

APR 7 2005  
Place On Calendar

HOUSE FILE 849  
BY COMMITTEE ON GOVERNMENT  
OVERSIGHT

(SUCCESSOR TO HF 688)

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:

HF 849

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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. The department may submit a proposal for the  
10 maintenance and operation of the pool; however, if the  
11 department submits such a proposal, the executive council  
12 shall issue a request for proposals, in consultation with the  
13 department of management, and shall evaluate all proposals and  
14 select a vendor.

15 Options for the request for proposals include, but are not  
16 limited to, any of the following:

17 a. A requirement that the vendor will provide a specific  
18 number of passenger vehicles and be responsible for the  
19 maintenance, repair, storage, and scheduling of the passenger  
20 vehicles.

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

23 c. Separate contracts for the various components of fleet  
24 management.

25 2. By January 1, 2006, the department of administrative  
26 services shall enter into a contract with one or more vendors  
27 to provide passenger vehicle fleet services as described in  
28 subsection 1. If the department has submitted a proposal  
29 during the bidding process, the executive council shall review  
30 and approve all of the terms of the contract. On or before  
31 June 30, 2006, the department shall sell at auction all  
32 passenger vehicles owned by the department for use by multiple  
33 drivers of state departments or agencies within Polk county.  
34 Notwithstanding the provisions of sections 8A.362 and 8A.364  
35 to the contrary, one-third of the proceeds from the sale of

1 motor vehicles as provided by this subsection shall be  
2 deposited in the depreciation account of the department of  
3 public safety and are appropriated for the purchase of motor  
4 vehicles for the Iowa state patrol.

5 3. For purposes of this section, "passenger vehicles"  
6 means United States environmental protection agency-designated  
7 compact sedans, compact wagons, midsize sedans, midsize  
8 wagons, full-size sedans, and passenger minivans. "Passenger  
9 vehicles" does not mean utility vehicles, vans other than  
10 passenger minivans, fire trucks, ambulances, motor homes,  
11 buses, medium-duty and heavy-duty trucks, heavy construction  
12 equipment and other highway maintenance vehicles, vehicles  
13 assigned for law enforcement purposes, or any other classes of  
14 vehicles of limited application approved by the director of  
15 the department of administrative services.

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

18 8A.362 ~~FLEET~~ MOTOR VEHICLE USAGE MANAGEMENT -- POWERS AND  
19 DUTIES -- FUEL ECONOMY REQUIREMENTS.

20 1. The director may provide for the assignment to a state  
21 officer or employee or to a state agency, of one or more motor  
22 vehicles which may be required by the state officer or  
23 employee or state agency, after the state officer or employee  
24 or state agency has shown the necessity for such  
25 transportation. The director may assign a motor vehicle  
26 either for part-time or full-time use. The director may  
27 revoke the assignment at any time.

28 2. The director may cause all state-owned motor vehicles  
29 owned, leased, or rented by the state to be inspected  
30 periodically. Whenever the inspection reveals that repairs  
31 have been improperly made on the motor vehicle or that the  
32 operator is not giving the motor vehicle the proper care, the  
33 director shall report this fact to the head of the state  
34 agency to which the motor vehicle has been assigned, together  
35 with recommendation for improvement.

1     3. The director shall provide for a record system for the  
2 keeping of records of the total number of miles **state-owned**  
3 motor vehicles owned, leased, or rented by the state are  
4 driven and the per-mile cost of operation of each motor  
5 vehicle. Every state officer or employee shall keep a record  
6 book to be furnished by the director in which the officer or  
7 employee shall enter all purchases of gasoline, lubricating  
8 oil, grease, and other incidental expense in the operation of  
9 the motor vehicle assigned to the officer or employee, giving  
10 the quantity and price of each purchase, including the cost  
11 and nature of all repairs on the motor vehicle. Each operator  
12 of a **state-owned** motor vehicle owned, leased, or rented by the  
13 state shall promptly prepare a report at the end of each month  
14 on forms furnished by the director and forwarded to the  
15 director, giving the information the director may request in  
16 the report. Each month the director shall compile the costs  
17 and mileage of **state-owned** motor vehicles owned, leased, or  
18 rented by the state from the reports and keep a cost history  
19 for each motor vehicle and the costs shall be reduced to a  
20 cost-per-mile basis for each motor vehicle. The director  
21 shall call to the attention of an elected official or the head  
22 of any state agency to which a motor vehicle has been assigned  
23 any evidence of the mishandling or misuse of a **state-owned**  
24 motor vehicle owned, leased, or rented by the state which is  
25 called to the director's attention.

