

**FISCAL ANALYSIS  
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**The Fiscal Impact of Federal 0.08 Legislation on Minnesota**  
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On October 23, 2000, President Clinton signed into law a national drunken-driving standard. This legislation was part of the federal transportation bill (HR 4475). The federal government is attempting to encourage states to adopt the per se standard for impaired driving of 0.08 percent, which is lower than the 0.10 percent currently allowed by Minnesota law.

The law includes sanctions on states that do not implement the 0.08 standard. Those sanctions, which are phased in beginning in 2004, provide that states will lose 2 percent of their federal highway funding, with the penalty increasing to 8 percent by FY 2007.

Minnesota is one of 30 states that defines a driver as legally impaired if that person has an alcohol concentration level of 0.10 or higher as measured by breath, blood or urine (Massachusetts and South Carolina do not set a specific blood-alcohol level for drunken driving but leave it up to the judgment of the arresting officer). The other 18 states and the District of Columbia have already adopted the lower per se standard of 0.08 alcohol concentration.

**Implications for Minnesota**

If Minnesota does not adopt the 0.08 percent alcohol concentration standard, the state will face a graduated loss of federal highway dollars. The sanctions include a 2 percent loss in 2004, 4 percent in 2005, 6 percent in 2006, and 8 percent in 2007. If a state adopts the 0.08 standard by the end of 2007, it will be reimbursed for the funding it lost during the preceding years. The estimated fiscal penalties are as follows:

**Estimated Penalty for Minnesota**

<b>FY2004</b> 2% Penalty	<b>FY2005</b> 4% Penalty	<b>FY2006</b> 6% Penalty	<b>FY2007</b> 8% Penalty
\$6,157,071	\$12,314,142	\$18,471,214	\$24,628,285

Source: *National Conference of State Legislatures*

**Fiscal Implications of Passing 0.08**

If Minnesota does decide to adopt the 0.08 standard, there will be some financial implications (both expenses and revenues) for the state and local units of government.

The estimation of costs and revenues for implementing 0.08 is very complex, involving at least seven state agencies, local units of government and at least six different state funds. One of the main assumptions is that there will be an increase in the implied consent arrests. The 1999 fiscal note estimated that there will be 1,550 additional implied consent arrests. The following table gives a summary of the types of revenue and costs that would probably occur if the 0.08 standard is adopted in Minnesota. Specific dollar amounts are dependent on the details of the proposals (this information is based on past fiscal notes and recent conversations with agency personnel).

<b>0.08 Legislation: Preliminary Summary of Costs and Revenues</b>		
<b>Agency</b>	<b>Expense</b>	<b>Revenue</b>
Department of Public Safety	Additional expense to modify computer programs and to revise administrative forms to reflect the change. Additional mailing costs. State Patrol would incur additional expenses to revise and reprint forms and would incur overtime expenses for attending additional implied consent hearing appeals and trials.	1. Increase in applications for new drivers licenses (most of those that are revoked will apply for a new license). 2. Increase in special series license plates 3. Replacement plates following plate impoundment 4. Reinstatement fee
Department of Natural Resources	Possible overtime expenses for implied consent hearings	Fine revenue that would go to the water recreation fund and the snowmobile fund
Courts	Increase in judge units	Fine, law library fees, penalty assessment, chemical dependency assessment fee, and surcharge revenue
Department of Corrections	Increase in Probation Officers	Probation fee
Public Defense Board	Increase in Public Defense Cases	Public Defender fee
Attorney General	Increase in implied consent hearings	
Local Impact	Increase in jail beds, prosecutions, and probation.	Fine revenue, chemical dependency assessment fees, and probation fee

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