to and including the license (LB/sd 130) and bond (LB/sd-133) for special fuels dealers or users.

All documents relating to and including the license (LB/m-151) and bond (G-105) for motor vehicle fuel manufacturers.

All documents relating to and including the license (G-96) and bond (no number) for motor vehicle fuel importers.

All documents relating to and including the bond (LB/c 36) for nonresident contractors.

FISCAL SECTION

Fiscal Section records, which have been microfilmed through 1961, as follows:

Form OM-218, State treasurer's daily deposit sheet

Form OM-225, Deposit with treasurer sheet

Form FD-224, Cash received records

Form OM-226, Listing of Documents, microfilmed (every month)

Form OM-231, Cashier's daily deposit report

Form OM-238, Cashier's receipts

FD/c7a & DA-3, Original daily receipts of taxes and fees

F 1, Topeka, Kansas City and Wichita Cash register receipts

FD-5, Return check listing

FD-c03, Split checks

Daily balance shoots

Similar records, as set forth above, for years following 1961, may be regularly disposed of by the agency after they have been satisfactorily microfilmed for the purpose of permanent preservation, unless future state law should dictate otherwise.

(Authorized by General Statutes of 1949, 1961 Supplement, 75-3504; Effective December 20, 1962).

SALES AND EXCISE TAX DIVISION

CIGARETTE/CEREAL MALT BEVERAGE SECTION

Cigarette and Cereal Malt Beverage Section records as follows:

CMB 5	Malt Dealer's Application
CIG/CMB 14	Wholesale Power of Attorney for Tax Reports
CIG/CMB 15	Schedule 1 - Monthly Report
CIG/CMB 15A	Schedule A - Monthly Report
CIG/CMB 15E	Schedule E - Monthly Report
CMB 18	Malt Report
CMB 30	Malt Order Blank
CIG/CMB 31	Non-Military Claim for Refund
CIG/CMB 31A	Military Claim for Refund
CIG/CMB 33	Non-Military Credit Memo
CIG/CMB 34	Military Credit Memo
CMB 37	Certificate of Sale
CIG/CMB 65	Credit Memo Form Letter
CMB/bv 75	Brewer's Report (Page 2)
CMB/bv 77	Brewer's Report (Page 1)
CMB 365	Railroad Application for License
CIG/CMB 3	Manufacturer's Mo. Report of Sample Cig. Sold
CIG/st 7	Application to use MeyerCORD Fuson Machine
CIG/CMB 10	Application to use Pitney Bowes Meter
CIG/CMB 11	Bank Authorization to Set Meter
CIG/CMB 12	Daily Inventory of Decal & Fuson Stamps
CIG/CMB 13	Daily Cash Summary Sheet
CIG/CMB 100	Cigarette Wholesaler's Affidavit

CIG/CMB 170 Show, Carnival or Catering License Application
 CIG/CMB 198 Application for Manufacturer Salesman's License
 CIG/CMB 199 IBM Transfer Card for RC Cigarette License
 CIG/CMB 200 IBM File Card for RC Cigarette License
 CIG/CMB 206 Application for Identification Card for Truckmen
 CIG/CMB 207 Identification Card for Truckmen
 CIG/CMB 209 Cigarette License Correction Letter
 CIG/CMB 210 Instructions for Fieldmen
 CIG/CMB 211 Machine Room Work Order - File Cards Requested
 CIG/CMB 213 Machine Room Work Order - Batch Route Sheet
 CIG-CMB 214 Memo to Fieldmen, Re: Cigarette Errors
 CIG/CMB 120 Application for Master License & Permits
 CIG/CMB 161 File Card
 CIG/CMB 169 Numeric Card
 CIG/CMB 188 Application for Distributor License
 CIG/CMB 189 Distributor of Vending Machine License
 CIG/CMB 197 Mo. Report for Dist. of V.M. Sold into Kansas

These records may be disposed of regularly so long as two (2) years records are always on file, unless future state law should require longer retention.

Cigarette and Cereal Malt Beverage Section records, prior to January 1, 1969, as follows:

Form CIG/AD-01, In-state office audit, tax liability and credit.

Form CIG/st-01, Cigarette wholesaler's affidavit stamped unsalable.

Form CIG/ad-03, Wholesaler inventory incl. unstamped and stamped unsalable.

Form CIG/st-03, Manufacturers' monthly report, stamped cigarettes shipped into Kansas and tax remitted.

Form CIG/ad-04, Stamp and meter purchase record, audit.

Form CIG/ad-05, Field Audit report, not tax used for month.

CIG/CMB 101	Railroad Mo. Report of Cigarettes Sold
CIG/CMB 152	Decal Order Card
C 153	Wholesale Assessment or Sample Pkg. Order Card
CIG/CMB 163	Cigarette Sales Invoice Book
CIG/CMB 167	Fuson Order Card
CIG/CMB 191	Meter Order Card
CIG 196	Requisition for Setting Meter
CIG/CMB 8	Stamped & Unstamped Cigarette Inventory
CIG/CMB 9	Wholesaler Stamp & Meter Inventory
CIG/CMB 166	Out of State Monthly Report
CIG/CMB 174	Kansas Wholesaler Purchasing Stamped Cigarettes
CIG 175	Summary of Kansas Wholesaler Monthly Report
CIG/CMB 176A	Unstamped Cigarette Purchases
CIG/CMB 176B	Stamped Cigarette Purchases
CIG 177	Cigarettes Returned & Unsalable
CIG/CMB 178	Cigarette Tax Exemption
CIG 179	Report for States & Cities
CIG/ad 180	Audit Set Up Sheet
CIG/ad 181	Stamp or Meter Purchase Record
CIG/CMB 182	Auditor's Meter Report
CIG/CMB 183	Carriers Report
CIG/CMB 184	Wholesaler Report for Damage & Shortage
CIG/CMB 205	Out of State Wholesaler Reporting Ks. Sales.
CIG/CMB 215	Out of State Audit Summary
CIG/CMB 195	Endorsement Rider for Bond, Cancelled
CIG/CMB 155	IBM Renewal Notice (3 Part Cont. Paper)
CIG/CMB 156	Retail Counter Application
CIG/CMB 165	Affidavit for Lost Cigarette License

Form CIG/1c-08, Vending machine owner file card, license and location.

Form CIG 160, Application for wholesale cigarette dealer's license.

Form CIG 150, Cigarette inspection report.

Correspondence pertaining to reports, inventory taken at time of tax change from 3¢ to 4¢, Insurance books and Travelers' insurance covering shipments of cigarette tax stamps.

Form CIG/st 06, Signed receipt for requisition books.

Ledger stamp purchase, wholesalers, in-state and out-state, summary of audits made, cigarette tax field memos and correspondence.

Receipts and insurance license, Meyer Cord Co. and Pitney Bowers correspondence, redemption vouchers.

Form CIG 190, Application for retail vending machine license.

Form CIG 192, Wholesale cigarette dealer's bond, cancelled.

Form CIG 194, Cigarette tax meter record, wholesaler.

Form CIG 196, Requisition and receipt for setting cigarette stamp meter machine.

These records may be disposed of regularly so long as two (2) years records are always on file, unless future state law should require longer retention.

Cigarette and Cereal Malt Beverage Section records, prior to January 1, 1968, as follows:

Form CIG 157, Retail counter license stubs.

Retail stamp sales purchases.

Wholesale monthly reports with accompanying schedules and invoices, all dated prior to January 1, 1956.

Work sheets, etc. from general accountant in old Central Division of the Comm. of Revenue and Taxation, 1941-1956.

Form CMB 19, CMB 33 and CMB/bv 33A, Brewers monthly report 3.2% CMB.

These records (including pertinent correspondence) may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 1957 Supplement, 75-3504; Effective September 28, 1960).

SALES AND EXCISE TAX DIVISION

MOTOR FUEL TAX SECTION

Refinery export truck loading tickets.

These records may be disposed of as soon as the information on these is permanently entered on the office record. Permission for this disposition is granted on a continuing, permanent basis, unless future state law should require longer retention.

(Authorized by General Statutes of 1949, 75-3504; as amended by Laws of Kansas, 1957, Chapter 452, Sec. 4; Effective, August 26, 1957).

Invoices and claims for Motor Fuel Tax Claims for taxes paid on fuel consumed by non-highway usage.

These records may be disposed of regularly so long as two (2) full calendar years are always on file, unless future state law should require longer retention.

(Authorized by Kansas Statutes, Annotated, 75-3504; Effective June 15, 1970.)

Motor Fuel Tax Section records prior to January 1, 1968 as follows:

Monthly oil inspection reports.

Audit summary (Schedule 1)

Daily report exports from Ports of Entry

Refinery loading tickets

Motor vehicle fuel tax returns

Special fuel user's tax return.

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

Motor Fuel Tax Section records, prior to January 1, 1970 as follows:

Refinery invoices and refinery export invoices

Export motor fuels tax exemption statements

County clerks charge certificate

These records may be disposed of regularly so long as two (2) years' records are always on file, unless future state law should require longer retention.

Motor Fuel Tax Section records, prior to January 1, 1968, as follows:

CC-8, Oil inspection report

MFT-52, Gas distributors report

Form G-87, Monthly report MVT and liquid fuel received by railroad.

Form G-71, Motor approval work sheet.

Form MFT/ar-73, Motor fuel distributors' ledger sheet

Form G-74, Debit and credit memos -- motor fuel tax.

Form G-75, Debit and credit memos -- special fuel

Form MFT/ar-90A, Report of motor vehicle fuel tax collected at Port of Entry.

Form MFT-91A, Receipt for motor fuel tax collected at Port of Entry

Form G-111 and G-111A, manufacturer's invoice report of motor vehicle fuels.

Form G-136 and MFT/ad 36, special fuel user-dealers tax credit, LP.

Form G-150A, Special fuels (gallons, purchases, taxable and non-taxable sales).

Form MFT/rf-200G, Monthly report, supplier-dealer-user, liquid special fuel tax return.

Form MFT/ar-201, Recap sheet

Form MFT/ar-202, Monthly report, LP, Motor Fuel Tax Return.

Form G-1094, U. S. Government tax exemption certificates.

Form G-142, Special fuel user's ledger sheets, LP gas, diesel fuel.

Form G-155, Ledger sheet (quarterly), motor carrier fuel tax, record of fee clearance certificates issued to ports of entry.

Form O1, Certificate of oil inspection

Form O2, Pump and measure report.

Form G-46, report of liquid fuel carrier to port of entry and fee clearance certificate.

Form G-61, Recap sheet (distribution by counties), motor fuel tax.

Form G-64, Special fuel user tax return (Now MFT/ar-200 and 202)

These records may be disposed of regularly so long as four (4) years' records are always on file, unless future state law should require longer retention.

SALES, USE AND LIQUOR ENFORCEMENT TAX SECTION

Form STD-8N, Certificate of isolated or occasional trade of motor vehicle or trailer, even trade, no sales tax due, 1957 through 1961.

These records may be disposed of regularly once the Revenue Department has determined that the vehicle is titled by the Motor Vehicle Commission.

Form STD-8, Statement of retail sales tax paid on motor vehicle.

These records may be disposed of regularly, once they have been checked against Form STD-16B (schedule of sales by registered automobile dealers) which is filed with the monthly sales tax return.

Form STD-8, Statement of retail sales tax paid (automobile dealers) dated prior to January 1, 1963.

The above listed record may be disposed of regularly so long as two (2) calendar years' records are always on file, unless future state law should require longer retention.

(Authorized by Kansas Statutes; 75-3504; Effective May 12, 1965).

53-2-38. The State Records Board authorized the following agencies to destroy or otherwise dispose of the records herein listed:

Inactive sales tax accounts where licensee has gone out of business and all sales tax due and owing the state of Kansas has been paid.

STD-1	Application & Certificate of Registration
STD 7	Cash Bond control card
STD 8	Registered auto dealers tax receipts
MR-1	Auto dealers monthly summary of sales
STD 13	Cash bond receipt
STD 13D	Surety bond
STD 16	Sales Tax return

STD-25	Change of information on STD-1
CT-25	Compensating Tax Application
CT-3	Compensating Tax monthly return
ETD-1	Liquor Enforcement application
ETD-3	Liquor Enforcement tax return
STD-8M	Miscellaneous automobile forms
CT-3A	Miscellaneous automobile forms

And all documents, supporting schedules and correspondence received from the taxpayer or generated by the Department of Revenue, that pertain to these accounts.

Active sales tax accounts where licensee has been in business for a period of years and owes no Kansas sales tax for a period of five (5) consecutive calendar years, including the following forms: STD-8, MR-1, STD-16, supporting schedules and correspondence.

The above records may be disposed of regularly so long as five (5) consecutive calendar years are kept on file, unless future state law should require longer retention.

(Authorized by Kansas Statutes, Annotated, 75-3504; Effective May 4, 1971).

AGENCY 53.--STATE RECORDS BOARD

Article 2.--General Provisions

53-2-46. The State Records Board authorized the following agencies to destroy or otherwise dispose of the records herein listed:

(1) Department of Social and Rehabilitation Services

Patient Trust Fund Ledgers and Accompanying Records.

These records may be disposed regularly so long as five years' records are always on file and state audit has been completed, unless future state law should require longer retention.

(2) Workmen's Compensation Director

Proceedings before the Workmen's Compensation Director, including applications for hearings, transcripts, settlement transcripts and accompanying documents.

These records may be disposed of regularly following microfilming.

(3) Department of Revenue, Division of Alcoholic Beverage Control.

ABC 227, Requirement Form for License.

These records may be disposed of regularly so long as one year's records are always on file, unless future state law should require longer retention.

ABC 106, Notice of Hearing (License applications).

ABC 106A, Notice of Hearing (Renewal applications).

ABC 107, Notice of Hearing to Local Government.

ABC 107A, Notice of Hearing to County Attorney.

ABC 151, Correcting Letter for License Application.

These records may be disposed of regularly so long as two years' records are always on file, unless future state law should require longer retention.

ABC 10, Affidavit, Sale of Old Merchandise at Reduced Prices.

ABC 52 & 52A, Authorization of Signatures.

ABC 79, Notice from Licensee to Director of ABC.

ABC 87, Detailed Statement of Beer Purchases and Receipts.

ABC 88, Sales and Distributions (Beer more than 3.2%).

ABC 94, Vehicle Identification Card.

ABC 120, Licensee's Bond.

ABC 132, Alcohol and Spirits Manufacturer's Report.

ABC 133, Alcoholic Liquor Received.

ABC 135, Permit to Export Alcoholic Liquor.

ABC 280-12, Retailer's Report of Sales to Class A Clubs.

These records may be disposed of regularly so long as three years' records are always on file, unless future state law should require longer retention.

ABC 2, Billing Letter (Tax due on alcoholic liquor letter).

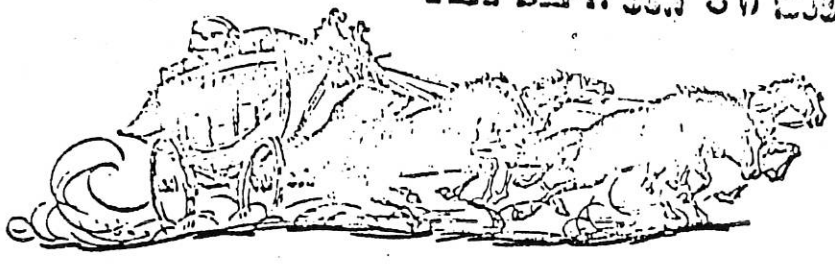
ABC 133, Certificate of Warehouse Breakage.

ABC 134, Certificate of Warehouse Destruction.

These records may be disposed of regularly so long as four years' records are always on file, unless future state law should require longer retention.

MAIL DEPT. JUN 30 1969

PHONE (913) 296-3251



- NYLE H. MILLER Secretary
- EDGAR LANGSDORF Assistant Secretary and Treasurer
- MRS. GEORGE T. HAVLEY Librarian
- ROBERT W. RICHMOND State Archivist
- STANLEY D. SOHL Museum Director
- THOMAS A. WITTY Archaeologist

June 27, 1969

read by me

Mr. T. M. Stratton, Attorney
 Motor Vehicle Department
 State Office Building
 Topeka, Kansas 66612

Dear Mr. Stratton:

clerk

I am writing in response to your questions during our telephone conversation of June 26, concerning the subsequent disposal of original records held by the Motor Vehicle Department.

Since microfilm copies are recognized by statute to be valid as original records there seems to be no reason to permanently preserve the applications for the various types of motor vehicle learners and operators permits and licenses.

So far as the Records Board and the Historical Society are concerned those records may be disposed of as soon as satisfactory microfilm copies (meeting specified standards) have been obtained.

Sincerely yours,

Robert W. Richmond
 State Archivist

RWR:pa
 cc: Richard Seaton
 Assistant Attorney General

the lien has been paid, the department is hereby authorized to grant a reissue of a certificate of title showing the vehicle to be clear of any lien. (L. 1945, ch. 88, Sec. 3; March 30.)

Revisor's Note:

Transferred from 75-20a04.


74-2014. Destruction of certain records of vehicle department authorized, when. Subject to consent of the state records board, the motor vehicle department of the state highway commission is authorized to destroy or otherwise dispose of the following records:

1. Application for title on a motor vehicle, trailer, or semitrailer including motorcycles, and the supporting papers in connection with the issuance of said titles that are over five (5) years old: *Provided, however,* If the last application for title is active it shall be retained in the file.
2. Fee receipts over two (2) years old.
3. Original applications for registration, including applications for lost tags, over three (3) years old, except any application for truck or truck tractor registration purchased under quarterly registration and there are unpaid quarterly payment, or payments, such shall not be destroyed, or microfilmed.
4. Dealers' reports for the second preceding year and before.
5. Dealers' applications for the second preceding year and before.
6. All correspondence over two (2) years old.
7. Beginning July 1, 1961, applications for learner's permits, operator's, chauffeur's, and special chauffeur's licenses that are two (2) years old.
8. Records of stolen and recovered cars three (3) years old.
9. Engine file cards over four (4) years old.
10. Registration name cards over four (4) years old.
11. Title name cards, in the name of a dealer, over four (4) years old.
12. Proration applications, and all correspondence and other papers in the applicant's file over five (5) years old: *Provided,* That with the exception of the unpaid quarterly payment registration applications and proration applications, correspondence and other proration papers, the department may at any time microfilm any of the above records and destroy the original. (L. 1953, ch. 394, Sec. 1; L. 1957, ch. 426, Sec. 1; L. 1963, ch. 399, Sec. 1; April 15.)

Cross References to Related Sections:

State records board, see 75-3501 to 75-3504.

74-2015. Driver license examiners division in vehicle department; composition; transfer of employees; civil service status; duties of examiner; powers; properties; rules and regulations. On May 1, 1963, there shall be and there is hereby created in the vehicle department of the state highway commission a division which shall be known as the driver's license examiners division. Said division shall consist of a supervisor of driver's license examiners and such driver's license examiners and stenographic and clerical help as shall be necessary for the administration of the duties of the division. Said supervisor and all such driver's license examiners and employees shall be within the classified service under the Kansas civil service act, and shall be appointed in accordance with the requirements of said act. On July 1, 1963, all steno-

Department  of Revenue

JAMES T. McDONALD
Secretary of Revenue

DIVISION OF VEHICLES
Topeka, Kansas 66626

ELTON D. LOBBAN
Director of Vehicles

EXAMINING BUREAU

<u>FORM NO.</u>	<u>DESCRIPTION</u>	<u>CURRENT TIME RETAINED</u>
DV-145-2	Examiners Daily Work Sheet	1 Year
DV-145	Examiners Daily Transmittal Report	1 Year
DA-121	Travel Voucher General Expense	3 Years
PD-276-A	Employees Time Distribution Report	4 Years
PD-1	Leave or Overtime Sheet	4 Years

STATE OF KANSAS

Department of Revenue

JAMES T. McDONALD
Secretary of Revenue

DIVISION OF VEHICLES
Topeka, Kansas 66626

ELTON D. LOBBAN
Director of Vehicles

MEMORANDUM TO: Robert L. Taylor, Research and Management Services

FROM: Donavene D. Liggett

SUBJECT: Forms Retention and Destruction Schedule

DATE: August 26, 1974

The following is a list of all forms used in our office:

FORM NUMBER	FORM DESCRIPTION	CURRENT RETENTION TIME
DA-4	Payroll Records	5 years
	Inventory Records	5 years
	Permanent Personnel Records	Indefinitely
DA-216	Personnel requisition & appointment records	Indefinitely
DA-202	Change of employee status & Termination on Agency Payroll	Indefinitely
DA-226	Evaluation of employee	Indefinitely
DA-281	Position Description	Indefinitely
DA-282	Position Description	Indefinitely
W-4 Form	Withholding Certificate	Indefinitely
DO-22	Employment cards Rev 5/74	Indefinitely
KPERS 1	Enrollment	Indefinitely
KPERS 60	Accident	Indefinitely
KPERS 66	Purchase Year of Credit	Indefinitely
KPERS 67	Purchase Year of Credit	Indefinitely
KPERS 672	Purchase Year of Credit	Indefinitely
KPERS 13	Withdrawal	Indefinitely
KPERS 15	Retire	Indefinitely
KPERS 33	Retire	Indefinitely
KPERS 281	Position Description	Indefinitely
KPERS 282	Position Description	Indefinitely
	Personnel Inventory	Yearly
	Training Course--Record	Indefinitely

FORM NUMBER	FORM DESCRIPTION	CURRENT RETENTION TIME
OS-01	Request for Purchase	5 years
OS-09	Request for Printing	5 years
OS-209	Memos of Purchase	5 years
DA-100	Purchase Requisition	5 years
DA-102	Interfund Vouchers	5 years
DA-103	Agency Purchase Orders	5 years
DA-104	State Printer	5 years
DA-120	Bills & Refunds	5 years
DA-121	Vouchers	5 years
DA-123	Travel Vouchers	5 years
AS/bc6	Salary & Wage Schedules Rev 7/74	5 years
AS/bc2	Disbursements Schedule	5 years
BA-28	Journal Vouchers	5 years
FD-100	Batch Route Sheets Rev 1/74	5 years
FD226	Cash received record Rev 7/72	5 years
	Billing records on listing sold	3 years
Director 1	Monthly billing letters (4 copies made One retained in our file)	5 years
	Building Letters	5 years
	Compute listing (2 ea. month)	5 years
	Approx. 8 sheets in first list	
	Approx. 2 sheets in second list	
	Contracts	Length of contract

EDL:DDL:jms

FORMS RETENTION AND DESTRUCTION SCHEDULE

DEALER LICENSING BUREAU

D-15	Dealer License Renewal Forms	2 years
D-46	Dealer Daily Ledger Forms	2 years
D-49	Abandoned Vehicle Release Forms	2 years
D-53	Abandoned Vehicle Reference Cards	2 years
D-54	72-Hour and 30-Day Audit Sheets	2 years
D-55	72-Hour and 30-Day Acknowledgement Sheets	2 years
D-68	30-Day Monthly Tag Reports	2 years
DR-1, 2, 3	Dealer Monthly Sales Reports	2 years
DV-721	72-Hour Permits	3 years
DV-722	30-Day Applications	3 years
VD-40	Daily Reports for 72-Hour and 30-Day Permits	2 years
-----	15-Day Temporary Permits	3 years
-----	30-Day Tag Permits (unused)	3 years
-----	Incoming Ledger (listing of all dealers as they enter the office)	1 year
-----	Sales Ledger (listing of all monthly dealer sales)	2 years
-----	Returned Dealer Tags (all dealer tags returned during the current year)	Current Year
-----	Money Sheets (for 15-Day Temporary Permit Orders)	2 years
-----	15-Day Ledger Sheets (listing of all permits sent out to dealers and county treasurers)	2 years

FORMS RETENTION AND DESTRUCTION SCHEDULE

INTERSTATE REGISTRATION BUREAU

- IRB 1 Uniform Proration Application - 3 yrs. and then microfilmed for reference.
- IRB 2 Supplemental Proration Application - 3 yrs. and then microfilmed for reference.
- IRB 5 Kansas Interstate Reciprocity Source Document - 5 yrs.
- IRB 9 Proration Fleet Registration Computation & Statement - 3 yrs. and then microfilmed for reference.
- IRB 10 Application for Kansas Temporary Authorization - 5 yrs.
- IRB 17 Acknowledgement of receipt of Kansas Temporary Proration Authorization 5 yrs.
- IRB 26 Reciprocity Renewal Permit - 5 yrs.
- IRB 43 Application for transfer of Kansas Interstate Reciprocity Permit - 5 yrs.
- IRB 44 Statement of Fees due - 5 yrs. and then microfilmed for reference.
- IRB 46 Application for Kansas Interstate Reciprocity Permit - 5 yrs.
- IRB 54 Proration Control Ledger - 5 yrs.
- IRB 61 Control Ledger for Issuance of Kansas Temporary Proration Authorization 5 yrs.
- IRB 78 Kansas Proration Quarterly Payment Worksheet - 3 yrs.
- IRB 80 Kansas Proration Source Document - 5 yrs.

FORM NUMBER	FORM DESCRIPTION	RETENTION TIME
DC1	Certificate of Completion	4 Years (B)
DC7	Application for Duplication	1 Year (B)
DC8	Character Certification Rest School Bus	4 Years (B)
DC 110	Character Application for Com. Chauff.	4 Years (B)
DV130	Eye Statement	4 Years (B)
DC220-221-202	Medical Reports	4 Years (B)
DC229	Application for Driver Education Permit	1 Year (B)
DV200-201-DC200	Applications for Driver's Lic. Microfilmed as per Section 8-249	Indefinitely

NOTE

DC220-221-202-130-110-8-7-1 Supporting documents have been microfilmed each year to conserve storage space.

Misc. Correspondence-

1 Year Prior

FORMS KEPT ON FILE

BY

VIOLATIONS SECTION

SR-22	Insurance	No established destruction procedure			
SR-26	Cancellation of insurance	"	"	"	"
DC-34	Off law letter	"	"	"	"
DC-34A	Reinstatement letter	"	"	"	"
DC-43	Lift Pick-Up order	"	"	"	"
DC-45	Affidavit	"	"	"	"
DC-48	Exam letter	"	"	"	"
DC-48A	Off law letter	"	"	"	"
DC-50	Folder cover sheet	"	"	"	"
DC-56A	Request for return of license	"	"	"	"
DC-68	SR-22 Acknowledgment	"	"	"	"
DC-69	Results of hearing	"	"	"	"
DC-76	Pick-Up order	"	"	"	"
DC-96	Appeal information	"	"	"	"
DC-100	Abstract of conviction	"	"	"	"
DC-102	Violation cover sheet	"	"	"	"
DC-103A	Notice to refile SR-22	"	"	"	"
DC-107	Exam letter with SR-22	"	"	"	"
DC-107A	Reinstated, without exam, with SR-22	"	"	"	"
DC-108	Notice to foreign State	"	"	"	"
DC-124	Exam authorization	"	"	"	"
DC-132	Hearing information letter	"	"	"	"
DC-154	National Driver Registry Infor.	"	"	"	"
DC-215	Delete Card	"	"	"	"
DC-216	Add Card	"	"	"	"
DC-226	Notice of Potential suspension	"	"	"	"
DC-230	Notice to insurance company	"	"	"	"
DC-233	Notice of suspension	"	"	"	"
DC-307	Rescission letter	"	"	"	"

FORM NUMBER	DESCRIPTION	RETENTION TIME AS OF NOW ARE HELD-
DC 347	FORMS USED FOR CORRESPONDENCE, cont. Generated Code % - for accident to send to IBM	Indefinitely
DC 345	Valid Code - for accident to send to IBM	Indefinitely
DC 344	Valid Code % - for accident to send to IBM	Indefinitely
DC 75	Out Cards	Indefinitely
DC 348	Request for accident report	Indefinitely
DC 41	Remove or add suspension punch	Indefinitely
DC 215	Delete	Indefinitely
DC 216	Add	Indefinitely
DC 319	No-Fault Transmittal Form	Indefinitely
FD 100 V	Batch Route Sheet	Indefinitely
DC 350	Record Sheet of what was sent to IBM	Indefinitely
DC 351	Present Payment Voucher	Indefinitely
DC 103 A	Notice of Cancellation SR-22	Indefinitely
DC 230	SR-22 refiling to company	Indefinitely
Dircetor - 7	Statements	Indefinitely

FORMS KEPT ON FILE
BY
ACCIDENT SECTION

FORM NUMBER	DESCRIPTION	RETENTION TIME AS OF NOW ARE HELD-
DC 109, DC 87, DC 204, DC 134, DC 277, DC 207, DC 55	These forms are filled out and attached to the accident cases	Indefinitely
DC 14 Driver & Owner DC 16 Owner DC 17 Driver	These forms make up the Reciprocity Cases	Indefinitely
DC 146 A	Cover Sheet for Reciprocity Cases	Indefinitely
DC 76 DC 37	Highway Patrol Pick ups and Lift orders to Highway Patrol	Indefinitely
DC 61 A	Order of Suspension - accident	Indefinitely
DC 61	Security - accident	Indefinitely
DC 146	Cover Sheet - accident	Indefinitely
DC 35	Registration Reinstatement	Indefinitely
DC 34 A	Drivers Reinstatement	Indefinitely
DC 12 Driver &/or owner DC 18 State DC 90	Safety Responsibility Notice Out of State Reinstatement Letter - Out of State	Indefinitely Indefinitely
DC 318	Order of Suspension & Revocation - No-Fault	Indefinitely
DC 331	60 day letter to purchase tags and registration	Indefinitely
DC 310 DC 311	Insurance Termination Demonstration Financial Security	Indefinitely Indefinitely
DC 91 DC 231 & DC 349	Certification - Driving Records Status for certification	Indefinitely Indefinitely
FORMS USED FOR CORRESPONDENCE		
DC 124	Examination Cards	Indefinitely
DC 124 B	\$25.00 only	Indefinitely
DC 87	Assignment and Release	Indefinitely
DC 320	Records Authorization	Indefinitely
DC 120	Voucher	Indefinitely
DC 28	Affidavit	Indefinitely
DC 210	Letter - SR requirements	Indefinitely
SR 21	Accident Form	Indefinitely
DC 346	Generated Code - for accident to send to IBM	Indefinitely

FORMS RETENTION AND DESTRUCTION


SCHEDULE

TITLES AND REGISTRATION

BUREAU

<u>FORM NUMBER</u>	<u>DESCRIPTION</u>	<u>CURRENT RETENTION TIME</u>
None	Fee Receipts	2 years
715	Registration applications	3 years
None	Correspondence	2 years
None	Title Name cards Dealers name	4 years
None	Title Name cards Non Dealers on change of title series	Microfilmed
HF1	Hold File card complete	2 years
HF1	Hold File card Incomplete	Retained
719	Title applications	5 years but last title must be retained.
718	Add Fee Notice Complete	2 years
714	Refund Notice	2 years

We are currently microfilming one-sixth ($\frac{1}{6}$) of the title file annually. The supporting papers are microfilmed daily and the original documents disposed of. The registration receipts are microfilmed at the end of the registration period each Month, so the applications may be destroyed after the microfilming has been completed.