26     A motor vehicle operated under this subsection shall not  
27 operate on gasoline other than gasoline blended with at least  
28 ten percent ethanol, unless under emergency circumstances. A  
29 state-issued credit card used to purchase gasoline shall not  
30 be valid to purchase gasoline other than gasoline blended with  
31 at least ten percent ethanol, if commercially available. The  
32 motor vehicle ~~shall~~ may also be affixed with a brightly  
33 visible sticker which notifies the traveling public that the  
34 motor vehicle is being operated on gasoline blended with  
35 ethanol. ~~However, the sticker is not required to be affixed~~

1 ~~to-an-unmarked-vehicle-used-for-purposes-of-providing-law~~  
2 ~~enforcement-or-security.~~

3 4. a. The director shall provide for the purchase, lease,  
4 or rental of all motor vehicles for all branches of the state  
5 government, except the state department of transportation,  
6 institutions under the control of the state board of regents,  
7 the department for the blind, and any other state agency  
8 exempted by law. The director shall purchase, lease, or rent  
9 new vehicles in accordance with competitive bidding procedures  
10 for items or services as provided in this subchapter. The  
11 director may purchase used or preowned vehicles at  
12 governmental or dealer auctions if the purchase is determined  
13 to be in the best interests of the state.

14 b. The director, and any other state agency, which for  
15 purposes of this subsection includes but is not limited to  
16 community colleges and institutions under the control of the  
17 state board of regents, or local governmental subdivisions  
18 purchasing, leasing, or renting new motor vehicles, shall  
19 purchase, lease, or rent new passenger vehicles and light  
20 trucks so that the average fuel efficiency for the ~~fleet-of~~  
21 new passenger vehicles and light trucks purchased, leased, or  
22 rented in that year equals or exceeds the average fuel economy  
23 standard for the vehicles' model year as established by the  
24 United States secretary of transportation under 15 U.S.C. §  
25 2002. This paragraph does not apply to vehicles purchased,  
26 leased, or rented for law enforcement purposes or used for  
27 off-road maintenance work, or work vehicles used to pull  
28 loaded trailers.

29 c. Not later than February 15 of each year, the director  
30 shall report compliance with the corporate average fuel  
31 economy standards published by the United States secretary of  
32 transportation for new motor vehicles, other than motor  
33 vehicles purchased, leased, or rented by the state department  
34 of transportation, institutions under the control of the state  
35 board of regents, the department for the blind, and any other

1 state agency exempted from the requirements of this  
2 subsection. The report of compliance shall classify the  
3 vehicles purchased, leased, or rented for the current vehicle  
4 model year using the following categories: passenger  
5 automobiles, enforcement automobiles, vans, and light trucks.  
6 The director shall deliver a copy of the report to the  
7 department of natural resources. As used in this paragraph,  
8 "corporate average fuel economy" means the corporate average  
9 fuel economy as defined in 49 C.F.R. § 533.5.

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

- 23 (1) State department of transportation.
- 24 (2) Institutions under the control of the state board of  
25 regents.
- 26 (3) Department for the blind.
- 27 (4) Any other state agency exempted from obtaining  
28 vehicles for use through the department.

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

34 5. Of all new passenger vehicles and light pickup trucks  
35 purchased, leased, or rented by the director, a minimum of ten

1 percent of all such vehicles and trucks purchased, leased, or  
2 rented shall be equipped with engines which utilize  
3 alternative methods of propulsion including but not limited to  
4 any of the following:

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

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

8 (2) A fuel which is a mixture of diesel fuel and processed  
9 soybean oil. At least twenty percent of the mixed fuel by  
10 volume must be processed soybean oil.

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

13 b. Compressed or liquefied natural gas.

14 c. Propane gas.

15 d. Solar energy.

16 e. Electricity.

17 This subsection does not apply to vehicles and trucks  
18 purchased, leased, or rented and directly used for law  
19 enforcement or purchased, leased, or rented and used for off-  
20 road maintenance work or to pull loaded trailers.

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

35 7. The director may authorize the establishment of motor

1 pools consisting of a number of state-owned motor vehicles  
2 owned, leased, or rented under the director's supervision.  
3 The director may store the motor vehicles in a public or  
4 private garage. If the director establishes a motor pool, any  
5 state officer or employee desiring the use of a state-owned  
6 motor vehicle owned, leased, or rented by the state on state  
7 business shall notify the director of the need for a vehicle  
8 within a reasonable time prior to actual use of the motor  
9 vehicle. The director may assign a motor vehicle from the  
10 motor pool to the state officer or employee. If two or more  
11 state officers or employees desire the use of a state-owned  
12 motor vehicle owned, leased, or rented by the state for a trip  
13 to the same destination for the same length of time, the  
14 director may assign one vehicle to make the trip.

