

1                                   **CHILDREN'S HEALTH INSURANCE PLAN**

2                                   **SIMPLIFIED RENEWAL**

3                                   2010 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Merlynn T. Newbold**

6                                   Senate Sponsor: Peter C. Knudson

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8 **LONG TITLE**

9 **General Description:**

10           This bill establishes a process for simplified renewal of benefits under the Children's  
11 Health Insurance Plan.

12 **Highlighted Provisions:**

13           This bill:

14           ▶ requires the Children's Health Insurance Plan to apply for grants to fund a simplified  
15 renewal process;

16           ▶ if funding is available, requires the Children's Health Insurance Plan to establish a  
17 simplified renewal process in which the eligibility worker may, if the applicant  
18 provides consent, confirm the adjusted gross income of the applicant from the Utah  
19 State Tax Commission; and

20           ▶ requires the Utah State Tax Commission to work with the Children's Health  
21 Insurance Program to provide the program with access to an applicant's adjusted  
22 gross income.

23 **Monies Appropriated in this Bill:**

24           None

25 **Other Special Clauses:**

26           None

27 **Utah Code Sections Affected:**



28 AMENDS:

29 **26-40-105**, as last amended by Laws of Utah 2008, Chapter 386

30 **59-1-403**, as last amended by Laws of Utah 2009, Chapters 31, 45, 64, 203, and 251

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32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **26-40-105** is amended to read:

34 **26-40-105. Eligibility.**

35 (1) A child is eligible to enroll in the program if the child:

36 (a) is a bona fide Utah resident;

37 (b) is a citizen or legal resident of the United States;

38 (c) is under 19 years of age;

39 (d) does not have access to or coverage under other health insurance, including any  
40 coverage available through a parent or legal guardian's employer;

41 (e) is ineligible for Medicaid benefits;

42 (f) resides in a household whose gross family income, as defined by rule, is at or below  
43 200% of the federal poverty level; and

44 (g) is not an inmate of a public institution or a patient in an institution for mental  
45 diseases.

46 (2) A child who qualifies for enrollment in the program under Subsection (1) may not  
47 be denied enrollment due to a diagnosis or pre-existing condition.

48 (3) (a) The department shall determine eligibility and send notification of the eligibility  
49 decision within 30 days after receiving the application for coverage.

50 (b) If the department cannot reach a decision because the applicant fails to take a  
51 required action, or because there is an administrative or other emergency beyond the  
52 department's control, the department shall:

53 (i) document the reason for the delay in the applicant's case record; and

54 (ii) inform the applicant of the status of the application and time frame for completion.

55 (4) The department may not close enrollment in the program for a child who is eligible  
56 to enroll in the program under the provisions of Subsection (1).

57 (5) (a) The program shall:

58 (i) apply for grants to make technology system improvements necessary to implement a

59 simplified renewal process in accordance with this Subsection (5); and

60 (ii) if funding is available, implement the simplified renewal process in accordance  
61 with this Subsection (5).

62 (b) The simplified renewal process:

63 (i) shall, in accordance with Section 59-1-403, provide an eligibility worker a process  
64 in which the eligibility worker:

65 (A) verifies the applicant's identity;

66 (B) gets consent to obtain the applicant's adjusted gross income from the Utah State

67 Tax Commission from:

68 (I) the applicant, if the applicant filed a single tax return; or

69 (II) both parties to a joint return, if the applicant filed a joint tax return; and

70 (C) obtains from the Utah State Tax Commission, the adjusted gross income of the

71 applicant; and

72 (ii) may not change the eligibility requirements for the program.

73 Section 2. Section **59-1-403** is amended to read:

74 **59-1-403. Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

75 (1) (a) Any of the following may not divulge or make known in any manner any  
76 information gained by that person from any return filed with the commission:

77 (i) a tax commissioner;

78 (ii) an agent, clerk, or other officer or employee of the commission; or

79 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or  
80 town.

81 (b) An official charged with the custody of a return filed with the commission is not  
82 required to produce the return or evidence of anything contained in the return in any action or  
83 proceeding in any court, except:

84 (i) in accordance with judicial order;

85 (ii) on behalf of the commission in any action or proceeding under:

86 (A) this title; or

87 (B) other law under which persons are required to file returns with the commission;

88 (iii) on behalf of the commission in any action or proceeding to which the commission  
89 is a party; or

90 (iv) on behalf of any party to any action or proceeding under this title if the report or  
91 facts shown by the return are directly involved in the action or proceeding.

92 (c) Notwithstanding Subsection (1)(b), a court may require the production of, and may  
93 admit in evidence, any portion of a return or of the facts shown by the return, as are specifically  
94 pertinent to the action or proceeding.

95 (2) This section does not prohibit:

96 (a) a person or that person's duly authorized representative from receiving a copy of  
97 any return or report filed in connection with that person's own tax;

98 (b) the publication of statistics as long as the statistics are classified to prevent the  
99 identification of particular reports or returns; and

100 (c) the inspection by the attorney general or other legal representative of the state of the  
101 report or return of any taxpayer:

102 (i) who brings action to set aside or review a tax based on the report or return;

103 (ii) against whom an action or proceeding is contemplated or has been instituted under  
104 this title; or

105 (iii) against whom the state has an unsatisfied money judgment.

