

**Senators Skoe, Langseth, Senjem, Sams and Vickerman introduced--  
S.F. No. 2444: Referred to the Committee on Transportation.**

1.1 A joint resolution  
1.2 proposing an amendment to the Minnesota Constitution, article XIV, by adding  
1.3 sections 12 and 13.

1.4 BE IT RESOLVED by the Legislature of the State of Minnesota that the following  
1.5 amendment to the Minnesota Constitution, article XIV, is proposed to the people. If the  
1.6 amendment is adopted, the sections will be added to article XIV to read:

1.7 Sec. 12. Beginning with the fiscal year starting July 1, 2007, 63.75 percent of the revenue  
1.8 from a tax imposed by the state on the sale of a new or used motor vehicle must be apportioned for  
1.9 the transportation purposes described in section 13, then the revenue apportioned for transportation  
1.10 purposes must be increased by ten percent for each subsequent fiscal year through June 30, 2011,  
1.11 and then the revenue must be apportioned 100 percent for transportation purposes after June 30,  
1.12 2011.

1.13 Sec. 13. The revenue apportioned in section 12 must be allocated for the following  
1.14 transportation purposes: 60 percent must be deposited in the highway user tax distribution fund,  
1.15 and 40 percent must be deposited in a fund dedicated solely to public transit assistance as defined  
1.16 by law.

1.17 BE IT FURTHER RESOLVED that the constitutional amendment proposed in this joint  
1.18 resolution must be presented to the people at the 2006 general election. The question submitted  
1.19 must be:

1.20 "Shall the Minnesota Constitution be amended to dedicate revenue from a tax on the sale of  
1.21 new and used motor vehicles over a five-year period, so that after June 30, 2011, all of the revenue  
1.22 is dedicated 40 percent for public transit assistance and 60 percent for highway purposes?"

1.23 Yes .....

1.24 No ....."

- 2.1 BE IT FURTHER RESOLVED that the amendment to the Minnesota Constitution, proposed  
2.2 by the Legislature in 2005, as stated in Laws 2005, chapter 88, is withdrawn, and must not be  
2.3 submitted to the people.

## Constitutional Amendment to Dedicate MVST Supporters

*As of March 9, 2006*

### Advocacy Organizations

AAA Minneapolis  
 AAA Minnesota/Iowa  
 Alliance for Metropolitan Stability  
 American Council of Engineering Companies of Minnesota  
 American Society of Civil Engineers  
 Association of Metropolitan Municipalities  
 Building Owners & Managers Assn. (BOMA) Minnesota  
 Central Minnesota Transportation Alliance  
 City Engineers Association of Minnesota  
 Dakota Area Resources and Transportation for Seniors (DARTS)  
 Downtown Minneapolis Transportation Management Organization  
 Greater Saint Paul Building Owners & Managers Assn. (BOMA)  
 Highway 52 Freeway Partnership  
 Highway 55 Corridor Coalition  
 I-494 Corridor Commission  
 League of Minnesota Cities  
 LOCATE  
 Metro Transitways Development Board  
 Metropolitan Inter-County Association  
 Minneapolis Building Owners & Managers Assn. (BOMA)  
 Minneapolis Downtown Council  
 Minnesota Agri-Growth Council  
 Minnesota Asphalt Pavement Association  
 Minnesota Building Owners & Managers Assn. (BOMA)  
 Minnesota Business Partnership  
 Minnesota Concrete Pipe Association  
 Minnesota Center for Environmental Advocacy  
 Minnesota County Engineers Association  
 Minnesota Grain and Feed Association  
 Minnesota Holstein Association  
 Minnesota Laborers-Employer Cooperation Education Trust  
 Minnesota Public Transit Association  
 Minnesota Senior Federation  
 Minnesota Transportation Alliance  
 Minnesota Trucking Association  
 Minnesotans For An Energy-Efficient Economy  
 Municipal Legislative Commission  
 National Assn. of Industrial and Office Properties  
 North Metro Mayors Association  
 Regional Council of Mayors  
 Securian Financial Group  
 Sierra Club, North Star Chapter  
 State Farm Mutual Automobile Insurance Co.  
 Southwest Corridor Transportation Coalition  
 Suburban Transit Association  
 The I-35W Solutions Alliance  
 Transit for Livable Communities  
 Women's Transportation Seminar, Minnesota Chapter

### Business

Best Buy Co., Inc  
 Carlson Companies  
 Davisco Foods International Inc.  
 Ecolab Inc.  
 Federated Insurance Companies  
 Flint Hills Resource LP  
 Hormel Foods Corporation  
 LDI Fibres  
 Liberty Diversified Industries, Inc.  
 Lumberman's Underwriting Alliance  
 M&I Bank  
 Marquette Financial Services  
 Marvin Windows and Doors  
 Medtronic, Inc.  
 Michael Foods, Inc  
 Northern Con-AGG, Inc.  
 Northern States Bank  
 Northern States Supply  
 Northstar Partners  
 Piper Jaffray Company  
 Select Comfort Corporation  
 SJE-Rhombus Controls  
 T.C. Field & Company  
 Target Corporation  
 The Schwan Food Company  
 Thrivent Financial for Lutherans  
 Wells Fargo Bank, Minnesota, N.A.

### Chambers of Commerce

Anoka Area Chamber of Commerce  
 Austin Area Chamber of Commerce  
 Burnsville Chamber of Commerce  
 Cambridge Area Chamber of Commerce  
 Chanhassen Chamber of Commerce  
 Claremont Area Chamber of Commerce  
 Duluth Area Chamber of Commerce  
 Edina Chamber of Commerce  
 Elk River Area Chamber of Commerce  
 Faribault Area Chamber of Commerce & Tourism  
 Greater Mankato Area Chamber of Commerce  
 Hermantown Area Chamber of Commerce  
 I-94 West Chamber of Commerce  
 International Falls Area Chamber of Commerce  
 Marshall Area Chamber of Commerce  
 Minneapolis Regional Chamber of Commerce  
 Minnesota Chamber of Commerce  
 North Hennepin Area Chamber of Commerce  
 Northern Dakota County Chamber of Commerce  
 Northfield Area Chamber of Commerce  
 Owatonna Area Chamber of Commerce & Tourism  
 Red Wing Chamber of Commerce  
 Redwood Area Chamber & Tourism  
 Richfield Chamber of Commerce

## Transportation Industry (Con't)

Cobb Strecker Dunphy and Zimmerman  
Concrete Paving Association of Minnesota  
Construction Career Training Program  
Costas, Inc.  
Cretex Concrete Products North  
C.S. McCrossan Inc.  
Duininck Brothers  
Edwards and Kelcey Inc.  
Engineering America, Inc.  
Eale-Tec Engineering, Inc.  
George F. Cook Construction Co  
Geyer Signal  
Graham Penn-Co  
Grande American Bus Sales  
H&R Const. Co.  
Hakanson Anderson Assoc. Inc.  
Hardrives, Inc.  
Hayden-Murphy Equipment Co. Inc.  
HDR Inc  
Highway Construction Industry Council  
HNTB Corporation  
Holte Contracting  
Hoover Construction  
Howard R. Green  
IWCO Direct  
Johnson Wilson Constructors, Inc.  
Kadmas, Lee & Jackson  
KGM Contractors Inc  
Kraus-Anderson  
Laidlaw Transit Services  
LeFebvre Companies, Inc.  
LB Inc.  
L.M.A. Mortenson  
Magney Construction Inc.  
Martin Marietta Materials  
Mathiowetz Construction Company  
Mathy Construction Company  
Mead & Hunt  
Midstate Reclamation  
Midstate Trucking  
Midwest Contracting LLC  
Minnesota Petroleum Service  
North Central Aggregates  
North Central Cement Council

## Transportation Industry (Con't)

Northland Constructors  
Oldcastle Precast  
Orion Search Group  
Palmer Soderberg Inc.  
Parsons Brinckerhoff Quade & Douglas, Inc.  
PCL  
Progressive Consulting Engineers, Inc.  
Progressive Contractors Inc.  
R and G Construction Co.  
RJ Ahmann  
Ray Riihiluoma Inc.  
Reilly Construction  
Road Machinery & Supplies Co.  
Robert C. Carlstrom Co.  
Ruffridge Johnson Equipment Co Inc  
Ryan Companies  
Safety Signs  
SEH, Inc.  
Sellin Brothers, Inc.  
Shafer Contracting Co. Inc.  
Shamrock Disposal  
Simplex Construction Supplies  
South Minnesota Lubes  
SRF Consulting Group  
Sumiden Wire Products Corporation  
TFE Toro Express  
The Hathor Group  
Tiller Corporation  
TKDA  
Tower Asphalt  
Ulland Brothers  
United Rentals Highway Technologies  
URS Corporation  
Valley Paving  
Vermeer Sales & Service  
Watson-Forsberg Co.  
Weis Builders, Inc.  
Wells Concrete Products  
Western Steel  
Wheeler Consolidated Inc  
Wm Mueller & Sons, Inc.  
WSB & Associates, Inc.  
Yaggy Colby Associates  
Ziegler Inc.

8



## Support a Change in the MVST Constitutional Amendment

### Current Amendment:

Shall the Minnesota Constitution be amended to dedicate revenue from a tax on the sale of new and used motor vehicles over a five-year period, so that after June 30, 2011, all of the revenue is dedicated at least 40 percent for public transit assistance and not more than 60 percent for highway purposes?

### Why does the CGMC want a change in the current language of the MVST constitutional amendment?

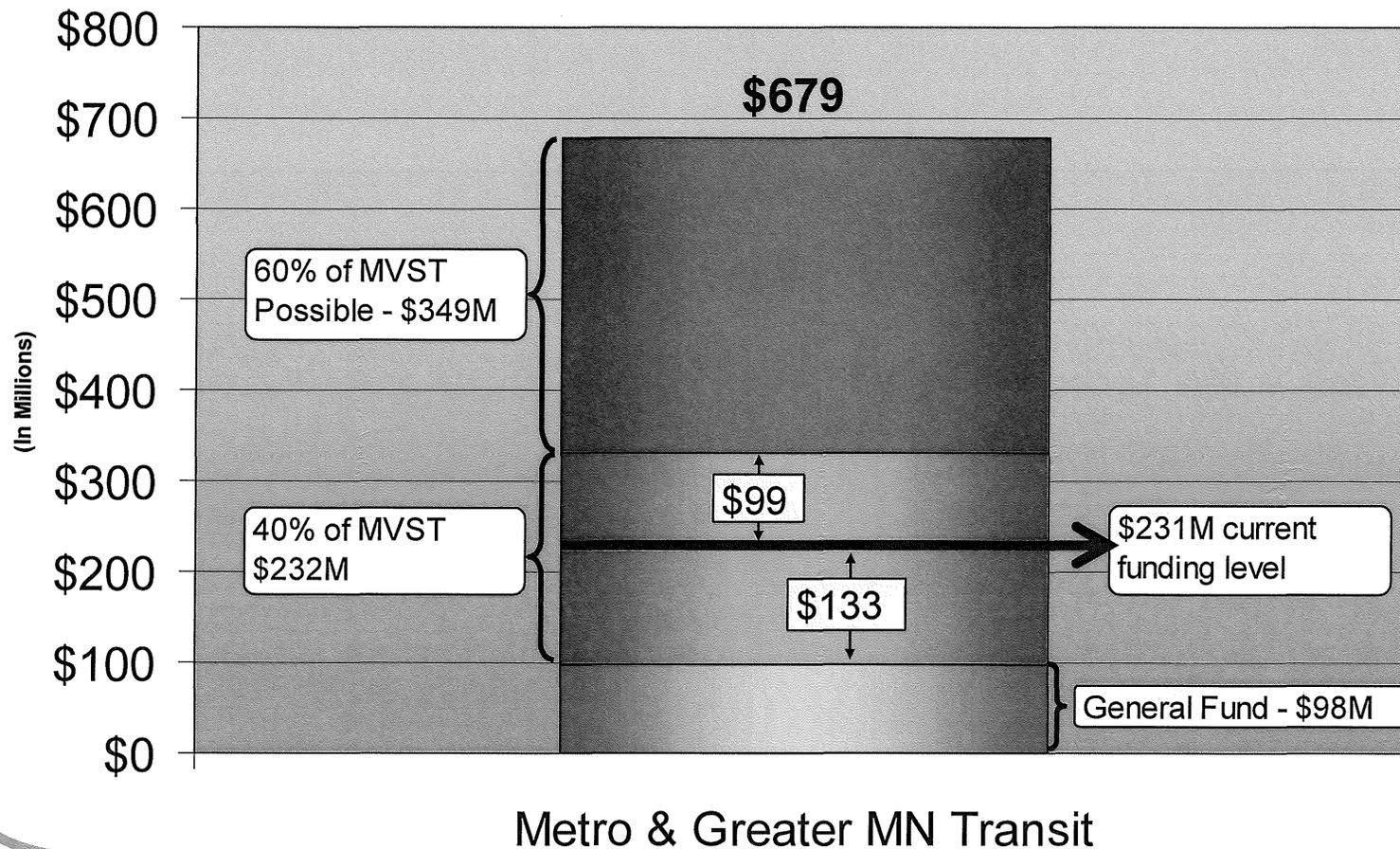
- Current language is unclear and misleads the public
- Current language guarantees 40 percent of MVST revenue for transit but does not guarantee any funding for roads through the Highway User Tax Distribution Fund
- Current language could allow all 60 percent of non-guaranteed highway funding to fund large metro projects such as the Light Rail between Minneapolis and St. Paul or the 35 Crosstown project

**Support H.F. 3048 (Lanning, Sviggum, Holberg, Solberg, Hosch, Demmer and Magnus)/S.F. 2446 (Langseth, Day, Senjem, Sparks, Skoe) to guarantee 60 percent of MVST revenue to roads through the Highway User Tax Distribution Fund.**

**All Greater Minnesota legislators should support these bills!**

CGMC also supports a bill, S.F. 2444 (Skoe)/H.F. 2915 (Gunther) that would seek to change the constitutional amendment as in the Langseth/Lanning bill, by joint resolution.

# Potential Transit Funding, w/passage of Constitutional Amendment



Based on 2007 MVST Revenue

# 60% of MVST Revenues

- Potential Uses
  - Transit
    - LRT, Central Corridor, Express Bus-ways, Commuter Rail, North star
  - Other “Transportation”
    - Bike paths, state bureaucracy
  - Roads
    - HUTDF, “special” highway projects

## ***Constitutional Amendment Proposal***

*An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, two sections will be added to article XIV to read:*

*Section 12. Beginning with the fiscal year starting July 1, 2007, 63.75 percent of the revenue from a tax imposed by the state on the sale of a new or used motor vehicle must be apportioned for the transportation purposes described in section 13, then the revenue apportioned for transportation purposes must be increased by ten percent for each subsequent fiscal year through June 30, 2011, and then the revenue must be apportioned 100 percent for transportation purposes after June 30, 2011.*

*Section 13. The revenue apportioned in section 12 must be allocated for the following transportation purposes: not more than 60 percent must be deposited in the highway user tax distribution fund, and not less than 40 percent must be deposited in a fund dedicated solely to public transit assistance as defined by law.*

### ***Proposed MVST Constitutional Amendment Ballot Question***

*Shall the Minnesota Constitution be amended to dedicate revenue from a tax on the sale of new and used motor vehicles over a five-year period, so that after June 30, 2011, all of the revenue is dedicated at least 40 percent for public transit assistance and not more than 60 percent for highway purposes?*

*Yes ..... No ....."*



**Resolutions passed in support of  
changing the language of the  
Motor Vehicle Sales Tax (MVST)  
constitutional amendment**

**Owatonna  
Alexandria  
Crookston  
Detroit Lakes  
Hoyt Lakes  
International Falls  
New Ulm  
Thief River Falls  
Worthington  
Fargo-Moorhead Chamber of Commerce**

# OWATONNA

## RESOLUTION NO. 16-06

A RESOLUTION IN SUPPORT OF A CHANGE IN THE PROPOSED CONSTITUTIONAL AMENDMENT THAT DEDICATES MOTOR VEHICLE SALES TAX (MVST) TO TRANSPORTATION

WHEREAS, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state; and

WHEREAS, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens; and

WHEREAS, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro; and

WHEREAS, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota; and

WHEREAS, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation; and

WHEREAS, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding; and

WHEREAS, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area projects; and

WHEREAS, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund; and

WHEREAS, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment; and

WHEREAS, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund; and

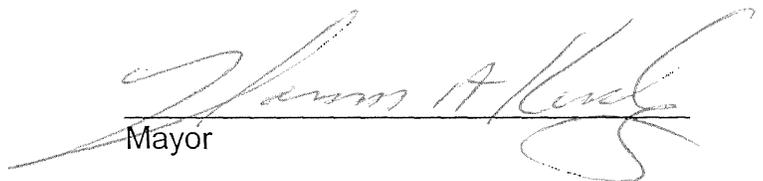
WHEREAS, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Owatonna

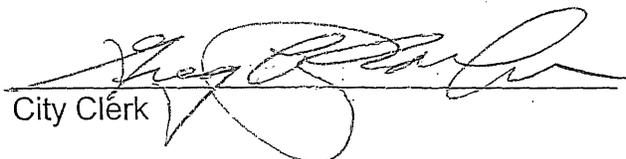
1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.
2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

Passed and adopted this 7th day of March, 2006, with the following vote: Aye 6; No 0; Absent 1.

Approved and signed this 7th day of March, 2006.

  
Mayor

ATTEST:

  
City Clerk

# ALEXANDRIA

## RESOLUTION NO. 06- 21

### RESOLUTION SUPPORTING COALITION OF GREATER MINNESOTA CITIES POSITION ON TRANSPORTATION FUNDING

**WHEREAS**, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state, and

**WHEREAS**, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens, and

**WHEREAS**, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro, and

**WHEREAS**, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota, and

**WHEREAS**, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation, and

**WHEREAS**, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding; and

**WHEREAS**, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area projects; and

**WHEREAS**, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund; and

**WHEREAS**, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment; and

**WHEREAS**, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund; and

**WHEREAS**, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Alexandria, Minnesota:

1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.
2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

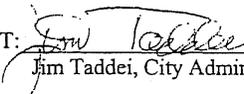
**ADOPTED** by the Alexandria City Council on this 27<sup>th</sup> day of February, 2006, by the following vote:

**YES:** KALPIN, CARLSON, WEISEL, BENSON, FRANK

**NO:** NONE

**ABSENT:** NONE

  
\_\_\_\_\_  
H. Dan Ness, Mayor

**ATTEST:**   
Jim Taddei, City Administrator

# City of Crookston

RESOLUTION NO. \_\_\_\_\_

At a Second Regular Meeting of the City Council of the City of Crookston held on the 28<sup>th</sup> day of February, 2006, Council Member \_\_\_\_\_ offered the following resolution which was seconded by Council Member \_\_\_\_\_.

Whereas, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state, and

Whereas, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens, and

Whereas, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro, and

Whereas, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota, and

Whereas, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation, and

Whereas, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding, and

Whereas, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area projects, and

Whereas, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund, and

Whereas, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment, and

Whereas, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund, and

Whereas, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota.

**NOW, THEREFORE, It is resolved by the City Council of Crookston, Minnesota:**

1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.

- 2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
- 3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

Council Members	Ayes	Nays	No Vote
Buness	✓		
Mjoen	✓		
Mykleseth	absent		
Melbye	✓		
Manole	✓		
Vedbraaten	✓		
Genereux	✓		
Lindgren	✓		
Osborne			

Upon the call of ayes and nays the vote stood as follows:

Council Members voting in the affirmative:

Council Members voting in the negative:

Upon this vote, the Mayor declares this resolution \_\_\_\_\_ and, if passed, effective upon the Mayor's signature this \_\_\_\_\_ Day of \_\_\_\_\_,

2006, at

Attest:

 Mayor  
 Donald A. Osborne

\_\_\_\_\_  
 Betty J. Arvidson Clerk-Treasurer

# DETROIT LAKES

## RESOLUTION NO. 2006-

### **RESOLUTION IN SUPPORT OF CHANGING THE PROPOSED CONSTITUTIONAL AMENDMENT DEDICATING 100% OF SALES TAX ON MOTOR VEHICLES (MVST) TO TRANSPORTATION**

WHEREAS, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state;

WHEREAS, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens;

WHEREAS, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro;

WHEREAS, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota;

WHEREAS, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation;

WHEREAS, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding;

WHEREAS, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area projects,

WHEREAS, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund;

WHEREAS, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment;

WHEREAS, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund;

WHEREAS, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota;

NOW, THEREFORE, BE IT RESOLVED that the City of Detroit Lakes hereby supports dedicating all Motor Vehicle Sales Tax revenue for transportation.

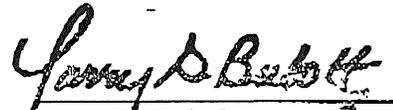
BE IT FURTHER RESOLVED that the City of Detroit Lakes hereby supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.

BE IT FURTHER RESOLVED that the City of Detroit Lakes hereby supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

Passed and adopted this 7<sup>th</sup> day of March, 2006.

Approved this 7<sup>th</sup> day of March, 2006.

  
Richard Grabow, City Administrator

  
Larry G. Buboltz, Mayor

**City of Hoyt Lakes  
Resolution 2006-002**

**A Resolution In Support of Revising the Proposed Constitutional  
Amendment on Transportation Funding.**

**Whereas**, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state;

**Whereas**, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens;

**Whereas**, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro;

**Whereas**, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota;

**Whereas**, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation;

**Whereas**, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding;

**Whereas**, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area projects;

**Whereas**, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund;

**Whereas**, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment;

**Whereas**, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund;

Whereas, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota;

**NOW, THEREFORE, Be It Resolved That the Hoyt Lakes Council:**

1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.
2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

Adopted, and approved by the City Council of the City of Hoyt Lakes, this 28<sup>th</sup> day of February 2006.