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

28 9. All fuel used in state-owned automobiles, leased, or  
29 rented passenger vehicles shall be purchased at cost from the  
30 various installations or garages of the state department of  
31 transportation, state board of regents, department of human  
32 services, or state motor pools throughout the state, unless  
33 the state-owned sources for the purchase of fuel are not  
34 reasonably accessible. If the director determines that state-  
35 owned sources for the purchase of fuel are not reasonably

1 accessible, the director shall authorize the purchase of fuel  
2 from other sources. The director may prescribe a manner,  
3 other than the use of the revolving fund, in which the  
4 purchase of fuel from state-owned sources is charged to the  
5 state agency responsible for the use of the motor vehicle.  
6 The director shall prescribe the manner in which oil and other  
7 normal motor vehicle maintenance for ~~state-owned~~ motor  
8 vehicles owned, leased, or rented by the state may be  
9 purchased from private sources, if they cannot be reasonably  
10 obtained from a state motor pool. The director may advertise  
11 for bids and award contracts in accordance with competitive  
12 bidding procedures for items and services as provided in this  
13 subchapter for furnishing fuel, oil, grease, and vehicle  
14 replacement parts for all ~~state-owned~~ motor vehicles owned,  
15 leased, or rented by the state. The director and other state  
16 agencies, when advertising for bids for gasoline, shall also  
17 seek bids for ethanol blended gasoline.

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

20 1. A state officer or employee shall not use a ~~state-~~  
21 ~~owned~~ motor vehicle owned, leased, or rented by the state for  
22 personal private use. A state officer or employee shall not  
23 be compensated for driving a privately owned motor vehicle  
24 unless it is done on state business with the approval of the  
25 director. In that case the state officer or employee shall  
26 receive an amount to be determined by the director. The  
27 amount shall not exceed the maximum allowable under the  
28 federal internal revenue service rules per mile,  
29 notwithstanding established mileage requirements or  
30 depreciation allowances. However, the director may authorize  
31 private motor vehicle rates in excess of the rate allowed  
32 under the federal internal revenue service rules for state  
33 business use of substantially modified or specially equipped  
34 privately owned vehicles required by persons with  
35 disabilities. A statutory provision establishing

1 reimbursement for necessary mileage, travel, or actual  
2 expenses to a state officer falls under the private motor  
3 vehicle mileage rate limitation provided in this section  
4 unless specifically provided otherwise. Any peace officer  
5 employed by the state as defined in section 801.4 who is  
6 required to use a private motor vehicle in the performance of  
7 official duties shall receive the private vehicle mileage rate  
8 at the rate provided in this section. However, the director  
9 may delegate authority to officials of the state, and  
10 department heads, for the use of private vehicles on state  
11 business up to a yearly mileage figure established by the  
12 director. If a state motor vehicle has been assigned to a  
13 state officer or employee, the officer or employee shall not  
14 collect mileage for the use of a privately owned motor vehicle  
15 unless the state motor vehicle assigned is not useable.

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

18 1. A fleet management revolving fund is created in the  
19 state treasury under the control of the department. There is  
20 appropriated from moneys in the state treasury not otherwise  
21 appropriated the sum of twenty-five thousand dollars to the  
22 revolving fund. All purchases of gasoline, oil, tires,  
23 repairs, and all other general expenses incurred in the  
24 operation of state-owned motor vehicles owned, leased, or  
25 rented by the state, and all salaries and expenses of  
26 employees providing fleet management services shall be paid  
27 from this fund.

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

30 8A.366 VIOLATIONS -- WITHDRAWING USE OF VEHICLE.

31 If any state officer or employee violates any of the  
32 provisions of sections 8A.361 through 8A.365, the director may  
33 withdraw the assignment of any state-owned motor vehicle to  
34 any such state officer or employee of any motor vehicle owned,  
35 leased, or rented by the state.

EXPLANATION

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

The bill provides that by September 1, 2005, the department of administrative services must issue a request for proposals soliciting bids for the maintenance and operation of a pool of passenger vehicles for use by agencies located in Polk county. By January 1, 2006, the department must enter into one or more contracts for the maintenance and operation of the passenger vehicle motor pool. The department is authorized to bid on the proposal. In that case, the request for proposals must be developed by the executive council, in consultation with the department of management. The executive council shall then evaluate the proposals and select the vendor.