106 (3) (a) Notwithstanding Subsection (1) and for purposes of administration, the  
107 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative  
108 Rulemaking Act, provide for a reciprocal exchange of information with:

109 (i) the United States Internal Revenue Service; or

110 (ii) the revenue service of any other state.

111 (b) Notwithstanding Subsection (1) and for all taxes except individual income tax and  
112 corporate franchise tax, the commission may by rule, made in accordance with Title 63G,  
113 Chapter 3, Utah Administrative Rulemaking Act, share information gathered from returns and  
114 other written statements with the federal government, any other state, any of the political  
115 subdivisions of another state, or any political subdivision of this state, except as limited by  
116 Sections 59-12-209 and 59-12-210, if the political subdivision, other state, or the federal  
117 government grant substantially similar privileges to this state.

118 (c) Notwithstanding Subsection (1) and for all taxes except individual income tax and  
119 corporate franchise tax, the commission may by rule, in accordance with Title 63G, Chapter 3,  
120 Utah Administrative Rulemaking Act, provide for the issuance of information concerning the

121 identity and other information of taxpayers who have failed to file tax returns or to pay any tax  
122 due.

123 (d) Notwithstanding Subsection (1), the commission shall provide to the Solid and  
124 Hazardous Waste Control Board executive secretary, as defined in Section 19-6-102, as  
125 requested by the executive secretary, any records, returns, or other information filed with the  
126 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section 19-6-410.5  
127 regarding the environmental assurance program participation fee.

128 (e) Notwithstanding Subsection (1), at the request of any person the commission shall  
129 provide that person sales and purchase volume data reported to the commission on a report,  
130 return, or other information filed with the commission under:

- 131 (i) Chapter 13, Part 2, Motor Fuel; or
- 132 (ii) Chapter 13, Part 4, Aviation Fuel.

133 (f) Notwithstanding Subsection (1), upon request from a tobacco product manufacturer,  
134 as defined in Section 59-22-202, the commission shall report to the manufacturer:

135 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
136 manufacturer and reported to the commission for the previous calendar year under Section  
137 59-14-407; and

138 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
139 manufacturer for which a tax refund was granted during the previous calendar year under  
140 Section 59-14-401 and reported to the commission under Subsection 59-14-401(1)(a)(v).

141 (g) Notwithstanding Subsection (1), the commission shall notify manufacturers,  
142 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is prohibited  
143 from selling cigarettes to consumers within the state under Subsection 59-14-210(2).

144 (h) Notwithstanding Subsection (1), the commission may:

145 (i) provide to the Division of Consumer Protection within the Department of  
146 Commerce and the attorney general data:

- 147 (A) reported to the commission under Section 59-14-212; or
- 148 (B) related to a violation under Section 59-14-211; and

149 (ii) upon request provide to any person data reported to the commission under  
150 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).

151 (i) Notwithstanding Subsection (1), the commission shall, at the request of a committee

152 of the Legislature, Office of the Legislative Fiscal Analyst, or Governor's Office of Planning  
153 and Budget, provide to the committee or office the total amount of revenues collected by the  
154 commission under Chapter 24, Radioactive Waste Facility Tax Act, for the time period  
155 specified by the committee or office.

156 (j) Notwithstanding Subsection (1), the commission shall make the directory required  
157 by Section 59-14-603 available for public inspection.

158 (k) Notwithstanding Subsection (1), the commission may share information with  
159 federal, state, or local agencies as provided in Subsection 59-14-606(3).

160 (l) (i) Notwithstanding Subsection (1), the commission shall provide the Office of  
161 Recovery Services within the Department of Human Services any relevant information  
162 obtained from a return filed under Chapter 10, Individual Income Tax Act, regarding a taxpayer  
163 who has become obligated to the Office of Recovery Services.

164 (ii) The information described in Subsection (3)(l)(i) may be provided by the Office of  
165 Recovery Services to any other state's child support collection agency involved in enforcing  
166 that support obligation.

167 (m) (i) Notwithstanding Subsection (1), upon request from the state court  
168 administrator, the commission shall provide to the state court administrator, the name, address,  
169 telephone number, county of residence, and Social Security number on resident returns filed  
170 under Chapter 10, Individual Income Tax Act.

171 (ii) The state court administrator may use the information described in Subsection  
172 (3)(m)(i) only as a source list for the master jury list described in Section 78B-1-106.

173 (n) Notwithstanding Subsection (1), the commission shall at the request of a  
174 committee, commission, or task force of the Legislature provide to the committee, commission,  
175 or task force of the Legislature any information relating to a tax imposed under Chapter 9,  
176 Taxation of Admitted Insurers, relating to the study required by Section 59-9-101.

177 (o) (i) As used in this Subsection (3)(o), "office" means the:

- 178 (A) Office of the Legislative Fiscal Analyst; or
- 179 (B) Office of Legislative Research and General Counsel.