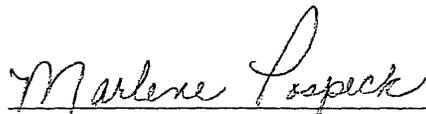
Attest:

Approved:



---

Richard J. Bradford  
City Administrator



---

Marlene Pospeck  
Mayor

# INTERNATIONAL FALLS

## Resolution #07-06: A resolution in support of dedication of Motor Vehicle Sales Tax revenue

Resolution Offered by Councilor: McBride

Resolution Supported by Councilor: Eklund

**Whereas**, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state;

**Whereas**, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens;

**Whereas**, transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro;

**Whereas**, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota;

**Whereas**, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation;

**Whereas**, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding;

**Whereas**, the Motor Vehicle Tax Distribution revenue is not guaranteed to be distributed through the Highway Users Tax Distribution Fund and therefore, all revenue could be used to meet the transit and highway needs of major metro area projects;

**Whereas**, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee 60 percent of MVST revenue to highway funding through the Highway Users Tax Distribution Fund;

**Whereas**, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote for it, endangering the success of the entire amendment;

**Whereas**, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway Users Tax Distribution Fund;

Whereas, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota;

**NOW, THEREFORE, Be It Resolved:** that the city of International Falls

1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.
2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST be used for transit.

Ayes: Eklund, McBride, Rognerud, Torseth, Mason

Nays: none

Abstained: none

Absent: none

Approved and adopted on the 21st day of February 2006.



Shawn Mason, Mayor

Attest:



Rodney Otterness, City Administrator

# NEW ULM

## RESOLUTION No. 06 - 35

Councilor Webster offered the following resolution and moved its adoption:

**WHEREAS**, a well planned and well funded Minnesota transportation system is essential to the flow of goods and people throughout the state; and

**WHEREAS**, large state population growth is putting great amounts of stress on all Minnesota roads and affecting the safety of our citizens; and

**WHEREAS**, large transportation infrastructure is necessary for the economic growth of Minnesota cities, both rural and metro; and

**WHEREAS**, in 2005, 70 percent of motor vehicle fatalities occurred in rural Minnesota; and

**WHEREAS**, the Minnesota Legislature passed a constitutional amendment that gives 100 percent of Motor Vehicle Sales Tax revenue to transportation; and

**WHEREAS**, the current proposed constitutional amendment guarantees 40 percent of the Motor Vehicle Sales Tax revenue to transit but guarantees no revenue to highway funding; and

**WHEREAS**, the Motor Vehicle Sales Tax revenue is not guaranteed to be distributed through the Highway User Tax Distribution Fund and therefore, all revenue from the 60 percent highway guideline could be used to meet the transit and highway needs of major metro area project; and

**WHEREAS**, Greater Minnesota may receive no additional highway funding through this constitutional amendment unless the language of the amendment is changed to guarantee that 60 percent of MVST revenue be distributed through the Highway User Tax Distribution Fund; and

**WHEREAS**, the proposed constitutional amendment is ambiguous and misleading and will make the public less apt to vote it, endangering the success of the entire amendment; and

**WHEREAS**, it was the understanding of most legislators that the language of the proposed constitutional amendment contained a 60 percent guarantee of funding to highways through the Highway User Tax Distribution Fund; and

**WHEREAS**, it is necessary that the constitutional amendment meet all transportation needs of the state and adequately protect the transportation needs of Greater Minnesota; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of New Ulm, Brown County, Minnesota

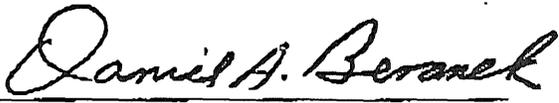
1. Supports dedicating all Motor Vehicle Sales Tax revenue for transportation.

- 2. Supports changing the proposed constitutional amendment in the 2006 legislative session so that 60 percent of the Motor Vehicle Sales Tax revenue is distributed for roads through the Highway User Tax Distribution Fund and 40 percent is dedicated for transit.
- 3. Supports a bill in the 2006 legislative session that would require by law that, if the MVST constitutional amendment is approved by the voters, 60 percent of MVST revenues be distributed through the Highway Users Tax Distribution Fund and 40 percent of MVST revenue be used for transit. Metro transit should be allocated 36 percent of MVST revenue with four percent allocated to Greater Minnesota transit.

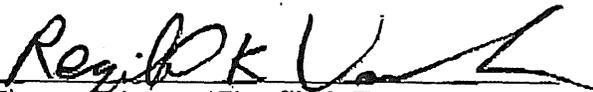
The motion for the adoption of the foregoing resolution was duly seconded by Councilor Weinkauff and, the roll being called, the following vote was recorded:

Voting Aye: Councilors Tuttle, Webster, Weinkauff and President Beranek.  
 Voting Nay: None.  
 Not Voting: Councilor Fleischmann, *absent*.

Whereupon said resolution was declared to have been duly adopted this 7th day of March, 2006.

  
 \_\_\_\_\_  
 President of the City Council

Attest:

  
 \_\_\_\_\_  
 Finance Director/City Clerk-Treasurer

The above resolution approved March 7, 2006.

  
 \_\_\_\_\_  
 Mayor

**CITY OF THIEF RIVER FALLS  
COUNCIL MEETING  
FEBRUARY 28, 2006**

**RESOLUTION NO. 2-49-06: RESOLUTION IN SUPPORT OF AMENDMENT TO  
PROPOSED CONSTITUTIONAL AMENDMENT REGARDING SALES TAX ON  
MOTOR VEHICLES**

The City Council reviewed a letter from the Coalition of Greater Minnesota Cities requesting support for an amendment increasing funding toward highways from the motor vehicle sales tax collected. Following discussion, Councilmember Blacklance introduced Resolution No. 2-49-06, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to contact our county officials and Chamber of Commerce officials indicating the City's support for a change to the proposed constitutional amendment that will guarantee 60% of the motor vehicle sales tax for highways in the same way 40% is already guaranteed in the amendment for transit.

On vote being taken, the resolution was unanimously passed by the seven members present.

# WORTHINGTON

## RESOLUTION

### MVEST CONSTITUTIONAL AMENDMENT

**WHEREAS**, current language in the MVEST Constitutional Amendment can be interpreted to allow as much as 100% of the MVEST funds to be spent on transit while at the same time seems to restrict transportation funding to 60% of the revenue; and

**WHEREAS**, the City of Worthington elected officials do not support the MVEST in its current form.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA:**

1. That the City of Worthington elected officials support at a minimum a "STATUTORY FIX" to this problem prior to submitting the amendment for a vote.
2. That the City of Worthington elected officials prefer that the amendment be rewritten to clarify the confusing language as a part of the amendment; and
3. That the City of Worthington elected officials have a concern that the MVEST amendment seems to leave a \$300 million hole in the future general fund budget. Should the MVEST amendment pass as is the State Legislature should clearly define how it will fill this budget shortfall.

Adopted by the City council of the City of Worthington, Minnesota this 13<sup>th</sup> day of March, 2006.

(SEAL)

  
\_\_\_\_\_  
Mayor

Attest:   
\_\_\_\_\_  
City Clerk

## Fargo Moorhead Chamber of Commerce

<http://www.fmchamber.com/government/publicaffairs.html#proposed>

### Proposed Constitutional Amendment Impacts Transportation in Minnesota

Proposed Constitutional Amendment Impacts Transportation in Minnesota In the November 2006 election cycle, Minnesota residents will have the opportunity to vote on a proposed constitutional amendment to dedicate 100 percent of Motor Vehicle Sales Tax (MVST) revenue to transportation funding. The wording of the proposed amendment is at issue and is currently being addressed by the Chamber Public Affairs committee. As it is currently worded, the amendment reads:

*"Shall the Minnesota Constitution be amended to dedicate revenue from a tax on the sale of new and used motor vehicles over a five-year period, so that after June 30, 2011, all of the revenue is dedicated at least 40 percent for public transit assistance and not more than 60 percent for highway purposes?"*

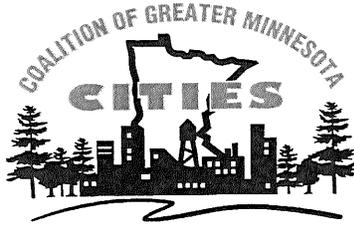
The Coalition of Greater Minnesota Cities is advocating for a change to the language that would clearly dedicate a minimum amount of funding for highways. Representatives of the Coalition have expressed that there could be serious implications for greater Minnesota if the amendment goes to the voters as it is currently written. Because the language expressly dedicates at least 40 percent of MVST revenue to transit, but does not guarantee any allocation to highway funding, there is concern that such language makes it possible for the entire amount, estimated at nearly \$300 million, to be dedicated to transit.

The Minnesota Chamber of Commerce has addressed concerns that have been raised about the wording of the ballot question. Chamber representatives have agreed that the wording is not perfect, have expressed a strong belief that this is a long-sought after opportunity to dedicate MVST money to transportation that will not come again any time soon.

At their December meeting, the Public Affairs committee approved the following motion, which has been brought before the Board of Directors:

"To not accept the constitutional amendment language dedicating MVST revenue to transportation and transit funding] in its current form, and to recommend the Minnesota Chamber of Commerce work with the Coalition of Greater Minnesota Cities, the League of Minnesota Cities and other parties to craft a legislative solution to fund transportation."

It appears that bills will be introduced early in the 2006 legislative session that would either change the ballot wording, or enact a "legislative intent" measure that will govern the allocation of MVST resources, should the ballot initiative pass in the November election. (contents)



(D)

## **Newspaper editorials and articles on the proposed Motor Vehicle Sales Tax (MVST) constitutional amendment**

### ***Rochester Post Bulletin*    March 7**

“...to amend the constitution with bad language is a mistake.”

“The intent of a beneficial constitutional amendment has been muddied by poor language. It’s a problem that must be fixed.”

### ***Saint Paul Pioneer Press*    March 12**

“Going to an amendment is not a remedy, it is an abuse of the governing process.”

### ***Worthington Daily Globe*    March 7**

“There is nothing in the current amendment language that would prevent 100 percent of MVST money going to metro transit projects.”

“But in its present form, it will face considerable opposition. It needs to be fixed now, or it shouldn’t pass anyway. Constitutional amendments last for generations. It’s important that if we’re going to change the constitution, we get it right.”

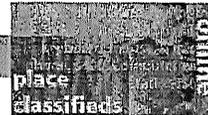
### ***Mankato Free Press*                    March 5**

“Through a bit of politics and inattentiveness, the Legislature put on the ballot for this fall a constitutional amendment that appears to be good for road funding, but in reality could be disastrous for outstate Minnesota roads.”

### ***Bemidji Pioneer*                            December 25    (Guest column by CGMC)**

“Politicians will tell you that ‘the devil is in the details’. The noblest sounding plans are sometimes less than what they first seemed to be when you examine their inner workings.”

Packet contents include editorials and articles from:  
*Rochester Post-Bulletin, Pioneer Press, Worthington Daily Globe, Mankato Free Press,*  
and the *Bemidji Pioneer.*



51°F Clear  
HI: 50 / LO: 37

Forecast: Partly Cloudy [Details]

Prostitution sting pays off

Search last 60 d

LocalNews LocalSports Business At Home Opinions EXTRAS Contact Us Classifieds Jobs Cars Real Estate

Logged in

## Editorial: Transportation ballot issue needs fixing

Tue, Mar 7, 2006

[Review this story](#)

[E-mail this story](#)

On the November ballot, voters will be asked to support a constitutional amendment that would dedicate 100 percent of the motor vehicle sales tax collections to transportation.

The intent makes sense. Unfortunately, there is a major problem with the ballot language that must be changed.

If the language does get fixed, then a yes vote would improve the state's roads and public transportation. Currently, however, the language is a deception.

As is, the language asks if voters would dedicate to transportation "at least 40 percent for public transit assistance and not more than 60 percent for highway purposes?"

The mistake is slight, but crucial. The phrase "at least 40 percent" could mean that transit funding levels be between 40 percent and 100 percent.

For highway purposes, the phrase "not more than 60 percent" could mean that zero dollars are spent in any budget cycle on highways.

It is the Twin Cities metropolitan area that gains the most from transit spending. Rochester and southern Minnesota stand to gain more from highway spending.

The current ballot language spells trouble for Rochester.

It is certain that Minnesota needs to maintain its highway infrastructure: One way to do it is for voters to pass a constitutional amendment dedicating vehicle tax revenue to transportation spending, but to amend the constitution with bad language is a mistake.

There are currently two bills to make corrections to the language. One version is a joint House-Senate resolution. A resolution would not require the governor's signature. Another corrective version would come in bill form and would require the governor's signature.

A bill could be susceptible to amendments that propose things such as a gas tax. Would Gov. Tim Pawlenty sign a language change that also comes with a tax increase? In an election year, such an approach is political gamesmanship and likely not very productive. The resolution is the better solution.

### Reader Reviews

164222 - 03/07/2006

The editorial board is correct that this needs to be fixed. I would encourage voters to approve the constitutional amendment, but only after it has been fixed. My last conversation a week ago with Sen. Murphy who is the chair of the transportation committee in the Senate was that he did not think it was necessary to clarify the language. I would encourage everyone to call his office to ask him to please get this done. Bill Kuisle

[Review this story](#)



A March 24 event from 2 p.m. to 4 p.m. at the Government Center in Rochester, sponsored by groups supportive of the amendment, offers voters a chance to learn more about the issue. The problem of the ballot language should be discussed, along with the benefits of dedicated transportation spending.

The intent of a beneficial constitutional amendment has been muddied by poor language. It's a problem that must be fixed.

#### More Stories

- Law school professors should have given themselves better advice
- Nancy Hengeveld: Scuba diving opens the door to a whole new world
- Opt for the 'automatic IRA'
- Editorial: Water park a risky idea

# EDITORIAL

## The itch to amend

Is Minnesota's legendary good government suffering from an outbreak of amendmentitis?

The intentional, highly political tension over whether to send to voters an amendment banning same-sex marriage provokes the question. So does the first constitutional amendment proposal to make it to the statewide ballot since 1998. That ballot measure asks whether to dedicate all sales tax money from motor vehicles to transportation.

Minnesota voters will have at least the sales tax dedication amendment on their ballots in November. If various legislators and interest groups have their way, other proposals to change the state's basic legal framework will go to the public to be adopted or rejected. Most recently, for example, DFL gubernatorial candidate Becky Lourey's health care proposals include a call for a constitutional amendment that makes health care a "basic right" in Minnesota. Lawmakers seem to be moving directly toward sending voters an amendment with some form of dedicating some sales tax money to outdoors programs and projects.

### Amendments by the numbers

#### ■ SINCE STATEHOOD

Total sent to voters	<b>211</b>
Distinct amendment proposals	<b>177 *</b>
Adopted by voters	<b>118</b>

\*Others submitted multiple times.

#### ■ LONGEST PERIOD WITHOUT PROPOSALS..... 1999-2004

#### ■ IN RECENT YEARS

1980	5 on ballot	1 adopted
1982	4 on ballot	1 adopted
1984	2 on ballot	2 adopted
1988	3 on ballot	3 adopted
1990	1 on ballot	1 adopted
1994	1 on ballot	1 adopted
1996	2 on ballot	2 adopted
1998	3 on ballot	3 adopted

Source: Minnesota Legislative Manual, 2005-2006  
PIONEER PRESS

What's happening? Does the current state of politics encourage junking up the Minnesota Constitution because elected leaders are unable to make consensus decisions on everything from transportation funding to social policy?

Is there a trend toward more amendment proposals? Are the ones that make it to the ballot skewed toward driving voter turnout with hot-button issues rather than toward structural changes need to make government work better?

You betcha there's some constitutional junk. But it isn't accumulating at an alarming rate, just an annoying one so far. The challenge is to resist the trivial and insist the Legislature do its job rather than punt on what it can decide through statute.

A look back at constitutional amendment measures shows Minnesota's Legislature didn't send a single one to the ballot between 1998 and 2005, when it approved the motor vehicle sales tax dedication measure. Since 1980, 22 amendment proposals have made it to the ballot, including the one for November 2006. Constitutional scholars say this is a low-to-average amount compared with other amendment activity around the country.

One reason for the moderation is it's rightly hard to pass constitutional amendments. For more than a century, it has required a majority of all people voting, not just a majority of those who vote on the amendment question, must say "yes" for a constitutional amendment to be adopted. In 1974, voters turned down a measure that would have loosened the requirement to a majority of votes cast on the amendment question. That same year, voters said "yes" to revising the overall constitution to tidy the old document for modern use and bring it into compliance with the federal one-person, one-vote requirements.

There are other structural adjustments and clearly necessary changes, such as the amendment when the state wanted to legalize gambling or to abolish the state treasurer's job.

Two aspects of constitutional politics, though, are troubling.

One is hot-button politics. This stuff saps time, energy. Minnesotans, who do love the outdoors and have avid sportsmen and women, didn't need an amendment to "preserve" the hunting and fishing heritage. But in 1998 we got one anyway.

The frenzy of the moment is whether Minnesota needs a constitutional amendment defining marriage as between one man and one woman rather than the statute of the same definition. The House, which is controlled by Republicans, has passed this proposal and is demanding that the DFL-controlled Senate take a vote, which would likely fail and give same-sex marriage opponents a sound bite to use against senators who voted no. This is cynical. And it is part of a national trend in cultural warfare.

Wisconsin voters will have a same-sex marriage ban on the ballot in November, following 15 other states with similar constitutional amendments and three others that refused to recognize same-sex marriages performed elsewhere.

The other troubling aspect of amendment politics reveals itself in the motor vehicle sales tax amendment that will appear on November ballots. It is being sent out to the people because the Legislature failed in its duty to provide an adequate long-term transportation funding law last year — or for many years before that.

The sales tax dedication question — and a bonding proposal that would rely on the money gathered if the amendment passes — represent a failure to act on a difficult, costly problem. Going to an amendment is not a remedy, it is an abuse of the governing process.

Minnesota doesn't have acute amendmentitis. But it needs to tend to early symptoms.

### WISDOM TO KNOW THE DIFFERENCE

"Our major obligation is not to mistake  
slogans for solutions."

Edward R. Murrow

American journalist, 1908-1965

# Daily Globe

## **40/60 amendment needs amending**

*Daily Globe*

*Worthington Daily Globe - 03/07/2006*

Efforts are now under way in the newly-convened 2006 Minnesota legislative session to amend language for a proposed constitutional amendment setting aside Motor Vehicle Sales Tax money to transportation. We have said before, and we'll say again — the amendment language guaranteeing at least 40 percent of MVST money to transit and no more than 60 percent to highways must be changed.

If the language is not changed, highway projects could conceivably be left out in the cold. There is nothing in the current amendment language that would prevent 100 percent of MVST money going to metro transit projects.

One plan is to guarantee exactly 40 percent for transit and exactly 60 percent for highways, with road dollars distributed through the Highway Users Tax Distribution Fund. Such a change would leave no room for doubt, with little opportunity to play politics.

It should not be an easy thing to change a state constitution, but transportation projects have gone unfunded for years because the Legislature cannot agree on a comprehensive plan. There is no reason to believe that will change in the near future, but a constitutional amendment will provide money where it is desperately needed.

A corrected 40/60 amendment still allows for decisions to be made as needs occur. Conceivably, it allows for more highway projects to be completed in rural Minnesota, where they've been delayed for years if not decades. But metro highways would be equally eligible for the funds; indeed, congestion issues in the Twin Cities area beg to be addressed, too. One study has indicated that it will cost \$27 billion to address Twin Cities transportation needs over the next 20 years.

Correcting the flawed amendment language won't guarantee passage, and if it fails to pass, those pushing for the change might be blamed for its failure. But in its present form, it will face considerable opposition. It needs to be fixed now, or it shouldn't pass anyway.

Constitutional amendments last for generations. It's important that if we're going to change the constitution, we get it right.



## Our View -- Amendment needs change

March 9, 2006

CNHI News Service

— Through a bit of politics and inattentiveness, the Legislature put on the ballot for this fall a constitutional amendment that appears to be good for road funding, but in reality could be disastrous for outstate Minnesota roads.

When the Republican-controlled Minnesota House of Representatives sent a 10 cent gas tax bill to Gov. Tim Pawlenty that he immediately vetoed, they weren't ready for some unseen legal consequences.

The bill contained language to put up for a vote a constitutional amendment to dedicate the motor vehicle excise tax to roads and transit. The attorney general later ruled that Pawlenty's veto did not apply to the amendment language, so as it now stands, Minnesotans will be able to vote on the amendment this fall.

Legislators didn't pay that much attention to the language, some political observers say, because they knew Pawlenty would veto the bill.

The language states transit programs can get no less than 40 percent of the money and roads no more than 60 percent. But what that actually means is this: Roads could get from zero to 60 percent of the money. It means transit gets at least 40 percent, no matter what.

And because much of road funding money goes to outstate Minnesota and very little of the transit funding goes to outstate Minnesota, the language in the bill is a double-whammy for outstate road funding.

Outstate Minnesota residents and business have much to be concerned about. Roads are the lifeblood of outstate Minnesota commerce. Farmers and other businesses need roads to get their products to markets. Average residents deserve good roads to get to the Twin Cities, where they spend money.

Other camps, including the Minnesota Chamber of Commerce, oppose changing the language, knowing that doing nothing probably guarantees approval of even the badly worded amendment in the fall and instantly brings \$300 million a year to Minnesota roads.

The risk of allowing much of the money to be used for metro projects is real. Experts say the Twin City metro area transportation funding needs could be as much as \$27 billion over the next 20 years. That's a lot of competition for money from an area that has a large number of legislators representing it.

The Coalition of Greater Minnesota Cities is pushing three possible solutions to the dilemma. The first calls for getting the House and Senate to pass a joint resolution to change the language in the constitutional amendment. This is the preferred method, because resolutions cannot be amended.

Part of the worry to opening up the debate again is that the vultures will start circling over a potential \$300 million a year in road funding. Special interests may want to amend the bill in various ways, thereby diluting the amount for roads.