By June 30, 2006, the department is required to sell at auction all passenger vehicles under its control for use by multiple drivers of state departments or agencies within Polk county. One-third of the proceeds from the sale is to be deposited in the depreciation account of the department of public safety and is appropriated for the purchase of motor vehicles for the Iowa state patrol.

HOUSE FILE 849

H-1364

- 1 Amend House File 849 as follows:  
2 1. Page 1, line 14, by inserting after the word  
3 "vendor." the following: "If the department elects to  
4 submit a proposal, it shall notify the executive  
5 council of that decision not less than forty-five days  
6 prior to the date when the request for proposals is to  
7 be issued."  
8 2. Page 1, line 31, by inserting after the figure  
9 "2006," the following: "unless the department is  
10 selected as the vendor,".  
11 3. Page 1, line 35, by inserting after the words  
12 "one-third of the" the following: "net".  
13 4. Page 2, line 1, by inserting after the word  
14 "subsection" the following: ", less any amount  
15 required to be returned to the federal government,".  
16 5. Page 2, line 4, by inserting after the word  
17 "patrol" the following: ", and two-thirds of the net  
18 proceeds from the sale of motor vehicles, less any  
19 amount required to be returned to the federal  
20 government, shall be deposited in the general fund".

By RAECKER of Polk

H-1364 FILED APRIL 13, 2005

HOUSE FILE 849

H-1400

- 1 Amend House File 849 as follows:  
2 1. Page 1, line 14, by inserting after the word  
3 "vendor" the following: "except as provided in  
4 subsection 1A".  
5 2. Page 1, by inserting after line 24 the  
6 following:  
7 "1A. Notwithstanding contrary provisions of this  
8 section, if there are fewer than two proposals  
9 submitted that satisfy the requirements of the request  
10 for proposals, excluding any proposal submitted by the  
11 department, all bids shall be rejected and this Act is  
12 repealed effective December 31, 2005."  
13 3. Page 1, line 28, by inserting after the figure  
14 "1." the following: "A contract entered into pursuant  
15 to this section shall be for a period of no less than  
16 five years to allow state departments and agencies  
17 located in Polk county using such services to  
18 effectively and efficiently plan their annual budget  
19 requests."  
20 4. Page 1, line 30, by inserting after the word  
21 "contract." the following: "If the department is  
22 selected as the sole vendor to provide passenger  
23 vehicle fleet services as described in subsection 1,  
24 the department shall be the sole vendor and state  
25 departments and agencies located in Polk county shall  
26 use the department when procuring such services."

By THOMAS of Clayton

H-1400 FILED APRIL 19, 2005

HOUSE FILE 849

H-1391

1 Amend House File 849 as follows:

2 1. Page 1, by inserting after line 14 the  
3 following:

4 "2. To the extent practicable, the request for  
5 proposals shall include provisions for the following:

6 a. Daily rates with unlimited mileage within the  
7 state of Iowa.

8 b. A fifty-nine-minute grace period before next-  
9 day charges are imposed.

10 c. An hourly rate for late return of a vehicle.

11 d. Separate bids for daily fleet rental, monthly  
12 fleet rental, and rental on a long-term basis.

13 e. The ability to generate management reports with  
14 the following information, broken down by agency:

15 (1) Number of rentals per month.

16 (2) Average number of days per rental.

17 (3) Average number of miles per rental.

18 (4) Average rental charge per rental day.

19 f. Daily business hours beginning no later than  
20 seven a.m. and ending no earlier than five-thirty  
21 p.m., Monday through Friday, with Saturday pick-up  
22 ability and the ability to accommodate after-hours  
23 returns.

24 g. A roadside assistance program.

25 h. Provision of vehicles no more than two model  
26 years old."

27 2. Page 1, line 15, by inserting before the word  
28 "Options" the following: "3."

29 3. Page 1, by inserting after line 24 the  
30 following:

31 "4. If the department chooses to submit a  
32 proposal, that proposal shall be based on the complete  
33 cost of providing the services set out in the request  
34 for proposals. Costs shall be detailed on a line-item  
35 basis and shall include:

36 a. All depreciation costs, including depreciation  
37 costs for vehicles, office equipment, and furniture.

38 b. Interest.

39 c. Collision and comprehensive reserves.

40 d. Liability insurance or reserves.

41 e. Maintenance accrual and expense.

42 f. Rent for all required space, including office  
43 space and parking for vehicles.

44 g. Costs of any data system used.

45 h. Costs of all office supplies and equipment.

46 i. Costs of vehicle detailing and washing.