Department  of Revenue

JAMES T. McDONALD
Secretary of Revenue

DIVISION OF PROPERTY VALUATION
Topeka, Kansas 66612

HAROLD C. ROHMILLER
Director of Property Valuation

TO: James T. McDonald, Secretary of Revenue
FROM: Harold C. Rohmiller, Director, Division of Property Valuation
RE: Forms Retention and Destruction Schedule

Harold C. Rohmiller

1. Form Number - PV-MC-1 to PV-MC-36 inclusive
PV-MC-1a to PV-MC-5a inclusive
PV-RE-1; PV-RE-4
PV-AD-4, 5, 6, 7, 8, 16, 17, 18, 19
PV-U (all forms pertaining to utilities) (previously furnished) (some 203 forms)
2. Form Description - Public Utility Annual Renditions and worksheets
Transmittal Letters of PSC Valuation to County Clerks
Certificates of PSC values to County Clerks
Mortgage Registrations
Abstracts - Tangible Personal Property - Rural
Tangible Personal Property - Urban
Land Classification, urban & rural, accumulated
Assessment Rolls
Intangible Assessment
Comparative State of County Valuation by Classes
Statement of Valuation & Taxes
Assessed Valuations and Taxes
Statement of Valuation & Taxes Levied by Class of Property
Abstracts - PSC Valuation - Tangible & Intangible
Equalization Abstract
Livestock & Personal Property
Tax Abstract
Ratio Study Cards
Motor Carrier Annual Renditions

FILE COPY

Memo - Forms Retention and Destruction Schedule

3. Current Retention Time - All of our retention time is administrative policy, we have established the following schedule:

Utility Annual Renditions - 5 years

Motor Carrier Renditions - 3 years

Ratio Cards - 5 years

Abstracts - date back to 1962.

Fiscal Records - must keep at least 2 complete fiscal years (see attached memo from State Records Board)

Certificates to Utility companies - 3 years

4. Microfilmed Material - We have a scheduled microfilming set up and everything is microfilmed after three years retention except the fiscal records which are not required to be microfilmed.

Ratio cards are kept for five years - reason being that if they need to use more than one year sales in any given year in the study they have them and also there are several five year studies made from these cards.

Abstracts - reason for keeping these are they are large and bulky and are much easier to use the originals to obtain information for five and ten year studies than to go to microfilm library.

Utility forms are also retained for five year studies and also must be available for law suits if records are subpoenaed.

AGENCY 53. STATE RECORDS BOARD

Article 2.--General Provisions

53-2-21. The State Records Board authorized the following agencies to destroy or otherwise dispose of the records herein listed:

(1) Department of Revenue, Income Tax Division

Individual, partnership and fiduciary income tax returns, together with supporting schedules, cash vouchers and correspondence for the calendar year 1957, except where extension agreements have been executed.

(2) Board of Embalming

License renewal records prior to July 1, 1962.

The above listed records may be disposed of regularly so long as two full fiscal years' records are always on file, unless future state law should require longer retention.

License applications and accompanying papers, 1940-1960.

(3) Board of Regents

Routine miscellaneous correspondence prior to July 1, 1963.

The above listed records may be disposed of regularly so long as one full fiscal year's records are always on file, unless future state law should require longer retention.

Vouchers prior to July 1, 1962.

The above listed records may be disposed of regularly so long as two full fiscal years' records are always on file, unless future state law should require longer retention.

Preliminary legislative requests as submitted by the schools to the Board of Regents prior to July 1, 1959.

fiscal The above listed records may be disposed of regularly so long as five full years' records are always on file, unless future state law should require longer retention.

Legislative requests as submitted by the schools to the Budget Division after being approved by the Board of Regents prior to July 1, 1961.

The above listed records may be disposed of regularly so long as three full fiscal years' records are always on file, unless future state law should require longer retention.

PROPERTY VALUATION DEPARTMENT
DECEMBER 1954

See p. 2

Post-audit reports on the Board of Regents and on all schools prior to July 1, 1962.

The above listed records may be disposed of regularly so long as two full fiscal years' records are always on file, unless future state law should require longer retention.

Travel requests as submitted by the schools for out-of-state travel prior to June 1, 1964.

The above listed records may be disposed of regularly so long as six months' records are always on file, unless future state law should require longer retention.

(4) Property Valuation Department

All original records, prior to July 1, 1962, as follows:

✓ Purchase Requisitions

✓ State printer and Central Duplicating requisitions

✓ Agency purchase orders

✓ Vouchers

General expense travel vouchers

State owned car and private car travel vouchers

✓ Monthly payroll records

✓ Annual physical inventory records

Deposit receipt vouchers

Motor carrier tax remittance and taxpayers' receipts

✓ Encumbrance document authorizations

The above listed records may be disposed of regularly so long as two full fiscal years' records are always on file, unless future state law should require longer retention.

RECORDS DIVISION

DOCUMENT PROCESSING SECTION

MEMORANDUM NO. 1

Subject: FILE ROOM PROCEDURES

Effective immediately the following procedure for requesting, receiving, and returning files maintained by the central file room will be adhered to by all Divisions of the Department.

Method of Requesting Files

All requests for files must be made on a File Room charge out form. These forms will be supplied by the File Room upon request. Multiple requests made by one particular person should be paper clipped together, or for larger requests, held together with a rubber band in numeric or alphabetic sequence depending upon the system of filing. A memo must be attached to this accumulation with the last name of the person requesting the files, and a figure of the total requests submitted. This memo with the request for files will be returned to the Division for distribution to the author of the charge out.

Information Required for Requesting Files

The charge out must be completed in full. List the date of request, name of taxpayer or name of the account, the serial or account number, and the Division and Section by which the file is being requested. Also list the initials of the person who is requesting the file.

Regular Requests for Files

Regular requests are those which are not of a rush nature and should accumulate at a central designated pick up and delivery station within the Division. The File Room

personnel will make a pick up and delivery twice daily at these stations. The first pick up and delivery will be made around 8:00 A.M. and the second around 1:00 P.M. Files to be returned to the File Room should also accumulate at this central designated station.

Rush Requests for Files

Rush requests must be limited to taxpayer walk-in and call-in visits and in turn directed through a File Room employee authorized to secure files in these instances. The names of these authorized individuals will be posted at both of the File Room windows. Immediate attention will be given to these requests unless the files are in North Topeka. Each Division Chief should designate no more than two persons from each unit to make such emergency requests. The names of those designated persons must be submitted to the File Room Supervisor. It will be the responsibility of the Division Chief submitting the list to keep it current. Rush requests will not be granted to anyone except a Division Chief, one of the persons designated by him, or a Department of Revenue Attorney.

Special File Requests or Special Projects

Special requests must be directed to the File Room Supervisor by a Division or Section head. For example, if the Income Tax Division, Audit Section requires 1,000 returns pulled within a narrow time limit, the Division or Section head should personally work out a schedule with the File Room Supervisor. Special projects (surveys and so forth) should be coordinated through the Assistant Supervisor of the Document Processing Section.

Files Maintained Within a Division

Files maintained within a Division which are to be boxed and sent to remote storage, should be boxed by the Division with a Form RD-16 (Description and Destruction) attached. The form should be completed in triplicate, the First and Third copies will be sent to the File Room Supervisor. The second copy will be attached with adhesive tape to

the box. Each form shall contain the Division and Section names, a package number as prescribed by the File Room Supervisor, a description of contents, the period or dates the forms pertain to, the date sent, whether the contents are filed alphabetically or numerically (Example -- A through C or W-000325 through W-000626), and an exact date when the forms can be destroyed (Example -- 1/1/74). Boxes may be secured along with the RD-16 forms from the central file room. These files will be maintained in remote storage by the File Room until they can be destroyed.

NORTH TOPEKA REMOTE STORAGE

Requests for documents stored in the North Topeka location will be secured on a Tuesday/Thursday schedule except when the volume requires more than a work day to fill or satisfy all request.

Emergency requests (those that must absolutely be obtained contrary to the Tuesday/Thursday schedule) must be directed to the Supervisor or Assistant Supervisor of the Records Division, Document Processing Section. The File Room personnel will in turn be instructed to make an exception to the Tuesday/Thursday schedule and secure the needed documents.

Authorized Access to Files

No one except the administrative staff of the Director's Office and the personnel of the Records Division, Files Unit, will be allowed in the central files area unless they have the approval of the Document Processing Section Supervisor or his Assistant. Personnel other than those assigned to the Files Unit may research the card files located in the boiler room. For example, if additional information is needed on a Sales Tax account, personnel of that Division may inspect the STD-16's maintained in that room. Prior years returns may be charged out on an IBM index card. Current year cards should not be removed unless approved by the File Room Supervisor. There will be no exceptions to this procedure.

W.E. Donahue
William E. Donahue, Supervisor
Document Processing Section

Walter Dunn
Walter Dunn, Chief
Records Division

R.L. Barkley
R. L. Barkley, Chief
Research and Management Division

Date: October 9, 1971

APPROVED:

James T. McDonald
James T. McDonald
Director of Revenue

Name _____

Date _____

Address _____

SS# _____

City, State and Zip Code _____

REQUEST

I, _____, do hereby request that the Director of Taxation furnish me with a copy of the items checked below:

INDIVIDUAL INCOME TAX

- Income Tax Return(s) (Form 40) for year(s) _____, _____, _____, _____,
- Schedules attached to return(s) for year(s) _____, _____, _____, _____,
- Breakdown of Account _____
- Declaration of Estimated Income (Form K-16, K-17) for quarter(s) _____, _____,
- Warrant(s) for year(s) _____, _____, _____, _____,

HOMESTEAD

- Homestead Relief Claim(s) (Form 40H) for year(s) _____, _____, _____,
- Attached schedules and/or statements for year(s) _____, _____, _____,

WITHHOLDING

- Quarterly report(s) (Form K-5) for quarter (s) _____, _____, _____, _____,
- Application (Form K-1) _____

CORPORATION

- Income Tax Return(s) (Form 120) for year(s) _____, _____, _____, _____,
- Schedules attached to return(s) for year(s) _____, _____, _____, _____,
- Declaration of Estimated Income (Form K-19, K-20) for quarter(s) _____, _____, _____,

OTHER

Signature

State of _____

County of _____ ss.

Be it remembered that on the _____ day of _____, 19____, before me a notary public in and for the County and State of foresaid appeared _____ who is personally known to me to be the same person who executed the foregoing request for a copy of the item or items checked above and that such person acknowledged the foregoing signature as his own.

Notary Public

My Commission expires: _____, 19____.

VERIFICATION DESK

I, _____ request a copy of the

_____ Verification of Title Application

_____ Supporting Documents

_____ Verification of Registration

_____ Copy of Title Application

_____ View Records

_____ TELEPHONE CALL

on _____

This information is to be used for:

_____ Insurance purposes

_____ Decedent's Affidavit

_____ State, City, County or Federal Agencies

_____ Mechanic's Lien

_____ Secured Interest

_____ Owner of the Vehicle

Signature

Company, Agency or Firm name

Address

Issued by:

Date:

AGREEMENT ON COORDINATION OF TAX ADMINISTRATION

Section 1. Introduction

1.1 The Agency and IRS recognize the mutual benefits to be derived through coordination of their tax administration programs to secure returns, determine tax liability, and effect collection of taxes; and the parties do hereby agree to continue, to the extent permitted by law, the cooperative programs already established and to enter into additional arrangements designed to improve the administration and enforcement of tax laws of their respective jurisdictions. Officials of the Agency, acting under authority vested in or delegated to them to administer State tax laws, and the appropriate officials of IRS will consult from time to time regarding their respective enforcement efforts and will establish mutually agreeable programs for the exchange of information and assistance.

1.2 This agreement provides the general basis for achieving coordination of Federal and State tax administration. Specific arrangements will be initiated in a manner and at such time as are mutually agreeable to Agency and IRS officials. They shall explore and adopt mutually acceptable techniques and modes of exchange which will be most beneficial to improved tax administration with the least possible interruption of their respective operating routines and with strict adherence to laws, regulations, and rules for protecting the confidentiality of returns and return information.

Section 2. Definitions

For purposes of this agreement, the following definitions shall apply:

2.1 Agency. The term "Agency" means Department of Revenue
(Name of State agency,
body, or commission)

2.2 IRS. The term "IRS" means the Internal Revenue Service,
U. S. Department of the Treasury.

2.3 State. The term "State" means the State of Kansas
(Name of State,
Commonwealth, etc.)

2.4 Agency Representative. The term "Agency Representative" means an Agency officer or employee designated in writing by the head of the Agency as an individual who is to inspect or receive Federal returns or Federal return information on behalf of the Agency as provided by section 6103(d) of the Code, but only so long as the duties and employment of such officer or employee require access to Federal returns and Federal return information for purposes of State tax administration.

2.5 Federal Return. The term "Federal return" means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of the Code which is filed with the IRS by, on behalf of, or with respect to any person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

2.6 Federal Return Information. The term "Federal return information" means —

- (a) a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's Federal return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by IRS with respect to a Federal return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under the Code for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense; and
- (b) any part of any written determination or any background file document relating to such written determination (as such terms are defined in section 6110(b) of the Code) which is not open to public inspection under section 6110 of the Code.

2.7 State Return. The term "State return" means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of the

internal revenue laws, or related statutes, of the State, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of, the return so filed.

2.8 State Return Information. The term "State return information" means a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over-assessments, or tax payments, whether the taxpayer's State return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Agency with respect to a State return or with respect to the determination of the existence, or possible existence, or liability (or the amount thereof) of any person under the internal revenue laws, or related statutes, of the State for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense.

2.9 Inspection. The term "inspection" means any examination of a return or return information.

2.10 Disclosure. The term "disclosure" means the making known to any person in any manner whatever a return or return information.

2.11 State Tax Administration. The term "State tax administration"

(a) means —

(i) the administration, management, conduct, direction, and supervision of the execution and application of the revenue laws, or related statutes of the State, and

(ii) the development and formulation of State tax policy relating to existing or proposed internal revenue laws, or related statutes, of the State, and

(b) includes assessment, collection, enforcement, litigation, and statistical gathering functions under such laws or statutes.

