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OVERSIGHT

HOUSE FILE 688
BY ALONS and RAECKER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act to privatize the pool of passenger motor vehicles
2 maintained and operated by the department of administrative
3 services.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 688

1 Section 1. DEPARTMENT OF ADMINISTRATIVE SERVICES -- STATE-
2 OWNED PASSENGER VEHICLES -- DISPOSITION AND SALE --
3 DISTRIBUTION OF PROCEEDS.

4 1. By September 1, 2005, the department of administrative
5 services shall issue a request for proposals to solicit bids
6 for the maintenance and operation of a pool of passenger
7 vehicles in Polk county for temporary assignment to multiple
8 drivers of state departments and agencies located in Polk
9 county. Options for the request for proposals include, but
10 are not limited to, any of the following:

11 a. A requirement that the vendor will provide a specific
12 number of passenger vehicles and be responsible for the
13 maintenance, repair, storage, and scheduling of the passenger
14 vehicles.

15 b. A requirement that the vendor provide passenger
16 vehicles on a rental basis as needed.

17 c. Separate contracts for the various components of fleet
18 management.

19 2. By January 1, 2006, the department of administrative
20 services shall enter into a contract with one or more vendors
21 to provide passenger vehicle fleet services as described in
22 subsection 1. On or before June 30, 2006, the department
23 shall sell at auction all passenger vehicles owned by the
24 department for use by multiple drivers of state departments or
25 agencies within Polk county. Notwithstanding the provisions
26 of sections 8A.362 and 8A.364 to the contrary, one-third of
27 the proceeds from the sale of motor vehicles as provided by
28 this subsection shall be deposited in the depreciation account
29 of the department of public safety and are appropriated for
30 the purchase of motor vehicles for the Iowa state patrol.

31 3. For purposes of this section, "passenger vehicles"
32 means United States environmental protection agency-designated
33 compact sedans, compact wagons, midsize sedans, midsize
34 wagons, full-size sedans, and passenger minivans. "Passenger
35 vehicles" does not mean utility vehicles, vans other than

1 passenger minivans, fire trucks, ambulances, motor homes,
2 buses, medium-duty and heavy-duty trucks, heavy construction
3 equipment and other highway maintenance vehicles, vehicles
4 assigned for law enforcement purposes, or any other classes of
5 vehicles of limited application approved by the director of
6 the department of administrative services.

7 Sec. 2. Section 8A.362, Code 2005, is amended to read as
8 follows:

9 8A.362 FLEET MOTOR VEHICLE USAGE MANAGEMENT -- POWERS AND
10 DUTIES -- FUEL ECONOMY REQUIREMENTS.

11 1. The director may provide for the assignment to a state
12 officer or employee or to a state agency, of one or more motor
13 vehicles which may be required by the state officer or
14 employee or state agency, after the state officer or employee
15 or state agency has shown the necessity for such
16 transportation. The director may assign a motor vehicle
17 either for part-time or full-time use. The director may
18 revoke the assignment at any time.

19 2. The director may cause all state-owned motor vehicles
20 owned, leased, or rented by the state to be inspected
21 periodically. Whenever the inspection reveals that repairs
22 have been improperly made on the motor vehicle or that the
23 operator is not giving the motor vehicle the proper care, the
24 director shall report this fact to the head of the state
25 agency to which the motor vehicle has been assigned, together
26 with recommendation for improvement.

27 3. The director shall provide for a record system for the
28 keeping of records of the total number of miles state-owned
29 motor vehicles owned, leased, or rented by the state are
30 driven and the per-mile cost of operation of each motor
31 vehicle. Every state officer or employee shall keep a record
32 book to be furnished by the director in which the officer or
33 employee shall enter all purchases of gasoline, lubricating
34 oil, grease, and other incidental expense in the operation of
35 the motor vehicle assigned to the officer or employee, giving

1 the quantity and price of each purchase, including the cost
2 and nature of all repairs on the motor vehicle. Each operator
3 of a state-owned motor vehicle owned, leased, or rented by the
4 state shall promptly prepare a report at the end of each month
5 on forms furnished by the director and forwarded to the
6 director, giving the information the director may request in
7 the report. Each month the director shall compile the costs
8 and mileage of state-owned motor vehicles owned, leased, or
9 rented by the state from the reports and keep a cost history
10 for each motor vehicle and the costs shall be reduced to a
11 cost-per-mile basis for each motor vehicle. The director
12 shall call to the attention of an elected official or the head
13 of any state agency to which a motor vehicle has been assigned
14 any evidence of the mishandling or misuse of a state-owned
15 motor vehicle owned, leased, or rented by the state which is
16 called to the director's attention.

