**Facts:**

- Iowa statute restricted most vehicles to 55 feet in length.
- Since Iowa was the only state with this stricter regulation, it threatened to require trucking companies to circumnavigate the state.
- Given reason for the statute was road safety.

**Issue**

- Could Iowa constitutionally burdened interstate commerce to this extent by enforcing its 55 foot limit.
Answer: No!

While state safety regulations enjoy a presumption of validity when they do not discriminate against out of state residents, a balancing test must be made between the state’s interest and the burden on interstate commerce. Iowa’s justification for its law was not strong enough to overcome the burden on interstate commerce.
Market Participant Doctrine

- Although states may not generally discriminate against residents of other states, an exception occurs where the state is participating in the market.
  - In such a case, the state is permitted to give residents of its own state a competitive advantage.

- Examples include:
  - A Maryland law that had the state pay for destruction of inoperable cars. It was allowed to give cars owned by state residents certain advantages in this program.
  - State schools routinely charge out-of-state residents higher tuition than they do in-state residents.
  - Residents of communities often receive discounts or other benefits in the use of community activities.

- However, the market participant rule does have its limits, such as in the following case.
South-Central Timber Dev. v. Comm’r

Facts:
- Alaska sold state owned timber.
- However, it required the purchaser to agree to process it within Alaska before shipping it out.
- South-Central wanted to purchase the timber and ship it to Japan for processing.

Issue:
- Does the market participant doctrine allow Alaska to impose the processing in Alaska condition?

Answer: No!
- The market participant rule allows a state to regulate its own activities in the market even if those activities discriminate against residents of other states.
- However, it may not impose discriminatory conditions outside of the market in which it is participating.
- Alaska here was selling timber and trying to control the timber processing market. This activity is not protected by the market participant doctrine.
Privileges and Immunities Clause

- Article IV, Section 1, clause 2:
  
  No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States....

- Although interferences with commerce that discriminate against residents of other states can be analyzed based on the Dormant Commerce Clause, this additional constitutional provision can be used to strike down discriminatory regulations even in cases:
  - Where commerce is not burdened by the regulation
  - Where Congress approves the state regulation
  - Where the state is acting as a market participant

- Defense:
  - Where the state must discriminate to achieve a substantial state interest.
United Building v. Mayor of Camden

Facts:
- Camden, New Jersey, past a local ordinance requiring that 40% of all workers on city construction projects be the residents of the city.
- This was challenged based on the privileges and immunities clause.

Issue:
- ***Does the Privileges and Immunities Clause applied to municipal ordinances were only two state regulations (as the New Jersey Supreme Court had said)?

Holding:
- The Privileges and Immunities Clause does apply to municipalities because they are functions of state governments. This is true although the regulation in question applied to other New Jersey residents as well.
- Case remanded to determine whether city’s justifications were sufficient to overcome the Privileges and Immunities Clause challenge.
Supreme Court of New Hampshire v. Piper

Facts:
- New Hampshire law required residency in the state as a precondition to admission to the State Bar.
- New Hampshire’s reasons included assertions that nonresidents would not be able to follow local rules to the same extent and would not be available for court proceedings and to do volunteer work in the state.

Issue:
- Is this sort of residency requirement prohibited by the Privileges and Immunities Clause?

Answer: Yes!
- New Hampshire’s justifications are insufficient to allow it to discriminate against residents of other states.
- There were less restrictive means to accomplish all the goals of the regulation and the state is obligated to use the least restrictive means possible in this scenario.