

“To a person who consents, no injustice is done!”

Economic Impacts of Modification of Nebraska’s Mandatory Motorcycle Helmet Law
11/29/06

(The following report was put together by Larry Schutt and Dan Spotten for the purpose of bringing greater understanding to the issue of how modifying Nebraska’s mandatory motorcycle helmet law will affect the economy of Nebraska in terms of tax revenues, licensing, registration and tourism. A great many people contributed to this report along with individual motorcyclists from at least 20 states.)

What is ABATE?

ABATE stands for “American Bikers Aiming Towards Education”. ABATE is a motorcycle rights organization consisting of motorcycle enthusiasts throughout the State of Nebraska . Our goals and purposes are to encourage favorable legislation for motorcyclists. These are accomplished through a monthly newsletter, a website, promotion of safety education programs (designed to help prevent fatal and personal injury accidents), lobbying at the State Legislature and voter registration programs.

ABATE of Nebraska , Inc.’s goal is to keep our legislature informed of our feelings as motorcyclists, about such proposed legislation. ABATE of Nebraska , Inc. also works with motorcycle rights organizations across the county to stop unfair legislation aimed at motorcyclists.

ABATE of Nebraska , Inc. does not advocate that a motorcyclist ride without a helmet, but we feel that as responsible adults, motorcyclists should have the right to decide whether or not to wear one.

Promoting Safety Safeguarding Rights

ABATE of Nebraska

www.abateofne.com

ABATE of Florida :[\[1\]](#) On February 6, 2006 James "Doc" Reichenbach II, President of ABATE of Florida and Chairman of the Board for the National Coalition of Motorcyclists, released the following economic impact report covering the five years since Florida modified their mandatory helmet law to exclude most adult riders.

To all Motorcycle Rights Organizations and interested parties

The following is an economic impact study done for the first five years of our amended helmet law. The motorcycle registration figures are compiled from the statistics of the Florida Department of Highway Safety and Motor Vehicles. The fees come from the Florida license and registration bureau. From July 1, 2000 to July 1, 2005 motorcycle registrations in Florida went from 195,306 to 473,637 which represent a total of a 143% increase.

The following is the estimated revenue increase from the registrations and bike purchases:

- 278,331 new Motorcycles at an average of \$10,000 each = **\$2,783,310,000**
- Sales tax on Motorcycles at 6% = **\$166,998,600**
- Registration Fees for Motorcycles = **\$10,047,749**
- Change of title = **\$8,280,347**

- **Total = \$2,968,636,696**

This is almost three **billion dollars in five years** that has been put into the economy of the State of Florida , and this is a low figure as it doesn't include antique motorcycle or mopeds that are licensed differently in Florida . Over one hundred eighty million dollars in taxes went directly into the state treasury for the general fund. **This does not include the tourist money that has increased because of Florida being a freedom of choice state. In the past five years over 3 billion dollars has been put into the economy in general from Bike Week and Biketoberfest.**

The Logical Perspective[2]

Helmet laws can also COST states significant amounts of money. After passage of the mandatory helmet law in California , in 1992-93 there was a 26% drop in new motorcycle sales and ridership dropped by 18%. This cost the state over \$1 million in gasoline tax, \$15 million in lost sales and payroll taxes, and \$1 million in lost registration fees. There is of course no way to estimate how much was lost by the hotels, motels, gas stations, and restaurants across the state as bikers visited helmet free states for their vacations and day trips. The amount of money that motorcyclists spend in free states is not insignificant. Did you know that:

According to a UCF survey, Daytona Beach 's two annual motorcycle rallies (Bike Week and Biketoberfest) **generated \$744 million in revenue for the area and an equivalent of 17,800 full-time, year-round jobs in 2001**, the year of the study. Daytona Beach **actually takes in more money from its motorcycle rallies**, than by the NASCAR events held there.

Myrtle Beach , South Carolina takes in \$350 million in 1 week during their Myrtle Beach Bike Week.

Johnstown , Pennsylvania 's Thunder in the Valley had their **attendance jump from 70,000 to over 100,000** the year after mandatory helmets were eliminated in Pennsylvania in 2003.

Sturgis , South Dakota attendance **had grown to over 850,000** bikers last year during the Sturgis Rally (2004).

Laconia , New Hampshire had a record year last year when **over 400,000 bikers** attended Laconia Motorcycle Week (2004).