17 A motor vehicle operated under this subsection shall not
18 operate on gasoline other than gasoline blended with at least
19 ten percent ethanol, unless under emergency circumstances. A
20 state-issued credit card used to purchase gasoline shall not
21 be valid to purchase gasoline other than gasoline blended with
22 at least ten percent ethanol, if commercially available. The
23 motor vehicle shall may also be affixed with a brightly
24 visible sticker which notifies the traveling public that the
25 motor vehicle is being operated on gasoline blended with
26 ethanol. ~~However, the sticker is not required to be affixed~~
27 ~~to an unmarked vehicle used for purposes of providing law~~
28 ~~enforcement or security.~~

29 4. a. The director shall provide for the purchase, lease,
30 or rental of all motor vehicles for all branches of the state
31 government, except the state department of transportation,
32 institutions under the control of the state board of regents,
33 the department for the blind, and any other state agency
34 exempted by law. The director shall purchase, lease, or rent
35 new vehicles in accordance with competitive bidding procedures

1 for items or services as provided in this subchapter. The
2 director may purchase used or preowned vehicles at
3 governmental or dealer auctions if the purchase is determined
4 to be in the best interests of the state.

5 b. The director, and any other state agency, which for
6 purposes of this subsection includes but is not limited to
7 community colleges and institutions under the control of the
8 state board of regents, or local governmental subdivisions
9 purchasing, leasing, or renting new motor vehicles, shall
10 purchase, lease, or rent new passenger vehicles and light
11 trucks so that the average fuel efficiency for the ~~fleet-of~~
12 new passenger vehicles and light trucks purchased, leased, or
13 rented in that year equals or exceeds the average fuel economy
14 standard for the vehicles' model year as established by the
15 United States secretary of transportation under 15 U.S.C. §
16 2002. This paragraph does not apply to vehicles purchased,
17 leased, or rented for law enforcement purposes or used for
18 off-road maintenance work, or work vehicles used to pull
19 loaded trailers.

20 c. Not later than February 15 of each year, the director
21 shall report compliance with the corporate average fuel
22 economy standards published by the United States secretary of
23 transportation for new motor vehicles, other than motor
24 vehicles purchased, leased, or rented by the state department
25 of transportation, institutions under the control of the state
26 board of regents, the department for the blind, and any other
27 state agency exempted from the requirements of this
28 subsection. The report of compliance shall classify the
29 vehicles purchased, leased, or rented for the current vehicle
30 model year using the following categories: passenger
31 automobiles, enforcement automobiles, vans, and light trucks.
32 The director shall deliver a copy of the report to the
33 department of natural resources. As used in this paragraph,
34 "corporate average fuel economy" means the corporate average
35 fuel economy as defined in 49 C.F.R. § 533.5.

1 d. The director shall assign motor vehicles available for
2 use to maximize the average passenger miles per gallon of
3 motor vehicle fuel consumed. In assigning motor vehicles, the
4 director shall consider standards established by the director,
5 which may include but are not limited to the number of
6 passengers traveling to a destination, the fuel economy of and
7 passenger capacity of vehicles available for assignment, and
8 any other relevant information, to assure assignment of the
9 most energy-efficient vehicle or combination of vehicles for a
10 trip from those vehicles available for assignment. The
11 standards shall not apply to special work vehicles and law
12 enforcement vehicles. The standards shall apply to the
13 following agencies:

- 14 (1) State department of transportation.
- 15 (2) Institutions under the control of the state board of
16 regents.
- 17 (3) Department for the blind.
- 18 (4) Any other state agency exempted from obtaining
19 vehicles for use through the department.

20 e. As used in paragraph "d", "fuel economy" means the
21 average number of miles traveled by an automobile per gallon
22 of gasoline consumed as determined by the United States
23 environmental protection agency administrator in accordance
24 with 26 U.S.C. § 4064(c).

25 5. Of all new passenger vehicles and light pickup trucks
26 purchased, leased, or rented by the director, a minimum of ten
27 percent of all such vehicles and trucks purchased, leased, or
28 rented shall be equipped with engines which utilize
29 alternative methods of propulsion including but not limited to
30 any of the following:

31 a. A flexible fuel, which is any of the following:

32 (1) A fuel blended with not more than fifteen percent
33 gasoline and at least eighty-five percent ethanol.

34 (2) A fuel which is a mixture of diesel fuel and processed
35 soybean oil. At least twenty percent of the mixed fuel by

1 volume must be processed soybean oil.

2 (3) A renewable fuel approved by the office of renewable
3 fuels and coproducts pursuant to section 159A.3.

4 b. Compressed or liquefied natural gas.

5 c. Propane gas.

6 d. Solar energy.

7 e. Electricity.

8 This subsection does not apply to vehicles and trucks
9 purchased, leased, or rented and directly used for law
10 enforcement or purchased, leased, or rented and used for off-
11 road maintenance work or to pull loaded trailers.

12 6. All used motor vehicles owned by the state which are
13 turned in to the director shall be disposed of by public
14 auction, and the sales shall be advertised in a newspaper of
15 general circulation one week in advance of sale, and the
16 receipts from the sale shall be deposited in the depreciation
17 fund to the credit of the state agency turning in the vehicle;
18 except that, in the case of a used motor vehicle of special
19 design, the director may, instead of selling it at public
20 auction, authorize the motor vehicle to be traded for another
21 vehicle of similar design. If a vehicle sustains damage and
22 the cost to repair exceeds the wholesale value of the vehicle,
23 the director may dispose of the motor vehicle by obtaining two
24 or more written salvage bids and the vehicle shall be sold to
25 the highest responsible bidder.

26 7. The director may authorize the establishment of motor
27 pools consisting of a number of state-owned motor vehicles
28 owned, leased, or rented under the director's supervision.
29 The director may store the motor vehicles in a public or
30 private garage. If the director establishes a motor pool, any
31 state officer or employee desiring the use of a state-owned
32 motor vehicle owned, leased, or rented by the state on state
33 business shall notify the director of the need for a vehicle
34 within a reasonable time prior to actual use of the motor
35 vehicle. The director may assign a motor vehicle from the

1 motor pool to the state officer or employee. If two or more
2 state officers or employees desire the use of a state-owned
3 motor vehicle owned, leased, or rented by the state for a trip
4 to the same destination for the same length of time, the
5 director may assign one vehicle to make the trip.

6 8. The director shall require that a sign be placed on
7 each state-owned motor vehicle, and on each vehicle leased or
8 rented for a period greater than three months, in a
9 conspicuous place which indicates its ownership use by the
10 state. This requirement shall not apply to motor vehicles
11 requested to be exempt by the director or by the commissioner
12 of public safety. All state-owned motor vehicles shall
13 display registration plates bearing the word "official" except
14 motor vehicles requested to be furnished with ordinary plates
15 by the director or by the commissioner of public safety
16 pursuant to section 321.19. The director shall keep an
17 accurate record of the registration plates used on all state-
18 owned motor vehicles.

19 9. All fuel used in state-owned automobiles, leased, or
20 rented passenger vehicles shall be purchased at cost from the
21 various installations or garages of the state department of
22 transportation, state board of regents, department of human
23 services, or state motor pools throughout the state, unless
24 the state-owned sources for the purchase of fuel are not
25 reasonably accessible. If the director determines that state-
26 owned sources for the purchase of fuel are not reasonably
27 accessible, the director shall authorize the purchase of fuel
28 from other sources. The director may prescribe a manner,
29 other than the use of the revolving fund, in which the
30 purchase of fuel from state-owned sources is charged to the
31 state agency responsible for the use of the motor vehicle.
32 The director shall prescribe the manner in which oil and other
33 normal motor vehicle maintenance for state-owned motor
34 vehicles owned, leased, or rented by the state may be
35 purchased from private sources, if they cannot be reasonably

1 obtained from a state motor pool. The director may advertise
2 for bids and award contracts in accordance with competitive
3 bidding procedures for items and services as provided in this
4 subchapter for furnishing fuel, oil, grease, and vehicle
5 replacement parts for all state-owned motor vehicles owned,
6 leased, or rented by the state. The director and other state
7 agencies, when advertising for bids for gasoline, shall also
8 seek bids for ethanol blended gasoline.