180 (ii) Notwithstanding Subsection (1) and except as provided in Subsection (3)(o)(iii),  
181 the commission shall at the request of an office provide to the office all information:

- 182 (A) gained by the commission; and

183 (B) required to be attached to or included in returns filed with the commission.

184 (iii) (A) An office may not request and the commission may not provide to an office a

185 person's:

186 (I) address;

187 (II) name;

188 (III) Social Security number; or

189 (IV) taxpayer identification number.

190 (B) The commission shall in all instances protect the privacy of a person as required by

191 Subsection (3)(o)(iii)(A).

192 (iv) An office may provide information received from the commission in accordance

193 with this Subsection (3)(o) only:

194 (A) as:

195 (I) a fiscal estimate;

196 (II) fiscal note information; or

197 (III) statistical information; and

198 (B) if the information is classified to prevent the identification of a particular return.

199 (v) (A) A person may not request information from an office under Title 63G, Chapter

200 2, Government Records Access and Management Act, or this section, if that office received the

201 information from the commission in accordance with this Subsection (3)(o).

202 (B) An office may not provide to a person that requests information in accordance with

203 Subsection (3)(o)(v)(A) any information other than the information the office provides in

204 accordance with Subsection (3)(o)(iv).

205 (p) Notwithstanding Subsection (1), the commission may provide to the governing

206 board of the agreement or a taxing official of another state, the District of Columbia, the United

207 States, or a territory of the United States:

208 (i) the following relating to an agreement sales and use tax:

209 (A) information contained in a return filed with the commission;

210 (B) information contained in a report filed with the commission;

211 (C) a schedule related to Subsection (3)(p)(i)(A) or (B); or

212 (D) a document filed with the commission; or

213 (ii) a report of an audit or investigation made with respect to an agreement sales and

214 use tax.

215 (q) Notwithstanding Subsection (1), the commission may provide information  
216 concerning a taxpayer's state income tax return or state income tax withholding information to  
217 the Driver License Division if the Driver License Division:

218 (i) requests the information; and

219 (ii) provides the commission with a signed release form from the taxpayer allowing the  
220 Driver License Division access to the information.

221 (r) Notwithstanding Subsection (1), the commission shall provide to the Utah State 911  
222 Committee the information requested by the Utah State 911 Committee under Subsection  
223 53-10-602(3).

224 (s) Notwithstanding Subsection (1), the commission may provide to the Utah  
225 Educational Savings Plan Trust information related to a resident or nonresident individual's  
226 contribution to a Utah Educational Savings Plan account as designated on the resident or  
227 nonresident's individual income tax return under Section 59-10-1313.

228 (t) Notwithstanding Subsection (1), the commission shall provide an eligibility worker  
229 with the Children's Health Insurance Program with the adjusted gross income of an individual  
230 if:

231 (i) an eligibility worker with the Children's Health Insurance Program requests the  
232 information from the Utah State Tax Commission; and

233 (ii) the eligibility worker has complied with the identity verification and consent  
234 provisions of Section 26-40-105.

235 (4) (a) Reports and returns shall be preserved for at least three years.

236 (b) After the three-year period provided in Subsection (4)(a) the commission may  
237 destroy a report or return.

238 (5) (a) Any person who violates this section is guilty of a class A misdemeanor.

239 (b) If the person described in Subsection (5)(a) is an officer or employee of the state,  
240 the person shall be dismissed from office and be disqualified from holding public office in this  
241 state for a period of five years thereafter.

242 (c) Notwithstanding Subsection (5)(a) or (b), an office that requests information in  
243 accordance with Subsection (3)(o)(iii) or a person that requests information in accordance with  
244 Subsection (3)(o)(v):



- 245 (i) is not guilty of a class A misdemeanor; and
- 246 (ii) is not subject to:
  - 247 (A) dismissal from office in accordance with Subsection (5)(b); or
  - 248 (B) disqualification from holding public office in accordance with Subsection (5)(b).
- 249 (6) Except as provided in Section 59-1-404, this part does not apply to the property tax.

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**Legislative Review Note**  
as of 1-27-10 10:58 AM

**Office of Legislative Research and General Counsel**

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**H.B. 260 - Children's Health Insurance Plan Simplified Renewal**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will require an additional one-time appropriation of \$30,000 from Dedicated Credits in FY 2011 for changes to a computer database.

|                   | <u>FY 2010</u><br><u>Approp.</u> | <u>FY 2011</u><br><u>Approp.</u> | <u>FY 2012</u><br><u>Approp.</u> | <u>FY 2010</u><br><u>Revenue</u> | <u>FY 2011</u><br><u>Revenue</u> | <u>FY 2012</u><br><u>Revenue</u> |
|-------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Dedicated Credits | \$0                              | \$30,000                         | \$0                              | \$0                              | \$0                              | \$0                              |
| <b>Total</b>      | <b>\$0</b>                       | <b>\$30,000</b>                  | <b>\$0</b>                       | <b>\$0</b>                       | <b>\$0</b>                       | <b>\$0</b>                       |

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses or local governments. Individuals may benefit from this change in statute.