The one thing all of these states have in common is that they are states that allow motorcyclists freedom of choice when it comes to wearing a helmet. These biker rallies are not insignificant sources of income for these communities. **Every dollar that is spent locally creates an additional \$3 of economic ripple effect.** These figures do not take into account the hundreds of thousands of motorcyclists who will visit these states for day trips, weekend stays, and longer vacations. In the end, mandatory helmet laws end up costing states far more money than is apparent to the average citizen.

THE CALIFORNIA EXPERIENCE[3]

California is proving the consistent trend that states with mandatory helmet laws have higher death rates than those which repealed the law. Instead of seeing a dramatic decrease in fatalities as proponents predicted, the truth is California 's death rate is 2% higher than the year before the helmet law went into effect. This falls in line with the experience of other states with mandatory helmet laws. In 1992, the states with the lowest fatality rates were Iowa , Minnesota , Wisconsin , New Hampshire , North Dakota and Wisconsin none of which have full helmet laws. Coincidentally, those states with the best overall safety also have comprehensive rider education courses in place. More evidence to the value of safety programs comes from the fact that in California , their award winning safety program accounted for a 43% decrease in fatalities and a 40% decrease in injuries from 1986 through 1991, before the helmet law was in effect. The decrease in injuries alone amounted to 12,258, compared to 5,829 which the California Highway Patrol attributes to the helmet law between 1992 and 1993. Did the helmet law in California cause a drop in fatalities? While deaths did go down, the number of riders decreased at even a greater

number. That coupled with a national trend of continued fatality decreases, it's hard to credit the helmet law with anything more than causing a financial disaster in California .

There was a 26% drop in new motorcycle sales in 1992-1993. Ridership was down an estimated 18%. How does that compute to dollars lost to California ? **Over \$1 million less** was received in gasoline tax and **over \$15 million was lost** in sales taxes, payroll taxes and in state income taxes. The state **lost \$950,000 in registration fees**. California used to account for 1/5 of all motorcycles in the United States . They are now experiencing the lowest totals since 1969.

The helmet law costs California money. It has severely depressed the motorcycle business in California with a resulting loss of jobs and tax revenue.

ECONOMIC IMPACTS OF MODIFICATION TO MICHIGAN MANDATORY HELMET LAW[4]

Nationally, motorcycle registrations increased annually for eleven straight years though 2002. A key influence has been the aging baby boomers. The median age for motorcycle owners was 38.0 in 1998, compared to 24.0 years in 1980. A 1998 study found the median income of motorcycle owners to be over \$44,000, almost three-fifths were married, and over one-half had furthered their formal education after high school.

In 2002, there were 197,735 motorcycle registrations in Michigan . On a per capita basis, Michigan was significantly below the levels of bordering states. The Motorcycle Industrial Council estimated that in the year 2002 in Michigan there were 528 motorcycle retail outlets, with 5,624 employees, and an annual payroll of over \$138 million.

Modification of the helmet law holds clear potential to increase the sales of vehicles and accessories, as well as retaining a portion of the tourism spending of Michigan motorcyclists and attracting the spending of out-of-state motorcycle enthusiasts. The report details the methodology, sources, assumptions, and calculations used to generate the estimated impacts.

The key estimates are as follows:

Economic Activity--direct

New sales..... \$461.2 million

Resale's increased..... \$124.8 million

Accessory sales increased..... \$27.7 million

Tourism **\$53.9 million**

Total direct..... \$667.0 million

Impact including ripple effect..... **\$1,200.6 million**

Sales tax direct..... \$40.0 million

Employment

Direct (sales and tourism) jobs..... 1,500.2

Total jobs, including from multiplier..... 2,700.4

The report emphasizes that conservative estimation techniques and assumptions are used throughout. The actual potential, particularly in the area of attracting the tourism spending of motorcycle enthusiasts from other states, is actually far greater than enumerated in the estimates.

ABATE of West Virginia Tourism Survey[\[5\]](#)

The following document will show the results from a twelve month survey that was conducted by ABATE of West Virginia, Inc. The information provided in this document has been voluntarily submitted by 328 enthusiasts from ten different states: Kentucky , Ohio , Maryland , New York , New Jersey , Pennsylvania , Michigan , Illinois , California , Virginia .

This document has been designed to help the legislators of West Virginia better understand the theory motorcyclists have been portraying regarding helmet use and tourism. The survey consisted of these simple questions:

1. Name
2. Address
3. Number of days spent at motorcycling events per year
4. What states do you most frequently travel?
5. Do helmet laws play a part in decision?
6. While traveling, do you avoid states with helmet laws?
7. Would a change in West Virginia 's mandatory helmet law cause you to travel there more often?
8. Approximately how much do you spend per day?
9. How many estimated miles do you travel per year?
10. Estimated number in party while traveling

The manner, in which this survey has been conducted, was aimed towards getting an average figure to show one individual motorcyclist's cost per day while traveling. The above categories were totaled and divided by the amount of participants to reach this average.