2.12 Code. The term "Code" means the Internal Revenue Code of 1954, as amended.

Section 3. Disclosure of Federal Returns and Federal Return Information

3.1 Under the laws of the State, the Agency is charged with the responsibility for the administration of taxes imposed on Individual and
(specify)
Corporate Income, Sales and Use of Property, Mortgage Registrations,
Intangibles, Cigarettes and Tobacco Products, Motor fuel, Legacies,
Successions and Estates, Cereal Malt Beverages, Retail Liquor Sales,
Express Companies (Excise), Public Utilities (ad valorem), Merchants
and Manufacturers (ad valorem), Motor Carriers (ad valorem), Car
Companies (ad valorem), Banks--Trust and Savings and Loan (Privilege
Tax).

Federal returns and Federal return information (whether originals, paper copy, photocopy, microfilm, magnetic tape, or any other form) received

AGENCY 53.--STATE RECORDS BOARD

Article 2.--General Provisions

53-2-51. The State Records Board authorized the following agencies to destroy or otherwise dispose of the records herein listed:

(1) Kansas State Board of Technical Professions

Engineer/Land Surveyor Section, Individual Files, Registration/
Examination Approved.

Engineer/Land Surveyor Section, Individual Files, Registration/
Examination Denied.

Architect Section, Individual Files, Registration/Examination
Denied.

Landscape Architect Section, Individual Files, Registration/
Examination Denied.

All Sections, Financial Records.

These records may be disposed of regularly so long as two years' records are always on file, unless future state law should require longer retention.

(2) Department of Revenue, Income and Inheritance Tax Bureau.

INC/40, Income Tax Returns.

INC/40N, Income Tax Returns, Non Resident.

INC/41, Fiduciary Returns.

INC/65, Partnership Returns.

These records may be disposed of regularly so long as four years plus the incoming years records are always on file, unless future state law shall require longer retention.

pursuant to this agreement will be used for the purpose of, and only to the extent necessary in, State tax administration.

3.2 This agreement constitutes the requisite authorization pursuant to section 6103(d) of the Code for IRS to disclose to, and permit inspection by, an Agency Representative of Federal returns and Federal return information relating to taxes imposed by chapter(s) 1, 2, 6, 11, 12, 21, 23, 24, 44, 51, 52 and Subchapter D of Chapter 36. _____ of the Code.

3.3 Upon the occurrence of any change in employment, duties, or other relevant matters affecting an Agency Representative's right of access to Federal returns and Federal return information or status as Agency Representative, the head of the Agency shall promptly advise IRS in writing that such individual is no longer an Agency Representative.

3.4 An Agency Representative to whom a Federal return of a taxpayer or Federal return information relating to a taxpayer has been disclosed as provided by section 6103(d) of the Code and paragraph 3.2 of this agreement may thereafter disclose such return or return information:

- (a) to another employee of the Agency for the purpose of, and only to the extent necessary in, the administration of the State tax laws for which the Agency is responsible;
- (b) to another officer or employee of the State to whom such disclosure is necessary in connection with processing, storage, and transmission of such returns and return

information and solely for purposes of State tax administration and in a manner consistent with the requirements of section 6.4 of this agreement;

- (c) to another person for the purpose of, but only to the extent necessary in, the programming, maintenance, repair, testing, and procurement of equipment used in processing or transmission of such returns and return information; or
- (d) to a legal representative of the Agency, personally and directly engaged in, and solely for use in, preparation for a civil or criminal proceeding (or investigation which may result in a proceeding) before a State administrative body, grand jury, or court in a matter involving State tax administration, but only if —
 - (i) such taxpayer is or may be a party to such proceeding;
 - (ii) the treatment of an item reflected on such return is or may be related to the resolution of an issue in the proceeding or investigation; or
 - (iii) such return or return information relates, or may relate, to a transactional relationship between a person who is or may be a party to the proceeding and the taxpayer which affects, or may affect, the resolution of an issue in such proceeding or investigation.

3.5 A Federal return of a taxpayer or Federal return information relating to a taxpayer may be disclosed in a State judicial or

administrative proceeding pertaining to State tax administration, but only if --

- (a) the taxpayer is a party to such proceeding and the return or return information relates to the resolution of a tax issue in such proceeding;
- (b) the treatment of an item reflected on such return is directly related to the resolution of a tax issue in the proceeding; or
- (c) such return or return information directly relates to a transactional relationship between a person who is a party to the proceeding and the taxpayer which directly affects the resolution of a tax issue in the proceeding.

3.6 Notwithstanding any other provision of this section, IRS will not disclose a Federal return or Federal return information under this section to any person if such disclosure would identify a confidential informant or seriously impair a Federal civil or criminal tax investigation. The Agency agrees that neither it nor its legal representatives will make any further use or disclosure of a Federal return or Federal return information disclosed to an Agency Representative by IRS if IRS notifies the head of the Agency in writing that such further use or disclosure would identify a confidential informant or

seriously impair a Federal civil or criminal tax investigation. The Agency further agrees that prior to disclosure of any Federal return or Federal return information in a State judicial or administrative proceeding as provided by paragraph 3.5 of this agreement, the head or legal representative of the Agency will notify IRS in writing of the intention to make such disclosure. No officer, employee, or legal representative of the Agency shall thereafter so disclose a Federal return or Federal return information in such State judicial or administrative proceeding if, within 30 days following receipt of such written notice of intention to disclose, IRS notifies the head or legal representative of the Agency that such disclosure would identify a confidential informant or seriously impair a Federal civil or criminal tax investigation.

Section 4. Disclosure of State Returns and Return Information

4.1 This agreement constitutes the requisite authorization for the Agency to disclose to, and permit inspection by, officers and employees of IRS of State returns and State return information for the purpose of, and only to the extent necessary in, the administration of the internal revenue laws, or related statutes, of the United States. Any such State returns and State return information so disclosed to, or inspected by, officers or employees of IRS become, in the hands of IRS, "taxpayer return information" as defined by section 6103(b)(3) of the Code and may thereafter be disclosed by IRS only to such persons, for such purposes, and under such conditions as may be prescribed by the Code.

4.2 The District Director(s) at Wichita, Kansas

shall designate in writing to the Agency those officers and employees of IRS who are to inspect or receive State returns and State return information on behalf of IRS.

Section 5. Cooperative Audits and Other Cooperative Activities

5.1 Subject to the restrictions and other provisions of this agreement and within the framework of available enforcement resources, the Agency and IRS will develop cooperative return selection and examination programs with the objective of avoiding unnecessary duplication of Federal and State audit efforts, thereby increasing overall Federal and State audit coverage. Each will furnish to the other, in accordance with mutually agreed schedules and routines, information on audit adjustments made by its offices and such other information as will assist in determining final tax liability.

5.2 Under such arrangements as may be feasible, the Agency and IRS will furnish to each other information which will assist in locating persons whose tax accounts are delinquent or who may be entitled to tax refunds. Additionally, the Agency and IRS will exchange lists of taxpayers and other information relevant to the identification of persons who have failed to file tax returns.

5.3 Information other than Federal or State return information which Agency and Federal tax officials may deem to be relevant or useful to the administration of State and Federal tax laws may be exchanged, if feasible, under arrangements made by the Agency and IRS. Such information may be furnished in the form of lists, magnetic tapes, transcripts, or abstracts.

5.4 In addition to the exchange of tax and other information, the Agency and IRS will, to the extent feasible, extend to each other assistance in other tax administration matters. This may include such activities as taxpayer assistance, stocking tax forms for the public, training of personnel, special statistical studies and compilations of data, development and improvement of tax administration systems and procedures, and such other activities as may improve tax administration.

Section 6. Safeguards and Other Requirements

6.1 As an express condition for the inspection and disclosure of Federal returns and Federal return information pursuant to this agreement, the Agency agrees to comply with the following safeguards and requirements prescribed by section 6103(p) of the Code and any implementation of such safeguards and requirements as may be provided by regulations and published procedures:

- (a) establish and maintain, to the satisfaction of IRS, a permanent system of standardized records with respect to any request made by the Agency for such inspection or disclosure, the reason for such request, and the date of such request, and, in addition, any disclosure made by or to it under the authority of this agreement;
- (b) establish and maintain, to the satisfaction of IRS, a secure area or place in which such returns or return information shall be stored;
- (c) restrict, to the satisfaction of IRS, access to such returns and return information to persons whose duties

- or responsibilities require access and to whom disclosure may be made under the provisions of this agreement;
- (d) provide such other safeguards as IRS may determine to be necessary or appropriate to protect the confidentiality of such returns and return information;
 - (e) furnish a report by the last day of each calendar quarter to IRS describing the procedures established and utilized by the Agency for ensuring the confidentiality of such returns and return information;
 - (f) upon completion of the use of such returns or return information (1) either return such returns or return information (along with any copies made thereof) to IRS or (2) make such returns, return information, and copies undisclosable in any manner and furnish a written report to IRS describing how this was effected; and
 - (g) permit IRS and, to effectuate the provisions of section 6103(p)(6)(A), the General Accounting Office to audit the extent to which the Agency is complying with the requirements of this paragraph.

The conditions of subparagraphs (a), (b), (c), and (d) above shall cease to apply with respect to any Federal return or Federal return information if, and to the extent that, such return or return information is disclosed in the course of any State judicial or administrative proceeding and made a part of the public record thereof.

6.2 The Agency further agrees to inform in writing all Agency Representatives and other persons to or by whom disclosure or inspection

of Federal returns or Federal return information is authorized by section 3 of this agreement of the criminal penalties and civil liability provided by sections 7213 and 7217 of the Code for a disclosure of such returns and return information which is unauthorized by the Code.

6.3 In recognition of their responsibilities under this agreement, each party to the agreement shall, when requested by the other party, review with the other party its safeguard measures for protecting the confidentiality of returns and return information. The District Director(s) or his delegate at Wichita, Kansas and the head of the Agency or his delegate will represent their respective organizations for the purpose of such reviews.

6.4 Processing of Federal returns or Federal return information received by the Agency from IRS in the form of microfilms, photoimpressions, magnetic tapes, or other format (including reformatting or reproduction, or conversion to magnetic tapes, punch cards, or hard copy printout) and transmission and storage of such Federal returns or Federal return information by or on behalf of the Agency shall be performed only by use of State owned or operated computer or other facilities. In those cases where such facilities used by the Agency are shared with other State agencies, the Agency will assure that only those persons described in section 3 of this agreement will have access to Federal returns or Federal return information, that, in the case of processing of Federal returns and Federal return information, such processing is conducted under the immediate supervision and control of Agency Representatives or other authorized employees of the Agency, and that the processing, transmission, or

storage of Federal returns or Federal return information by use of such shared facilities is performed in a manner which meets the requirements of section 6.1 of this agreement.

6.5 Because some taxpayers may be unaware that Agency tax officials are authorized under Federal law to obtain Federal returns or Federal return information for State tax administration purposes, the Agency shall publicize, in a manner satisfactory to IRS, that such returns or return information was obtained pursuant to specific authority granted by the Code.

Section 7. Limitations

7.1 Subject to manpower and time considerations, IRS may in its discretion prepare and furnish to the Agency, upon written request by the head of the Agency, special tabulations or compilations of Federal returns or Federal return information to which the Agency is granted access pursuant to section 6103(d) of the Code and the terms of this agreement.

7.2 Pursuant to the provisions of section 6103(p)(2) of the Code, IRS may charge the Agency a reasonable fee for furnishing Federal returns and Federal return information under the terms of this agreement.

7.3 Under no circumstances shall the Agency permit any Federal return or Federal return information to be inspected by, or disclosed to, an individual who is the chief executive officer of the State or any person other than one described in section 3 of this agreement.

7.4 Notwithstanding any other provision of this agreement, IRS shall not disclose or make known in any manner whatever to any person described in section 3 of this agreement —

- (a) any original, copy, or abstract of any return, payment, or registration made pursuant to chapter 35 of the Code (relating to taxes on wagering);
- (b) any record required for making any such return, payment, or registration made or required pursuant to chapter 35, which IRS is permitted by the taxpayer to examine or which is produced pursuant to section 7602 of the Code (relating to the examination of books and witnesses); or
- (c) any information obtained by the exploitation of any such return, payment, registration, or record made or required pursuant to chapter 35.

7.5 Notwithstanding any other provision of this agreement, IRS shall not disclose or make known in any manner to any person described in section 3 of this agreement information which was obtained pursuant to a tax convention between the United States and a foreign government.

Section 8. Officials to Contact for Obtaining Information

8.1 Requests by the Agency for Federal return information in magnetic tape mode should be made to the Commissioner of Internal Revenue, Attention ACTS:A. Requests for physical inspection or copying of Federal returns showing addresses within the State should be made to the Director, Internal Revenue Service Center, Austin, Texas
(address);

and requests for inspection and copying of audit abstracts and reports pertaining to such returns should be made to the District Director(s) at Wichita, Kansas, who will be

responsible for making the proper arrangements for such inspection.

8.2 Requests by the head of the Agency for Federal returns of taxpayers or Federal return information relating to taxpayers showing addresses outside the State should be made to the appropriate District Director.

8.3 Requests by authorized officers and employees of the IRS for inspection or copying of State returns and State return information should be made to Director, Division of Taxation
(title of agency official)

Section 9. Termination or Modification of Agreement

9.1 The provisions of this agreement are subject to the provisions of the Code and implementing regulations and published procedures and to the provisions of State statutes and regulations, and this agreement may be terminated or modified at the discretion of IRS or the Agency on account of changes in Federal or State statutes and regulations or whenever in the administration of Federal or State tax laws that action seems appropriate.

9.2 Any unauthorized use or disclosure of Federal returns or Federal return information furnished pursuant to this agreement, or inadequate procedures for safeguarding the confidentiality of such returns or return information, also constitutes grounds for termination of this agreement and the exchange of information thereunder, subject to the rights of administrative appeal as provided by regulations prescribed by section 6103(p)(7) of the Code.

9.3 Notwithstanding any other provision of this agreement, no Federal return or Federal return information shall be disclosed after December 31, 1978, by IRS to any person described in section 3 of this agreement if the requirements of section 6103(p)(8) of the Code are not met.

APPROVED:

F. Kent Kalb-
(signature)
Secretary of Revenue
(title of agency official)

Signed at Topeka, Kansas
this 22 day of December, 1976.

* * *

APPROVED, on behalf of the
Kansas Department of Revenue
(official name of the State)

and its officers and employees:

Robert F. Bennett
Governor of Kansas

Signed at Topeka, Kansas
this 22 day of December, 1976.

[OR]

David C. Alvord
Commissioner of Internal Revenue

Signed at Washington, D. C., this
14 day of January, 1977.

* * *

It is my opinion that under
applicable law of the _____
(official name
_____, the
of the State)

(title of the agency official)

is duly empowered and authorized to
bind to the terms and conditions
of this agreement all officers
and employees of the _____
(official name
_____, to whom
of the State)
Federal returns and Federal return
information may be disclosed as
provided herein.

Attorney General

Signed at _____
this ___ day of _____, 197 .

M E M O R A N D U M

TO: F. Kent Kalb
Secretary of Revenue

DATE: August 16, 1977

FROM: Gary A. Russell, Chief
Research and Management

SUBJECT: Destruction of Tax
Returns

I am enclosing authorizations from both the State Records Board and the Director of Taxation for the systematic destruction of certain tax returns. By adopting this schedule, the Department will be moving in a positive direction towards dealing with our office space problems.

