

1-17-96 Local Gov.

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SENATE FILE **2044**

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HALVORSON, JUDGE, VILSACK,
PRIEBE, AND KIBBIE

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a regional equipment center, requiring the
2 appointment of a board of directors, authorizing the
3 assessment of fees, and providing a conditional effective
4 date.

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

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S.F. 2044

1 Section 1. NEW SECTION. 18D.1 REGIONAL EQUIPMENT CENTER
2 ESTABLISHED -- PURPOSE.

3 A regional equipment center shall be incorporated as a
4 nonprofit corporation under the provisions of chapter 504A.
5 The center shall not be regarded as a state agency, and a
6 state official or employee, acting in the official's or
7 employee's official capacity, shall not be an incorporator of
8 the corporation. The purpose of the center shall be to
9 obtain, rebuild, and maintain an inventory of surplus federal
10 heavy equipment to lend to qualified organizations to make
11 infrastructure improvements. Improvements may include, but
12 are not limited to, land reclamation, road and bridge repair,
13 sewer installation and maintenance, creation of parks and
14 other recreational sites, and environmental projects. The
15 center is intended to provide a qualified organization with a
16 cost-effective and efficient means to utilize surplus federal
17 equipment for local needs.

18 Sec. 2. NEW SECTION. 18D.2 DEFINITIONS.

19 For purposes of this chapter:

- 20 1. "Board" means the board of directors of the regional
21 equipment center.
- 22 2. "Center" means the regional equipment center
23 established under section 18D.1.
- 24 3. "Department" means the department of general services.
- 25 4. "Qualified organization" means a state agency
26 identified in section 7E.5, county, city, government entity
27 organized for promoting one or more public purposes, such as
28 conservation, economic development, education, parks and
29 recreation, public health and public safety, or nonprofit
30 educational or public health institution or organization which
31 is exempt from taxation under section 501(c)(3) of the
32 Internal Revenue Code.

33 Sec. 3. NEW SECTION. 18D.3 BOARD OF DIRECTORS.

34 1. The center shall be governed by a board. The board
35 shall consist of seven voting members.

1 a. Four of the members shall be appointed by the governor
2 and confirmed by the senate pursuant to section 2.32.

3 b. One of the members shall be a representative from the
4 Iowa state association of counties, chosen by the governor
5 from a list of candidates provided by the association.

6 c. One of the members shall be a representative from the
7 Iowa league of cities, chosen by the governor from a list of
8 candidates provided by the league.

9 d. One of the members shall be the director of the
10 department or the director's designee.

11 2. The board shall be bipartisan and gender-balanced in
12 accordance with sections 69.16 and 69.16A and shall be as
13 geographically balanced as possible.

14 3. The terms of the members appointed by the governor and
15 confirmed by the senate shall be four-year terms staggered at
16 two-year intervals. A vacancy shall be filled by the
17 governor. Members other than the member from the department
18 are eligible for actual expense reimbursement while fulfilling
19 duties of the board. The board shall elect a chairperson from
20 among its members.

21 4. The board shall have all of the powers conferred upon
22 the center as a nonprofit corporation pursuant to chapter
23 504A.

24 5. The board shall be responsible for the operation of the
25 center and the uses to which the property will be put by the
26 actual users of the property.

27 6. The board may employ such persons as necessary to
28 administer the center, including an administrator, office
29 manager, clerk, mechanics, and equipment operators.

30 7. The board shall collect fees and shall appropriate
31 funding for the center.

32 Sec. 4. NEW SECTION. 18D.4 CENTER -- DUTIES.

33 The center shall do all of the following:

34 1. Identify usable federal surplus heavy equipment, such
35 as bulldozers, cranes, and backhoes, at federal installations

1 around the country and overseas military bases, generally by
2 personal visits.

3 2. Transport the equipment to the center.

4 3. Rebuild, repair, or restore the equipment to its
5 original state and maintain the equipment.

6 4. Maintain the property in good working condition and
7 provide storage for the equipment during periods of time when
8 the equipment is not in use.

9 5. Enter into contracts to lend the equipment to qualified
10 organizations for a fee.

11 6. Provide personnel to operate the equipment when
12 necessary, or assist a qualified organization in hiring an
13 independent equipment operator.

14 Sec. 5. NEW SECTION. 18D.5 MEMBERSHIP FEES AND USER-FEE
15 ASSESSMENTS -- FUNDING.

16 1. The board shall establish membership fees to be
17 assessed on an annual basis to qualified organizations who
18 request membership in the center. The fees may be assessed in
19 differing amounts based upon the organizations' population
20 base served or on another basis. The board shall also
21 establish a schedule of user fees for organizations which are
22 not members of the center, allowing the rental of equipment if
23 the equipment is not being used by a member organization. The
24 fees shall be approved by the board prior to assessment.

25 2. The fees shall be set in an amount sufficient to
26 support the operation of the center.

27 3. Funding for the center shall include donations, grants,
28 membership payments, and user-fee assessments.

29 Sec. 6. NEW SECTION. 18D.7 REPORTING, AUDITING,
30 INSURANCE, AND LIABILITY.

31 1. The center shall submit an annual report to the general
32 assembly and the governor on October 1 which details the prior
33 fiscal year's budget and operations. The report shall include
34 a listing of itemized expenditures and revenues, a listing of
35 property received, a listing of property users and dates used,

1 a list of fees, and any other information the department may
2 require.

