

JAN 13 1998
TRANSPORTATION

HOUSE FILE 2019
BY CORMACK

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

A BILL FOR

1 An Act relating to reductions in the ownership of automobiles,
2 vans, light trucks, and other similar motor vehicles in the
3 department of transportation's motor vehicle fleet.

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

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HM 2019

1 Section 1. DEPARTMENT OF TRANSPORTATION AUTOMOTIVE --
2 LIGHT TRUCK FLEET. By July 1, 1999, the state department of
3 transportation shall reduce by twenty-five percent the number
4 of automobiles, vans, light trucks, and other motor vehicles
5 owned by the department and used primarily by departmental
6 employees to transport passengers or light loads as compared
7 to the number owned and used in the same manner on July 1,
8 1998. For the fiscal year beginning July 1, 1998, the
9 department shall use any moneys either received from the sale
10 of such motor vehicles or retained due to the reduction in the
11 number of such motor vehicles purchased, to lease such motor
12 vehicles from private vendors that are necessary for the
13 department to perform its duties. The department shall study
14 its use of motor vehicles and the priority assignment of motor
15 vehicles to departmental employees and report its findings to
16 the legislative study committee established pursuant to
17 section 2 of this Act.

18 Sec. 2. LEGISLATIVE STUDY. The legislative council is
19 requested to establish, effective July 1, 1999, an interim
20 study committee composed of members of the senate and house of
21 representatives to study the reduction in the department of
22 transportation's motor vehicle fleet required by section 1 of
23 this Act, any future fleet reductions, and the priority
24 assignment of motor vehicles to departmental employees. The
25 study committee shall report its findings and any
26 recommendations to the general assembly meeting in the year
27 2000.

28 EXPLANATION

29 This bill requires the department of transportation to
30 reduce between July 1, 1998, and July 1, 1999, the number of
31 automobiles, vans, light trucks, and other similar motor
32 vehicles in its motor vehicle fleet by 25 percent. Moneys
33 saved during the 1998-1999 fiscal year from sales or
34 reductions in purchases of such motor vehicles by the
35 department are required to be used by the department to lease

1 necessary motor vehicles from private vendors. The department
2 shall also study its priority assignment of motor vehicles to
3 departmental employees.

4 The legislative council is requested to establish,
5 effective July 1, 1999, an interim legislative study committee
6 to study the 25 percent reduction, any future fleet
7 reductions, and the priority assignment of motor vehicles to
8 departmental employees. The study committee is required to
9 report to the general assembly meeting in the year 2000.

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**HOUSE FILE 2019
FISCAL NOTE**

A fiscal note for House File 2019 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.

House File 2019 requires the Department of Transportation (DOT) to reduce the number of automobiles, vans, light trucks, and other similar motor vehicles in its fleet by 25.0% in FY 1998 and lease the necessary vehicles from private vendors. The Bill also requests the Legislative Council establish an interim study committee beginning in FY 2000 to study the 25.0% fleet reduction.

ASSUMPTIONS

1. Lease estimates are based on a quote from a major U.S. car manufacturer.
2. The quote assumes a one-year lease and 15,000 annual miles of travel per vehicle.
3. The quoted lease does not include the cost of \$300,000 of required liability insurance.
4. There will be no significant change in interest rates between now and July 1, 1998.
5. The DOT would lease 290 vehicles, which is 25.0% of the Department's total fleet (not including the vehicles used by the Motor Vehicle Enforcement Office).
6. The cost of fleet ownership (for comparison purposes) is based on the annual depreciation by vehicle type which has been applied to the estimated FY 1999 vehicle cost.

FISCAL IMPACT

Under current law, the estimated FY 1999 cost for depreciation on 290 vehicles (25.0% of the total fleet) is \$684,000. The fiscal impact of HF 2019 for leasing these vehicles annually is estimated to cost \$1,979,000, resulting in a net annual increase in cost of \$1,295,000 to the DOT operating budget.

SOURCE

Department of Transportation

(LSB 3295hh, DLR)

FILED FEBRUARY 19, 1998

BY DENNIS PROUTY, FISCAL DIRECTOR