In the future, the Department of Revenue will adopt the following destruction schedule:

INC/40, Income Tax Returns

INC/40N, Income Tax Returns, Non Resident

INC/41, Fiduciary Returns

INC/65, Partnership Returns

These records may be disposed of regularly so long as four years plus the incoming years records are always on file, unless future state law shall require longer retention.

If you approve of this plan, please indicate below.

Approve: _____

F. Kent Kalb

Disapprove: _____

Additionally, the Department will begin to keep only the current filing year's individual income tax returns in the State Office Building. Current plans call for the previous year's individual income tax returns to be moved to North Topeka in March or April of each year. This will allow the Central Filing Room to accommodate the current year's returns and allow expansion into the Central Filing Room of Data Processing Personnel should the Department purchase/lease two CPU's for the Fiscal application.

If you approve of this plan, please indicate below:

Approve: *GR*

Disapprove: _____

Should you have any questions or wish to discuss this matter further, please let me know.

 Gary A. Russell
Gary A. Russell

GAR:mlw

Enclosure

AGREEMENT

THIS AGREEMENT, effective July 1, 1977, by and between the KANSAS DEPARTMENT OF REVENUE, party of the first part (hereinafter called the "DEPARTMENT") and R. L. POLK & CO., a Delaware Corporation with its principal office in the City of Detroit, Wayne County, Michigan, party of the second part (hereinafter called "POLK").

WHEREAS, the motor vehicle registration and title records in the KANSAS DEPARTMENT OF REVENUE are subject to K.S.A. 1976 Supp. 74-2012 and information therefrom may be provided to a requesting party for the purpose of providing information to a manufacturer of motor vehicles registered in this state; and

WHEREAS, POLK desires to purchase copies of said records for the year commencing July 1, 1977, and subsequent years; and

WHEREAS, the parties hereto desire to follow the spirit as well as the letter of the legislative mandate as aforesaid and at the same time to respect the privacy of the Kansas motoring public as concerns the receipt of solicitation mail; and

WHEREAS, the said statute provides for a contract between the Secretary of Revenue and the said requesting party;

NOW, THEREFORE, in consideration of the mutual covenants and agreements, for the amounts hereinafter provided to be paid by POLK, the parties hereto hereby agree as follows:

1. The DEPARTMENT shall furnish to POLK:

(a) Motor vehicle registrations, on all types of vehicles, on magnetic tape, supplied twice per year, as soon as feasible after June 30 and December 31, at a cost of \$7,500.00 per year.

(b) All transaction records of all title and registration information on a weekly transaction magnetic tape at a cost of \$150.00 per week.

2. POLK shall furnish all magnetic tapes and absorb all shipping charges.

3. Shipments by the DEPARTMENT shall be made to the following addresses:

(a) Registration tapes -
R. L. Polk & Co.
Motor List Editing
400 Pike Street
Cincinnati, Ohio 45202

(b) Weekly transaction magnetic tapes -
Mr. A. J. Bechtold, Jr.
R. L. Polk & Co.
400 Pike Street
Cincinnati, Ohio 45202

4. All payments shall be made by POLK no less than semi-annually or at more frequent intervals upon receipt of invoice from the DEPARTMENT. Payment shall be made within fourteen (14) days after the date such invoice is received. All invoices shall be directed to Accounting Department, R. L. Polk & Co., 400 Pike Street, Cincinnati, Ohio 45202.

5. POLK agrees that, except in accordance with the provisions of paragraph 6 infra, the title and registration information furnished by DEPARTMENT shall be used by POLK only:

(a) To assist motor vehicle manufacturers in notifying owners of vehicles believed to have safety-related defects; and

(b) To compile statistical reports for motor vehicle manufacturers, vehicle equipment manufacturers and others to whom such statistics are essential.

6. In no event shall the title and registration information furnished to POLK by DEPARTMENT be used for direct mailing advertising except in accordance with the following:

(a) POLK is authorized to use such information in connection with automotive-related mailings but only for the companies whose names appear on Exhibit A, attached hereto and by this reference made a part of this Agreement, and no others.

(b) When mailings are made on behalf of the companies listed on Exhibit A, POLK shall submit the material mailed to DEPARTMENT. If DEPARTMENT finds such material to be inappropriate, it shall notify POLK of such finding and thereafter no further mailings shall be made for such company.

(c) In no event shall a list of vehicle owners be furnished to any company listed on Exhibit A or to any other person, firm or corporation and the mailings authorized by sub-paragraph b, supra, shall originate with POLK.

(d) DEPARTMENT shall have the right to delete one or more of the companies listed on Exhibit A for cause and shall give POLK ten (10) days notice of such deletion. POLK shall have the right to delete from or add to such list but only with the prior approval of DEPARTMENT.

7. If DEPARTMENT is requested by any person to delete such person's name and address from the listing which is the subject of this Agreement, DEPARTMENT shall notify POLK of such request. POLK shall immediately delete such name and address and shall not thereafter use the same in any manner. POLK agrees to indemnify and hold DEPARTMENT harmless from any claims or damages arising out of any use of a name and address requested to be deleted.

8. This agreement may be terminated at any time after thirty (30) days notice by an instrument in writing, signed by a duly authorized representative of either party hereto. This agreement shall be immediately terminated upon any breach of any covenant by either party without advance notification, termination being completed by an instrument in writing signed by a duly authorized representative of the aggrieved party and deposited with the United States Postal Service correctly addressed and postage prepaid.

9. This agreement may be changed, modified or amended at any time after thirty (30) days notice by an instrument in writing, signed by duly authorized representatives of both parties hereto.

10. All prior agreements between the parties are rescinded and cancelled as of the date of execution of this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officials or officers.

KANSAS DEPARTMENT OF REVENUE

By: F. Kent Kalb

F. Kent Kalb

Secretary of Revenue

R. L. POLK & CO.

By: Robert F. Gladfelter

Robert F. Gladfelter

Vice President, General Manager

Motor Vehicle Registrations Division

DEPARTMENT - POLK AGREEMENT

(July 1, 1977)

EXHIBIT A

American Motors Corporation

Chrysler Corporation

General Motors Corporation

Ford Motor Company

International Harvester Company

Mid-America Distributors, Inc. (Toyota)

Nissan Motor Company (Datsun)

Volkswagen of America

"E"

TESTIMONY ON PRIVACY OF RECORDS

PRESENTED OCTOBER 11-12, 1977

to

SPECIAL COMMITTEE ON COMMERCIAL & FINANCIAL INSTITUTIONS

Prepared by:

Kansas Department of Health
and Environment

Atch. E

PART I

VITAL STATISTICS RECORDS - THEIR USES AND SECURITY

We have the following accumulated vital statistics records involved in the record keeping responsibilities of the State Department of Health and Environment:

<u>Type of Record or Certificate</u>	<u>State Filing Began</u>	<u>No. of Records Accumulated Thru 1976</u>	<u>Current New Registration Per Year</u>
Live Births	July, 1911	2,508,520	33,540
Stillbirths	July, 1911	49,860	515
Deaths	July, 1911	1,304,370	21,200
Marriages	May, 1913	1,358,145	23,585
Divorces or Annulments	July, 1951	179,350	12,970
Delayed Birth Registration	July, 1940	568,395	1,125
 		<hr/>	<hr/>
Total Vital Events Registered.....		5,968,640	92,935

On more than 90% of the above records we have off-premises security copies stored at Underground Vaults and Storage, Hutchinson, Kansas. This facility is bomb-proof, weather-proof, rodent and insect proof, and has carefully controlled access to the documents.

The data required to be provided in these documents are those prescribed as minimum data items per national standard certificates, K.S.A. 65-2415; plus such additional data as the State of Kansas may require for special legal or research purposes.

In view of the current and historical values of these records, they are preserved permanently.

Access to these records is as prescribed per K.S.A. 65-2422 and its pursuant regulation. A copy thereof is attached. (See page 3.)

The National Vital Statistics Division is routinely provided with computer tapes or microfilm copies of these records but per provisions of K.S.A. 65-2418, and a written contract, may use the data for statistical purposes only.

The records are used for legal and statistical purposes as per attached listings for each type of record. (See pages 4, 5, & 6.)

When needed for legal purposes, access to the individual records is gained by application that identifies the record and the requestor and certifies that the content

of the record is needed for determination of personal or property rights, except that some records such as adoptions and illegitimate births, under some circumstances also require a court order. In any case the application must also be accompanied by the prevailing fee for searching the files and/or issuing a copy of the record involved.

When data from the records are required for research purposes, access is granted only on the basis of a written request that identifies the requestor, states the specific purpose for which the data are to be used and gives the assurance that no identities will be disclosed. Under these circumstances other governmental agencies, institutions, and private research interests may be granted access to the files.

An appropriate informant reviews and verifies the data entered on the individual record at the time of registration. Once the record becomes part of the official file, access thereto by the party who is the subject of the record may be gained by submitting an application that identifies the record and the requestor, and paying the prevailing fee for issuing a copy of the record.

No secondary uses may be made of these record files except those prescribed by statutes, such as providing names and addresses to county clerks for file clearance purposes.

K.S.A. 65-2422. DISCLOSURE OF RECORDS; MONTHLY REPORTS OF DECEASED RESIDENTS TO COUNTY ELECTION OFFICERS. (a) The records and files of the division of health pertaining to vital statistics shall be open to inspection, subject to the provisions of this act and regulations of the secretary; but it shall be unlawful for any officer or employee of the state to disclose data contained in vital statistical records, except as authorized by this act and the secretary and it shall be unlawful for anyone who possesses, stores or in any way handles vital statistics records under contract with the state to disclose any data contained in such records, except as authorized by law.

(b) No disclosure of illegitimacy of birth or of information from which illegitimacy can be ascertained shall be made, except upon order of a court in a case where such information is necessary for the determination of personal or property rights and then only for such purpose, but the state registrar shall open the records of any person whose birth has been listed as illegitimate who has attained legal age and demands the opening.

(c) The state registrar shall not permit inspection of the records or issue a certified copy of a certificate or part thereof unless he is satisfied that the applicant therefor has a direct interest in the matter recorded and that the information therein contained is necessary for the determination of personal or property rights. His decision shall be subject, however, to review by the secretary or a court under the limitations of this section.

(d) The secretary shall permit the use of data contained in vital statistical records for research purposes only, but no identifying use thereof shall be made.

(e) Subject to the provisions of this section the secretary may direct local registrars to make a return upon the filing of birth, death and stillbirth certificates with them of certain data shown thereon to federal, state or municipal agencies. Payment by such agencies for such services may be made through the state registrar to local registrars as the secretary shall direct.

(f) On or before the twentieth day of each month the state registrar shall furnish to the county election officer of each county, without charge, a list of deceased residents of such county who were at least eighteen (18) years of age, for whom death certificates have been filed in the office of the state registrar during the preceding calendar month, which list shall include the name, age or date of birth, address and date of death of each of such deceased persons, and shall be used solely by such election officer for the purpose of correcting records of their offices.

(g) No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a certificate of birth, death, or fetal death, except as authorized in this act or regulations adopted hereunder. (K.S.A. 65-2422; L. 1974, ch. 352, § 129; July 1.)

REGULATION 28-17-7. CONFIDENTIALITY OF RECORDS. Local registrars of vital statistics shall observe literally all regulations of the Board concerning confidentiality of records and all subsections of K.S.A. 65-2422.

To preserve confidentiality of records the state registrar shall not permit the following:

1. Issuance of lists of births for commercial purposes containing names and addresses.
2. Inspection of records or issuance of certified copies thereof except to applicants having a direct and tangible interest in the information recorded and only when that information is needed for determination of personal or property rights.
3. Issuance of lists of deceased persons showing date and cause of death or allowance of unauthorized individuals to inspect death records for the purpose of ascertaining causes of death.

SOME SPECIFIC USES OF BIRTH CERTIFICATES

The birth certificate, as a legal record, provides evidence for establishing such important facts as the date of birth, the place of birth, and parentage. It is, therefore, a fundamental document when proof is required of age, of citizenship, or of family relationship, thereby protecting certain definite rights and privileges of the individual. The value of the birth certificate also extends to many parts of our society. Data obtained from this record have become increasingly important to private and governmental organizations in the fields of medical science, public health, demography, and social welfare.

Frequent uses of birth records and the information derived from these records are--

1. Establishing the date of birth for such purposes as:

- Entering school.
- Obtaining licenses.
- Proving age of capacity or incapacity in court cases.
- Qualifying for pensions or social security benefits.
- Obtaining work permits.
- Voting.
- Entering military service.

2. Establishing birthplace to prove citizenship for such purposes as:

- Obtaining a passport.
- Entering employment limited to citizens.
- Obtaining licenses limited to citizens.

3. Establishing family relationship for such purposes as:

- Proving legal dependency.
- Obtaining inheritance benefits.
- Receiving insurance payments.
- Tracing lineal descent.

4. Providing information on which health departments base their plans for:

- Immunization of children.
- Care of crippled children.
- Evaluation of the need for health facilities.
- Evaluation of the effectiveness of infant care.

SOME SPECIFIC USES OF DEATH CERTIFICATES

Families of deceased persons are often in urgent need of a legally recorded statement of facts of death. This need arises most frequently shortly after death but is also an important consideration for various requirements that may not be known until years later. Death certificates serve as the source of mortality statistics which are of utmost importance to medical, health, and welfare organizations. The data are used for determining the importance of specific diseases as causes of death, for measuring the need for health services, and for evaluating progress in the prevention and control of diseases. The following are some of the specific uses of death certificates:

1. Establishing the fact and date of death for such purposes as:

- Claiming life insurance carried by the decedent.
- Claiming pensions.
- Settling estates.

2. Providing certain facts about the deceased, such as:

- Circumstances of death, and its cause.
- Date or place of interment.
- Evidence as to age, sex, or race.
- Genealogical information.

3. Providing data for public health uses, such as:

- Determining the incidence of specific causes of death.
- Planning the control of communicable diseases.
- Investigating the nature and place of occurrence of fatal accidents.
- Establishing the need for health programs.
- Measuring the effectiveness of health services.

4. Providing data for uses by local, state, and national organizations, both governmental and private, for such purposes as:

- Ascertaining the best geographic distribution of their services.
- Determining the extent of specific problems for program planning.
- Clearing their files of the names of deceased persons.

SOME SPECIFIC USES OF MARRIAGE & DIVORCE RECORDS

1. Individual Uses:

Establishing proof of right to insurance, pensions, military allowances, and/or other benefits.

Proving parentage and right to inheritance.

Verifying facts of citizenship.

Obtaining passports.

Determining basis for immigration or naturalization.

Proving the right to remarry.

2. Family Studies:

Supplying churches, universities, courts, and counseling services with uniform family statistics for premarital and family counseling.

Obtaining more knowledge about the advantages and disadvantages of early marriages.

Determining the effects that changes in marriage and divorce laws have on family stability.

Evaluating the causes and effects of divorce.

Studying the effects of divorce on the one-half million minor children who are involved each year.

Studying the relationship between early marriages and school dropouts.

3. Local and State Planning:

Estimating intercensal populations, households, and economic growth.