9 Sec. 3. Section 8A.363, subsection 1, Code 2005, is
10 amended to read as follows:

11 1. A state officer or employee shall not use a state-
12 owned motor vehicle owned, leased, or rented by the state for
13 personal private use. A state officer or employee shall not
14 be compensated for driving a privately owned motor vehicle
15 unless it is done on state business with the approval of the
16 director. In that case the state officer or employee shall
17 receive an amount to be determined by the director. The
18 amount shall not exceed the maximum allowable under the
19 federal internal revenue service rules per mile,
20 notwithstanding established mileage requirements or
21 depreciation allowances. However, the director may authorize
22 private motor vehicle rates in excess of the rate allowed
23 under the federal internal revenue service rules for state
24 business use of substantially modified or specially equipped
25 privately owned vehicles required by persons with
26 disabilities. A statutory provision establishing
27 reimbursement for necessary mileage, travel, or actual
28 expenses to a state officer falls under the private motor
29 vehicle mileage rate limitation provided in this section
30 unless specifically provided otherwise. Any peace officer
31 employed by the state as defined in section 801.4 who is
32 required to use a private motor vehicle in the performance of
33 official duties shall receive the private vehicle mileage rate
34 at the rate provided in this section. However, the director
35 may delegate authority to officials of the state, and

1 department heads, for the use of private vehicles on state
2 business up to a yearly mileage figure established by the
3 director. If a state motor vehicle has been assigned to a
4 state officer or employee, the officer or employee shall not
5 collect mileage for the use of a privately owned motor vehicle
6 unless the state motor vehicle assigned is not useable.

7 Sec. 4. Section 8A.364, subsection 1, Code 2005, is
8 amended to read as follows:

9 1. A fleet management revolving fund is created in the
10 state treasury under the control of the department. There is
11 appropriated from moneys in the state treasury not otherwise
12 appropriated the sum of twenty-five thousand dollars to the
13 revolving fund. All purchases of gasoline, oil, tires,
14 repairs, and all other general expenses incurred in the
15 operation of state-owned motor vehicles owned, leased, or
16 rented by the state, and all salaries and expenses of
17 employees providing fleet management services shall be paid
18 from this fund.

19 Sec. 5. Section 8A.366, Code 2005, is amended to read as
20 follows:

21 8A.366 VIOLATIONS -- WITHDRAWING USE OF VEHICLE.

22 If any state officer or employee violates any of the
23 provisions of sections 8A.361 through 8A.365, the director may
24 withdraw the assignment of-any-state-owned-motor-vehicle to
25 any such state officer or employee of any motor vehicle owned,
26 leased, or rented by the state.

27 EXPLANATION

28 This bill requires the department of administrative
29 services to lease or rent passenger vehicles for the use of
30 agencies located in Polk county. Under the current practice,
31 the state owns and operates a fleet of passenger vehicles.
32 The bill also provides for the disposition and sale of those
33 state-owned passenger vehicles. The term "passenger vehicles"
34 is specifically defined in the bill and does not apply to a
35 variety of vehicles, including law enforcement vehicles.

1 The bill provides that by September 1, 2005, the department
2 of administrative services must issue a request for proposals
3 soliciting bids for the maintenance and operation of a pool of
4 passenger vehicles for use by agencies located in Polk county.
5 By January 1, 2006, the department must enter into one or more
6 contracts for the maintenance and operation of the passenger
7 vehicle motor pool. By June 30, 2006, the department is
8 required to sell at auction all passenger vehicles under its
9 control for use by multiple drivers of state departments or
10 agencies within Polk county. One-third of the proceeds from
11 the sale is to be deposited in the depreciation account of the
12 department of public safety and is appropriated for the
13 purchase of motor vehicles for the Iowa state patrol.

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