The coalition also has supported a bill, not a resolution, recently introduced that would change the language of the constitution. This option is a bit more risky for outstate, because it could be amended to favor metro projects.

The third option would be to pass a separate bill into law that simply designates the percentage of funding for roads and transit. The drawback of this option is it could be changed year to year with the changing makeup of the Minnesota Legislature.

As the population moves to the metro area, outstate would likely get the short end of the funding stick.

Fortunately, the newly formed I-90 Coalition, a group of 30 southern Minnesota legislators from both parties and from both houses, could exercise their muscle on this legislation. In fact, it would be a good first test for the group and allow them to do a little chest pounding.

Acting together, across party lines, they may have enough votes to change the funding language.

Ultimately, creating an even playing field with regard to road funding was what the Legislature intended last year. It shouldn't be hard to do what they should have done.

Copyright © 1999-2005 cnhi, inc.



# Pioneer

THE PLACE TO BE FOR BEMIDJI INFORMATION

## Column: Highway funding must be dedicated

Sunday, December 25, 2005

By Joel Albrecht

President of the Coalition of Greater Minnesota Cities.

In politics, you should always read the fine print before you embrace the latest plan to make Minnesota a better place for humanity.

Politicians will tell you that "the devil is in the details." The noblest sounding plans are sometimes less than what they first seemed to be when you examine their inner workings.

It is that way with a proposed constitutional amendment that dedicates all of the sales tax on cars and trucks to maintaining our transportation system. That goal has eluded politicians and transportation advocates

including the Coalition of Greater Minnesota Cities

for years.

While we support constitutionally dedicating the motor vehicle sales tax to transportation, we also believe that it must be done properly. It makes little sense to address one problem while we continue to starve another.

That view apparently is not shared by everyone. Powerful groups

the Minnesota Chamber of Commerce and an assortment of transportation interest groups

are committed to spending up to \$3 million to convince voters next fall to approve the constitutional dedication of the sales tax.

They would have you believe that the coalition is endangering the constitutional amendment by worrying about the general fund's ability to absorb the lost revenue and "by quibbling over minor changes to the amendment's language."

Forecasting the state's revenues

especially revenues that will accrue to the general fund in three or four years

is about as exact a science as forecasting next year's weather. It is why the Legislature puts off its spending decisions until after the state's spring revenue forecast has been released.

In 2000, the Legislature was so convinced that the good times were here to stay that they chose a third round of tax cuts rather than putting money away for a rainy day. By 2003, the state was wallowing in a \$4.5 billion budget deficit.

It is true that economic forecasters are predicting that next year's general fund revenue growth will be enough to offset the revenue loss caused by the first stage of the sales tax transfer. But no one can say with any degree of

certainty that the growth in general fund revenue in later years will be enough to accommodate the constitutional transfer of the motor vehicle sales tax.

Even more troubling is the amendment's proposed language. If the amendment is approved in the 2006 general election, at least 40 percent of the sales tax proceeds will be dedicated to mass transit

mainly mass transit programs in the Twin Cities

and no more than 60 percent of the proceeds may be available for highway spending.

That language constitutionally guarantees sales tax funding for mass transit and limits the share that may be available for improving our highways. Theoretically, mass transit programs could receive all of the money generated by the sale on cars and trucks.

Those who are committed to passing the constitutional amendment would have you believe that our concern is of little consequence, that the Legislature is committed to making a portion of the sales tax available for highways.

We don't agree. The Legislature is a fickle institution that does not always honor its commitments. If it did, the constitutional dedication of the motor vehicle sales tax would not be necessary.

You must ask yourself if a Legislature that has been unable since 1988 to raise the gas tax to fix our highways will really be able to commit up to 60 percent of the sales tax for highway improvements. Will that Legislature be forced to divert more and more of the motor vehicle sales tax to pay for the bill that is coming due for commuter rail from Big Lake to Minneapolis? Where will it get enough money to operate an expanded light rail system between Minneapolis and St. Paul?

"Quibbling over minor changes to the amendments language?" Our issues are far more than trivial objections. While we support efforts to upgrade mass transit systems statewide, we do not believe they should be financed with money needed for our highway system.

Transportation

mass transit and highways

are under stress in Minnesota. We will not solve that problem by guaranteeing a level of sales tax funding for mass transit and not for highways.

New Ulm Mayor Joel T. Albrecht is president of the Coalition of Greater Minnesota Cities.

---

Content © 2006 Pioneer  
Software © 1998-2006 1up! Software, All Rights Reserved

# Daily Globe

## **Amendment language must be changed**

*Daily Globe*

*Worthington Daily Globe - 02/14/2006*

We agree with several rural legislators and the Coalition of Greater Minnesota Cities that the constitutional amendment to dedicate 100 percent of the motor vehicle sales tax (MVST) to transportation projects is flawed.

The language needs to be changed for the amendment to pass — or for it to be deserving of passage.

Currently, the amendment limits spending of tax proceeds to 60 percent for highways, roads and bridges while guaranteeing that at least 40 percent be spent on transit programs. While we agree that all these Minnesota projects are important and that it is unseemly to play metro projects against rural projects, it should be quite clear that the amendment language leaves too much to interpretation.

We already know from past experience that when transportation funding isn't written in precise language, all kinds of shenanigans can occur. Many outstate projects — including several in southwest Minnesota — have been neglected, delayed or abused before, only adding to the lack of trust now evident throughout this area. Should those of us who've already been burned blindly trust that the vague 40-60 language won't be twisted and turned in ways heretofore unforeseen?

The Minnesota Department of Transportation (MnDOT) didn't help the situation when it recently pushed the transfer of \$100 million from rural projects to delayed metro transportation projects. Certainly, many state leaders have come forward to make promises that all that money will be returned to where it came from. But in government, that's never 100 percent guaranteed. These are federal funds from a four-year transportation bill that have been moved, and due to passage of a budget reconciliation bill passed about two weeks ago, MnDOT has been told that Minnesota will now only be able to spend 85 percent of the original set-aside.

Where will that leave us?

Constitutional amendments are by their nature difficult to pass. It is questionable whether Minnesotans will want to pass the Minnesota amendment without feeling confident of what it will mean. By passing it, we already know that we will be borrowing money to improve our transportation system — \$2.5 billion over 10 years, in fact — and to borrow so much money against the future, it's only right that the rest of the story be spelled out more completely.

# Daily Globe

## Amendment under scrutiny

*Doug Wolter*

*Worthington Daily Globe - 02/13/2006*

WORTHINGTON — Supporters of a constitutional amendment to dedicate all motor vehicle sales tax (MVST) money to Minnesota transportation projects see it as the answer to years of funding frustrations.

In a recent appearance in Worthington, Republican Gov. Tim Pawlenty said he “can’t imagine anyone opposing” the measure. But the amendment, in its present form, is far from a certainty.

Announced on Feb. 1, it has already received considerable criticism from DFLers. And some Republicans from rural districts are growing wary of its language.

The Coalition of Greater Minnesota Cities has joined common cause with rural legislators to insist that the amendment’s language be changed. Currently, the constitutional question — to be decided by voters in November — guarantees the state’s transit programs no less than 40 percent of sales tax revenue while limiting highways, roads and bridges to no more than 60 percent. That’s far too vague, critics charge.

“If the proposed constitutional amendment is approved in its current form, all of the sales tax revenue could be dedicated to transit, and any highway sales tax funding could be limited to projects in the Twin Cities,” said John Sundvor, an advisor to the Coalition of Greater Minnesota Cities.

In a letter sent to legislators last month, New Ulm Mayor Joel Albrecht, Granite Falls Mayor David Smiglewski and Mankato City Administrator Pat Hentges wrote that the Coalition “will not support a constitutional amendment that does not address our highway needs.” Coalition members are seeking to change the amendment’s language to guarantee 40 percent of MVST funds to mass transit and 60 percent to highway projects.

The 2006 legislative session begins on March 1. A local lawmaker, District 22A Rep. Doug Magnus, R-Slayton, believes changes to the amendment are important.

“These transit folks are rascals. No less than 40 and no more than 60 means to me it could be 40 percent going to transit all the way to 100 percent,” he said.

The best option, Magnus believes, is to “make the 60 percent firm. A solid 60 percent.”

“I think that’s the best way to do it,” he said. “The other way to do it is put it into statute. But statutes don’t overrule the constitution. The constitution is the overriding document.”

Magnus said he would favor the amendment provided its language is changed. If it isn’t, he admitted, “Then that’s going to be a problem. ... I don’t really like it (as it is now). I’d like to see solid numbers in there so everybody knows the rules.”

District 22 Sen. Jim Vickerman, DFL-Tracy, announced last week that he opposes the amendment, in part, for the vagueness of the 40-60 language.

“About two-thirds of serious traffic accidents occur on rural roads, thanks in part to unsafe conditions like sharp curves and narrow lanes,” Vickerman said. “Neglecting the condition of rural roads is not just a slap in the face to rural communities; it is a monumental failure to address the core issue of the safety of our citizens.”

Pawlenty said he will ask the Legislature to agree to \$2.5 billion in state borrowing over 10 years, a plan dependent on the amendment passing. Under current law, only 54 percent of SVST money is set aside for highway and road improvements, but 100 percent would be used for transportation if the amendment succeeds.

Magnus said he and Pawlenty, whom he calls a personal friend, are not seeing completely eye-to-eye on the amendment issue. But he hopes that will change soon enough.

"I think he understands they need more funds in the transportation system and that the way to make it work is to bond those dollars," Magnus said. "And I agree with that. It takes a lot of money to build these roads."

He remains leery that rural Minnesota will get everything it needs.

"He's the governor for the whole state," Magnus said. "I'm a state representative, but I've got to stand up for my area."



1 ~~citation-for-a-violation-of-this-section-unless-the-officer~~  
2 ~~lawfully-stopped-or-detained-the-driver-of-the-motor-vehicle-for~~  
3 ~~a-moving-violation-other-than-a-violation-involving-motor~~  
4 ~~vehicle-equipment.~~ The Department of Public Safety shall not  
5 record a violation of this subdivision on a person's driving  
6 record.

7 Sec. 2. Minnesota Statutes 2004, section 171.05,  
8 subdivision 2b, is amended to read:

9 Subd. 2b. [INSTRUCTION PERMIT USE BY PERSON UNDER AGE 18.]

10 (a) This subdivision applies to persons who have applied for and  
11 received an instruction permit under subdivision 2.

12 (b) The permit holder may, with the permit in possession,  
13 operate a motor vehicle, but must be accompanied by and be under  
14 the supervision of a certified driver education instructor, the  
15 permit holder's parent or guardian, or another licensed driver  
16 age 21 or older. The supervisor must occupy the seat beside the  
17 permit holder.

18 (c) The permit holder may operate a motor vehicle only when  
19 every occupant under the age of ~~18~~ 15 has a seat belt or child  
20 passenger restraint system properly fastened according to  
21 sections 169.685 and 169.686. A person who violates this  
22 paragraph is subject to a fine of \$25 \$50. ~~A-peace-officer-may~~  
23 ~~not-issue-a-citation-for-a-violation-of-this-paragraph-unless~~  
24 ~~the-officer-lawfully-stopped-or-detained-the-driver-of-the-motor~~  
25 ~~vehicle-for-a-moving-violation-as-defined-in-section-171.047~~  
26 ~~subdivision-1~~ A passenger who is at least 15 years of age is  
27 subject to the requirements and penalty of section 169.686. The  
28 commissioner shall not record a violation of this paragraph on a  
29 person's driving record.

30 (d) The permit holder must maintain a driving record free  
31 of convictions for moving violations, as defined in section  
32 171.04, subdivision 1, and free of convictions for violation of  
33 section 169A.20, 169A.33, 169A.35, or sections 169A.50 to  
34 169A.53. If the permit holder drives a motor vehicle in  
35 violation of the law, the commissioner shall suspend, cancel, or  
36 revoke the permit in accordance with the statutory section

1 violated.

2 Sec. 3. Minnesota Statutes 2004, section 171.055,  
3 subdivision 2, is amended to read:

4 Subd. 2. [USE OF PROVISIONAL LICENSE.] (a) A provisional  
5 license holder may operate a motor vehicle only when every  
6 occupant under the age of ~~18~~ 15 has a seat belt or child  
7 passenger restraint system properly fastened according to  
8 sections 169.685 and 169.686. A person who violates this  
9 paragraph is subject to a fine of \$25 \$50. ~~A peace-officer may~~  
10 ~~not issue a citation for a violation of this paragraph unless~~  
11 ~~the officer lawfully stopped or detained the driver of the motor~~  
12 ~~vehicle for a moving violation as defined in section 171.04.~~ A  
13 passenger who is at least 15 years of age is subject to the  
14 requirements and penalty of section 169.686. The commissioner  
15 shall not record a violation of this paragraph on a person's  
16 driving record.

17 (b) If the holder of a provisional license during the  
18 period of provisional licensing incurs (1) a conviction for a  
19 violation of section 169A.20, 169A.33, 169A.35, or sections  
20 169A.50 to 169A.53, (2) a conviction for a crash-related moving  
21 violation as defined in section 171.04, or (3) more than one  
22 conviction for a moving violation that is not crash related, the  
23 person may not be issued a driver's license until 12 consecutive  
24 months have expired since the date of the conviction or until  
25 the person reaches the age of 18 years, whichever occurs first.

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S1070-0 **Complete Date:** 05/17/05

**Chief Author:** MURPHY, STEVE

**Title:** SEAT BELT VIOLATION PRIMARY OFFENSE

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

**Agencies:** Public Safety Dept (04/12/05)  
Emergency Medical Svs Reg Bd (05/16/05)

Supreme Court (05/09/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Net Expenditures</b>					
Misc Special Revenue Fund		900	1,200	1,200	1,200
Emergency Medical Svs Reg Bd		810	1,080	1,080	1,080
Public Safety Dept		90	120	120	120
Federal Fund		250	250	250	250
Public Safety Dept		250	250	250	250
<b>Revenues</b>					
Misc Special Revenue Fund		900	1,200	1,200	1,200
Emergency Medical Svs Reg Bd					
Supreme Court		900	1,200	1,200	1,200
Federal Fund		250	250	250	250
Public Safety Dept		250	250	250	250
<b>Net Cost &lt;Savings&gt;</b>					
Misc Special Revenue Fund		0	0	0	0
Emergency Medical Svs Reg Bd		810	1,080	1,080	1,080
Public Safety Dept		90	120	120	120
Supreme Court		(900)	(1,200)	(1,200)	(1,200)
Federal Fund		0	0	0	0
Public Safety Dept		0	0	0	0
<b>Total Cost &lt;Savings&gt; to the State</b>					

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Consolidated EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 05/17/05 Phone: 215-0594

**Fiscal Note – 2005-06 Session**

**Bill #:** S1070-0 **Complete Date:** 04/12/05

**Chief Author:** MURPHY, STEVE

**Title:** SEAT BELT VIOLATION PRIMARY OFFENSE

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local	X	
Fee/Departmental Earnings	X	
Tax Revenue		X

**Agency Name:** Public Safety Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

<b>Dollars (in thousands)</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
Misc Special Revenue Fund		90	120	120	120
Federal Fund		250	250	250	250
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
Misc Special Revenue Fund		90	120	120	120
Federal Fund		250	250	250	250
<b>Revenues</b>					
Federal Fund		250	250	250	250
<b>Net Cost &lt;Savings&gt;</b>					
Misc Special Revenue Fund		90	120	120	120
Federal Fund		0	0	0	0
<b>Total Cost &lt;Savings&gt; to the State</b>		90	120	120	120

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

### **Bill Description**

The bill requires all passengers in all seating positions to buckle up. The bill also allows law enforcement to enforce the seat belt violation in the same manner that they enforce other laws. Law enforcement will be able to stop a vehicle and cite the driver and/or occupant(s) 15 years and over for non-seat belt use. They will no longer have to witness another violation of law before stopping the vehicle.

The bill also increases the fine for a violation of the seat belt law from \$25 to \$50.

### **Assumptions**

It is assumed that the total number of citations issued annually by law enforcement for violations of the seat belt law (48,000) will not increase or decrease with the passage of this bill and remain consistent with previous year averages.

The fines derived from violations of the seat belt law are deposited into the emergency medical services relief account. A total of \$1,200,000 is received annually from seat belt fines. The DPS-State Patrol receives 10% of the total fines received to be used to for traffic safety educational programs. It is assumed that the change in fine to \$50 will increase the amount received by the State Patrol by two times the current level of revenue. Anticipated revenue received by the DPS-State Patrol for FY2005 is \$120,000. It is assumed that total revenue received will increase to \$240,000 each year. An assumption is made that the increase in fines is effective August 1, 2005. With a lag in the collection of fines by the courts, FY 2006 will have only nine months of receipts.

1. Because the U.S. Congress had not adopted or enacted a new Transportation funding act, the sections in the current Transportation Equity Act known as TEA-21 will be used.
2. Section 405 of TEA-21 awards additional National Highway Traffic Safety Administration (NHTSA) funding to state highway safety offices if its state law allows for standard or "primary" enforcement of the seat belt law. The Department of Public Safety, Office of Traffic Safety is the state highway safety office for Minnesota.
3. The Office of Traffic Safety estimates that the additional NHTSA funding will amount to \$250,000 per year starting in federal fiscal year 2006 (October 1, 2005). Approximately the same amount would be awarded annually as long as the TEA-21 legislation is used for dissemination of the NHTSA fund.
4. The Office of Traffic Safety can use that funding to support a number of traffic safety efforts.

### **Expenditure and/or Revenue Formula**

Anticipated total seat belt fines received in FY2005:  $48,000 \times \$25 = \$1,200,000$

$48,000 \times \$50 = \$2,400,000$

$10\% \times \$2,400,000 = \$240,000$

An additional \$90,000 in FY 2006 and an additional \$120,000 in subsequent years will be available for traffic safety educational programs conducted by the state patrol. Revenue increases are reflected in fiscal note by Supreme Court.

An additional \$250,000 in federal funds will be available each year for traffic safety projects.

### **Long-Term Fiscal Considerations**

At some point the TEA-21 will be replaced by a transportation reauthorization act. Some versions have contained formulas for the standard enforcement seat belt awards which results in significantly larger awards. The estimate for Minnesota under one version was close to \$12 million annually. However, until a new transportation funding bill is enacted, such awards are merely speculation.

### **Local Government Costs**

Much of the NHTSA funding is granted to local units of government such as law enforcement, public health agencies, etc. A percentage of new funding will likely be included in additional or larger grants to locals.

**References/Sources**

NHTSA Great Lakes Regional Office

Agency Contact Name: Brian Erickson 651 296-6579

FN Coord Signature: FRANK AHRENS

Date: 04/12/05 Phone: 296-9484

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NORMAN FOSTER

Date: 04/12/05 Phone: 215-0594

**Fiscal Note – 2005-06 Session**

**Bill #:** S1070-0 **Complete Date:** 05/16/05

**Chief Author:** MURPHY, STEVE

**Title:** SEAT BELT VIOLATION PRIMARY OFFENSE

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Emergency Medical Svs Reg Bd

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
Misc Special Revenue Fund		810	1,080	1,080	1,080
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
Misc Special Revenue Fund		810	1,080	1,080	1,080
<b>Revenues</b>					
Misc Special Revenue Fund					
<b>Net Cost &lt;Savings&gt;</b>					
Misc Special Revenue Fund		810	1,080	1,080	1,080
<b>Total Cost &lt;Savings&gt; to the State</b>		810	1,080	1,080	1,080

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Bill Description**

The bill requires all passengers in all seating positions to buckle up. The bill also allows law enforcement to enforce the seat belt violation in the same manner that they enforce other laws. Law enforcement will be able to stop a vehicle and cite the driver and/or occupant(s) 15 years and over for non-seat belt use. They will no longer have to witness another violation of law before stopping the vehicle.

The bill also increases the fine for a violation of the seat belt law from \$25 to \$50.

**Assumptions**

It is assumed that the total number of citations issued annually by law enforcement for violations of the seat belt law (48,000) will not increase or decrease with the passage of this bill and will remain consistent with previous year averages.

The fines derived from violations of the seat belt law are deposited into the emergency medical services relief account. A total of \$1,200,000 is received annually from seat belt fines. The EMS Regulatory Board receives 90% of the total fines received to be passed on to the eight designated regional EMS programs to be used for EMS personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services. The board of directors of each EMS regional program establishes criteria for funding. No portion of the funding is retained by the EMS Regulatory Board.

It is assumed that the change in fine to \$50 will increase the amount received by the EMS Regulatory Board by two times the current level of revenue. Anticipated revenue received by the EMS Regulatory Board for FY2005 is \$1,080,000. It is assumed that total revenue received will increase to \$2,160,000 each year. As assumption is made that the increase in fines is effective August 1, 2005. With a lag in the collection of fines by the courts, FY2006 will have only nine months of receipts -- \$1,620,000.

**Expenditure and/or Revenue Formula**

Anticipated total seat belt fines received in FY2005: 48,000 x \$25 = \$1,200,000

Additional revenue raised by the bill = \$1,200,000

90% x \$1,200,000 = \$1,080,000 to the EMSRB

An additional \$810,000 in FY2006 and an additional \$1,080,000 in subsequent years will be available to the eight designated EMS regional programs.

**Long-Term Fiscal Considerations**

**Local Government Costs**

A portion of the seat belt funding goes to local units of government in the form of EMS personnel training reimbursement, equipment matching grants and on-going educational programs.