Evaluating needs for new schools and highways.

Planning water and sewer facilities for single or multiple households.

Providing appropriate parks and recreation.

Forecasting the potential markets for housing, goods, and services.

Predicting needs for hospitals, clinics, and churches.

4. Public Health Uses:

Estimating future needs for maternal and child health services.

Formulating health programs and services based on the family.

Studying the relation between health, marital status, and the family.

Teaching sound health planning to the newly married couple.

Developing instruction in high school for the young bride and groom.

Studying problems of early marriage and their effect on the family's ability to provide health care.

PART II

HEALTH MANPOWER LICENSURE RECORDS - THEIR USE & SECURITY

Per S.C.R. 1607, Session of 1977, the Kansas Department of Health and Environment was directed to establish a health manpower data system. The building of a file on the State's health manpower professions is therefore in the developmental stage. The file will be an accumulation of data collected via license renewal forms for the following professions:

<u>Profession</u>	<u>Current No. of Licensees</u>	<u>No. of Records Accumulated to Date</u>
Medical Doctors	5,172	5,172
Osteopaths	284	284
Chiropractors	667	667
Physical Therapists	424	424
Podiatrists	64	64
Dentists	1,800	-
Dental Hygienists	670	-
Registered Nurses	20,486	20,486
Licensed Practical Nurses	6,439	6,439
Optometrists	251	251
Pharmacists	1,745	1,745
Nursing Home Administrators	491	973

The specific data required to be provided includes the necessary identifying information for the renewal of the license to practice in Kansas, plus the minimum data items prescribed by the National Center for Health Statistics for the development of a nationwide health manpower data base, plus such additional data as the State of Kansas may require for special research purposes. A sample copy of the basic form is attached. (See pages 3 and 4.)

A complete computer tape record of each health manpower profession will be permanently maintained, however the source document remains the property of the licensing board and will be returned to the custody of the board as soon as the data reported thereon have been processed.

The Kansas Department of Health and Environment and the appropriate licensure board have access to the health manpower records. Also data from the records may be furnished to the Cooperative Health Statistics System of HEW upon approval of the appropriate licensure board. All other individual or agency requests for records or special reports must be approved by the appropriate licensure board and by the Data Management Planning Committee, which represents the Kansas Department of Health and Environment.

The Kansas Department of Health and Environment executes a written agreement with each licensing agency involved in establishing the data system. This agreement includes the confidentiality aspects of the system. A copy of the general terms of the agreement is attached. (See pages 5, 6, 7, 8, & 9.)

The health manpower records will be used to establish a health manpower data system for the purpose of evaluating underserved areas and for the development of programs to meet the needs of these areas. They will be utilized to determine the distribution of health manpower in the state, to project future health manpower needs and to provide a better understanding of those factors that determine the location of physicians and allied health personnel.

KANSAS DENTAL QUESTIONNAIRE

(PLEASE PRINT OR TYPE)

Occupation Code: _____ State Code: _____	1. Is this a new Kansas License or a Kansas License Renewal application? 1 <input type="checkbox"/> New Kansas License 2 <input type="checkbox"/> Renewal of previous Kansas License
---	--

2. Kansas Dental License No: _____	3. Name Last _____ First _____ MI _____
------------------------------------	--

4. Name Previously Licensed Under (if any): Last _____ First _____ MI _____
--

5. Mailing Address: Street & No. _____ City _____ State _____ Zip Code _____

6. Sex: 1 <input type="checkbox"/> Male 2 <input type="checkbox"/> Female	7. Birthdate _____/_____/_____ Mo. Day Year	8. Race: 1 <input type="checkbox"/> Caucasian or White 2 <input type="checkbox"/> Negro or Black 3 <input type="checkbox"/> American Indian 4 <input type="checkbox"/> Asian or Oriental 5 <input type="checkbox"/> Other (specify) _____
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9. Professional Education (basic qualifying education in licensed field): School _____ City _____ State _____ Zip Code _____	10. Year Graduated _____
---	--------------------------

11. Marital Status 1 <input type="checkbox"/> Never Married 2 <input type="checkbox"/> Married 3 <input type="checkbox"/> Separated 4 <input type="checkbox"/> Widowed 5 <input type="checkbox"/> Divorced	12. Are you licensed by other state(s)? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No Specify: _____	13. Education-highest degree or level attained: 1 <input type="checkbox"/> Less than H.S. diploma 6 <input type="checkbox"/> Masters degree 2 <input type="checkbox"/> H.S. diploma or G.E.D. 7 <input type="checkbox"/> Doctorate degree (Ph.D., M.D. or equivalent) 3 <input type="checkbox"/> Nursing school diploma 4 <input type="checkbox"/> Associate degree or certificate 5 <input type="checkbox"/> Baccalaureate degree
---	---	---

14. How many years have you been active in licensed field? (exclude periods of inactivity) _____	15. Do you currently work in licensed field? (at least one hour per week)? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	16. Usual Working Status: (check one item only) 1 <input type="checkbox"/> Self employed 3 <input type="checkbox"/> Not employed 2 <input type="checkbox"/> Employed 4 <input type="checkbox"/> Retired
--	--	---

17. Were you working 12 months ago in licensed field? 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No	18. Primary Working Location in Licensed Field 12 months ago: City _____ County _____ State _____ Zip Code _____
---	---

19. Weeks worked in Licensed Field in Past Twelve Months? _____	IF NOT WORKING IN LICENSED FIELD, RETIRED OR NOT EMPLOYED, STOP HERE. ANSWER NUMBER 39 AND RETURN QUESTIONNAIRE.
---	---

20. Primary Working Location in Licensed Field: City _____ County _____ State _____ Zip Code _____	21. How long Have You Worked at Present Location? _____
---	---

22. If Self Employed: 1 <input type="checkbox"/> Solo 2 <input type="checkbox"/> Group Number in Group? _____ (include yourself)	23. Total Hours Worked Per Week. List hours usually worked per week in: 1 _____ Patient Care 4 _____ Administration 2 _____ Teaching courses 5 _____ Retail or wholesale trade 3 _____ Research 6 _____ Other, specify _____
---	---

24. Major Form of Employment: (check one only)

Government

Non-Governmental

Other.

- 1 Local Government
- 2 County Government
- 3 State Government
- 4 Federal Government (V.A., public health, etc.)
- 5 Federal Government (armed forces)

- 6 Practitioner office, Individual
- 7 Practitioner office group
- 8 Retail or wholesale trade
- 9 Group health plan facility
- 10 Other non-governmental employer

- 11 Voluntary (unpaid)
- 12 Other, specify: _____

25. Major Work Setting: (check one item only)

- 1 Hospital (other than V.A., military or federal facilities)
- 2 Military health facilities
- 3 V.A., public health or other federal health facilities
- 4 Public health facility (other than federal)
- 5 Nursing home
- 6 College or school of medicine or dentistry
- 7 College or school of nursing
- 8 Other college or university

- 9 Elementary or high school
- 10 School or treatment center for the handicapped or disabled
- 11 Other schools
- 12 Out-patient clinic
- 13 Practitioner office, individual
- 14 Practitioner office, group
- 15 Manufacturing or industry
- 16 Retail or wholesale trade
- 17 Other business

- 18 Group health plan facility
- 19 Patient homes
- 20 Medical research institute
- 21 Professional or allied health association
- 22 Administration or regulatory health agency
- 23 Other, specify: _____

26. Type of Practice: Write in the specialty code number from the list below, in relation to the number of hours worked per week in your practice. General practice is included as a specialty here.

(If you have no secondary or tertiary specialty, mark 00 in those blanks.)

Primary _____

Secondary _____

Tertiary _____

27. Please indicate, using codes provided, the time per week, in hours, usually spent in each specialty.

- | | |
|--------------------------|------------------------|
| _____01 General Practice | _____06 Pedodontist |
| _____02 Endodontist | _____07 Periodontist |
| _____03 Oral Pathologist | _____08 Prosthodontist |
| _____04 Oral Surgeon | _____09 Public Health |
| _____05 Orthodontist | |

General Agreement Between Kansas Department of Health and Environment and Health Manpower Licensure Boards:

A) Licensure Board Responsibility:

- 1) The Licensure Board agrees to administer a questionnaire to all licensees and license renewal applicants.
- 2) The Licensure Board agrees to pay for mailing of questionnaires, as well as any special computer programming projects and printout forms requested.
- 3) The Board will deliver completed questionnaires to Kansas Department of Health and Environment in timely fashion. The Licensure Board agrees to insure for reasonable completeness of questionnaires returned from applicants for license renewals. Reasonable completeness shall include answers to questions: 1. type of license; 2. Kansas License number; 3. Name; 5. mailing address; 7. birthday; 15. active - inactive status; and 26. primary specialty.
- 4) In the event that the licensee or license renewal applicant does not return a completed questionnaire with license or renewal application, the respective licensure board will mail the applicant a second questionnaire prior to granting or renewing the license in question. The second questionnaire will be mailed at the close of the time period provided for the application or license renewal.
- 5) The Board will require parties who request reports of this data, other than scheduled publication, to pay for such reports and/or listings according to procedures outlined in this document, and to clearly indicate the source of data in all reproductions as, "Kansas Department of Health and Environment for the specific Board." All such requests must be approved by the Board, and subsequently the Data Management Planning Committee.

(B) Kansas Department of Health and Environment Responsibility:

- 1) The Kansas Department of Health and Environment will pay for and provide basic programming and analysis of a standard aggregate manpower statistical display, for each licensed manpower category.
- 2) The Kansas Department of Health and Environment will provide this display for general public circulation, deleting all individual identifiers. In the event that a health practitioner is the only practitioner in a manpower category within a county or any other geocoded unit such as city, township, or zip code, that geographic unit will not be released or publicly displayed by that manpower category.
- 3) Should the respective licensure board ask for special tabulations and analyses of the data, the Department of Health and Environment will furnish cost estimates, and then will perform such special projects, providing such projects are agreeable to the Board, within the capabilities and resources of the Bureau of Registration and Health Statistics, and agreeable to the Data Management Planning Committee. To the degree possible, the respective licensure board will notify the Kansas Department of Health and Environment well in advance, of special work project requests as well as expected prearranged output schedules.

Source Documents:

The Kansas Health Manpower Data System will be built from information gathered from health manpower licensure questionnaires. These questionnaires will be mailed to all new licensees and applicants for license renewal, by their respective health manpower licensure boards, at the time of licensing or renewal. The completed questionnaire will then be delivered by the Board to the Research and Analysis Section of the Bureau of Registration and Health Statistics of Kansas Department of Health and Environment. Kansas Department of Health and Environment will edit, code and key the data, and then provide computer analyses of the data.

To insure standardized data and to create efficiencies in data processing, wherever practical, the respective licensure boards will use a common core generic manpower questionnaire.

The generic questionnaire to be used is included here. In the event that the Board desires additional information, or changes, such information requests and/or changes may be added to a supplemental page of the questionnaire, by consultation with the Research and Analysis Section of the Bureau of Registration and Health Statistics, Kansas Department of Health and Environment.

Confidentiality:

Ownership of questionnaire source documents remains with the respective licensure board, with all such questionnaires to be returned to the Board after a reasonable period of time for coding and keypunching by the Kansas Department of Health and Environment.

All requests for analyses, other than routine standard aggregate statistical reports, reports to the Cooperative Health Statistics System, and Kansas Department of Health and Environment statistical analyses, will be undertaken only after permission is granted by the respective licensure board to conduct the analyses. Data with individual identifiers, duplicate tapes, statistical analyses for other parties, mailing lists and/or labels will not be released by Kansas Department of Health and Environment without specific Board approval of such release. Individual records will be identified only as necessary for internal operations, and as approved by the Licensure Board.

Ownership of the computer tapes or data files produced from source documents supplied by the respective licensure boards rests with the Department of Health and Environment. However, a copy of these computer tapes or data files will be provided to the respective board upon request and at no charge.

File Update and Historical File:

Upon notification of completion of the licensure cycle by the Licensing Board, the Research and Analysis Section will have Data Processing create a duplicate historical tape of that entire manpower file, and have this tape placed in storage for future trend analysis. For those boards who relicense their manpower continuously, rather than in annual cycles, such as the Board of Nursing, Data Processing will create a duplicate tape of that manpower file during the first week of January of each year, and place that tape in storage.

All Licensure Boards will notify the Data Processing Section of the Bureau of Registration and Health Statistics of revisions, name, and address changes as they are made known to the Board, for purposes of updating and maintaining a current computer file. The frequency for updating computer files will be established by the Data Management Planning Committee.

"E"

MEDICAL INFORMATION BUREAU

35 MASON STREET
GREENWICH, CONNECTICUT 06830
TELEPHONE: (203) 661-8344

September 30, 1977

Mr. William G. Wolff, Research Analyst
The Legislative Research Department
Room 545-N, Statehouse
Topeka, Kansas 66612

Dear Mr. Wolff:

Thank you for your letter of September 23, 1977. I propose to discuss the items of information desired by the Special Committee on Commercial and Financial Institutions in the order set forth in your letter.

1. Areas Involved in Recordkeeping

The information maintained by the Medical Information Bureau (MIB) is primarily medical information which would be of underwriting significance to MIB member companies who must, per the MIB Constitution (copy attached) be life insurance companies. MIB member companies, per MIB General Rules (copy attached) may use information "... solely for personal life and health underwriting and claims purposes and for no other purposes" (Rule B.1). Furthermore, per Rule D.4:

"Use of Information - Underwriting information received from MIB shall be used to alert members of the need for further investigation of the applicant's insurability. In the interest of sound underwriting and to avoid unfair competitive practices in the underwriting of risks, MIB record information shall not be used as the basis for establishing an applicant's eligibility for insurance."

MIB also maintains a limited amount of nonmedical or "supplemental" information which is also of underwriting significance, such as reckless driving, aviation activities, participation in hazardous sports, etc.

2. Specific Data Required to be Provided in These Areas

MIB obtains its information only from its member companies. It does not conduct interviews or medical examinations of insurance consumers nor does it employ inspectors or investigators.

The medical information reported to MIB by member companies can be broken down into these categories: General and Miscellaneous, Family History, Nervous System, Cardiovascular System, Respiratory System, Gastrointestinal System, Genitourinary System and Endocrine System. Under each of these categories is listed a series of impairments of underwriting significance.

NEIL M. DAY, EXECUTIVE DIRECTOR AND GENERAL COUNSEL • WILLIAM B. SWARTS, III, JAMES S. CORBETT, ASSOCIATE COUNSEL
FRANCIS O. NARDI, DIRECTOR, COMPANY VISIT PROGRAM

JOSEPH C. WILBERDING, CONSULTANT TO MIB EXECUTIVE COMMITTEE

ALTON P. MORTON, MAXWELL BASKIN, WALLACE E. BIDELMAN,
EDWARD A. WATSON, CLAUD S. GILLESPIE, CONSULTANTS TO MIB COMPANY VISIT PROGRAM

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No medical information, as above described, may be reported by member companies to MIB unless such information has been obtained by the company from either the applicant or a medical source as defined in the federal Fair Credit Reporting Act (FCRA). There are no other permissible sources for reportable information.

Supplemental information is reportable when the applicant is the source or there are official records confirming the existence of the reportable items.