47 j. All personnel costs, including the salaries and  
48 the full value of any benefit package for personnel,  
49 including all levels of supervision, management, and  
50 labor, with all costs prorated based on the percentage

H-1391

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Page 2

- 1 of time spent on motor pool activities.  
2 k. Projection for increased depreciation based on  
3 replacement of older or wrecked vehicles.  
4 1. The value of all tax and license expenses  
5 avoided by the state."  
6 4. Page 1, line 25, by striking the figure "2."  
7 and inserting the following: "5."  
8 5. Page 1, line 28, by striking the word and  
9 figure "subsection 1" and inserting the following:  
10 "this section".  
11 6. Page 2, line 5, by striking the figure "3."  
12 and inserting the following: "6."  
13 7. By renumbering as necessary.

By RAECKER of Polk

H-1391 FILED APRIL 18, 2005

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 849 - State Motor Vehicle Pool Privatization (LSB 2479 HV)  
Analyst: Sam Leto (Phone: (515) 281-6764) (sam.letto@legis.state.ia.us)  
Fiscal Note Version - New

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**Description**

House File 849 amends Chapter 8A, Code of Iowa, regarding Fleet Management, and requires that the Department of Administrative Services (DAS) issue a Request for Proposal (RFP) by September 1, 2005, to solicit bids and select a vendor to lease or rent passenger vehicles for the use of agencies located in Polk County for temporary assignment to multiple drivers. The contract with the successful vendor or vendors must be in place by January 1, 2006. The Bill permits the DAS to submit a bid via the RFP process to maintain and operate the motor pool. If DAS chooses to bid, the Executive Council in consultation with the Department of Management will issue the RFP, evaluate the bids, and select a vendor. The Bill requires the DAS sell by auction, the designated State-owned and operated passenger vehicles by June 30, 2006, with some exceptions. The Bill also requires that one-third of the proceeds from this sale be deposited into the vehicle depreciation account for the Department of Public Safety (DPS) for the purchase of new State Patrol vehicles.

**Background**

The Government Oversight Committee has held several meetings over the last two years with staff from the DAS, Regents Institutions, and private vendors regarding State fleet management of vehicles throughout Iowa. The Committee has concerns that there is not a consistent model being used for the management of all State-owned vehicles, and sought to bring uniformity in fleet management. Other Committee concerns included the costs associated with the purchase and maintenance of State-owned vehicles that were utilized by multiple drivers in State agencies and departments on a temporary assignment basis.

**Assumptions**

1. The gross proceeds from the auction are based on the sale of 190 passenger motor vehicles, the entire DAS motor pool.
2. The average vehicle sale price at the auction is estimated to be \$6,505.
3. The costs estimates for FY 2006 include salary and support of 1.25 State FTE positions for 10 months and private rental or leasing expense for two months.
4. The fueling station will be maintained including a 0.25 State FTE position.
5. Proceeds from the auction will provide DPS with approximately 19 new State Patrol vehicles.
6. Requirements in Chapter 8A, Code of Iowa, will relate to leased and rented vehicles as well as State-owned vehicles.

**Fiscal Impact**

House File 849 will produce an estimated \$1.2 million in one-time revenue in FY 2006 based on gross proceeds from the sale by auction of designated State-owned vehicles. The estimated costs of \$82,000 for FY 2006 relate to the auction, staff for 10 months, and private rental or leasing for two months. For FY 2007, there are estimated additional costs of \$364,000 due to rental or leasing from the private sector.

## Impact on Motor Pool Operations

### FY 2006

<u>Expenditure Areas</u>	<u>Current Law Estimated Amounts</u>	<u>Proposed Law Estimated Amounts</u>	<u>Est. Increase (Decrease)</u>
Salaries	\$ 48,774	\$ 40,650	\$ (8,124)
Support	1,039,686	866,370	(173,316)
Auction Costs	0	23,750	23,750
Private Rental Costs	0	239,224	239,224
Total Expenditures	<u>\$ 1,088,460</u>	<u>\$ 1,169,994</u>	<u>\$ 81,534</u>

### FY 2007

<u>Expenditure Areas</u>	<u>Current Law Estimated Amounts</u>	<u>Proposed Law Estimated Amounts</u>	<u>Est. Increase (Decrease)</u>
Salaries	\$ 51,213	\$ 0	\$ (51,213)
Support	1,091,671	0	(1,091,671)
Private Rental Costs	0	1,507,108	1,507,108
Total Expenditures	<u>\$ 1,142,884</u>	<u>\$ 1,507,108</u>	<u>\$ 364,224</u>

### Sources

Department of Administrative Services

/s/ Holly M. Lyons

April 19, 2005

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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