**References/Sources**

FN Coord Signature: JULI VANGSNESS  
Date: 05/10/05 Phone: 201-2732

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: DOUG GREEN

Date: 05/16/05 Phone: 286-5618

**Fiscal Note – 2005-06 Session**

**Bill #:** S1070-0 **Complete Date:** 05/09/05

**Chief Author:** MURPHY, STEVE

**Title:** SEAT BELT VIOLATION PRIMARY OFFENSE

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings	X	
Tax Revenue		X

**Agency Name:** Supreme Court

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
-- No Impact --					
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
-- No Impact --					
<b>Revenues</b>					
Misc Special Revenue Fund		900	1,200	1,200	1,200
<b>Net Cost &lt;Savings&gt;</b>					
Misc Special Revenue Fund		(900)	(1,200)	(1,200)	(1,200)
<b>Total Cost &lt;Savings&gt; to the State</b>		(900)	(1,200)	(1,200)	(1,200)

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Bill Description**

The bill requires all passengers in all seating positions to buckle up. The bill also allows law enforcement to enforce the seat belt violation in the same manner that they enforce other laws. Law enforcement will be able to stop a vehicle and cite the driver and/or occupant(s) 15 years and over for non-seat belt use. They will no longer have to witness another violation of law before stopping the vehicle.

The bill also increases the fine for a violation of the seat belt law from \$25 to \$50.

**Assumptions**

The Department of Public Safety assumes that the total number of citations issued annually by law enforcement for violations of the seat belt law (48,000) will not increase or decrease with the passage of this bill and remain consistent with previous year averages.

The fines derived from violations of the seat belt law are deposited into the emergency medical services relief account. A total of \$1,200,000 is received annually from seat belt fines.

**Expenditure and/or Revenue Formula**

48000 X \$50= \$2,400,000 Half of the amount is due to the increase in the fine. Additionally in the first year the amount of revenue is shown as ¾ of the total annual amount to account for delayed effective date.

**Long-Term Fiscal Considerations**

**Local Government Costs**

**References/Sources**

FN Coord Signature: JUDY REHAK  
Date: 05/09/05 Phone: 297-7800

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JIM KING  
Date: 05/09/05 Phone: 296-7964

1.1 Senator ..... moves to amend S.F. No. 1070 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2004, section 169.686, subdivision 1, is amended to  
1.4 read:

1.5 Subdivision 1. **Seat belt requirement.** (a) A properly adjusted and fastened seat  
1.6 belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be  
1.7 worn by:

1.8 ~~(1) the driver and passengers of a passenger vehicle or commercial motor vehicle;~~

1.9 ~~(2) a passenger riding in the front seat of a passenger vehicle or commercial motor  
1.10 vehicle; and~~

1.11 ~~(3) a passenger riding in any seat of a passenger vehicle who is older than three  
1.12 but younger than 11 years of age.~~

1.13 (b) A person who is 15 years of age or older and who violates paragraph (a), ~~clause  
1.14 (1) or (2)~~, is subject to a fine of \$25. The driver of the ~~passenger vehicle or commercial  
1.15 motor~~ vehicle in which the violation occurred is subject to a \$25 fine for a violation of  
1.16 paragraph (a), ~~clause (2) or (3)~~, by a ~~child of the driver~~ passenger under the age of 15  
1.17 ~~or any child under the age of 11. A peace officer may not issue a citation for a violation  
1.18 of this section unless the officer lawfully stopped or detained the driver of the motor  
1.19 vehicle for a moving violation other than a violation involving motor vehicle equipment.~~

1.20 The Department of Public Safety shall not record a violation of this subdivision on a  
1.21 person's driving record.

1.22 Sec. 2. Minnesota Statutes 2005 Supplement, section 171.05, subdivision 2b, is  
1.23 amended to read:

1.24 Subd. 2b. **Instruction permit use by person under age 18.** (a) This subdivision  
1.25 applies to persons who have applied for and received an instruction permit under  
1.26 subdivision 2.

2.1 (b) The permit holder may, with the permit in possession, operate a motor vehicle,  
2.2 but must be accompanied by and be under the supervision of a certified driver education  
2.3 instructor, the permit holder's parent or guardian, or another licensed driver age 21 or  
2.4 older. The supervisor must occupy the seat beside the permit holder.

2.5 (c) The permit holder may operate a motor vehicle only when every occupant under  
2.6 the age of ~~18~~ 15 has a seat belt or child passenger restraint system properly fastened  
2.7 according to sections 169.685 and 169.686. A person who violates this paragraph is  
2.8 subject to a fine of \$25. ~~A peace officer may not issue a citation for a violation of this~~  
2.9 ~~paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle~~  
2.10 ~~for a moving violation as defined in section 171.04, subdivision 1~~ A passenger who is at  
2.11 least 15 years of age is subject to the requirements and penalty of section 169.686. The  
2.12 commissioner shall not record a violation of this paragraph on a person's driving record.

2.13 (d) The permit holder may not operate a vehicle while communicating over, or  
2.14 otherwise operating, a cellular or wireless telephone, whether handheld or hands free,  
2.15 when the vehicle is in motion. The permit holder may assert as an affirmative defense  
2.16 that the violation was made for the sole purpose of obtaining emergency assistance to  
2.17 prevent a crime about to be committed, or in the reasonable belief that a person's life  
2.18 or safety was in danger.

2.19 (e) The permit holder must maintain a driving record free of convictions for moving  
2.20 violations, as defined in section 171.04, subdivision 1, and free of convictions for violation  
2.21 of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit  
2.22 holder drives a motor vehicle in violation of the law, the commissioner shall suspend,  
2.23 cancel, or revoke the permit in accordance with the statutory section violated.

2.24 Sec. 3. Minnesota Statutes 2005 Supplement, section 171.055, subdivision 2, is  
2.25 amended to read:

2.26 **Subd. 2. Use of provisional license.** (a) A provisional license holder may operate a  
2.27 motor vehicle only when every occupant under the age of ~~18~~ 15 has a seat belt or child  
2.28 passenger restraint system properly fastened according to sections 169.685 and 169.686.  
2.29 A person who violates this paragraph is subject to a fine of \$25. ~~A peace officer may not~~  
2.30 ~~issue a citation for a violation of this paragraph unless the officer lawfully stopped or~~  
2.31 ~~detained the driver of the motor vehicle for a moving violation as defined in section 171.04~~  
2.32 A passenger who is at least 15 years of age is subject to the requirements and penalty of  
2.33 section 169.686. The commissioner shall not record a violation of this paragraph on a  
2.34 person's driving record.

2.35 (b) A provisional license holder may not operate a vehicle while communicating  
2.36 over, or otherwise operating, a cellular or wireless telephone, whether handheld or

3.1 hands free, when the vehicle is in motion. The provisional license holder may assert  
3.2 as an affirmative defense that the violation was made for the sole purpose of obtaining  
3.3 emergency assistance to prevent a crime about to be committed, or in the reasonable belief  
3.4 that a person's life or safety was in danger.

3.5 (c) If the holder of a provisional license during the period of provisional licensing  
3.6 incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections  
3.7 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation as defined in  
3.8 section 171.04, or (3) more than one conviction for a moving violation that is not crash  
3.9 related, the person may not be issued a driver's license until 12 consecutive months have  
3.10 expired since the date of the conviction or until the person reaches the age of 18 years,  
3.11 whichever occurs first."

3.12 Amend the title accordingly

(E)

# Driving Toward Zero Deaths: Upgrading Minnesota's Seat Belt Law to Primary

## The Difference Between Primary and Secondary Seat Belt Laws

Primary means "standard" — the same status as every other state law. Minnesota's current secondary seat belt law cannot be enforced directly. Upgrading to primary will allow enforcement of this important law like every other traffic law.

## States See Dramatic Seat Belt Use Increase After Enacting Primary

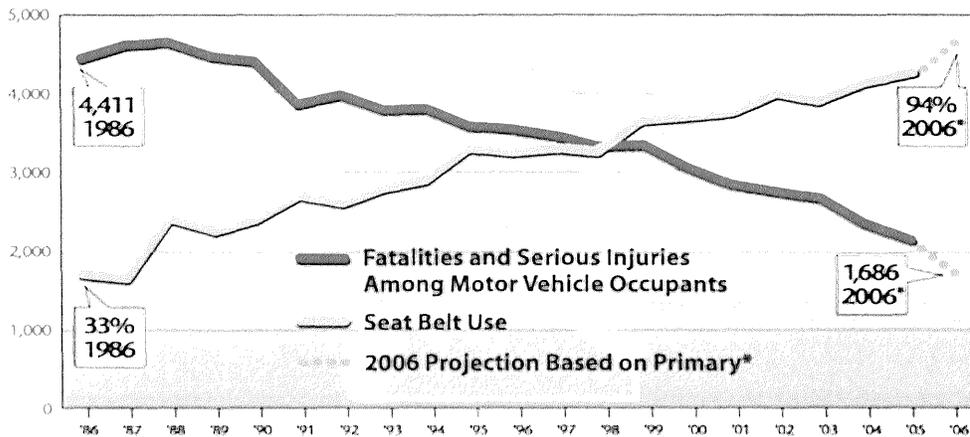
In general, states with primary have the highest belt use. On average, states experience an 11 percentage point increase in belt use by upgrading to primary. The table illustrates the progress of several states that upgraded seat belt laws.

	Primary Upgrade Date	Use Rate Before Primary	Use Rate After Primary	2005 Rate
Michigan	2000	70%	83%	93%
Washington	2002	81%	93%	95%
Illinois	2003	74%	83%	86%

## Seat Belt Use Is a Public Health Concern — Primary Will Save Lives & Prevent Injuries

- Based on other states' experience, Minnesota's seat belt use rate would rise from 84% to 94% as a result of primary — preventing more than 40 deaths and nearly 400 serious injuries annually — directly impacting health care costs.

## Minnesota Traffic Fatalities and Serious Injuries Compared with Seat Belt Use, 1986-2006



Without upgrading its belt law, Minnesota may only see incremental increases in belt use each year. Government spends millions annually on education and law enforcement to achieve these small increases. Minnesota's seat belt use rate would rise dramatically from 84% to 94% as a result of primary.

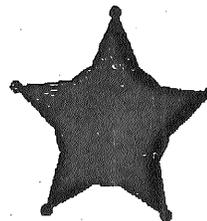
- Traffic crashes are the leading cause of death for Minnesotans ages 1 through 34 (*Center for Disease Control*). Each year, the majority of people killed in crashes are unrestrained (*MN Dept. of Public Safety*). Traffic crashes also are the leading cause of workplace fatalities (*MN Dept. of Labor and Industry*).
- Crashes are a leading cause of traumatic brain injury (TBI) in Minnesota. Sixty-two percent of TBI-crash victims did not use seat belts or child restraints. The cost of surviving TBI can run from several hundred thousand dollars to \$12 million over a lifetime.



(F)



*Minnesota Sheriffs' Association  
Minnesota Chiefs of Police Association  
1951 Wood Lane Drive  
Woodbury, MN 55125*



**651-457-0677**

**651-451-7216**

March 1, 2006

Senator Steve Murphy  
Chair, Senate Transportation Committee  
75 Rev. Dr. Martin Luther King Jr. Blvd., Room 306  
St. Paul, MN 55155-1606

RE: SF 1070 Seat Belt Primary Offense Bill

Dear Senator Murphy:

The Minnesota Sheriffs Association and the Minnesota Chiefs of Police Association has long supported the use of seat belts in our respective motor vehicles. Over a period of time, it has been well documented that seat belts do save lives. In addition to the lives lost each year, studies have shown the enormous economic costs to our society for those who choose not to wear their seat belts. It is my understanding that this respective bill noted above will make seat belt violations a primary offense.

The Minnesota Sheriffs Association and the Minnesota Chiefs of Police Associations are pleased to support this current legislation that will make seat belt violations in the State of Minnesota a primary violation. This action will bring Minnesota into compliance with many other states that have already passed similar legislation. We look forward to working with you in support of this legislation.

Sincerely,

James Franklin  
Executive Director  
Minnesota Sheriffs' Association

Harlan Johnson  
Executive Director  
Minnesota Chiefs of Police Association

6

**Linking CODES**  
 The Crash Outcomes Data Evaluation System

**Estimating Minnesota Hospital Charge Savings with the Adoption of a Standard Enforcement Seat Belt Law**  
 March 2006

**Study Goals:**

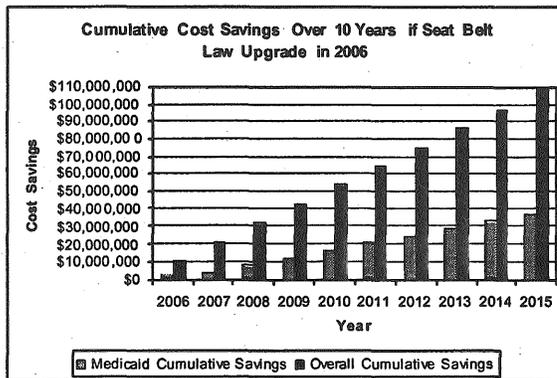
Measure hospital care charges associated with unrestrained motor vehicle occupants in Minnesota. Determine cost impact on government payer sources and estimate the likely impact of a standard enforcement seat belt law.

**Study Design:**

To gain a better understanding of medical outcomes pertaining to crashes, a Crash Outcomes Data Evaluation project was implemented. Minnesota crash records in 2002 were linked with hospital emergency room and inpatient information.

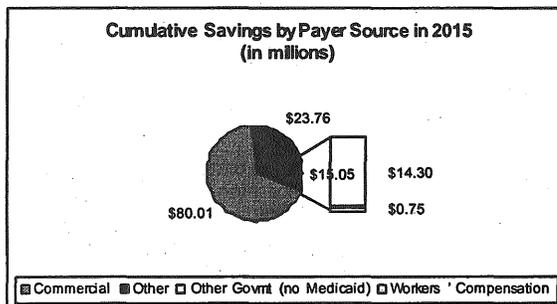
**Key Finding:**

If Minnesota upgraded its seat belt law to standard enforcement in 2006 and reached a use rate of 94 percent, the cost savings to all government payer sources is projected to be \$52.2 million in 2015. Injuries avoided in the first year alone would save Medicaid \$3.4 million over ten years. The cumulative savings to Medicaid would be \$37.9 million in 2015.



**Other Findings:**

1. In 2002, 906 people were treated for motor vehicle crash injuries who would not have required hospital care had a seat belt been worn. Another 138 lives would have been saved had all been belted.
2. The preventable hospital charges for these unbuckled vehicle occupants in 2002 were more than \$14 million. On average, unbelted occupants had charges that were 94 percent greater than belted occupants.
3. Government payer sources, including Medicaid, were the primary payer source for more than \$16 million in hospital charges (or 18 percent of charges that occurred to vehicle occupants). One-third of charges were for unbelted occupants.
4. The average hospital charge billed to a government payer source was 60 percent greater than a non-government source.
5. A conservative cumulative estimate of hospital charge savings for upgrading Minnesota's belt law to "primary" was projected to be \$108 million by 2015.



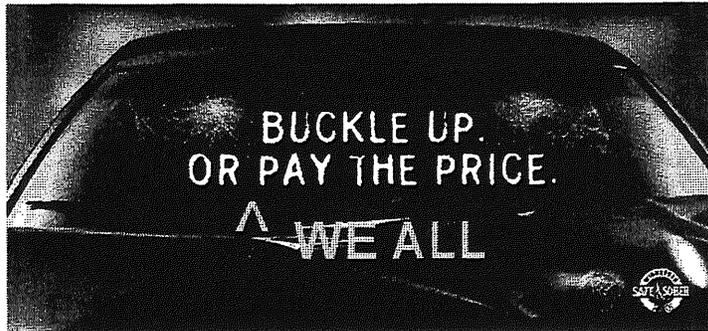
The above estimates are for hospital inpatient and emergency department charges only. They do not include fees paid to doctors or specialists and they do not include clinic visits. Accounting for these additional charges would result in greater cost savings.

The Crash Outcome Data Evaluation System (CODES) represents a collaborative effort among the Minnesota Departments of Health, Public Safety, and Transportation, with the Minnesota Hospital Association and Emergency Medical Services Regulatory Board. The facts presented here were derived from the 2002 CODES linked database. For more information, call Tina Folch at (651) 296-3804.



## Estimating Minnesota Hospital Charge Savings with the Adoption of a Standard Enforcement Seat Belt Law

March 2006



*Released by the*  
Minnesota Department of Public Safety  
Office of Traffic Safety

*In conjunction with the*  
Minnesota Department of Health,  
Center for Health Promotion, Injury and Violence Prevention Unit

## **Estimating Minnesota Hospital Charge Savings with the Adoption of a Standard Enforcement Seat Belt Law**

by

Tina Folch, Traffic Records Program Administrator  
and Scott Hedger, Research Analyst

Minnesota Department of Public Safety  
Office of Traffic Safety  
Saint Paul, Minnesota

and

Mark Kinde, Director  
and Anna Gaichas, Statistician

Minnesota Department of Health,  
Center for Health Promotion, Injury and Violence Prevention Unit  
Saint Paul, Minnesota

In cooperation with

Loren Hill, Minnesota Department of Transportation,  
Mary Hedges, Minnesota Emergency Medical Services Regulatory Board,  
and Joe Schindler, Minnesota Hospital Association

The contents of this report reflect the views of the authors who are responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official views or policies of the Minnesota Department of Transportation, Minnesota Emergency Medical Services Regulatory Board, or the Minnesota Hospital Association. The inclusion of manufacturer names or trade names are for identification purposes and are not considered as endorsements.

March 2006

**Table of Contents**

---

Executive Summary .....3

Introduction .....4

    The Burden of Motor Vehicle Crashes in Minnesota .....4

    The Impact of Safety Belts .....4

    Medical Outcomes for MVCs in Minnesota.....5

Data Sources and Methods.....6

    Data Sources and Limitations.....6

    Defining Motor Vehicle Occupants Hospitalized by MVCs .....6

    Definitions of TBI and SCI .....7

    Medical Costs to Medicaid .....8

        Calculating SCI Costs and Other Injuries to Medicaid .....11

        Calculating Cost Savings to Medi caid by Increasing Seat Belt Use.....13

    Cumulative Savings to Other Payers .....14

    Effectiveness of Seat Belts in Preventing Injury and Medical Savings.....15

Conclusions.....18

**List of Tables**

---

Table 1. Case Definition for TBI ..... 7

Table 2. Case Definition for SCI .....7

Table 3. Case Definitions for Levels of SCI Severity.....7

Table 4. Data Sources for Medical Costs of Injuries of TBI patients to Medicaid .....8

Table 5. 2002 Unbelted TBI Medical Cost Estimates to Medicaid (in 2002 dollars).....10

Table 6. Health Care Inflation Rates 2003-2006 .....10

Table 7. Unbelted TBI Medical Cost Estimates to Medicaid for Injuries that Occurred in 2002,  
over a Ten-Year Period, Adjusted for Inflation .....11

Table 8. Average Yearly Expenses for SCI, by Severity (in May 2004 dollars) .....11

Table 9. Average Long-term Expenses to Medicaid for 2002 Unbelted MVC SCI Patients  
by Severity (in May 2004 dollars) .....12

Table 10. Unbelted SCI and Other Patient Medical Cost Estimates to Medicaid (in 2002 Dollars)  
For One Year of Injury Prevention .....12

Table 11. 2002 Unbelted SCI and Other Medical Cost Estimates to Medicaid (in 2006 Dollars) .....13

Table 12. Estimated Cost Savings to Medicaid for Injuries Avoided the First Year After Minnesota's  
Seat Belt Use Rate was at 100 percent. ....13

Table 13. Estimated Cost Savings to Medicaid for Injuries Avoided the First Year After  
Minnesota's Seat Belt Law is Upgraded to Standard Enforcement .....13

Table 14. Cumulative Cost Savings to Medicaid Over 10 Years if Seat Belt Law Upgrade in 2006..... 14

Table 15. Cumulative Medical Charge Savings for 2006-2015 for Payer Sources (in 2006 Dollars).....15

Table 16. Estimated Medical Charges Avoided (in 2002 Dollars) and Lives Saved Over One Year  
if Minnesota's Seat Belt Use Rate was at 100 and 94 Percent.....16

Table 17. Estimated Medical Charges Saved (in 2002 Dollars) and Nonfatal Hospital-Treated  
Moderate to Critical Injuries Prevented Over One Year if Minnesota's Seat Belt Use  
Rate was at 100 and 94 Percent ..... 16

Table 18. Estimated Medical Charges Saved (in 2002 Dollars) and Hospital-Treated Minor Injuries  
Prevented Over One Year if Minnesota's Seat Belt Use Rate was at 100 and 94 Percent .....17

Table 19. Estimated Cumulative Cost Savings for Upgrading Minnesota's Seat Belt Law and  
Achieving a Seat Belt Use Rate of 94 Percent in 2006.....17

## Executive Summary

---

Everyone pays the price for crashes and tax payers pay a considerable amount of the bill. In order to gain a better understanding of medical outcomes pertaining to crashes, a Crash Outcomes Data Evaluation (CODES) project was implemented in Minnesota. Under CODES, individuals in crashes during 2002 were linked with hospital emergency room and inpatient treatment information. This report focuses both on hospital charges and direct medical costs for crashes that occur within the state. The impact crashes have on Minnesota's Medicaid program is also examined.

Safety belts have been found to be highly effective in preventing death and injury due to crashes. The National Highway Traffic Safety Administration (NHTSA) has found that three-point safety belts in frontal positions are 45 to 60 percent effective in preventing fatalities in frontal collisions and 50 to 65 percent effective in preventing moderate-to-critical injuries. Minnesota's observed safety belt usage rate for 2004 was at 82 percent. Although Minnesota is faring slightly better than the national average, by improving the state's seat belt use rate substantial progress can be made in lowering the number of deaths and injuries that result from crashes.

Increasing seat belt use in Minnesota would have a direct impact on lowering medical costs to government payer sources. A 1995 NHTSA study, *Safety Belt Use Laws: An Evaluation of Primary Enforcement and Other Provisions*, indicates that states with primary (or standard) enforcement safety belt laws achieved significantly higher belt use than did those with secondary enforcement laws. Based on the experience of other states, the Minnesota Office of Traffic Safety estimates that, by upgrading Minnesota's seat belt law in 2006, the seat belt use rate would increase from 84 to 94 percent.