All information reported to MIB is reported in coded form -- a keystone in MIB's policy of protecting confidentiality of information and personal privacy. On the average, an individual MIB report contains 2.5 coded entries. Thus, an MIB report is not a complete medical history nor does MIB maintain any documentary material such as attending physician statements, hospital records, test results, etc. MIB coded information is properly described as "categorical information" since impairments are reported in general terminology.

3. Length of Time Information is Kept

An entry into an individual MIB record is automatically deleted from MIB's computerized data base seven years after date of entry.

4. Access to Records

Access to MIB's data base is limited solely to member companies. Furthermore, per MIB General Rule C.2, "No member shall request MIB record information pertaining to any individual without having first obtained that individual's written consent on a form expressly naming MIB as an authorized source".

Also, per Rule C.1, access to MIB information within member companies is restricted to only authorized personnel.

From time to time, MIB receives requests for information from law enforcement agencies. We believe the FCRA permits us to advise such agencies as to whether or not an MIB record exists for the individual in whom the agency is interested; however, if such record exists, we also believe we are prohibited by the FCRA from disclosing the same unless required to do so by an appropriate court order. To date, no such inquiry has resulted in the presentation of a court order.

5. Uses Made of the Information Collected

See discussion under No. "1" above regarding "original use" of MIB information.

MIB information may also be used for medico-actuarial studies but is not used therein in individually identifiable form. There are no other "secondary uses".

6. Accessibility of Parties to Records

MIB, since passage of the FCRA, has voluntarily adopted disclosure and disputed accuracy procedures which are available to insurance consumers. These procedures have been determined by the Federal Trade Commission to be adequate to effectuate compliance with the FCRA. Furthermore, every applicant to an MIB member company must be advised of the availability of these procedures via an MIB Pre-Notice (see Rule C.3 and "Comment").

Though the FCRA exempts "medical information" from disclosure, MIB, nevertheless, discloses such information to insurance consumers through the latter's designated personal physicians -- in keeping with policies endorsed by the medical profession. Supplemental information or information of a medical nature provided by the individual is disclosed directly to that individual.

I am also enclosing an article about MIB which was published earlier this year and which is intended to supplement the information about MIB provided herein in answer to your questions. If this letter and the additional material supplied should occasion any further questions by you or the Special Committee, please do not hesitate to contact me.

Sincerely yours,

William B. Swarts, III

William B. Swarts, III
Associate Counsel

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CONSTITUTION OF MEDICAL INFORMATION BUREAU

(Adopted by the Executive Committee on March 28, 1947, amended on December 11, 1951, May 5, 1952, July 8, 1968, and May 22, 1972).

ARTICLE I

Name: The name of the organization shall be Medical Information Bureau, hereinafter called the Bureau.

ARTICLE II

Purpose: The purposes of the Bureau are:

- (a) To effectuate the free exchange among its members of underwriting and claims information with respect to applicants for insurance, insureds, and insurance claimants. The exchange of such information shall be effectuated in such manner as may be deemed best to protect the confidential nature of the information exchanged and the interest with respect thereto of the applicants, insureds, and claimants as well as of the insurers concerned.
- (b) To aid the members in their consideration of prospective insurance risks by making available information which is relevant and necessary to careful underwriting procedures. This information shall not be considered a substitute for normal medical and inspection activities on the part of the member companies.
- (c) To help prevent the perpetration of fraud upon the members by applicants for insurance who conceal facts relevant to the determination of the insurance risk.
- (d) To act as a central Bureau for medico-actuarial statistics and to assist in mortality, morbidity, and related studies.

The Bureau is not operated for pecuniary gain or profit to its members, but its purpose is solely to safeguard the conduct of their business in the manner aforesaid.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility: Any insurer of the United States or Canada conducting the business of life insurance on the level premium legal reserve plan shall be eligible for membership provided:

- (a) It shall be a "life insurance company" within the definitions contained in Section 801 of the United States Internal Revenue Code and the regulations promulgated thereunder, or if not subject to such provision, it would, if subject thereto, qualify thereunder as a "life insurance company".
- (b) (Eliminated.)
- (c) It shall have at least \$100,000 of capital and surplus, or either, meaning by surplus all unassigned funds other than reserves required by law.
- (d) It shall be in good standing with the insurance supervisory official of the state or province of its domicile, and it shall be of good general repute in the state or province of its domicile and wherever else it does business, including all places where it sells or delivers policies, whether by mail or otherwise, and whether or not authorized to do business there.
- (e) Its medical affairs shall be administered by a medical director who is a qualified physician and surgeon in good repute at its domicile, or if its Home Office be in a different jurisdiction from its domicile, then in the state or province in which its Home Office is located.
- (f) It shall pledge itself to maintain the confidential character of the information exchanged.
- (g) It shall pledge itself to comply with the rules and regulations of the Bureau whether designated as by-laws, or otherwise, during its membership.
- (h) It shall agree upon termination of its membership to dispose of any physical property or information received through or because of its membership in the Bureau in such manner as it may then be directed by the Executive Committee of the Bureau, whether by transfer to a member, destruction, return to the Bureau or another person, or otherwise.

Section 2. Procedure: Application for membership may be made at any time to the Executive Committee of the Bureau. Election shall be by the Executive Committee at any regular meeting upon its finding that the applicant is qualified in accordance with the foregoing standards of eligibility.

Section 3. Membership of a company shall continue until

- (a) the company resigns.

Constitution

- (b) the company is in arrears more than three months for any dues, assessments or charges.
- (c) its membership is terminated by the Executive Committee pursuant to the provisions of Section 4.

Section 4. The membership of any company may be terminated by the Executive Committee if the Executive Committee finds after notice and opportunity to such member to be heard, that the member either

- (a) has failed to continue to be eligible for membership within the meaning of Section 1 of this Article, or
- (b) has violated or failed to observe any of the Sections of this Constitution or any pledges given pursuant thereto.

Such a charge may be made by any member company or by any member of the Executive Committee. Pending action upon such a charge, the Executive Committee shall have the right to suspend the membership of the company against whom the charge has been made.

ARTICLE IV

EXECUTIVE COMMITTEE—Elections:

Section 1. The affairs of the Bureau shall be conducted by an Executive Committee consisting of nine members, each of whom shall be an officer of a different member company, and at least four of whom shall be medical officers. The Executive Committee shall have a Chairman and a Vice Chairman, who shall be elected from the membership of the Executive Committee qualified to serve in the ensuing year, in accordance with Section 3 of this Article. The Executive Committee may, at its discretion, elect an Executive Secretary, a Treasurer, and other appropriate officers of the Bureau.

Section 2. Effective January 1, 1953, and annually thereafter, three members of the Executive Committee shall be elected, each for terms of three years to succeed those whose terms then expire.

Section 3. The procedure of election shall be as follows:

- (a) The Chairman, with the approval of the Executive Committee, shall annually appoint a Nominating Committee of three members, who, preferably, shall have been former Chairmen of the Executive Committee. This Committee shall present to the Executive Secretary, on or before September 15th of each year, nominations for a Chairman and Vice Chairman, and nominations for three members of the Executive Committee to take office on January 1st of the next succeeding year.
- (b) On or before October 1st, the Executive Secretary shall send to each member company, by registered mail, a list of the nominations so made.
- (c) Nominations may also be made by filing with the Executive Secretary, before November 1st, a certificate, executed by ten or more member companies, giving the names and addresses of the candidates nominated.
- (d) If, on November 1st, no such certificate has been received at the office of the Executive Secretary, the nominations shall be closed and the Executive Secretary is bound to cast one vote on behalf of the entire membership in favor of the candidates nominated by the Nominating Committee.
- (e) If, on November 1st, one or more such certificates have been received, the Executive Secretary shall prepare and forward, on or before November 15th, by registered mail to each member, a ballot containing a list of all nominations and shall request each member company to vote and return the ballot within twenty days.
- (f) If, on December 15th, ballots have been received from two-thirds, or more of the membership, the Executive Secretary shall tabulate the vote, and ballots received after December 15th shall not be counted. If, on December 15th, ballots have not been received from at least two-thirds of the membership, the tabulation of the vote shall be postponed until the day on which such percentage of ballots shall have been received, and ballots received after that day shall not be counted. The terms of the Chairman, and Vice Chairman, and of all members of the Executive Committee shall be extended until such tabulation has been accomplished. The three candidates receiving the highest number of votes shall thereby be elected the new members of the Executive Committee. Where the election is for specific office, the party nominated for said office receiving the highest number of votes shall be elected.

Section 4. No person shall be elected to serve more than two consecutive terms as a member of the Executive Committee.

Section 5. If a vacancy shall occur in the Executive Committee or in the Chairmanship, or in the Vice Chairmanship, the unexpired term shall be filled by election of the Executive Committee.

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ARTICLE V

POWERS OF THE EXECUTIVE COMMITTEE

Section 1. The Executive Committee shall manage and direct the affairs of the Bureau and in particular shall have power to contract on behalf of the Bureau with one or more appropriate individuals, corporations, or associations for the purpose of effectuating the recording, transmittal and exchange by and to member companies of the information with which the Bureau is concerned.

Section 2. The Executive Committee shall in its discretion appoint an Executive Secretary. His duties shall be immediately to administer the affairs of the Bureau subject to the direction of the Executive Committee, and to maintain contact between the members and the Executive Committee, and between the members. The salary of such appointee and the terms of his contract shall be within the discretion of the Executive Committee.

Section 3. The Executive Committee shall have power to adopt rules and regulations for the conduct of the business of the Bureau as between members and as between members and those persons or organizations with whom it may contract for recording, transmittal and exchange of information, which shall be binding on members.

Section 4. The Executive Committee shall have power to fix dues, assessments and charges for membership in the Bureau, and on members in relation to the business of the Bureau, and in relation to the person or associations with whom it contracts, and in relation to each other. Such dues, assessments and charges may be related to the size of member companies, or to the service required by member companies, or to other relevant factors.

Section 5. The Executive Committee shall be authorized to employ such clerical assistance, and to expend moneys of the Bureau for such salaries, rentals, and other expenses as it may deem proper.

No member of the Executive Committee shall be personally liable for any rental, salary, or other sum authorized by the Committee pursuant to the powers herein granted.

If any member of the Executive Committee, or any officer of the Bureau, is made a party to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, arising out of any act or conduct of the Bureau or any officer thereof, or of the Executive Committee or any member thereof, such member or officer shall be indemnified by the Bureau against all costs and expenses, including, but not by way of limitation, judgments and amounts of settlement incurred in connection with such action, suit, or proceeding, provided, however, such indemnification shall not be provided on any matter in which said member or officer shall be finally adjudged in such action or suit to be liable for gross negligence or intentional malfeasance or misconduct; in the event of settlement or other disposition other than final adjudication, indemnification shall be provided only in those cases in which a majority of the Executive Committee, on the advice of independent counsel, finds that the member or officer to be indemnified was not guilty of gross negligence or intentional malfeasance or misconduct. Expenses incurred in defending any such action, suit, or proceeding may be paid by the Bureau in advance of its final disposition as authorized in the manner provided in the preceding sentence upon receipt of an undertaking by or on behalf of the member or officer to be indemnified to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Bureau as authorized in this article.

Section 6. The Executive Committee shall meet not less often than semi-annually at such times and places as may be determined by it, or, in the absence of action by it, by the Chairman. A special meeting may be called at any time by the Chairman, or Vice Chairman, or at the request of five members of the Executive Committee, and in any case on not less than ten days' notice. A majority of the members of the Committee shall constitute a quorum. Except as provided in Article VI, all action of the Committee shall be taken either by a majority vote of the members present and voting, or by a majority vote of the members taken in writing, without meeting.

ARTICLE VI

ADOPTION OF AND AMENDMENT OF CONSTITUTION

This Constitution shall be adopted upon the affirmative vote of two-thirds of the full membership of the Executive Committee as constituted for the year 1947, and by ratification by two-thirds of the then participating members. Ratification shall be presumed on the part of any company participating in the activities of the Bureau as theretofore conducted on the date of submission of this Constitution, as adopted by the Executive Committee, to such members, if within thirty days after such submission such company has not either,

- (a) recorded a negative vote with the Chairman of the Executive Committee
- (b) ceased to participate in the activities of the Bureau.

This Constitution may be amended at any time by the affirmative vote of two-thirds of the full membership of the Executive Committee, ratified by two-thirds of the full membership of the Bureau, subject to the same provision with respect to ratification as in the case of adoption.

GENERAL RULES OF MEDICAL INFORMATION BUREAU

(REVISED 1 DECEMBER 1976, EFFECTIVE 1 FEBRUARY 1977)

Preamble

The Medical Information Bureau (MIB) is an unincorporated, nonprofit association of life insurance companies. MIB functions under a Constitution adopted in 1947 which sets forth its purposes, membership conditions and governance by an Executive Committee (hereinafter referred to as the Committee).

The following rules adopted by the Committee pursuant to Article V, Section 3, of the Constitution shall govern the conduct of the business of the Bureau.

A. Membership

1. **Pledge**—Each member shall annually execute a Pledge to observe the MIB Constitution and Rules. The Pledge, in a form prescribed by MIB, shall be executed by the member's Chief Executive Officer, Medical Director and Chief Underwriter.
2. **Correspondence**—Unless another authorized officer has been designated, the home or regional office Medical Director shall be the addressee of all MIB correspondence and will be responsible for bringing MIB correspondence to the attention of authorized company personnel.
3. **Assessments and Charges**—
 - (a) Each member shall be annually assessed for its pro rata share of MIB expenses. Each member shall also pay MIB's servicing organization for the MIB information checking service according to the schedule of charges fixed by the Committee.
 - (b) Within 90 days from the date of notification of admittance to membership, a new member shall contribute its share of the annual assessment and subscribe to the MIB information checking service. Companies admitted after July shall pay one-half of the current year's assessment.
4. **Termination of Membership**—Upon termination of membership by resignation or otherwise, a member shall pay all charges incurred to date of termination.

B. Confidentiality

The exchange of underwriting information among members shall be conducted in a manner that will protect both the confidential nature of such information and the privacy of applicants and insureds.

1. **Confidentiality of Record Information**—All personal information received, stored and transmitted by MIB shall be in coded form to preserve its confidential nature. Each member shall use MIB information solely for personal life and health underwriting and claims purposes and for no other purposes. Each member shall adopt procedures for the protection of the privacy of the individuals to whom MIB information pertains.
2. **Confidentiality of MIB Code Books**—
 - (a) The Medical Director or Chief Underwriter shall control and supervise the distribution of Code Books supplied by MIB. Each shall be responsible for limiting access to Code Books to authorized medical and underwriting personnel. Each Code Book shall be securely stored in a place of safekeeping and its authorized custodian shall restrict its use to authorized persons.
 - (b) The Medical Director or Chief Underwriter shall annually account to MIB for its supply of Code Books and satisfactorily explain any losses.
3. **Confidentiality of Communications**—Each member must submit for MIB approval its operational plan (and any change thereto) for communicating with MIB in a manner designed to preserve the security and confidentiality of such communications, whether by telecommunication, mail or otherwise.

