

STATE OF MINNESOTA
DEPARTMENT OF PUBLIC SAFETY

**In the Matter of the Proposed Adoption
of Rules of the State Department of
Public Safety Governing Establishing
Film Rental Fees for Traffic Safety
Films.**

STATEMENT OF NEED AND REASONABLENESS

The above captioned rules are not amendments to existing rules of the State Department of Public Safety.

The need to adopt these rules arises because of a law passed by the Legislature in the 1985 Special Session I, Chapter 10, and Minnesota Statute 299.A.01, subdivision 6, which requires the Department of Public Safety to establish film rental fees at rates determined so as to collect \$40,000 each year.

This legislation was in response to the termination of federal funds which had been used to purchase and maintain traffic safety films for the Film Library for the past 10 years. The federal funds terminated September 30, 1985.

The film rental fees are limited to traffic safety films because those are the films that had previously been provided for with the federal funding and the law states that fees be established for traffic safety films.

7419.0400 - Rental Fees - The fee structure set out in this subpart was set up in order to meet the legislative mandate of collecting \$40,000. With current annual usage of 20,000 traffic safety films per year and comments from the commercial driving schools and school districts who are the heaviest users of traffic safety films, we anticipate a dramatic decrease in film usage. If film usage of traffic safety

films drops to 10,000 per year as anticipated, the average fee must be \$4 per film in order to recover \$40,000 per year. The fee structure is broken down by age and length of the films. With a lower fee for older and shorter films and higher fees for newer, longer films.

The responses received from school districts indicated a need for a blanket fee or annual membership to ease administration of paying the proposed fees. This is particularly needed for large school districts to reduce the amount of administrative time and expense of issuing checks and processing paperwork for film rental by the various schools. The \$750 annual membership would only be useful to the larger school districts who would be most burdened by the additional administrative functions.

7419.0500 Rental Terms - The rental terms are set out on the basis of the present system of loaning films. The film rental period is limited to 1 - 5 days to ensure the availability of films to all users and to allow time for mailing of films. Under the present system we will substitute a comparable film to the renter if the film requested is not available in order to accommodate the rental needs.

7419.0600 Late Fees - The most efficient and effective use of films is to have them being used by customer's as often as possible. This requires users to return films immediately at the end of a rental period. If films are not returned immediately we may not be able to provide the film to a subsequent renters on time. A late fee plan would help avoid this situation, and if it did occur, then those returning films late would be penalized, and the longer the abuse period the greater the penalty.

These rules have some impact on small businesses in Minnesota, and the department has considered the methods for reducing the impact as required by Minn. Stat. 14.115, Subd. 2. The newly established fees will have an impact on commercial driving

schools and any other small businesses using traffic safety films from the film library. These rules will be an additional expense not previously incurred by these small businesses. In developing the fee schedule, the department has kept the fees for film rental as low as possible while still adequately covering the cost and maintenance of the films and meeting the legislative mandate which requires that fees be set so as to collect \$40,000 per year.

The department attempted to develop the procedures in the least burdensome manner. The department is concerned that film usage will drop because of the fees imposed. The department feels strongly that these traffic safety films are a valuable educational tool particularly to new, young drivers and does not wish to discourage the use of films in driver education but rather to encourage their usage.

The department sent out a letter to each of the commercial driving schools and school districts in the state to inform them of the proposed fee to be imposed on traffic safety films and to solicit their input as to how the fees will impact them and how we can accommodate their needs.

The response from the commercial driving schools and school districts was that the fees would be an additional burden on their program and that they in turn would have to either reduce film usage or increase their fees.

PAUL J. TSCHIDA
COMMISSIONER

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