If Minnesota were to upgrade its seat belt law to a standard enforcement law in 2006, the following cost savings projections (in 2006 dollars) can be made using 2002 CODES linked data:

**Cumulative cost savings from 2006 – 2015 by payer source:**

- Medicaid would save \$37.9 million
- Other government payer sources, excluding Medicaid, would save \$14.30 million
- Commercial insurance would save \$80.01 million
- Minnesota's Workers' Compensation Fund would save \$0.75 million
- Other sources of payment, comprised principally of uninsured individuals paying their own medical bills directly, would save \$23.76 million.

The cumulative cost savings over ten years for all payer sources using a weighted average effectiveness rate of 52.04 percent is nearly \$157 million. Medicaid cost savings include long-term medical cost estimates for persons injured in crash who sustained TBI and SCI. A conservative cumulative estimate of hospital charge savings for upgrading Minnesota's belt law to standard enforcement was projected to be \$108 million by 2015.

## Introduction

---

### The Burden of Motor Vehicle Crashes in Minnesota

As the leading cause of death for Minnesotans ages one to 34 years of age, motor vehicle crashes are a public health epidemic.<sup>1</sup> Crashes are also the leading cause of death from unintentional injury for ages one to 64 and the primary cause of on-the-job death.<sup>2, 3</sup> Everyone pays the price for crashes and tax payers pay a considerable amount of the bill.

In 2004, there were 416 motor vehicle occupants killed and 36,408 injured in crashes on Minnesota's roadways.<sup>4</sup> The total economic cost for all of Minnesota's crashes in 2004 is estimated to be \$2.5 billion.<sup>5</sup> (This compares to the \$1.8 billion in economic costs calculated using methods provided by the National Safety Council.<sup>6</sup>) Cost estimates include such things as costs for medical care, emergency services, rehabilitation, lost productivity, legal services, workplace losses, and insurance administration.<sup>7</sup> This includes both fatal and nonfatal injuries as well as crashes involving property damage only.

Of the \$2.5 billion in total economic costs for Minnesota in 2004, \$310 million (12 percent) were related to medical services. Commercial insurers pay the majority of these medical costs. However, a substantial burden also falls on public sources such as the Medicaid, Medicare, and Worker's Compensation systems.

For the United States, the economic cost of motor vehicle crashes in 2000 was \$230.6 billion. Medical expenses totaled \$32.6 billion and travel delay accounted for \$25.6 billion. Public revenues paid for about nine percent of all motor vehicle crash costs; this cost tax payers \$21 billion in 2000, the equivalent of over \$200 in added taxes for every household. The failure of a substantial portion of the driving population to buckle up cost society \$26 billion in easily preventable injury related costs.<sup>8</sup>

Crashes pose a significant burden on government services. Local and state governments respond to traffic crashes. The severity of a crash determines the number of responders and length of time personnel must spend at a crash site. The total cost for a crash continues to escalate as clean up occurs, crash reconstruction and analysis are performed, and litigation against government entities responsible for the roadway is fought. For instance, the City of St. Paul reports that, in 2004, 58 percent of its general liability claims were motor vehicle crash related. In the end, the tax payer bill can explode when crash victims are unable to pay for their medical care or become reliant on government programs due to the fact they are seriously injured and can no longer adequately provide for themselves and their families. Furthermore, the public continues to pay for crashes through higher insurance premiums and medical costs.

### The Impact of Safety Belts

Safety belts have been found to be highly effective in preventing death and injury due to crashes. The National Highway Traffic Safety Administration (NHTSA) has found that three-point safety belts in frontal positions are 45 to 60 percent effective in preventing fatalities in frontal collisions and 50 to 65 percent effective in preventing moderate-to-critical injuries.<sup>9</sup> Of those killed and seriously injured in 2004 crashes, 52 percent of fatality victims and 33 percent of those seriously injured were reported as not wearing their seat belts.<sup>10</sup> These figures exclude motorcyclists, bicyclists, pedestrians, and others involved in motor vehicle crashes (MVC) for whom safety belt use does not apply.

Minnesota's observed safety belt usage rate for 2004 was at 82 percent.<sup>11</sup> This rate was two percentage points above the national rate of 80 percent.<sup>12</sup> Correspondingly, Minnesota's MVC fatality rate of 1.00 per 100 million vehicle miles traveled in 2004 was below the U.S. rate of 1.44.<sup>13</sup> Although Minnesota is faring slightly better than the national average, by improving the state's seat belt use rate substantial progress can be made in lowering the number of deaths and injuries that result from crashes.

In order to gain a better understanding of medical outcomes pertaining to crashes, a Crash Outcomes Data Evaluation (CODES) project, funded by NHTSA, was implemented in Minnesota. Under CODES, individuals in Minnesota crashes during 2002 were linked with hospital emergency room and inpatient treatment information, the Traumatic Brain Injury Registry, and death certificatedata. The linked data are referred to in this report as the 2002 CODES dataset. The project represents a collaborative effort among the Minnesota Departments of Health, Public Safety, and Transportation, and the Minnesota Hospital Association.

### Medical Outcomes for MVCs in Minnesota

This report focuses both on hospital charges and direct medical costs (DMC) for crashes that occur within the state of Minnesota. The impact crashes have on the state's Medicaid program is also examined. Information on hospital patients treated and released from both emergency departments and inpatient care is collected by the Minnesota Hospital Association (MHA). Because there are not any personal identifiers collected by the MHA, databases were linked using software based on statistical theory known as probabilistic linkage.

Hospital patient data contain charges that were billed for the patient's initial hospital stay after a crash event occurred. The 2002 CODES dataset contains 26,942 linked crash and hospital records with hospital charges totaling \$171.7 million. These charges reflect charges incurred not actual charges paid, and include such things as room and board, as well as lab, radiology and other ancillary charges. Charge data do not include the following:

- Care received at medical *clinics*.
- First responder or ambulance transport data.
- Physician fees, such as surgeons, for patient care received while being treated at a hospital.
- Prescriptions filled after leaving treatment.
- Data on Minnesota crashes where the victim(s) sought treatment at hospitals in a border state.

For most people injured in crashes, there are relatively few costs beyond the initial hospital stay. However, certain types of injuries that required inpatient care commonly result in post-discharge costs in the first and subsequent years. Examples of these additional costs may include rehabilitation, nursing home services, medication and pain management. This study focuses on two such injuries, traumatic brain injury (TBI) and spinal cord injury (SCI), for which there are data available about post-discharge costs.

Motor vehicle crashes are the leading cause of TBI. The National Institute of Neurological Disorders and Stroke reports that nationally half of all TBIs are due to transportation accidents.<sup>14</sup> For Minnesota, the Brain Injury Association of Minnesota reports that 32 percent of TBI are caused by MVC incidents. In a February 2005 letter to the Minnesota Senate Transportation Committee, the Brain Injury Association reported that the annual cost of acute care and rehabilitation in Minnesota for new cases of TBI is estimated at \$200 million. Using these figures, it can be deduced that TBIs caused by crashes annually cost Minnesota \$64 million in acute care and rehabilitation.

Special emphasis was placed on costs to the state's Medicaid system, but estimates of the costs to commercial insurers, other government payer sources, and Worker's Compensation were also calculated. For these payers, only the initial hospital charges were considered because information was not available about the percentage of injured persons whose post-discharge costs would be paid by each of these sources. Therefore, the medical costs for MVC-related hospitalizations for commercial insurers, other government payer sources, and Worker's Compensation are underestimated in this report.

Finally, an estimation of cost savings resulting from Minnesota upgrading its seat belt law from a secondary to a standard enforcement status is calculated. The cost savings for a standard (or primary) enforcement law were estimated over a ten-year period from 2006 to 2015. A ten-year time period was chosen as the number of years to study to illustrate that the medical costs resulting from MVCs continue to accumulate over time, but clearly they will not do so indefinitely. The average life expectancy for survivors of a TBI or SCI is more than ten years, so it can be reasonably assumed that some injuries that occur in 2006 will continue to result in medical costs in 2015.

## **Data Sources and Methods**

---

### **Data Sources and Limitations**

The primary data source for the analysis is the 2002 CODES linked dataset. Although the TBI/SCI Registry and the hospital discharge dataset have external cause of injury codes (E-codes) – for the purposes of the analysis, only cases that linked to a crash report were used.

Although the 2002 CODES dataset was found to be representative of the crash database the number of MVC occupants sustaining a nonfatal hospitalized TBI in the 2002 CODES data set is 19 percent less than the number of nonfatal hospitalized TBI hospital discharge data patient records that had E-codes in the range of E810-E819 (.0, .1, .8, .9), indicating MVC occupancy. Thus, the 2002 CODES dataset under represents the total number of nonfatal hospitalized TBI patient records that were originally coded as MVC occupant injuries. In addition, the 2002 CODES linked dataset does not yet contain TBI Registry diagnosis codes, which identify an additional 26 percent of MVC occupant nonfatal hospitalized TBI when linked with the hospital discharge data.

### **Defining Motor Vehicle Occupants Hospitalized by MVCs**

For this report, records were filtered to only include people who were motor vehicle occupants. Minnesota Department of Health (MDH) staff estimated that less than one percentage point of all Minnesota crash victims are transported outside of Minnesota for hospital emergency care; however, the percent of serious injury cases may be higher in border areas such as northwestern and southwestern Minnesota. Because there are a number of Wisconsin crash victims who are transported into Minnesota for hospital emergency care, Wisconsin crash data were originally included within the CODES linked dataset; however, Wisconsin crash data were not used for the report.

An added component to filtering vehicle occupants is by whether or not they were wearing a seat belt. Seat belt use was imputed for those cases where use was unknown. Lastly, cost savings were only

calculated for those cases where the individual was not belted and the linked hospital record had an injury coded (versus a non-injury coded).

## Definitions of TBI and SCI

Because there are credible data available about the long-term medical costs for traumatic brain and spinal cord injuries, a focus of this report is to quantify costs associated with these types of injuries. The Centers for Disease Control and Prevention (CDC) has developed case definitions for TBI and SCI based on the World Health Organization's International Classification of Diseases, Ninth Revision (ICD-9) systems (Tables 1 and 2).<sup>15 16</sup> The case definitions used in this report are based on those published in CDC's *Central Nervous System Injury Surveillance Data Submission Standards – 2002*.<sup>17</sup>

Table 1. Case Definition for TBI

ICD-9 code(s)	Description
800.0-801.9	Fracture of the vault or base of the skull
803.0-804.9	Other and unqualified and multiple fractures of the skull
850.0-854.1	Intracranial injury, including concussion, contusion, laceration, and hemorrhage
950.1-950.3	Injury to the optic chiasm, optic pathways, and visual cortex
959.01	Head injury, unspecified

Table 2. Case Definition for SCI

ICD-9 code(s)	Description
806.0-806.9	Fracture of the vertebral column with spinal cord injury
952.0-952.9	Spinal cord injury without evidence of spinal bone injury

Table 3 outlines the case definitions, in terms of ICD-9 codes, for the four levels of injury severity used in this report to determine the medical costs of SCI. These definitions were obtained from the National Spinal Cord Injury Statistical Center (NSCISC) and noted in a report from the Kentucky Transportation Center.<sup>18</sup>

Table 3. Case Definitions for Levels of SCI Severity

Injury severity	Definition	ICD-9 codes
High quadriplegia	Injury to C1-C4	806.00-806.04, 806.10-806.14, 952.00-952.04
Low quadriplegia	Injury to C5-C7	806.05-806.09, 806.15-806.19, 952.05-952.09
Paraplegia	Injury to T1-S5	806 (.2-.7), 952 (.1-.4)
Incomplete motor function at any level	-	806.8, 806.9, 952.8, 952.9

Within the 2002 CODES dataset, 1,569 motor vehicle occupants had a TBI diagnosis with hospital charges totaling over \$30.4 million. A little more than one-third of all TBI cases were not wearing a seat

belt and their charges comprised 46 percent of total charges. The average non-belted TBI had hospital charges that were 52 percent greater than a belted TBI case. Of the 65 individuals with a TBI that died, 52 percent were not wearing a seat belt.

In respect to SCI cases, there were 45 occupants with charges totaling just over \$4 million. Forty percent of SCI cases were not wearing a seat belt and their charges made up nearly 40 percent of total charges. The average acute care charge for an unbelted SCI case was \$86,095 and the average for a belted SCI case was \$95,866. Of the four SCI victims that died, three were not wearing a seat belt.

**Medical Costs to Medicaid**

Hospital charge data include coding for a primary or expected source of payment, such as Medicaid or commercial insurance, as well as secondary and tertiary payment sources. The primary payer was used to determine who would pay the first-year medical costs. Patient records with Medicaid as the primary payer source were selected.

The model used to estimate MVC medical costs to Medicaid is partially based on methodologies used by Chaudhary and Preusser and the Kentucky Transportation Center; they utilized three categories of injury (TBI, SCI and other) and two time frames (first-year costs, which include initial hospital charges and first-year post-discharge costs, and additional-year costs).<sup>19, 20</sup>

To more accurately calculate TBI costs to Medicaid, unbelted Minnesota crash victims who sustained a TBI and lived were divided into three categories: 1) inpatients discharged into inpatient rehabilitation; 2) inpatients who had a discharge status other than inpatient rehabilitation; and 3) patients who were only treated within the emergency room. For discharges that did not involve a TBI or SCI diagnosis, only the initial hospital charges were considered (Table 4).

Table 4. Data Sources for Medical Costs of Injuries of TBI patients to Medicaid

Type of injury	First Year		Additional Year Costs
	Initial hospital charges	Post-discharge costs	
TBI patients discharged from inpatient care to inpatient rehabilitation	2002 CODES Dataset	Craig Hospital	Chaudhary and Preusser
TBI patients discharged from inpatient care to a status other than inpatient rehabilitation	2002 CODES Dataset	Chaudhary and Preusser	Chaudhary and Preusser
TBI patients discharged from emergency room services	2002 CODES Dataset	Not available	Not available
SCI	NSCISC	NSCISC	NSCISC
Other	2002 CODES Dataset	Not available	Not available

**Calculating TBI Costs to Medicaid**

Initial hospital charges were calculated from the Minnesota 2002 CODES dataset. Initial hospital charges represent the charges that were billed to a payer, which are generally somewhat higher than the actual sum paid. Of the 1,569 vehicle occupants diagnosed with TBI, 60 cases had Medicaid listed as the primary payer source with charges totaling over \$1.5 million. Of these 60 Medicaid cases, 42 percent were not wearing a seat belt; their charges comprised 61 percent of total charges to Medicaid. Non-belted

TBI cases with Medicaid as the primary payer source had charges on average that were 80 percent greater than belted TBI cases.

To estimate post-discharge first-year costs for TBI patients, information was used from two sources: a release by Craig Hospital and a report issued by the Preusser Research Group. Craig Hospital estimated that TBI patients discharged from inpatient rehabilitation have an average post-discharge first-year cost of \$40,348.<sup>21</sup> Additional year costs are derived from a study released by the Preusser Research Group which calculated average additional-year costs for TBI patients as being \$26,871 a year.<sup>22</sup>

With these definitions and assumptions, first-year and long-term medical costs for Minnesota TBI crash victims from 2006-2015 were calculated. First-year cost savings projections for the three TBI subcategories are shown in Table 5.

#### Inpatient Rehabilitation Discharge

The first-year costs to Medicaid for TBI patients that were discharged from inpatient care into inpatient rehabilitation were estimated as the following:

$$CTBI_s = H_{TBI} + a * N_{TBI}$$

in which

$CTBI_s$  = TBI costs to Medicaid in first year

$H_{TBI}$  = the initial hospital costs to Medicaid for TBI patients

$N_{TBI}$  = the number of unbelted TBI victims on Medicaid who survived hospitalization

$a$  = the first-year post discharge medical costs (estimated at \$40,348 per TBI patient).

#### Not Discharged into Inpatient Rehabilitation

The first-year costs to Medicaid for TBI patients that were discharged from inpatient care into anything other than inpatient rehabilitation were estimated as the following:

$$CTBI_s = H_{TBI} + b * N_{TBI}$$

in which

$CTBI_s$  = TBI costs to Medicaid in first year

$H_{TBI}$  = the initial hospital costs to Medicaid for TBI patients

$N_{TBI}$  = the number of unbelted TBI victims on Medicaid who survived hospitalization

$b$  = the first-year post discharge medical costs (estimated at \$26,871 per TBI patient).

#### Emergency Room Treated Only

For TBI patients discharged from emergency room (ER) services, only initial hospital charges were used in first-year costs. There was not sufficient evidence to project the number of ER treated TBI victims that will be in need of follow up care or the amount in which those services would cost.

To calculate the additional-year costs savings to Medicaid, the same calculation was used for both of the inpatient TBI subsets (additional year cost savings were not calculated for patients who received ER services only). According to the Craig Institute, the percentage of TBI patients on Medicaid will double in the year following injury.<sup>23</sup> To calculate cost savings for each additional year after the first year the injury event occurred, we used:

$$CTBI_L = (2N_{TBI} * b)$$

in which

$CTBI_L$  = TBI costs to Medicaid in subsequent nine years

$N_{TBI}$  = the number of unbelted TBI patients on Medicaid who survived hospitalization

$b$  = the first-year post discharge medical costs (estimated at \$26,871 per TBI patient)

The direct medical cost estimates to Medicaid for unbelted TBI patients are presented in Table 5.

Table 5. 2002 Unbelted TBI Medical Cost Estimates to Medicaid (in 2002 dollars)

Type of Injury	N	First Year (2002)		Each Additional Year Cost	Sum 10 Years
		Initial hospital charges	Post-discharge costs		
TBI patients discharged from inpatient care to inpatient rehabilitation	1	\$95,716.02	\$40,348.00	\$53,742.00	\$619,742.02
TBI patients discharged from inpatient care to a status other than inpatient rehabilitation	8	\$830,135.19	\$214,968.00	\$429,936.00	\$4,914,527.19
TBI patients discharged from emergency room services	15	\$34,488.99	NA	NA	\$34,488.99

Initial hospital charge data are from 2002 and additional-year cost estimates are based on studies using pre-2002 cost data, with adjustments for inflation. Health care inflation rates for 2003-2006 were obtained from R-C Healthcare Management (through the Minnesota Hospital Association) and are shown in Table 6.

Table 6. Health Care Inflation Rates 2003-2006

Year	Inflation Rate	Net Operating Revenue
2003	5.8%	Historical
2004	5.0%	Historical
2005	4.5%	Projected
2006	4.2%	Projected

Using the figures from the last column in Table 5, Table 7 projects cost savings for unbelted TBI patients in 2006 dollars.

**Table 7. Unbelted TBI Medical Cost Estimates to Medicaid for Injuries that Occurred in 2002, over a Ten-Year Period, Adjusted for Inflation**

Type of Injury	Sum 10 Years	2003 Inflation 5.8%	2004 Inflation 5.0%	2005 Inflation 4.5%	2006 Inflation 4.2%
TBI patients discharged from inpatient care to inpatient rehabilitation	\$619,742.02	\$655,687.05	\$688,471.41	\$719,452.62	\$749,669.63
TBI patients discharged from inpatient care to a status other than inpatient rehabilitation	\$4,914,527.19	\$5,199,569.77	\$5,459,548.26	\$5,705,227.93	\$5,944,847.51
TBI patients discharged from emergency room services	\$34,488.99	\$36,489.36	\$38,313.82	\$40,037.95	\$41,719.54

### Calculating SCI Costs and Other Injuries to Medicaid

NSCISC reports that average SCI costs per patient range from \$201,273 to \$682,957 in the first year and from \$14,106 to \$122,334 in each additional year depending on injury severity. The estimates of first-year SCI costs in Table 8 include the initial hospital costs, thus the hospital charges from the 2002 CODES database were not used.<sup>24</sup>

**Table 8. Average Yearly Expenses for SCI, by Severity (in May 2004 dollars)**

Injury severity	First year	Each subsequent year
High Quadriplegia	\$682,957	\$122,334
Low Quadriplegia	\$441,025	\$50,110
Paraplegia	\$249,549	\$25,394
Incomplete motor function at any level	\$201,273	\$14,106

Within the 2002 CODES dataset, there was only one SCI patient that was an unbelted, nonfatal vehicle occupant and Medicaid was listed as the first payer source. This patient suffered a high quadriplegia injury. Thus, the cost figure listed above for high quadriplegia first-year costs of \$682,957 was used.

In order to calculate the additional-year costs to Medicaid for persons who experienced a SCI in a given year, it was also necessary to estimate the number of injured persons whose long-term medical expenses would be paid by Medicaid. According to the Craig Institute, 25 percent of all persons who experience an SCI will become Medicaid patients.<sup>25</sup>

The additional-year costs to Medicaid for SCI patients were estimated as the following:

$$CSCI_L = \sum (e_i * 0.254 * T_{(SCI)_i})$$

in which

$CSCI_L$  = the cost to Medicaid in each year subsequent to the injury

$e_i$  = the average expenses in each subsequent year for each SCI severity level (Table 8)

$T_{(SCI)_i}$  = the number of unbelted MVC related SCI patients in each severity level who survived the initial hospitalization.

Cost estimates for the average long-term expenses to Medicaid for unbelted MVC SCI patients by severity categories are listed in Table 9. The last column takes the equation for calculating additional year costs listed above and multiplies it by nine years.

Table 9. Average Long-term Expenses to Medicaid for 2002 Unbelted MVC SCI Patients by Severity (in May 2004 dollars)

Injury Severity	N	Each Subsequent Year Cost Per Patient	25.4% of Total Cost of SCI Patients Over 9 Years
High Quadriplegia	3	\$122,334.00	\$838,966.57
Low Quadriplegia	4	\$50,110.00	\$458,205.84
Paraplegia	7	\$25,394.00	\$406,354.79
Incomplete motor function at any level	1	\$14,106.00	\$32,246.32
Total SCI charges			\$1,735,773.52

For unbelted vehicle occupants that did not have a diagnosis of TBI or SCI, cost projections were restricted to the initial hospital charges and are referred to in this report as "other." There is no available research to project medical costs post discharge of the initial hospital stay for these injuries. Table 10 captures the estimated first-year and additional-year costs for SCI patients and other injuries.

Table 10. Unbelted SCI and Other Patient Medical Cost Estimates to Medicaid (in 2002 Dollars) For One Year of Injury Prevention

Type of injury	N	First Year		Additional Year Cost	Additional Year Costs Over 9 Years	Sum 10 Years
		Initial hospital charges	Post-discharge costs			
SCI	See Table 9	-	682,957.00	\$192,863.72	1,735,773.52	\$2,418,730.52
Other	205	902,495.00	NA	NA	NA	\$902,495.00

Inflation adjustments were made for SCI and other injuries as listed in the table below. Because SCI cost estimates were made with 2004 dollar figures, adjustments were only made to them for 2005 and 2006.

**Table 11. 2002 Unbelted SCI and Other Medical Cost Estimates to Medicaid (in 2006 Dollars)**

Type of injury	Sum 10 Years	2003 Inflation 5.8%	2004 Inflation 5.0%	2005 Inflation 4.5%	2006 Inflation 4.2%
SCI	\$2,418,730.52	-	-	\$2,527,573.39	\$2,633,731.47
Other	\$902,495.00	\$954,839.71	\$1,002,581.70	\$1,047,697.87	\$1,091,701.18

**Calculating Cost Savings to Medicaid by Increasing Seat Belt Use**

To calculate a cost savings estimate to Medicaid by increasing seat belt use, the total estimated costs for unbelted TBI, SCI, and other injured vehicle occupants were combined from Tables 7 and 11. The total cost estimate to Medicaid, for injuries that occurred in 2002, during the course of 10 years is over \$10 million.

Using 2002 CODES data, a weighted average effectiveness rate of 52.04 percent was calculated for preventing nonfatal injuries. MAIS injury scores were not taken into consideration when making this calculation. To project cost savings to Medicaid if all unbelted crash victims had worn their seat belt, the effectiveness rating of 52.04 percent was applied to the total cost estimate of unbelted crash victims. Table 12 provides an estimated cost savings to Medicaid for injuries that would be avoided over the course of one year if Minnesota's seat belt use rate were at 100 percent.

**Table 12. Estimated Cost Savings to Medicaid for Injuries Avoided the First Year After Minnesota's Seat Belt Use Rate was at 100 percent**

Total costs to Medicaid over 10 years for 2002 unbelted vehicle occupants	\$10,461,669
Safety belt effectiveness rate	52.04%
Estimated savings if 100% seat belt use rate	\$5,440,067

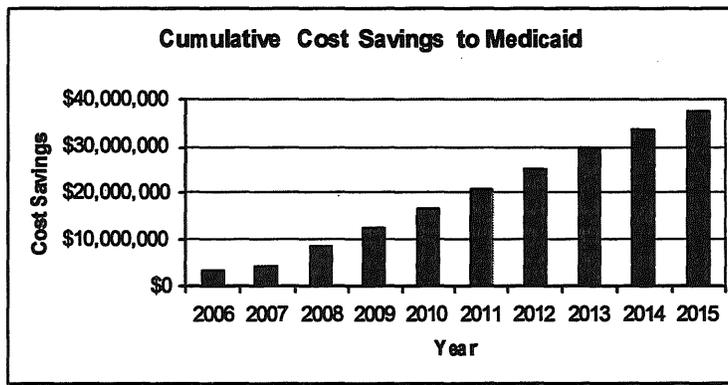
As of 2005, Minnesota's seat belt use rate is reported at 84 percent. Based on the experience of other states, the Minnesota Office of Traffic Safety estimates that Minnesota's seat belt use rate would rise from 84 percent to 94 percent if the seat belt law were upgraded to standard enforcement. Table 13 includes the projected total cost savings to Medicaid if Minnesota had a seat belt use rate at 94 percent. To calculate savings at 94 percent, the expected percentage point increase of 10 was divided by the current non-belted use rate of 16 percentage points, multiplied by the total estimated savings at 100 percent belt use, \$5.44 million. The total direct medical cost (DMC) savings to Medicaid for hospitalizations that occur in 2006 alone would be \$3.4 million over ten years.

**Table 13. Estimated Cost Savings to Medicaid for Injuries Avoided the First Year After Minnesota's Seat Belt Law is Upgraded to Standard Enforcement**

Estimated savings if 100% seat belt use rate	\$5,753,918
Law upgrade expected belt use rate	94%
Projected cost saving with law upgrade	\$3,402,658

The same reasoning can be applied to each year from 2006 through 2015 to arrive at a cumulative estimated savings for the ten-year period. The savings for each year, assuming passage of a seat belt law upgrade to standard enforcement in 2006, are presented in Table 14 in 2006 dollars. For 2006, there would be \$3.4 million in DMC savings. In 2007, the savings would be \$4.2 million: \$3.4 million in first-year savings plus one additional-year savings of \$0.82 million from hospitalizations that occurred in 2006. For 2008, there would be \$8.4 million in DMC savings: \$3.4 million in first-year savings plus one additional-year savings of \$0.82 million from hospitalizations that occurred in 2007 plus the total from 2007. Over the remaining years, the accumulated savings would be \$16.8 million for 2010 and \$37.9 million for 2015.

Table 14. Cumulative Cost Savings to Medicaid Over 10 Years if Seat Belt Law Upgrade in 2006



### Cumulative Savings to Other Payers

Other payer sources, such as Workers' Compensation, will benefit from a primary enforcement law. According to the Minnesota Department of Labor and Industry, from 1995-1999 crashes accounted for 27 percent of on-the-job fatalities. Overall, on-the-job crash injuries (fatal and non-fatal) at the national level comprise about 6.5 percent of all crash injuries.<sup>26</sup> Although "Workers' Compensation" was only listed as the primary payer source for one percent of linked records, it is estimated that on-the-job crashes occur at a much greater rate.

Commercial insurance is the leading payer source in Minnesota with 63 percent of hospital charges. Because Minnesota has mandated no-fault auto-insurance coverage, vehicle insurance providers pick up the first \$20,000 in medical charges that are billed for crashes that occur. Remaining medical charges are paid by other payer sources, such as regular health insurance.

The second leading group of payer sources, with 19 percent of total charges, is "Other Sources" which is mostly made of people paying their own bills or "self pay." The third payer group "Other Government," which does not include Medicaid, is the primary payer source for 13 percent of charges that occur. The average "Other Government" hospital charges were found to be 89 percent greater than the average of all other payer sources combined (excluding Medicaid). Government payer sources, including Medicaid, were the primary payer source for more than \$16 million in hospital charges (or 18 percent of charges that occurred to vehicle occupants). One-third of charges were for unbelted occupants.

Using a simplified version of the methods used for Medicaid, savings were calculated for the other major sources of payment. The results are displayed in Table 15. These figures account only for charges related to the initial hospitalization because there is not information available to determine the number of injured occupants for which these payers would bear the post-discharge and long-term costs. Therefore, cumulative savings outlined in Table 15 can be considered minimum savings.

Table 15. Cumulative Medical Charge Savings for 2006-2015 for Payer Sources (in 2006 Dollars)

Payer	Savings in 2010 (in millions)	Savings in 2015 (in millions)
Commercial Insurance	\$40.01	\$80.01
Other sources (self pay)	\$11.88	\$23.76
Other Government (not including Medicaid)	\$ 7.15	\$14.30
Workers' Compensation	\$0.37	\$0.75

### Effectiveness of Seat Belts in Preventing Injury and Medical Savings

Seat belts improve an occupant's chance of surviving a potentially fatal crash by 45 to 73 percent. In moderate-to-serious nonfatal injuries, they reduce the chance of injury by 44 to 78 percent.<sup>27</sup> The effectiveness of belts varies depending on circumstances surrounding a crash event, such as the following:

- Resulting injury severity (moderate-to-serious injury versus fatality);
- Type of vehicle in which the occupant is riding (passenger car versus light truck);
- Type of safety belt used (lap belt only versus lap and shoulder belt); and
- Position of the occupant in the vehicle (front seat belt versus rear seat).

To determine savings, vehicle occupants who had an injury-related diagnosis code were selected by the criteria listed above. In addition, only vehicle occupants within a passenger car (including SUVs) or a light truck were included in these analyses.

CODES data from 2002 revealed that only 24 percent of vehicle occupant fatality victims meeting the above criteria were discharged as deceased from hospitals. Examining Minnesota's Fatality Analysis Reporting System (FARS) data, it was found that 58 percent of 2002 fatalities were reported as dying at the scene of the crash.<sup>28</sup> For the 377 people who died on the roadway or while in transport (59 percent of which were unbelted), there is no medical charge data as these cases only linked to death certificate records.

Of those treated at the hospital, there were 18,512 occupants with charges totaling \$88.5 million. Twenty-two percent of these people were not wearing a seat belt and their charges made up 36 percent of total charges. On average, unbelted occupants had charges 94 percent greater than belted occupants.

Table 16 provides information on potential savings specific to unbelted vehicle occupant fatalities. The NHTSA efficiency rates estimate charges avoided and lives saved had all unbelted occupants instead chosen to secure their seat belt. In addition, an estimate is provided for charges avoided (in 2002 dollars) and lives saved over the course of one year assuming that Minnesota upgraded its seat belt law and the belt use rate was at 94 percent.

Table 16. Estimated Medical Charges Avoided (in 2002 Dollars) and Lives Saved Over One Year if Minnesota's Seat Belt Use Rate was at 100 and 94 Percent

Vehicle Type	Seating Position and Belt Type Available	Total Number Killed	Number Killed & Hosp. Treated	Total Acute Care Charges	NHTSA Efficiency Rates <sup>29</sup>	Estimated Charges Saved if 100% Belted	Estimated Lives Saved if 100% Belted
Passenger Car	Front, Lap/shoulder belt	177	34	\$1,029,947	45%	\$463,476.35	80
	Front, Lap belt only	1	0	\$2,029	35%	\$710.19	0
	Back, Lap/shoulder belt	18	4	\$155,551	44%	\$68,442.34	8
	Back, Lap belt only	7	3	\$75,654	32%	\$24,209.32	2
Light Truck	Front, Lap/shoulder belt	73	15	\$581,299	60%	\$348,779.56	44
	Front, Lap belt only	2	2	\$29,201	50%	\$14,600.70	1
	Back, Lap/shoulder belt	5	0	\$0	73%	\$0.00	4
	Back, Lap belt only	0	0	\$0	63%	\$0.00	0
<b>Total Charges and Lives Saved at 100% Seat Belt Usage</b>						<b>\$920,218</b>	<b>138</b>
<b>Total Charges and Lives Saved at 94% Seat Belt Usage</b>						<b>\$575,137</b>	<b>86</b>

Tables 17 and 18 provide information on potential savings specific to unbelted vehicle occupants that survived and had a diagnosed injury. NHTSA efficiency rates estimate injuries prevented and charges avoided had all unbelted occupants instead chosen to secure their seat belt. Table 17 contains data concerning moderate-to-critical injuries with a MAIS score of 2 through 5. Table 18 contains data concerning minor injuries with a MAIS score equal to one. Applicable NHTA efficiency rates were used. In addition, an estimate is provided for charges avoided (in 2002 dollars) and injuries prevented over the course of one year assuming that Minnesota upgraded its seat belt law and the belt use rate was at 94 percent.

Table 17. Estimated Medical Charges Saved (in 2002 Dollars) and Nonfatal Hospital-Treated Moderate to Critical Injuries (MAIS=2-5) Prevented Over One Year if Minnesota's Seat Belt Use Rate was at 100 and 94 Percent

Vehicle Type	Seating Position and Seat Belt Type	Number	Total Acute Care Charges	NHTSA Efficiency <sup>30</sup>	Estimated Charges Saved if 100% belted	Injuries Prevented if 100% Belted
Passenger Car	Front, Lap/shoulder belt	786	\$17,602,071	50%	\$8,801,035.47	393
	Front, Lap belt only	5	\$150,758	30%	\$45,227.45	2
	Back, Lap/shoulder belt	90	\$1,073,626	49%	\$526,076.60	44
	Back, Lap belt only	25	\$416,630	37%	\$154,153.14	9
Light Truck	Front, Lap/shoulder belt	247	\$4,806,190	65%	\$3,124,023.78	161
	Front, Lap belt only	4	\$9,914	55%	\$5,452.81	2
	Back, Lap/shoulder belt	6	\$173,855	78%	\$135,607.21	5
	Back, Lap belt only	3	\$68,193	68%	\$46,371.53	2
<b>Total Charges and Injuries Prevented at 100% Seat Belt Usage</b>					<b>\$12,837,948</b>	<b>617</b>
<b>Total Charges and Injuries Prevented at 94% Seat Belt Usage</b>					<b>\$8,023,718</b>	<b>386</b>

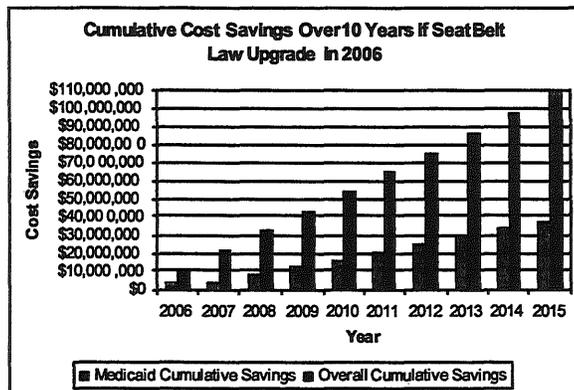
**Table 18. Estimated Medical Charges Saved (in 2002 Dollars) and Hospital-Treated Minor Injuries (MAIS=1) Prevented Over One Year if Minnesota's Seat Belt Use Rate was at 100 and 94 Percent**

Veh- icle Type	Seating Position and Seat Belt Type	Number	Total Acute Care Charges	NHTSA Efficiency <sup>31</sup>	Estimated Charges Saved if 100% belted	Injuries prevented if 100% belted
Pass- enger Car	Front, Lap/shoulder belt	1987	\$3,887,714	10	\$388,771.41	199
	Front, Lap belt only	10	\$11,952	10	\$1,195.19	1
	Back, Lap/shoulder belt	267	\$358,658	10	\$35,865.84	27
	Back, Lap belt only	58	\$66,473	10	\$6,647.34	6
Light Truck	Front, Lap/shoulder belt	494	\$939,503	10	\$93,950.27	49
	Front, Lap belt only	32	\$26,012	10	\$2,601.19	3
	Back, Lap/shoulder belt	25	\$27,054	10	\$2,705.37	3
	Back, Lap belt only	12	\$8,552	10	\$855.19	1
<b>Total Charges and Minor Injuries Prevented at 100% Seat Belt Usage</b>					<b>\$532,592</b>	<b>289</b>
<b>Total Charges and Minor Injuries Prevented at 94% Seat Belt Usage</b>					<b>\$332,870</b>	<b>180</b>

In 2002, 906 people were treated for motor vehicle crash injuries who would not have required hospital care had a seat belt been worn. Another 138 lives would have been saved had all been properly belted. The excess and preventable hospital charges for these unbuckled motor vehicle occupants in 2002 were more than \$14 million. The estimated hospital charge savings for a 94 percent belt use rate (from Tables 16, 17 and 18) equals \$8,931,724 (in 2002 dollars). To adjust for inflation, calculation rates in Table 6 were used. The adjusted hospital charge savings after one year of upgrading the seat belt law is \$10,804,241 (in 2006 dollars).

Using the same methods as applied for calculating cumulative cost saving for payer sources, cost savings were calculated for over all effectiveness of seat belts. The results are displayed in Table 19. These figures account only for charges related to the initial hospitalization because there is no information available to determine the number of injured occupants for which these payer(s) would bear the post-discharge and long-term costs. The estimated cumulative medical cost savings for upgrading Minnesota's seat belt law to standard enforcement would be \$54 million by 2010 and \$108 million by 2015.

**Table 19. Estimated Cumulative Cost Savings for Upgrading Minnesota's Seat Belt Law**



## Conclusions

Increasing seat belt use in Minnesota would have a direct impact on lowering medical costs to government payer sources. A 1995 NHTSA study, *Safety Belt Use Laws: An Evaluation of Primary Enforcement and Other Provisions*, indicates that states with primary enforcement safety belt laws achieved significantly higher belt use than did those with secondary enforcement laws. Upgrading the seat belt law would be the most effective and efficient means of increasing seat belt use in Minnesota. Based on the experience of other states, the Minnesota Office of Traffic Safety estimates that, by upgrading Minnesota's seat belt law in 2006, the seat belt use rate would increase from 84 percent belt use to 94 percent use.

If Minnesota were to upgrade its seat belt law to a standard enforcement law in 2006, the following cost savings projections (in 2006 dollars) can be made using 2002 CODES linked data:

### After one year:

- Injuries prevented within the first year would save Medicaid \$3.4 million over 10 years.
- Injuries prevented within the first year would save \$10.8 million over 10 years to all payer sources.

### Cumulative cost savings from 2006 – 2015 by payer source:

- Medicaid would save \$37.9 million
- Other government payer sources, excluding Medicaid, would save \$14.30 million
- Commercial insurance would save \$80.01 million
- Minnesota's Workers' Compensation Fund would save \$0.75 million
- Other sources of payment, comprised principally of uninsured individuals paying their own medical bills directly, would save \$23.76 million.

The cumulative cost savings over ten years for all payer sources using a weighted average effectiveness rate of 52.04 percent is nearly \$157 million. Medicaid cost savings include long-term medical cost estimates for persons injured in crash who sustained TBI and SCI. A conservative cumulative estimate of hospital charge savings for upgrading Minnesota's belt law to standard enforcement was projected to be \$108 million by 2015.

## References

- <sup>1</sup> Center for Disease Control WISQARS Accessed on February 21, 2006 <http://www.cdc.gov/ncipc/wisqars/>
- <sup>2</sup> Anderson E, Gaihas A, Karwoski L, Kinde M, Roesler J: Injury-related Mortality in Minnesota, 1990-1999. St. Paul: Minnesota Department of Health, January 2002. Available at: <http://www.health.state.mn.us/injury/pub/mort/index.cfm>.
- <sup>3</sup> Zaidman, Brian. *Minnesota Workplace Safety Report 2003*. Minnesota Department of Labor and Industry Research and Statistics. Saint Paul, MN. September 2005.
- <sup>4</sup> Minnesota Department of Public Safety Office of Traffic Safety. *Minnesota Motor Vehicle Crash Facts, 2004*. Saint Paul, MN. 2005.
- <sup>5</sup> National Highway Traffic Safety Administration. NHTSA-MVS Software. Washington, DC: National Highway Traffic Safety Administration. Accessed January 2006. Available from: <http://www.nhtsa.dot.gov/people/crash/MVS/>
- <sup>6</sup> Minnesota Department of Public Safety Office of Traffic Safety. *Minnesota Motor Vehicle Crash Facts, 2004*. Saint Paul, MN. 2005. p 1.
- <sup>7</sup> National Highway Traffic Safety Administration. NHTSA-MVS. Washington, DC: National Highway Traffic Safety Administration. Accessed January 2006. Available from: <http://www.nhtsa.dot.gov/people/crash/MVS/>
- <sup>8</sup> Blincoe, L. *The Economic Impact of Motor Vehicle Crashes 2000*, National Highway Traffic Safety Administration (NHTSA) Technical Report, DOT HS809 446. Washington, DC. May 2002
- <sup>9</sup> Ibid.
- <sup>10</sup> Minnesota Department of Public Safety Office of Traffic Safety. *Minnesota Motor Vehicle Crash Facts, 2004*. Saint Paul, MN. 2005
- <sup>11</sup> Ibid.
- <sup>12</sup> National Center for Statistics and Analysis. *Traffic Safety Facts Research Note: Seat Belt Use in 2004 – Overall Results*. Washington, DC: National Highway Traffic Safety Administration, Sept. 2004; DOT HS809 783.
- <sup>13</sup> Minnesota Department of Public Safety Office of Traffic Safety. *Minnesota Motor Vehicle Crash Facts, 2004*. Saint Paul, MN, 2005. p. 7
- <sup>14</sup> National Institute of Neurological Disorders and Stroke. *Traumatic Brain Injury: Hope Through Research*. Accessed February 2006. Available from [http://www.ninds.nih.gov/disorders/tbi/detail\\_tbi.htm#56473218](http://www.ninds.nih.gov/disorders/tbi/detail_tbi.htm#56473218).
- <sup>15</sup> Practice Management Information Corporation. *International Classification of Diseases, 9<sup>th</sup> Edition (Clinical Modification – 5<sup>th</sup> Edition)*. Los Angeles, CA: Practice Management Information Corporation, 1998.
- <sup>16</sup> World Health Organization. *International Classification of Diseases and Related Health Problems – 10<sup>th</sup> Revision*. Geneva, Switzerland: World Health Organization, 1992.
- <sup>17</sup> Marr A, Coronado V, editors. *Central Nervous System Injury Surveillance Data Submission Standards – 2002*. Atlanta, GA: Centers for Disease Control and Prevention, National Center for Injury Prevention and Control, 2004.
- <sup>18</sup> Kentucky Transportation Center College of Engineering. *Economic Costs of Low Safety Belt Usage in Motor Vehicle Crashes in Kentucky*. Lexington, KY, October 2005

---

<sup>19</sup> Ibid.

<sup>20</sup> Chaudhary NK, Preusser DF. Impact of a Primary Seat Belt Law on Virginia's State Medicaid Expenses. Trumbull, CT: Preusser Research Group, Inc, Jan 2004.

<sup>21</sup> Craig Hospital. Brain Injury Health Resource: Costs, service use, and who pays for what during the first year after TBI rehabilitation. Accessed January 12, 2006. Available from [http://www.craighospital.org/TBI/DOC\\_costs.asp](http://www.craighospital.org/TBI/DOC_costs.asp).

<sup>22</sup> Chaudhary, Neil. Impact of Primary Seat Belt Law on Virginia's State Medicaid Expenses. Trumbull, CT. Preusser Research Group, Inc. January 2004.