C. Consumer Protective Procedures

1. **Access to Record Information**—Only authorized medical, underwriting and claims personnel of a member shall have access to MIB record information. Each member shall institute internal procedures to prevent the exposure, release or dissemination of MIB information to:
 - (a) A company not a member of MIB;
 - (b) Any nonmember corporate affiliate of a member;
 - (c) Unauthorized personnel of the member;
 - (d) Any consumer reporting agency; or
 - (e) Any other individual or organization.

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2. **Authorization**—No member shall request MIB record information pertaining to any individual without having first obtained that individual's written consent on a form expressly naming MIB as an authorized source. No member shall use any authorization form permitting any organization other than a member to obtain MIB record information.
3. **Pre-Notice**—Each member shall furnish every individual applying for personal life or health insurance with a written pre-notice, in form and language prescribed by the Committee, describing MIB, the services it provides to members, and the individual's right to request MIB to arrange disclosure in accordance with procedures set forth in the **Fair Credit Reporting Act**. The pre-notice required by this rule shall be furnished before completion of the application.
4. **Accuracy of Information**—
 - (a) Each member shall institute internal procedures to cancel, correct or supplement any report when it discovers or otherwise receives information indicating that such report was inaccurate or incomplete. Any such cancellation, correction, or supplementation shall be made as soon as possible regardless of the time elapsed since the initial report.
 - (b) MIB shall be immediately notified whenever a member, after investigation, has reason to believe that a report received from MIB contains inaccurate or incomplete information. Upon such notification, MIB will take appropriate action to determine if any record change is required.
5. **Member Self-Audit**—Each member shall annually, or more frequently when requested by MIB, conduct a Self-Audit to determine whether it has complied with MIB's Constitution and Rules and whether its internal procedures have protected the privacy of individuals and the confidentiality of MIB record information and Code Books. The results of this self-audit shall be reported to MIB on a form prescribed by the MIB.
6. **Field Audit of Member Companies**—
 - (a) Each member shall permit MIB to conduct periodic audits of procedures adopted pursuant to these Rules and the member's compliance with such Rules.
 - (b) At the member's expense, additional MIB audits may be conducted if any such audit reveals violations.
 - (c) Continuing unsatisfactory performance and noncompliance with MIB Rules shall be reported to the Committee for action pursuant to Section 4 of Article III of the MIB Constitution.

D. Administration and Operations

Reporting Underwriting Information to MIB

1. **Conditions for Reporting**—
 - (a) No report of underwriting information may be made to MIB unless the MIB requirements for authorization and pre-notice have been met.
 - (b) The pre-notice may be printed on the face or back of the investigative consumer report notice required by the **Fair Credit Reporting Act**. If furnished in some other manner, it shall be acknowledged in writing by the applicant. A member may include therein any other notice or information and shall file a copy thereof with the MIB.
2. **Reportable Information**—Underwriting information involving any impairments listed in the MIB Code Book and received by members from original medical or other sources, from official records, or from the applicant during the course of an application for personal life or health insurance must be reported to MIB regardless of the underwriting decision. No report may be made of:
 - (a) Amounts of insurance issued or not issued and underwriting and claims decisions; and
 - (b) Information received in connection with life, health and disability insurance claims.
3. **Time of Reporting or Changing Reports**—Reportable underwriting information, whether favorable or adverse, must be accurately and completely transmitted (1) within thirty (30) days after a member's receipt of such information or (2) not later than fifteen (15) days after final underwriting decision.
4. **Use of Information**—Underwriting information received from MIB shall be used to alert members of the need for further investigation of the applicant's insurability. In the interest of sound underwriting and to avoid unfair competitive practices in the underwriting of risks, MIB record information shall not be used as the basis for establishing an applicant's eligibility for insurance.
5. **Requests for MIB Code Details**—
 - (a) When underwriting a risk, a member receiving coded MIB information may request the MIB servicing organization to notify the reporting member of its desire to obtain code details, provided, however, that an authorized person of such requesting member can certify that:
 1. A medical examination of the applicant has been completed; or

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2. A statement has been obtained from a medical source; or
 3. In the case of a supplementary code, an investigation of its subject matter has been completed through relevant sources.
- (b) However, details of medical codes may be requested at the same time that the applicant is asked to submit to a medical examination provided that the member can certify that:
1. The medical source of the coded information has failed to furnish a statement to the requesting member within fifteen (15) working days of the latter's request therefor; or
 2. The applicant represents that the medical source of the coded information is deceased or cannot be identified.
- (c) For these purposes of this rule "medical source" shall mean a licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility.
- (d) A reporting member may decline to furnish details of its reports or to disclose its identity to the requesting member, in which event it shall so notify the MIB servicing organization. The amount and content of information furnished in answer to a request for details shall be within the discretion of the reporting member and any details provided shall not be considered information furnished through the MIB.
- (e) Under no circumstances shall the MIB servicing organization disclose the identity of any originally reporting member company to any member company requesting details.
- (f) No member's requests for details submitted through MIB's servicing organization may exceed 15% of that company's reports to MIB.

Comment:

1. Pre-Notice: The form and language of Pre-Notice prescribed by the Executive Committee under Rule C(3) is as follows:

"Information regarding your insurability will be treated as confidential. XYZ Company* may, however, make a brief report thereon to the Medical Information Bureau, a non-profit membership organization of life insurance companies, which operates an information exchange on behalf of its members. If you apply to another Bureau member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, the Bureau, upon request, will supply such company with the information in its file.

"Upon receipt of a request from you, the Bureau will arrange disclosure of any information it may have in your file. (Medical information will be disclosed only to your attending physician.) If you question the accuracy of information in the Bureau's file, you may contact the Bureau and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of the Bureau's information office is Post Office Box 105, Essex Station, Boston, Massachusetts 02112, telephone number (617) 426-3660.

"XYZ Company* may also release information in its file to other life insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted."

2. Authorization: The Authorization should contain substantially the following language:

"I hereby authorize any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, insurance company, the Medical Information Bureau or other organization, institution or person, that has any records or knowledge of me or my health, to give to the XYZ Life Insurance Company* any such information.

A photographic copy of this authorization shall be as valid as the original."

*N.B. The phrase, "or its reinsurer(s)," is required to be used by members with reinsurance arrangements and must be included at the time of next reprinting of Pre-Notice and Authorization forms.

3. For detailed discussion of Pre-Notice and Authorization, see MIB circular letters as follows:

March 12, 1974	Major Change in MIB System	July 2, 1974	Authorization
April 1, 1974	Pre-Notice and Other Changes in MIB Procedures	July 3, 1974	Pre-Notice General
May 21, 1974	Pre-Notice and Reinsurance	September 12, 1974	Authorization
May 24, 1974	Pre-Notice and Group	October 16, 1974	Pre-Notice-Mass Marketing

GROUP RULES

The use of M. I. B. information in the underwriting of group insurance shall be in accordance with the general rules.

REINSURANCE RULES

1. M. I. B. information may be used in connection with a non-member's business when there is a reasonable expectation of bona fide life reinsurance, substantial in amount and duration. It may be used by a member in connection with reinsurance which does not include reasonable expectation of bona fide life reinsurance, if it is used solely to protect reinsurer's *own* business at risk.

Comment:

The M. I. B. provides an exchange of confidential information among its member life insurance companies for their mutual use and protection. By agreement of the members, this is subject to rules as to security and use. It is not in the best interests of the Bureau for reinsurance members to furnish to non-members, on a fee basis, the protection derived from this information. However, as a member of the Bureau, the reinsurer has the right to protect its own business at risk and it may use M. I. B. information for this purpose. Whether or not the reinsurer has any business at risk in a particular case, will vary, depending upon the terms of the arrangements with the client company. It is well known that these arrangements differ from reinsurer to reinsurer and even with different clients of one reinsurer. The M. I. B. reinsurance rules are in no sense an effort to seek uniformity in the terms of these arrangements.

However, certain situations have arisen that do not seem to entail any bona fide reinsurance at risk. For example, we note the following possibilities:

- a. The initial retention period for the reinsured risk is one year or less, or is less than the normal recapture period in the treaty with the non-member company.
- b. The amount at initial risk is clearly nominal, or is below that normally accepted by the reinsurer in its contract with the non-member company.
- c. Cases are checked for a small flat fee unrelated to the amount of reinsurance.

Hereafter, if cases are called to the Executive Committee's attention, and these involve any of the above or similar situations, the reinsurer will be asked to demonstrate that it is operating within this rule.

2. Reinsurance companies may not make M. I. B. information available to client companies, member or non-member.
3. If M. I. B. information is to be used in any situation, the reinsurer must have taken reasonable measures to assure that the inquiring or ceding company shall have in its Home Office a bona fide signed preliminary or regular application for insurance.
4. Any information received through the Bureau shall not be used in whole or in part for the purpose of serving as a factor in establishing an applicant's eligibility for insurance.

The application of this rule means that: (a) an application for insurance shall never be denied nor shall any charge therefor be increased either wholly or partly because of information received through the Bureau and (b) all information received through the Bureau shall be used only as an alert signal.

5. The Executive Committee will furnish to each reinsurer a pledge form which must be executed by an Executive Officer and the Medical Director. This form will provide that:
 - a. If M. I. B. information is used in connection with any reinsurance operations, it will be handled strictly in accordance with M. I. B. rules.
 - b. The following M. I. B. rules will be carefully reviewed with and adhered to by all non-member companies with which the reinsurer does business: General Rules A(1), B(1), B(3), C(1), C(2), C(3), D(1), D(2), and D(4) and the Reinsurance Rules.
 - c. The reinsurer will take all reasonable precautions to see that no applicant for insurance is declined, rated or postponed because of any information the reinsurer may give to its client that is based on the presence of an M. I. B. record.
6. Reinsurance companies shall report impairment information received from non-member companies and have available sufficient information to make reasonable replies to Requests for Details.

INTERNAL PROCEDURAL RULES

Procedure in Case of Request for Disclosure

1. Upon request and proper identification as hereinafter prescribed (in paragraphs 4 to 8), M. I. B. will clearly and accurately disclose to the applicant:
 - (a) the nature, substance and source (i.e., the name of the reporting member company) of all nonmedical information in its files on the applicant at the time of the request;
 - (b) the source (i.e., the name of the reporting member company) of all medical information in its files on the applicant at the time of the request;
 - (c) the recipients of any M.I.B. report on the applicant which it has furnished within the six-month period preceding the request; except that no sources or recipients will be disclosed with respect to information received or M.I.B. reports furnished prior to April 25, 1971, except to the extent that the matter involved is contained in the files of M.I.B. on that date.
2. With respect to medical information in its files, upon receipt of a written request of the applicant containing a release from any and all claims and liability which may arise therefrom signed by the applicant, M. I. B. will request the reporting company to disclose the nature and substance of the results of its medical examinations to the applicant's personal physician.
3. Where the member company's report of medical information has been based on information received from an attending physician, hospital or clinic, then the Medical Director of the reporting company will take reasonable action to see that the applicant's current attending physician is advised of the source of information and, if ethical, its contents.
4. **Disclosure in Person.** Reasonable notice to the M.I.B. for a disclosure in person shall be deemed to be at least twenty days after the receipt by the M.I.B. of a written, oral or telegraphic request for an appointment during normal business hours on a weekday other than Saturdays and holidays designated by the State of Massachusetts.
5. **Disclosure by Telephone.** Reasonable notice shall be deemed to be at least twenty days after the receipt by M. I. B. of the written request.
6. **Proper Identification on Personal Visit.** Proper identification on a personal visit shall be deemed to be a driver's license, a draft card, a military discharge or separation certificate or any bank credit card bearing the signature and photograph of the applicant and the applicant shall fill out and sign a form furnished by the M. I. B. containing additional necessary identification.
7. **Proper Identification on Request by Telephone.** Proper identification on a telephonic request shall be deemed to consist of a written request duly acknowledged by the applicant before a notary public and the aforesaid form furnished by the M. I. B., filled out and signed by the applicant and received by the M. I. B. at least twenty days before a date and time specified therein as to when the telephonic request for disclosure will be made.
8. **Person Accompanying Consumer or Applicant.** In the event that the applicant shall request permission to be accompanied by one other person of his choosing, then the applicant shall sign and furnish to the M. I. B. a written statement in a form prescribed by M. I. B.
9. **Normal Business Hours.** The normal business hours of the M. I. B. are from 10:00 a.m. to 4:00 p.m.

Procedure in Case of Disputed Accuracy

1. Member companies must notify the Executive Director of receipt of any complaint as to the completeness or accuracy of any item of information in a report received through the Bureau.
2. Any such complaint and any similar complaint originally received by the Bureau will be referred within seven days of its receipt to the member who reported the item for reinvestigation.
3. The member who has reported the item must, within thirty days from such referral, make a careful reinvestigation of all underwriting data upon which the report is founded.
4. If the report is found to be incomplete or inaccurate as to any item of information therein, it must be withdrawn, deleted, corrected or supplemented by the member. The reporting company must notify the Executive Director what action it proposes to take in regard to the complaint prior to taking the same.
5. If the reinvestigation confirms the original report, the reporting company must so notify the Executive Director who shall so inform the applicant and advise him of his right to file a brief statement setting forth the nature of the dispute.

Internal Procedural Rules

6. If the investigation so reveals an incomplete or inaccurate report or that the information can no longer be verified, or if a notation as to disputed information has been made pursuant to paragraph 8 hereof, the reporting company must so notify the Executive Director who shall (at or prior to the time the information is withdrawn, deleted, corrected or supplemented or the applicant's statement regarding the disputed information is received), clearly and conspicuously disclose to the applicant his rights to make a request that the M. I. B. furnish notification that the item has been withdrawn, deleted, corrected or supplemented or of the statement, codification or summary pursuant to paragraph 8 hereof, to any person specifically designated by the applicant who has within six months prior thereto received an M. I. B. report which contained the withdrawn, deleted, corrected, supplemented or disputed information.
7. Following any withdrawal, deletion, correction or supplementation of information which is found to be inaccurate, incomplete or whose accuracy can no longer be verified or any notation as to disputed information, the Executive Director, shall, at the request of the applicant, furnish notification that the item has been withdrawn, deleted, corrected or supplemented, or the statement, codification or summary pursuant to paragraph 8 hereof to any person specifically designated by the applicant who has within six months prior thereto received an M. I. B. report which contained any such information.
8. Whenever a statement of a dispute is filed by an applicant with M. I. B., the Executive Director shall add a special code symbol to the applicant's report with the R&S which symbol will note that the applicant's report is disputed by the applicant. Upon receipt of any such code symbol, the inquiring member company must notify the Executive Director who shall then provide it with a copy of the applicant's statement.
9. The M. I. B. has the power to have code reports withdrawn and destroyed where it considers such action necessary and proper.
10. The M. I. B. will maintain a record of all complaints received and of the action taken in regard to same.
11. The Executive Committee will designate functions for the Executive Director and such Committees as may be required so the above procedure will be continuously available.

Comment:

Requests for disclosure of MIB records should be addressed to MIB Disclosure Offices as follows:

For Residents of the United States:

MIB Information Office
P.O. Box 105, Essex Station
Boston, Massachusetts 02112
Telephone: 617-426-3660

For Residents of Canada:

MIB Information Office
330 University Avenue
Toronto, Ontario, Canada
M5G 1R7
Telephone: 416-597-0590