Results:

1. *“Events per year”*: represents the number of events the average motorcyclist attends per year. The **average per year according to this survey is 37.29 events**. This figure will be used at a later point in this survey to show the yearly associated cost to a motorcyclist while traveling. The yearly cost to motorcyclists while traveling could be potential tourism dollars for West Virginia , provided we offer adult freedom of choice.
2. *“States most frequently traveled”*: represents the choice made by adult riders as to what states they wish to travel:
A. Mandatory Helmet Law States-7.32% B. Freedom of Choice States-75.15% or C. Both-16.77%

3. *“Do helmet laws play a part”*: represents the choice made as to what states motorcyclists are more likely to travel. **[YES-93.59%] represents those who do not prefer mandatory helmet law states**, [NO-6.4%] represents those whom it makes no difference.

4. *“Avoiding states with helmet laws”*: represents the amount of motorcyclist's who avoid states due to adult mandatory helmet use laws. **[YES-85.06%] represents those who avoid states due to mandatory helmet laws**; [NO-14.94%] represents those whom it makes no difference.

5. *“A change in West Virginia 's mandatory helmet law”*: represents the amount of motorcyclists who would travel through West Virginia more often if there was a change in the mandatory helmet law to allow for adult freedom of choice. **[YES-94.21%] represents those who have stated that a change in the law would cause them to come to West Virginia more often**, [NO-3.66%] represents those whom it makes no difference and 2.13% did not answer.

6[a]. *“Approximate spending per day”*: [Part 1] represents the percentages of where motorcyclists stay while traveling. This category has been broken down into four different sections for the purpose of showing the dollars spent by the different lifestyles within the motorcycling community when traveling. The four sections and percentages are as follows:

1. Hotel-29.27%
2. Camping-14.94%
3. Hotel/Camping-49.09%
4. None [Those who don't stay overnight]-6.71%

6[b]. *“Approximate spending per day”*: [Part 2] represents **the actual dollars that are spent by the motorcyclists** from the four different sections in the previous chart. These dollars will be shown in relationship to their percentages from the previous chart. For the purpose of finding an average, the dollar amounts that fall in the hotel/camping section have been added together and divided by two to help better see an average for this section. The following results:

1. Hotel-**\$167.45**
2. Camping-**\$92.96**
3. Hotel/Camping-**\$176.79**
4. None [Those who don't stay overnight]-\$32.41

7. *“Miles traveled per year”*: represents the average number of miles a motorcycle enthusiast travels per year. The average per year according to this survey is 8,580.9 miles. The average motorcycle gets approximately 40mpg while traveling on the highway. 8580.9miles, divided by 40mpg equals 214.52 gallons of gas per year, multiplied by West Virginia 's current gas tax share, and finally multiplied by the number of tourist equals infinity. Infinity represent the choice West Virginia has to make regarding the facts of this survey.

8. *“Estimated number in party while traveling”*: represents the number of enthusiasts traveling together while enjoying the sport of motorcycling. The average according to this survey is 5 per traveling group. Using the earlier stated 328 participants, multiplied by 5 equals 1640 of the possibilities, according to the American Motorcyclist Association there are 30 million motorcyclists across the nation.

The previous documentation more than clearly points out that tourism to our state can be increased if the requirements for adult mandatory helmet laws were lifted. **75.15% of motorcyclists travel to freedom of choice states.** Motorcyclists do examine the laws before making a choice as to what states they wish to travel through. **Motorcyclist's definitely travel around states with adult mandatory helmet use laws.** The results of this survey based on one individual's spending shows the tourism dollars we could be receiving if we offered freedom of choice.

I do NOT go through Nebraska

I ride about 30,000 miles per year. I travel to Sturgis every year from Arizona and I do not go through Nebraska, ever. Most people that travel from Arizona to Sturgis do not go through Nebraska. I spend an average of \$20.00 per day on fuel, and an average of \$20.00 on food, and an average of \$75.00 on rooms and \$25.00 per day on incidentals. I do two road trips like this per year, and each trip is 3 weeks long. My cost for these trips would be very close to \$6,000.

I do "Run for the Wall" every year also. My average room cost is \$65.00 per day, and the trip is a month long trip all together. I spend an average of \$20.00 on food each day, and about \$20.00 on fuel. With incidentals I average spending \$120.00 per day on my annual trip across country. My cost for this trip is usually about \$4,000.