<sup>23</sup> Craig Hospital. Brain Injury Health Resource: Costs, service use, and who pays for what during the first year after TBI rehabilitation. Accessed January 12, 2006. Available from [http://www.craighospital.org/TBI/DOC\\_costs.asp](http://www.craighospital.org/TBI/DOC_costs.asp).

<sup>24</sup> Kentucky Transportation Center College of Engineering. Economic Costs of Low Safety Belt Usage in Motor Vehicle Crashes in Kentucky. Lexington, KY, October 2005

<sup>25</sup> Chaudhary, Neil. Impact of Primary Seat Belt Law on Virginia's State Medicaid Expenses. Trumbull, CT. Preusser Research Group, Inc. January 5, 2004.

<sup>26</sup> National Highway Traffic Safety Administration. *The Economic Burden of Traffic Crashes on Employers*. Washington, DC. 2003

<sup>27</sup> Blincoe, L. *The Economic Impact of Motor Vehicle Crashes 2000*, National Highway Traffic Safety Administration (NHTSA) Technical Report, DOT HS809 446. Washington, DC. May 2002, p.51

<sup>28</sup> Draper, Julian. Minnesota Fatality Analysis Reporting System (FARS) Data 2002

<sup>29</sup> Blincoe, L. *The Economic Impact of Motor Vehicle Crashes 2000*, National Highway Traffic Safety Administration (NHTSA) Technical Report, DOT HS809 446. Washington, DC. May 2002, p.51

<sup>31</sup> Ibid.

Senate Counsel, Research,  
and Fiscal Analysis

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## S.F. No. 1811 - Authorizing Local Governments to Permit Low-Speed Neighborhood Electric Vehicle Operation on Residential Roadways

**Author:** Senator Paul E. Koering

**Prepared by:** Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*  
Krista Boyd, Fiscal Analyst (651/296-7681) *KB*

**Date:** March 14, 2006

---

**Section 1** exempts a neighborhood electric vehicle from the definition of "motor vehicle" in the vehicle registration chapter.

**Section 2** exempts neighborhood electric vehicles from vehicle registration requirements.

**Section 3** defines "neighborhood electric vehicle" as an electrically powered vehicle with four wheels on the ground, weighing under 1,900 pounds, with a maximum speed of 25 miles per hour, and carrying a maximum of four people, including the driver.

**Section 4, Subdivision 1**, authorizes a governing body of a county, city, or town to allow by ordinance the operation, by permit, of neighborhood electric vehicles that meet federal standards, on designed roadways that have a maximum speed of 35 miles per hour.

**Subdivision 2** provides that the ordinance must require vehicle insurance that is prescribed by law for motorcycles. The ordinance may provide that a permit applicant submit a physician's certificate showing the applicant can operate the vehicle safely.

**Subdivision 3** prohibits operation of these vehicles after dark, in bad weather, or during periods of low visibility.

**Subdivision 4** provides that a slow-moving vehicle sign is not required for a neighborhood electric vehicle.

**Subdivision 5** allows a driver to cross a street or highway that intersects a roadway designated for neighborhood electric vehicles.

**Subdivision 6** requires drivers of neighborhood electric vehicles to obey the rules of the road.

**Subdivision 7** exempts a driver of a neighborhood electric vehicle from the requirement to have a driver's license. Vehicle equipment laws do not apply to neighborhood electric vehicles, with the exception of the requirement of a rear view mirror. A neighborhood electric vehicle is subject to federal equipment requirements for low-speed vehicles.

**Subdivision 8** makes an operator of a neighborhood electric vehicle who cannot obtain liability insurance eligible to participate in the Minnesota Automobile Assigned Risk Plan.

BB/KB:rer

Senators Koering, Murphy, Day, Ourada and Johnson, D.E. introduced--  
S.F. No. 1811: Referred to the Committee on Transportation.

1 A bill for an act  
2 relating to traffic regulations; authorizing local  
3 governments to permit low-speed neighborhood electric  
4 vehicles to be operated on residential roadways;  
5 making clarifying changes; amending Minnesota Statutes  
6 2004, sections 168.011, subdivision 4; 168.012,  
7 subdivision 3a; 169.01, by adding a subdivision;  
8 169.045.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

10 Section 1. Minnesota Statutes 2004, section 168.011,  
11 subdivision 4, is amended to read:

12 Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any  
13 self-propelled vehicle designed and originally manufactured to  
14 operate primarily upon public roads and highways, and not  
15 operated exclusively upon railroad tracks. It includes any  
16 vehicle propelled or drawn by a self-propelled vehicle and  
17 includes vehicles known as trackless trolleys that are propelled  
18 by electric power obtained from overhead trolley wires but not  
19 operated upon rails. It does not include snowmobiles,  
20 manufactured homes, or park trailers.

21 (b) "Motor vehicle" also includes an all-terrain vehicle,  
22 as defined in section 84.92, subdivision 8, that (1) has at  
23 least four wheels, (2) is owned and operated by a physically  
24 disabled person, and (3) displays both physically disabled  
25 license plates and a physically disabled certificate issued  
26 under section 169.345, subdivision 3.

27 (c) "Motor vehicle" does not include an all-terrain vehicle

1 as defined in section 84.92, subdivision 8; except (1) an  
 2 all-terrain vehicle described in paragraph (b), or (2) an  
 3 all-terrain vehicle licensed as a motor vehicle before August 1,  
 4 1985. The owner may continue to license an all-terrain vehicle  
 5 described in clause (2) as a motor vehicle until it is conveyed  
 6 or otherwise transferred to another owner, is destroyed, or  
 7 fails to comply with the registration and licensing requirements  
 8 of this chapter.

9 (d) "Motor vehicle" does not include an electric personal  
 10 assistive mobility device as defined in section 169.01,  
 11 subdivision 90.

12 (e) "Motor vehicle" does not include a neighborhood  
 13 electric vehicle, as defined in section 169.01, subdivision 91.

14 Sec. 2. Minnesota Statutes 2004, section 168.012,  
 15 subdivision 3a, is amended to read:

16 Subd. 3a. [SPECIAL PERMITS.] Motorized golf carts,  
 17 neighborhood electric vehicles, and four-wheel, all-terrain  
 18 vehicles operated under permit and on roadways designated  
 19 pursuant to section 169.045 are exempt from the provisions of  
 20 this chapter.

21 Sec. 3. Minnesota Statutes 2004, section 169.01, is  
 22 amended by adding a subdivision to read:

23 Subd. 91. [NEIGHBORHOOD ELECTRIC VEHICLE.] "Neighborhood  
 24 electric vehicle" means an electrically powered vehicle that has  
 25 four wheels in contact with the ground, that has an unladen  
 26 weight of less than 1,900 pounds, that is designed to and does  
 27 operate at a maximum speed of 25 miles per hour, and that can  
 28 carry no more than four persons, including the driver.

29 Sec. 4. Minnesota Statutes 2004, section 169.045, is  
 30 amended to read:

31 169.045 [SPECIAL VEHICLE USE ON ROADWAY.]

32 Subdivision 1. [DESIGNATION OF ROADWAY, PERMIT.] (a) The  
 33 governing body of any county, home rule charter or statutory  
 34 city, or town may by ordinance authorize the operation of:

35 (1) motorized golf carts, or four-wheel, all-terrain  
 36 vehicles, on designated roadways or portions thereof under its

1 jurisdiction; and

2 (2) neighborhood electric vehicles that meet federal motor  
3 vehicle safety standard 500 under Code of Federal Regulations,  
4 title 49, section 571.500, on designated roadways having a  
5 maximum speed limit of 35 miles per hour or less under its  
6 jurisdiction.

7 (b) Authorization to operate a motorized golf cart,  
8 neighborhood electric vehicle, or four-wheel, all-terrain  
9 vehicle is by permit only.

10 (c) For purposes of this section, a four-wheel, all-terrain  
11 vehicle is a motorized, flotation-tired vehicle with four  
12 low-pressure tires that is limited in engine displacement of  
13 less than 800 cubic centimeters and total dry weight less than  
14 600 pounds.

15 Subd. 2. [ORDINANCE.] (a) The ordinance shall must  
16 designate the roadways, prescribe the form of the application  
17 for the permit, and require evidence of insurance complying with  
18 the provisions of section 65B.48, subdivision 5 and.

19 (b) The ordinance may prescribe conditions, not  
20 inconsistent with the provisions of this section, under which a  
21 permit may be granted. Permits may be granted for a period of  
22 not to exceed one year, and may be annually renewed. A permit  
23 may be revoked at any time if there is evidence that the  
24 permittee cannot safely operate the motorized golf cart,  
25 neighborhood electric vehicle, or four-wheel, all-terrain  
26 vehicle on the designated roadways. The ordinance may require,  
27 as a condition to obtaining a permit, that the applicant submit  
28 a certificate signed by a physician that the applicant is able  
29 to safely operate a motorized golf cart, neighborhood electric  
30 vehicle, or four-wheel, all-terrain vehicle on the roadways  
31 designated.

32 Subd. 3. [TIMES OF OPERATION.] Motorized golf carts and  
33 four-wheel, all-terrain vehicles may only be operated on  
34 designated roadways from sunrise to sunset. They shall must not  
35 be operated in inclement weather or when visibility is impaired  
36 by weather, smoke, fog, or other conditions, or at any time when

1 there is insufficient light to clearly see persons and vehicles  
2 on the roadway at a distance of 500 feet.

3 Subd. 4. [SLOW-MOVING VEHICLE EMBLEM.] Motorized golf  
4 carts ~~shall~~ must display the slow-moving vehicle emblem provided  
5 for in section 169.522, when operated on designated roadways.

6 Subd. 5. [CROSSING INTERSECTING HIGHWAYS.] The operator,  
7 under permit, of a motorized golf cart, neighborhood electric  
8 vehicle, or four-wheel, all-terrain vehicle may cross any street  
9 or highway intersecting a designated roadway.

10 Subd. 6. [APPLICATION OF TRAFFIC LAWS.] Every person  
11 operating a motorized golf cart, neighborhood electric vehicle,  
12 or four-wheel, all-terrain vehicle under permit on designated  
13 roadways has all the rights and duties applicable to the driver  
14 of any other vehicle under the provisions of this chapter,  
15 except when those provisions cannot reasonably be applied to  
16 motorized golf carts, neighborhood electric vehicles, or  
17 four-wheel, all-terrain vehicles and except as otherwise  
18 specifically provided in subdivision 7.

19 Subd. 7. [NONAPPLICATION OF CERTAIN LAWS.] (a) The  
20 provisions of chapter 171~~7~~ are not applicable to persons  
21 operating motorized golf carts, neighborhood electric vehicles,  
22 or four-wheel, all-terrain vehicles under permit on designated  
23 roadways pursuant to this section. ~~Except-for-the-requirements~~  
24 ~~of-section-169-707~~

25 (b) The provisions of this chapter relating to equipment on  
26 vehicles ~~is~~ are not applicable to:

27 (1) motorized golf carts or four-wheel, all-terrain  
28 vehicles operating, under permit, on designated roadways, except  
29 for the requirements of section 169.70; and

30 (2) neighborhood electric vehicles operating, under permit,  
31 on designated roadways described in subdivision 1, but they are  
32 subject to the equipment requirements of Code of Federal  
33 Regulations, title 49, section 571.500.

34 Subd. 8. [INSURANCE.] In the event persons operating a  
35 motorized golf cart, neighborhood electric vehicle, or  
36 four-wheel, all-terrain vehicle under this section cannot obtain

1 liability insurance in the private market, that person may  
2 purchase automobile insurance, including no-fault coverage, from  
3 the Minnesota Automobile Assigned Risk Plan at a rate to be  
4 determined by the commissioner of commerce.

1.1 Senator ..... moves to amend S.F. No. 1811 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2005 Supplement, section 168.011, subdivision 4,  
1.4 is amended to read:

1.5 Subd. 4. **Motor vehicle.** (a) "Motor vehicle" means any self-propelled vehicle  
1.6 designed and originally manufactured to operate primarily on highways, and not operated  
1.7 exclusively upon railroad tracks. It includes any vehicle propelled or drawn by a  
1.8 self-propelled vehicle and includes vehicles known as trackless trolleys that are propelled  
1.9 by electric power obtained from overhead trolley wires but not operated upon rails. It does  
1.10 not include snowmobiles, manufactured homes, or park trailers.

1.11 (b) "Motor vehicle" includes an all-terrain vehicle only if the all-terrain vehicle  
1.12 (1) has at least four wheels, (2) is owned and operated by a physically disabled person,  
1.13 and (3) displays both disability plates and a physically disabled certificate issued under  
1.14 section 169.345.

1.15 (c) "Motor vehicle" does not include an all-terrain vehicle except (1) an all-terrain  
1.16 vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle  
1.17 before August 1, 1985. The owner may continue to license an all-terrain vehicle described  
1.18 in clause (2) as a motor vehicle until it is conveyed or otherwise transferred to another  
1.19 owner, is destroyed, or fails to comply with the registration and licensing requirements  
1.20 of this chapter.

1.21 (d) "Motor vehicle" does not include an electric personal assistive mobility device as  
1.22 defined in section 169.01, subdivision 90.

1.23 (e) "Motor vehicle" does not include a motorized foot scooter as defined in section  
1.24 169.01, subdivision 4c.

1.25 (f) "Motor vehicle" does not include a neighborhood electric vehicle, as defined in  
1.26 section 169.01, subdivision 91.

1.27 Sec. 2. Minnesota Statutes 2004, section 168.012, subdivision 3a, is amended to read:

2.1 Subd. 3a. **Special permits.** Motorized golf carts, neighborhood electric vehicles,  
 2.2 and four-wheel, all-terrain vehicles operated under permit and on roadways designated  
 2.3 pursuant to section 169.045 are exempt from the provisions of this chapter.

2.4 Sec. 3. Minnesota Statutes 2004, section 169.01, is amended by adding a subdivision  
 2.5 to read:

2.6 **Subd. 91. Neighborhood electric vehicle.** "Neighborhood electric vehicle" means  
 2.7 an electrically powered vehicle that has four wheels in contact with the ground, that has  
 2.8 an unladen weight of less than 1,900 pounds, that is designed to and does operate at a  
 2.9 maximum speed of 25 miles per hour, and that can carry no more than four persons,  
 2.10 including the driver.

2.11 Sec. 4. Minnesota Statutes 2004, section 169.045, is amended to read:

2.12 **169.045 SPECIAL VEHICLE USE ON ROADWAY.**

2.13 Subdivision 1. **Designation of roadway, permit.** (a) The governing body of any  
 2.14 county, home rule charter or statutory city, or town may by ordinance authorize the  
 2.15 operation of:

2.16 (1) motorized golf carts, or four-wheel, all-terrain vehicles, on designated roadways  
 2.17 or portions thereof under its jurisdiction; and

2.18 (2) neighborhood electric vehicles that meet federal motor vehicle safety standard  
 2.19 500 under Code of Federal Regulations, title 49, section 571.500, on designated roadways  
 2.20 having a maximum speed limit of 35 miles per hour or less under its jurisdiction.

2.21 (b) Authorization to operate a motorized golf cart, neighborhood electric vehicle, or  
 2.22 four-wheel, all-terrain vehicle is by permit only.

2.23 (c) For purposes of this section, a four-wheel, all-terrain vehicle is a motorized,  
 2.24 flotation-tired vehicle with four low-pressure tires that is limited in engine displacement of  
 2.25 less than 800 cubic centimeters and total dry weight less than 600 pounds.

2.26 Subd. 2. **Ordinance.** (a) The ordinance ~~shall~~ must designate the roadways, prescribe  
 2.27 the form of the application for the permit, and require evidence of insurance complying  
 2.28 with the provisions of section 65B.48, subdivision 5 ~~and~~.

2.29 (b) The ordinance may prescribe conditions, not inconsistent with the provisions of  
 2.30 this section, under which a permit may be granted. Permits may be granted for a period  
 2.31 of not to exceed one year, and may be annually renewed. A permit may be revoked at  
 2.32 any time if there is evidence that the permittee cannot safely operate the motorized golf  
 2.33 cart, neighborhood electric vehicle, or four-wheel, all-terrain vehicle on the designated  
 2.34 roadways. The ordinance may require, as a condition to obtaining a permit, that the  
 2.35 applicant submit a certificate signed by a physician that the applicant is able to safely

3.1 operate a motorized golf cart, neighborhood electric vehicle, or four-wheel, all-terrain  
3.2 vehicle on the roadways designated.

3.3 Subd. 3. **Times of operation.** Motorized golf carts and four-wheel, all-terrain  
3.4 vehicles may only be operated on designated roadways from sunrise to sunset. They  
3.5 ~~shall~~ must not be operated in inclement weather or when visibility is impaired by weather,  
3.6 smoke, fog, or other conditions, or at any time when there is insufficient light to clearly  
3.7 see persons and vehicles on the roadway at a distance of 500 feet.

3.8 Subd. 4. **Slow-moving vehicle emblem.** Motorized golf carts ~~shall~~ must display  
3.9 the slow-moving vehicle emblem provided for in section 169.522, when operated on  
3.10 designated roadways.

3.11 Subd. 5. **Crossing intersecting highways.** The operator, under permit, of a  
3.12 motorized golf cart, neighborhood electric vehicle, or four-wheel, all-terrain vehicle may  
3.13 cross any street or highway intersecting a designated roadway.

3.14 Subd. 6. **Application of traffic laws.** Every person operating a motorized golf cart,  
3.15 neighborhood electric vehicle, or four-wheel, all-terrain vehicle under permit on designated  
3.16 roadways has all the rights and duties applicable to the driver of any other vehicle under  
3.17 the provisions of this chapter, except when those provisions cannot reasonably be applied  
3.18 to motorized golf carts, neighborhood electric vehicles, or four-wheel, all-terrain vehicles  
3.19 and except as otherwise specifically provided in subdivision 7.

3.20 Subd. 7. **Nonapplication of certain laws.** (a) The provisions of chapter 171; are  
3.21 not applicable to persons operating motorized golf carts, neighborhood electric vehicles,  
3.22 or four-wheel, all-terrain vehicles under permit on designated roadways pursuant to this  
3.23 section. ~~Except for the requirements of section 169.70;~~

3.24 (b) The provisions of this chapter relating to equipment on vehicles ~~is~~ are not  
3.25 applicable to:

3.26 (1) motorized golf carts or four-wheel, all-terrain vehicles operating, under permit,  
3.27 on designated roadways, except for the requirements of section 169.70; and

3.28 (2) neighborhood electric vehicles operating, under permit, on designated roadways  
3.29 described in subdivision 1, but they are subject to the equipment requirements of Code of  
3.30 Federal Regulations, title 49, section 571.500.

3.31 Subd. 8. **Insurance.** In the event persons operating a motorized golf cart,  
3.32 neighborhood electric vehicle, or four-wheel, all-terrain vehicle under this section cannot  
3.33 obtain liability insurance in the private market, that person may purchase automobile  
3.34 insurance, including no-fault coverage, from the Minnesota Automobile Assigned Risk  
3.35 Plan at a rate to be determined by the commissioner of commerce."

I



Minnesota Department of Transportation

Transportation Building  
395 John Ireland Boulevard  
Saint Paul, Minnesota 55155-1899

August 13, 2004

Governor John Hoeven  
Office of the Governor  
State of North Dakota  
600 E Boulevard Avenue  
Bismarck, ND 58505-0001

Dear Governor Hoeven:

We have reviewed your letter of June 17 recommending that Minnesota sponsor legislation allowing the use of low speed vehicles. Although we have some concerns about allowing vehicles with a maximum speed of 25 mph to use roads where the maximum speed limit is 35 mph, the Minnesota Department of Transportation has decided not to oppose a law change as long as certain conditions are met. We do not feel it would be appropriate for our department to propose the changes.

We consulted with Minnesota's Department of Public Safety and have the following recommendations if someone would like to pursue legislation in this area:

1. Such vehicles can be allowed only in areas where the speed limit is less than 35 miles per hour.
2. Only individuals with valid drivers' licenses can operate these vehicles.
3. The vehicles must be titled and registered.
4. The vehicles must be equipped with the proper safety equipment (headlights, turn signals, safety belts, etc.).
5. The vehicles would have to display a slow-moving vehicle emblem. For golf carts operated on public roadways, this requirement is already in Minnesota Statute 169.045 Subd. 4.

Although this list is not meant to be exhaustive, it hopefully will provide you with an indication of Minnesota's concerns if this type of legislation is proposed.

Thank you for your interest in Minnesota's transportation system, and please do not hesitate to contact me if I can be of any further assistance.

