

State Agency Guide for Determining Appropriate Vehicle Travel Options

Introduction

State agencies and state employees traveling on official business have three primary options for vehicular travel: a state vehicle, a rental vehicle from the state vendor, and a personal vehicle. The following information from Risk Management Division offers guidance for determining the appropriate option:

State Vehicle

A state vehicle is the best choice, in most cases, for official travel. State vehicles provide a safe, reliable, and cost-efficient transportation solution for most in-state travel needs. More information is available on [Admin Fleet Services](#) website.

Rental Vehicle from the State Vendor

The state has negotiated a competitive daily rental rate, with unlimited mileage, for rentals through Enterprise Rent-a-Car. This contract provides agencies with the best option for travel outside Minnesota. The Enterprise contract includes supplemental liability coverage up to \$2 million per occurrence and full coverage for physical damage to Enterprise vehicles. Contrast this with two facts:

- The state's statutory liability cap (Minn. Stat. 3.736), currently \$500,000 per person and \$1.5 million per occurrence, is applicable only when using state vehicles within Minnesota's borders. Consequently, the state faces unlimited liability when its vehicles travel outside Minnesota.
- The state cannot insure a personal vehicle. Therefore, employees using a personal vehicle for official state business are responsible for insurance costs, including any deductible or subsequent loss of use of the vehicle because of damage. A portion of the IRS standard mileage rate, which employees receive as reimbursement for operating their personal vehicle for business, includes personal insurance expense.

Additional details can be found in the [Enterprise contract](#).

Personal Vehicle

Although state employees at times will use their personal vehicles for state business, agencies should limit this activity whenever possible. In most cases, a state vehicle or an Enterprise vehicle will be more economical. When business travel exceeds 100 miles, the cost to the agency is lower using an Enterprise vehicle, when compared to the personal mileage reimbursement standard. Additionally, the state cannot insure the use of a personal vehicle, as stated above.

Risk Management Division provides auto liability insurance for all state-owned vehicles and also provides risk and insurance management assistance to state agencies. The Division's primary interest is in helping manage risk.