I do an annual trip to Las Vegas for a long weekend and I spend about \$1,000.

None of these costs include any wear and tear on my bike or any repairs that I may need to do.

Ray Huston
Arizona

(Received 10/26/06 via email)

The Bottom Line

Motorcyclists are professional people who can afford a \$15,000 - \$35,000 luxury mode of transportation on top of their mortgages, college funds, sedans, SUV's and pickup trucks. They spend at a minimum \$100 a day while traveling. When states enact mandatory motorcycle helmet laws - motorcycle ownership, registration and ridership sharply fall off. When states repeal or modify mandatory motorcycle helmet laws - sales, ownership and ridership sharply increase.

Close to 1,000,000 motorcyclists ride to Sturgis each and every year. The majority of those ride up to South Dakota via I-29 in Iowa or I-25 in Colorado. Why? **They go around Nebraska which has a mandatory motorcycle helmet law** - they are hard working adults who **CHOOSE** to ride without a helmet...in **ANY state BUT Nebraska**.

If only 5% (5 percent) of those 1,000,000 (one million) motorcyclists going to Sturgis every year rode through Nebraska on their trip and spent an average of \$100 a day that would be \$5,000,000 (five million dollars) pumped into the Nebraska economy in the three week period before, during and after the Sturgis Motorcycle Rally!

Not only is the State of Nebraska losing millions of dollars in tax revenue and fees related to motorcycling, but the businesses of Nebraska are losing millions of dollars in tourism revenue.

How can YOU help bring motorcycling tourists to Nebraska ?

There are many ways you can help:

- 1) **Join ABATE of Nebraska** - for a mere \$25 for a "Full" membership or \$50 for a "Supporting Business" membership, you can add your voice to the thousands of Nebraska motorcyclists already working hard.

You will stay updated via the monthly newsletter, the website and if you choose – a statewide email list on which alerts, announcements, “calls to action” and the progress of our legislation will be shared instantaneously. Membership forms are available to download at <http://www.abateofne.com/MembershipNEW.htm>

- 2) **Contact your State Senator personally** – via phone, letter, email or in person and explain to them that the people of Nebraska along with the State Government are loosing millions of dollars every year in tourism dollars because of the mandated motorcycle helmet law. Ask them to support AM 1770 when it hits the floor. If you don’t know who your Senator is (and WHY NOT?) you can find it by visiting the “League of Women Voters” website and filling in your zip code. <http://www.capwiz.com/lwv/dbq/officials/>
- 3) **Spread the word** – tell your friends, family, co-workers, employees, bosses and ANYONE who will listen about how much money the people and the State of Nebraska is loosing because of the mandated motorcycle helmet law and how they should also get involved to help bring motorcycle tourists to Nebraska. If you’re not sure how to explain it to them, send them here: <http://www.abateofne.com/Economic%20Impact%20Position%20Paper.htm>
- 4) **Work with other like-minded people or organizations** – Just as ABATE of Nebraska understands how important tourism is to the citizens of Nebraska, you have all learned how allowing motorcyclists the right to choose will reap huge benefits for everyone in Nebraska. ABATE of Nebraska works with many like-minded organizations throughout the state. Develop contacts with others and find common ground, as we have done here, that will be of benefit to both parties. By working together and with others, we CAN make Nebraska a major tourism destination that welcomes everyone...whether they are wearing a motorcycle helmet or not.

ABATE of Nebraska , Inc. is NOT “anti-helmet” – we are “pro helmet choice”. And we are “pro Nebraska ”!

ABATE of Nebraska, Inc. thanks you for taking the time to read our report. We urge you to check our sources and stats. We look forward to talking further to any one who has questions and working with any one who shares our goal for a helmet-free, tourism friendly State of Nebraska. Please, do not hesitate to get ahold of us at any time for any reason. We want to see Nebraska succeed!

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[1] http://www.abateflorida.com/html/body_dot-statistics.html

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[2] (excerpted from "NJMA Speaks Out Issue 1-2") <http://www.gardenstateabate.org/speaks-out.htm>

September 5th, 2005

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[3] (excerpted from "The California Experience") <http://www.abate-of-maryland.org/xcaexprc.htm>

ABATE of Arizona Library

[4] (Excerpted from "**ECONOMIC IMPACTS OF MODIFICATION TO MICHIGAN MANDATORY HELMET LAW**") http://www.abateofmichigan.org/mi_economic_impact_study.htm

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[5]ABATE of West Virginia Tourism Survey

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