Sincerely,

*Carol Molnau*  
Carol Molnau  
Lt. Governor/Commissioner

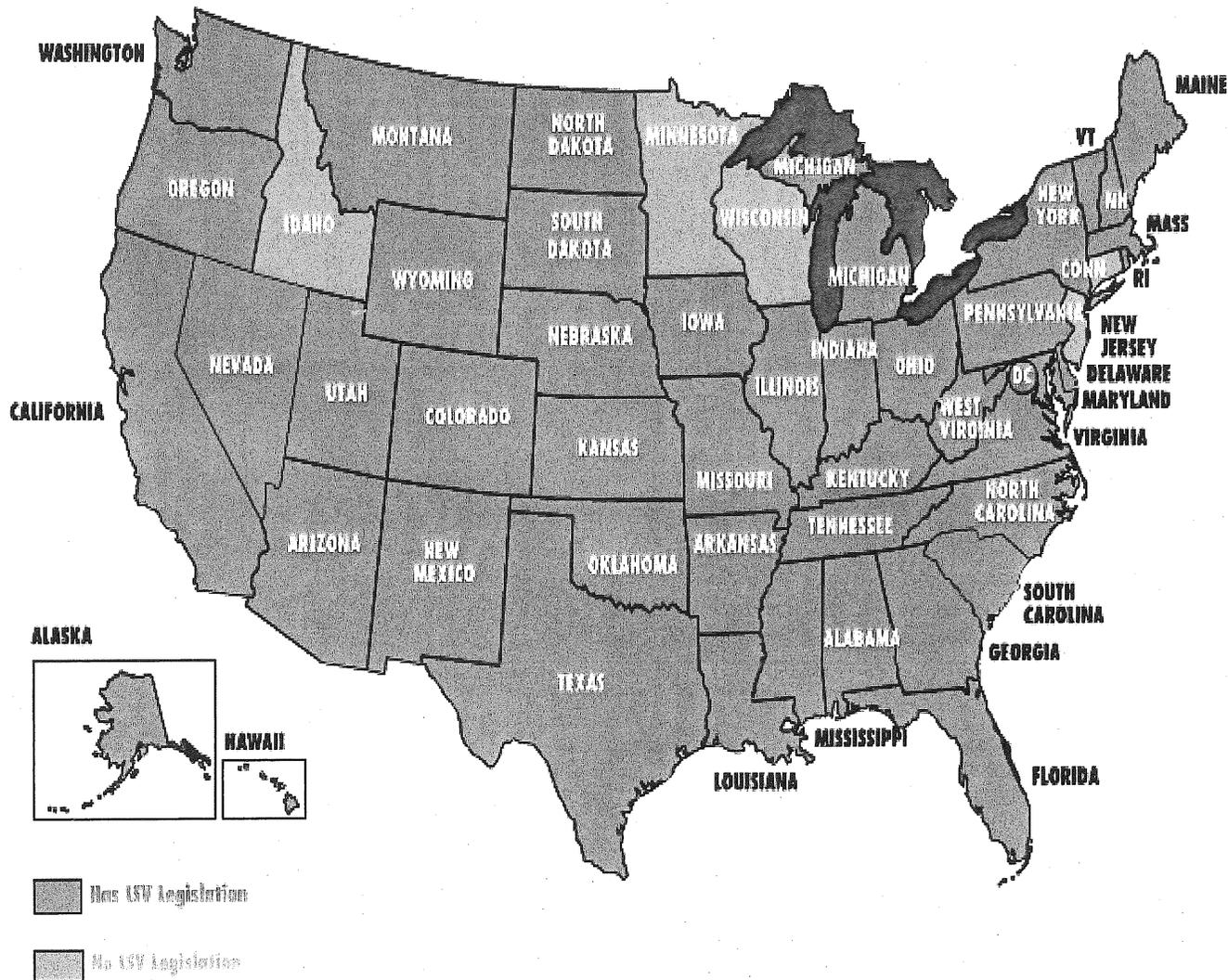
c: Governor Tim Pawlenty  
Commissioner Michael Campion, Minnesota Department of Public Safety

15



STATUS OF LSV LEGISLATION IN THE UNITED STATES

[BACK](#)



**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**  

---

**State of Minnesota**

**S.F. No. 2474 - Allowing Use of Headphones by  
Firefighters**

**Author:** Senator David Senjem

**Prepared by:** Krista Boyd, Fiscal Analyst (651/296-7681) *KB*  
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

**Date:** March 14, 2006

---

This bill amends the statute on prohibition of use of headphones in a motor vehicle, to allow the use of communication headsets by firefighters in fire trucks during emergency response.

KB/BB:rer

Senator Senjem introduced—

S.F. No. 2474: Referred to the Committee on Transportation.

1.1 A bill for an act  
 1.2 relating to traffic regulations; authorizing use of communications headset by  
 1.3 firefighters operating fire truck in emergency; amending Minnesota Statutes  
 1.4 2004, section 169.471, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2004, section 169.471, subdivision 2, is amended to read:

1.7 Subd. 2. **Use of headphones in vehicle.** (a) No person, while operating a  
 1.8 motor vehicle, shall wear headphones or earphones ~~which~~ that are used in both ears  
 1.9 simultaneously for purposes of receiving or listening to broadcasts or reproductions from  
 1.10 radios, tape decks, or other sound-producing or transmitting devices. ~~This section shall~~  
 1.11 ~~not prohibit the use, however, of~~

1.12 (b) Paragraph (a) does not prohibit:

1.13 (1) the use of a hearing aid devices device by persons in need thereof a person  
 1.14 who needs the device; or

1.15 (2) the use of a communication headset by a firefighter while operating a fire truck in  
 1.16 response to an emergency.

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 2683 - Exemption of Repayment to State Airports Fund For City of Willmar**

**Author:** Senator Dean E. Johnson

**Prepared by:** Krista Boyd, Fiscal Analyst (651/296-7681) *KB*  
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

**Date:** March 14, 2006

---

This bill provides that the city of Willmar:

- is exempt from the law that would otherwise require the city to repay the state airports fund for the state's share of land acquisition costs; and
- will not face reduction in funding from state airports fund to recover state's share;

if, by June 30, 2011, the city of Willmar uses this amount to extend the Willmar airport runway and make other airport improvements.

KB/BB:rer

Senator Johnson, D.E. introduced-

S.F. No. 2683: Referred to the Committee on Transportation.

1 A bill for an act  
 1.2 relating to aeronautics; prohibiting commissioner of transportation from  
 1.3 requiring repayment by city of Willmar to state airports fund for costs related to  
 1.4 airport relocation; prohibiting reductions of future funding from state airports  
 1.5 fund; requiring city to spend money not required to be repaid for runway  
 1.6 extension and other airport improvements.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. **FORMER AIRPORT PROPERTY.**

1.9 Notwithstanding Minnesota Statutes, section 360.305, subdivision 4, or any other  
 1.10 law, the commissioner of transportation shall not require the city of Willmar to repay the  
 1.11 state airports fund for the state share of acquisition costs of land that was previously  
 1.12 used for aviation purposes, and shall not reduce any funding from the state airports fund  
 1.13 to the city of Willmar in order to recover that share if, by June 30, 2011, the city has  
 1.14 spent the amount that it would otherwise be required to repay to the commissioner for  
 1.15 the following purposes:

1.16 (1) paying the city's share of the costs of extending the runway at the new Willmar  
 1.17 airport to a length of 6,500 feet; and

1.18 (2) with money not required for the purpose of clause (1), making other  
 1.19 improvements to the airport.

1.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

**AIRCRAFT OWNERS AND PILOTS ASSOCIATION**

421 Aviation Way • Frederick, MD 21701-4798  
Telephone (301) 695-2000 • Fax (301) 695-2375  
www.aopa.org

March 14, 2006

Honorable Steve Murphy  
Chairman  
Senate Transportation Committee  
75 Rev. Dr. Martin Luther King Jr. Blvd., Room 306  
St. Paul, MN 55155-1606

**Re: SF 2683 (Willmar airport repayment to airports fund requirement prohibited)**

Dear Chairman Murphy:

On behalf of the more than 7,600 Minnesota members – of 407,000 members nationwide – of the Aircraft Owners and Pilots Association (AOPA), we are writing to express our strong opposition to SF 2683, which prohibits the Commissioner of Transportation from requiring the city of Willmar to repay the state airports fund for the state share of acquisition costs of land that was previously used for aviation purposes.

The state airport fund was authorized in order to allow the Aeronautics Office of the Minnesota Department of Transportation to assist local communities in the funding of general aviation airport development projects. As such, we believe all proceeds disbursed from this account should be used solely for airport infrastructure projects and no other purpose.

We are aware that the City of Willmar is developing a “replacement” airport and plans to use the old airport property for an alternative use. While we are supportive of construction of the new airport, we believe very strongly that all proceeds and funds that were received by the city from the state must be used for development of the new airport. If the city determines that they do not wish to reinvest these state funds into the new airport facility, the city should be required to repay the funds to the State of Minnesota so that these monies may be used to develop other general aviation airports in the state. As it is, there is seldom adequate funding available each year to fulfill the demand for general aviation airport development projects in Minnesota. Therefore, every dollar counts and is critical. Every government agency eligible for these funds should be treated equally and are required to follow established state requirements. There should be no exceptions. Any agency that does not follow these state requirements should be required to repay funds received from the state to the state or be restricted from receiving future allocations of airport development monies.

Thank you for your time and consideration of our comments. Should you have any questions or concerns, please contact AOPA's Great Lakes Regional Representative Bill Blake at (309) 692-7653.

Sincerely,

Owen M. Sweeney, Jr.  
Manager, State & Local Government Affairs

cc: Senator Dean Johnson  
Raymond Rought, Director, Aeronautics and Aviation, DOT  
Bill Blake, AOPA Great Lakes Regional Representative

**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**

**State of Minnesota**

**S.F. No. 2642 - Imposing Double Fine For Moving  
Violations While Operating Mobile Telephone**

**Author:** Senator D. Scott Dibble

**Prepared by:** Krista Boyd, Fiscal Analyst (651/296-7681) *KB*  
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

**Date:** March 14, 2006

---

This bill amends the statute on traffic-related penalties, requiring an additional fine for a moving violation conviction if the violation is committed while operating a mobile telephone. This fine shall equal the amount of the moving violation fine, but must be at least \$25.

Exceptions to the fine may be made if the telephone was being used to contact emergency services.

KB/BB:rer

Senators Dibble, Ranum, McGinn, Jungbauer and Chaudhary introduced—  
S.F. No. 2642: Referred to the Committee on Transportation.

A bill for an act

1.2 relating to traffic regulations; doubling fine for moving violation committed  
1.3 while operating mobile phone; providing affirmative defense to doubled fine;  
1.4 amending Minnesota Statutes 2004, section 169.89, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2004, section 169.89, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 6. Violation committed while operating mobile phone. (a) A person  
1.9 convicted of a moving violation, which does not include a parking violation, a vehicle  
1.10 equipment violation, or a warning citation, who, during the commission of the violation,  
1.11 was operating a cellular or wireless telephone, is assessed an additional surcharge equal to  
1.12 the amount of the fine imposed for the moving violation, but not less than \$25.

1.13 (b) It is an affirmative defense against a charge of violating paragraph (a) that the  
1.14 mobile telephone was used for the purpose of contacting the following in response to  
1.15 an emergency:

1.16 (1) a first responder by use of a 911 or other emergency telephone number;

1.17 (2) a hospital, clinic, or doctor's office;

1.18 (3) an ambulance service provider;

1.19 (4) a fire department or law enforcement agency; or

1.20 (5) a first aid squad.

Dibble

②



# Insurance Information Institute

110 William Street, New York, NY 10038 Tel. 212 346-5500

## Cell Phones and Driving

### THE TOPIC

JANUARY 2006

In the United States over 200 million people used cell phones as of December 2005, compared with approximately 4.3 million in 1990, according to the Cellular Telecommunications & Internet Association.

Increased reliance on cell phones has led to a rise in the number of people who use the devices while driving. There are two dangers associated with driving and cell phone use. First, drivers must take their eyes off the road while dialing. Second, people can become so absorbed in their conversations that their ability to concentrate on the act of driving is severely impaired, jeopardizing the safety of vehicle occupants and pedestrians. Since the first law was passed in New York in 2001 banning hand-held cell phone use while driving, there has been debate as to the exact nature and degree of hazard. At first safety experts focused on the problem as part of the larger one of driver distractions in general. These can include anything that reduces driver concentration on road hazards from drinking coffee to talking with another passenger. Now there is increasing evidence that the dangers associated with cell-phone use outweigh those of other distractions. Safety experts also acknowledge that the hazard posed by cell phone conversations is not eliminated, and may even be increased, by the use of hands-free sets.

### RECENT DEVELOPMENTS

- **Studies:** In December 2005 the National Highway Traffic Safety Administration (NHTSA) and the National Center for Statistics and Analysis released the results of their National Occupant Protection Use Survey (NOPUS), which found that in 2005, 6 percent of drivers used handheld cell phones, up from 5 percent in 2004. The survey also found that the jump was most noticeable among women (up to 8 percent from 6 percent in 2004) and young drivers ages 16 to 24 (up to 10 percent from 8 percent in 2004). The percentage of men using cell phones rose from 4 to 5 percent over the same period. Finally, the survey found that the number of drivers using headsets rose from 0.4 percent in 2004 to 0.8 percent in 2005. The NOPUS is a probability-based observational survey. Data on driver cell phone use were collected at random stop signs or stoplights only while vehicles were stopped and only during daylight hours.
- Motorists who use cell phones while driving are four times as likely to get into crashes serious enough to injure themselves, according to a study of drivers in Perth, Australia, conducted by the Insurance Institute for Highway Safety. The results, published in July, 2005, suggest that banning hand-held phone use won't necessarily improve safety if drivers simply switch to hands-free phones. The study found that injury crash risk didn't vary with type of phone.
- A government study released in June 2005 indicates that the distraction of cell phones and other wireless devices was far more likely to lead to crashes than other distractions faced by drivers. Researchers for the Virginia Tech Transportation Institute and the National Highway Traffic Safety Administration (NHTSA) tracked 100 cars and their drivers for a year and concluded that talking on cell phones caused far more crashes, near-crashes and other incidents than other distractions.
- These findings seem to contradict an August 2003 report from the AAA Foundation for Traffic Safety that concluded that drivers are far less distracted by their cell phones than other

common activities, such as reaching for items on the seat or glove compartment or talking to passengers. The study was based on the analysis of three hour videotapes from cameras installed in the vehicles of 70 drivers in North Carolina and Pennsylvania.

- Many studies have shown that using hand-held cell phones while driving can constitute a hazardous distraction. However, the theory that hands-free sets are safer has been challenged by the findings of several studies. A September 2004 study from the NHTSA found that drivers using hand-free cell phones had to redial calls 40 percent of the time, compared with 18 percent for drivers using hand held sets, suggesting that hands free sets may provide drivers with a false sense of ease.
- A study from the University of Utah published in the winter 2004/2005 issue of Human Factors, the quarterly journal of the Human Factors and Ergonomics Society, found that motorists who talked on hands-free cell phones were 18 percent slower in braking and took 17 percent longer to regain the speed they lost when they braked. An earlier University of Utah study by the same researchers found that drivers talking on hands-free cell phones were less likely to recall seeing pedestrians, billboards or other roadside features.
- A study published in the March 2003 issue of The Journal of Experimental Psychology: Applied, found that the distraction risk is as high for drivers who use hands-free cell phones, as for drivers who use hand-held devices.
- **State and Federal Initiatives:** The number of state legislatures debating measures that address the problem of cell-phone use while driving and other driver distractions continues to rise. According to the National Conference of State Legislatures, over two-thirds of states looked at bills that would restrict the use of cell phones while driving in the first part of 2005. Four states -- Colorado, Delaware, Maryland and Tennessee -- banned their use by young drivers in 2005. In May, the city of Chicago banned the use of hand held cell phones while driving, imposing penalties of \$50 or \$200 (the latter if the driver is involved in an accident).
- In October 2005 a Connecticut law banning the use of hand-held cell phones while driving went into effect. The measure goes further than some similar laws in other states and municipalities. Drivers in Connecticut can be fined \$100 not only for using a cell phone, but those pulled over for speeding or other moving violations can be fined for other driving distractions such as putting on makeup or turning to discipline children in the back seat. In January 2004 New Jersey passed a bill prohibiting the use of cell phones while driving and in April of that year the District of Columbia (DC) followed suit. In New Jersey fines range between \$100 and \$250; in DC fines are \$100. New York was the first state to enact such legislation in 2001. Drivers there face fines of \$100 for the first violation, \$200 for the second and \$500 thereafter.
- In June 2003 federal and state highway safety agencies issued new guidelines for reporting crashes caused by distracted drivers. The authorities are asking police across the nation to note whether a driver was distracted and the source of the distraction, such as cell phone, radio, passenger, or another vehicle.
- **Businesses:** Businesses are increasingly prohibiting workers from using cell phones while driving to conduct business. In July 2004, the California Association of Employers recommended that employers develop a cell phone policy that requires employees to pull off the road before conducting business by cell phone.
- **Court Decisions:** In December 2004 a civil case involving a car crash caused by a driver using a cell phone for business reasons was dismissed when the driver's employer, Beers Skanska Inc., agreed to pay the plaintiff \$5 million. The plaintiff in the case being heard in Georgia's Fulton County Superior Court was severely injured in the crash. The suit is among the most recent of several cases where an employer has been held liable for an accident caused by a driver using a cell phone. See background section on Employer and Manufacturer Liability.

- In mid-October 2004 in the case of Yoon v. Wagner a Virginia jury awarded \$2 million in damages to the family of a young girl who was killed by a driver using a cell phone at the time of the accident. The plaintiff also filed a suit against the driver's employer after it became clear through an examination of phone records that the driver had been talking to a client when she hit the girl.

## BACKGROUND

Cell phones play an integral role in our society. However, the convenience they offer must be judged against the hazards they pose. Inattentive driving accounted for 6.4 percent of crash fatalities in 2003 — the latest data available — according to the U.S. Department of Transportation. Inattentive driving includes talking, eating, putting on make up and attending to children. Using cell phones and other wireless or electronic units are also considered distractions.

As many as 40 countries may restrict or prohibit the use of cell phones while driving. Countries reported to have laws related to cell phone use include Australia, Austria, Belgium, Brazil, Botswana, Chile, the Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, India, Ireland, Israel, Italy, Japan, Jordan, Kenya, Malaysia, the Netherlands, Norway, the Philippines, Poland, Portugal, Romania, Russia, Singapore, the Slovak Republic, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Turkey, Turkmenistan, the United Kingdom and Zimbabwe. Most countries prohibit the use of hand-held phones while driving. Drivers in the Czech Republic, France, the Netherlands and the United Kingdom may use cell phones but can be fined if they are involved in crashes while using the phone. Drivers in the United Kingdom and Germany also can lose insurance coverage if they are involved in a crash while talking on the phone.

Supporters of restrictions on driving while using a cell phone say that the distractions associated with cell phone use while driving are far greater than other distractions. Conversations using a cell phone demand greater continuous concentration, which diverts the driver's eyes from the road and his mind from driving. Opponents of cell phone restrictions say drivers should be educated about the effects of all driver distractions. They also say that existing laws that regulate driving should be more strictly enforced.

**Employer and Manufacturer Liability:** Although only a handful of high-profile cases have gone to court, employers are still concerned that they might be held liable for accidents caused by their employees while driving and conducting work-related conversations on cell phones. Under the doctrine of vicarious responsibility, employers may be held legally accountable for the negligent acts of employees committed in the course of employment. Employers may also be found negligent if they fail to put in place a policy for the safe use of cell phones. In response, many companies have established cell phone usage policies. Some allow employees to conduct business over the phone as long as they pull over to the side of the road or into a parking lot. Others have completely banned the use of all wireless devices.

In an article published in the June 2003 edition of the North Dakota Law Review, attorney Jordan Michael proposed a theory of cell phone manufacturer liability for auto accidents if they fail to warn users of the dangers of driving and talking on the phone at the same time. The theory holds that maker liability would be similar to the liability of employers who encourage or demand cell phone use on the road. Holding manufacturers liable would cover all persons who drive and use cell phones for personal calls. Michael notes that some car rental agencies have already placed warnings on embedded cell phones in their cars.

© Insurance Information Institute, Inc. - ALL RIGHTS RESERVED

---

Content permission and free  
insurance content feeds

Are you a reporter searching  
for insurance-related



[For permission click here](#)



**information?**  
[Click here for help](#)

**Senate Council, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

# Senate

State of Minnesota

## **S.F. No. 2393 - Special Motorcycle Plates for Combat Wounded Veterans**

**Author:** Senator Steve Murphy

**Prepared by:** Krista Boyd, Fiscal Analyst (651/296-7681) *KB*  
Bonnie Berezovsky, Senate Counsel (651/296-9191) *BB*

**Date:** March 14, 2006

---

This bill amends the special plates for veterans law to authorize a special motorcycle plates for combat wounded veterans, similar to that currently available for passenger autos, pickup trucks, and recreational vehicles (RVs).

The fee for a single motorcycle plate will remain \$10.

KB/BB:rer

**Senators Murphy and Vickerman introduced-**

**S.F. No. 2393: Referred to the Committee on Transportation.**

1 A bill for an act  
1.2 relating to license plates; providing for issuance of special motorcycle plates for  
1.3 combat wounded veterans; amending Minnesota Statutes 2005 Supplement,  
1.4 section 168.123, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2005 Supplement, section 168.123, subdivision 1,  
1.7 is amended to read:

1.8 Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for  
1.9 each set of two plates, or for a single plate in the case of a motorcycle plate, payment of  
1.10 the registration tax required by law, and compliance with other applicable laws relating to  
1.11 vehicle registration and licensing, as applicable, the commissioner shall issue:

1 (1) special veteran's plates to an applicant who served in the active military service  
1.13 in a branch of the armed forces of the United States or of a nation or society allied with the  
1.14 United States in conducting a foreign war, was discharged under honorable conditions,  
1.15 and is a registered owner of a passenger automobile, recreational motor vehicle, or truck  
1.16 resembling a pickup truck and having a manufacturer's nominal rated capacity of one ton,  
1.17 but which is not a commercial motor vehicle as defined in section 169.01, subdivision  
1.18 75; or

1.19 (2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a),  
1.20 (e), (f), (h), or (i), or another special plate designed by the commissioner to an applicant  
1.21 who is a registered owner of a motorcycle and meets the criteria listed in this paragraph  
1 and in subdivision 2, paragraph (a), (e), (f), (h), or (i). Plates issued under this clause must  
1.23 be the same size as regular motorcycle plates. Special motorcycle license plates issued  
1.24 under this clause are not subject to section 168.1293.

2.1 (b) The additional fee of \$10 is payable for each set of veteran's plates, is payable  
2.2 only when the plates are issued, and is not payable in a year in which stickers are issued  
2.3 instead of plates.

2.4 (c) The veteran must have a certified copy of the veteran's discharge papers,  
2.5 indicating character of discharge, at the time of application. If an applicant served in the  
2.6 active military service in a branch of the armed forces of a nation or society allied with the  
2.7 United States in conducting a foreign war and is unable to obtain a record of that service  
2.8 and discharge status, the commissioner of veterans affairs may certify the applicant as  
2.9 qualified for the veterans' plates provided under this section.

2.10 (d) For license plates issued for one-ton trucks described in paragraph (a), clause  
2.11 (1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under  
2.12 paragraph (a). The surcharge must be deposited in the vehicle services operating account  
2.13 in the special revenue fund.