3 2. The center shall maintain books, records, documents,
4 and other materials relating to the center and upon request
5 shall make this information available to the department, the
6 state auditor's office, the governor's office, and the
7 legislative fiscal bureau.

8 3. The center shall purchase and maintain property and
9 liability insurance in an amount and with sufficient coverage
10 to protect the center from claims arising from the operation
11 of the center.

12 4. The center shall indemnify and hold the department
13 harmless from any and all liability losses, damage expenses,
14 or any legal action resulting from the operation of the center
15 and the use of the property.

16 5. The center shall assume the risk of loss, damage, or
17 theft to the surplus property.

18 Sec. 7. CONDITIONAL IMPLEMENTATION. The effectiveness of
19 this Act is conditioned upon the enactment of federal
20 legislation allowing for use of federal surplus property in
21 the manner prescribed in this Act.

22 EXPLANATION

23 This bill requires the establishment of a regional
24 equipment center to obtain, rebuild, and maintain an inventory
25 of surplus federal heavy equipment to lend to government
26 entities and educational or public health 501(c)(3) nonprofit
27 organizations to make infrastructure improvements. The
28 infrastructure improvements may include, but are not limited
29 to, land reclamation, road and bridge repair, sewer
30 installation and maintenance, creation of parks and other
31 recreational sites, and environmental projects. Surplus
32 federal heavy equipment may include backhoes, graders,
33 bulldozers, track-dozers, dump trucks, forklifts, rollers,
34 maintenance trucks, and scoop loaders. The intent of the
35 center is to provide a cost-effective means by which local

1 governmental entities may utilize surplus equipment for local
2 needs.

3 The center is incorporated as a nonprofit corporation under
4 chapter 504A and is governed by a seven-member board of
5 directors, four of whom are appointed by the governor and
6 confirmed by the senate, one who is a representative of the
7 Iowa state association of counties, one who is a
8 representative from the Iowa league of cities, and one who is
9 the director of the department of general services or the
10 director's designee. State agencies, counties, cities, and
11 other government entities or nonprofit education or public
12 health organizations may become members of the center or may
13 rent equipment from the center. An organization choosing to
14 become a member is required to pay an annual membership fee.
15 The center is funded through donations, grants, membership
16 payments, and user fees. The user fees are to be set in an
17 amount sufficient to fully operate the center.

18 The center is required to identify usable federal surplus
19 heavy equipment, such as bulldozers, cranes, and backhoes, at
20 federal installations around the country and overseas military
21 bases, generally by personal visits; transport the equipment
22 to the center; rebuild, repair, or restore the equipment to
23 its original state and maintain the equipment; maintain the
24 property in good working condition and provide storage for the
25 equipment during periods of time when the equipment is not in
26 use; enter into contracts to lend the equipment to qualified
27 organizations for a fee; and provide personnel to operate
28 equipment when necessary.

29 The center is also required to submit an annual report to
30 the general assembly and the governor on October 1 which
31 details the prior fiscal year's budget and operations,
32 including a listing of itemized expenditures and revenues, a
33 listing of property received, a listing of property users and
34 dates used, a list of fees, and any other information the
35 department of general services may require. The center is

1 required to maintain books, records, documents, and other
2 materials relating to the center and upon request make this
3 information available to the department of general services,
4 the state auditor's office, the governor's office, and the
5 legislative fiscal bureau. The center must purchase and
6 maintain property and liability insurance in an amount and
7 with sufficient coverage to protect the center from claims
8 arising from operations of the center and is required to
9 indemnify and hold the department of general services harmless
10 from any and all liability losses, damage expenses, or any
11 legal action resulting from the operation of the center and
12 the use of the property.

13 The center assumes the risk of loss, damage, or theft to
14 the property.

15 This Act is conditioned upon the enactment of federal
16 legislation authorizing the use of federal surplus equipment
17 as prescribed in this Act.

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SENATE FILE 2044
FISCAL NOTE

A fiscal note for Senate File 2044 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2044 establishes a regional equipment center that would be operated as a nonprofit corporation. The center would be used to obtain, rebuild, and maintain an inventory of surplus federal heavy equipment to lend to qualified organizations to make infrastructure improvements. The bill creates a board of directors who shall establish membership fees to qualified organizations who request membership in an amount sufficient to support the operation of the center.

ASSUMPTIONS

1. There will be one distribution point in the State.
2. Establishment of the regional equipment center will require the purchase of a semi tractor and trailer at a cost of \$125,000.
3. Will require a total of nine employees at a cost of \$235,000.
4. Costs are based on current rate comparisons and experience in Federal Surplus Property Program through the Department of General Services.
5. Assumes enactment of federal legislation to allow for the use of federal property in the manner prescribed in this bill.
6. Will require an initial infusion of \$169,000 for cashflow needs of the revolving fund.
7. Rent of office space, garage, and land will cost \$250,000 annually.
8. Utilities, travel, supplies, equipment, purchase of repair parts, and other support costs will cost \$190,000 the first year and \$191,000 the second year.

FISCAL IMPACT

The first year cost to establish and operate the regional equipment center is estimated at \$800,000. Of this, \$506,000 would come from membership and user fees of member organizations. The remaining \$294,000 would come from an initial investment of funds from state and/or local sources.

The second year of operation the center would operate entirely from membership and user fees at a cost of \$688,000.

SOURCE

Department of General Services

(LSB 3117ss, DLR)

FILED FEBRUARY 6, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR