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Place On Calendar

HOUSE FILE 2746  
BY COMMITTEE ON GOVERNMENT  
OVERSIGHT

(SUCCESSOR TO HF 849)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to state employee vehicle usage.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2746

1 Section 1. STATE-OWNED OR LEASED PASSENGER VEHICLES.

2 1. For the fiscal year beginning July 1, 2006, each state  
3 agency receiving an appropriation by the general assembly  
4 shall review the employee policy for daily or short-term  
5 travel including but not limited to the usage of motor pool  
6 vehicles under the department of administrative services, the  
7 employee mileage reimbursement for the use of a personal  
8 vehicle, and the usage of private automobile rental companies.

9 Following the review, the agency shall implement revisions  
10 in the employee policy for daily or short-term travel as  
11 necessary to maximize cost savings. Each such agency shall  
12 report to the general assembly's standing committees on  
13 government oversight regarding the policy revisions  
14 implemented and the savings realized from the changes. An  
15 initial report shall be submitted on or before December 1,  
16 2006, for the fiscal year ending June 30, 2006, compiled on a  
17 quarterly basis thereafter, and a follow-up report shall be  
18 submitted on or before December 1, 2007. The department of  
19 administration services shall develop a standardized format  
20 for the report.

21 2. The department of administrative services shall, at the  
22 beginning of each fiscal year, notify in writing each state  
23 agency, that use of motor pool vehicles is an optional service  
24 provided by the department of administrative services. The  
25 notice shall state that an agency's use of motor pool vehicles  
26 shall only occur when deemed cost effective in accordance with  
27 travel policies adopted under subsection 1.

28 3. The department of administrative services shall issue a  
29 request for proposals or utilize another competitive bidding  
30 process to serve the department's daily overflow needs. The  
31 request for proposals or competitive bidding process shall  
32 include but not be limited to all of the following:

- 33 a. Costs and terms associated with a three-year agreement.
- 34 b. Daily and weekly rates for the following car classes:  
35 compact size, intermediate size, standard size, full size,

1 premium size, midsize, sport utility vehicle, luxury cars,  
2 pick-up trucks, minivans, and cargo vans.

3 c. All rates must include unlimited miles, full collision  
4 damage waiver coverage, and minimum financial responsibility  
5 liability meeting state requirements.

6 d. Provide information on capabilities in reference to the  
7 following services:

8 (1) The number of locations throughout the state that  
9 could service state employees.

10 (2) Vehicle pick-up or delivery service options.

11 (3) One-way options and charges.

12 (4) Management reporting capabilities and customization  
13 options.

14 (5) Nationwide airport capabilities.

15 (6) Electronic booking capabilities.

16 (7) Available safety features and roadside assistance  
17 programs.

18 (8) The ability to provide real-time data reporting  
19 relative to rental usage on a monthly, weekly, or daily basis,  
20 including fuel costs on a per mile basis.

21 Sec. 2. DETERMINATION OF COST EFFECTIVENESS. Prior to the  
22 purchase of any daily trip passenger vehicles, the department  
23 of administrative services shall determine whether it is more  
24 cost effective to purchase or lease the vehicles.

25 Documentation of that determination shall be maintained at the  
26 central office of the department.

27 Sec. 3. Section 8A.362, Code 2005, is amended to read as  
28 follows:

29 8A.362 ~~FLEET~~ MOTOR VEHICLE USAGE MANAGEMENT -- POWERS AND  
30 DUTIES -- FUEL ECONOMY REQUIREMENTS.

31 1. The director may provide for the assignment to a state  
32 officer or employee or to a state agency, of one or more motor  
33 vehicles which may be required by the state officer or  
34 employee or state agency, after the state officer or employee  
35 or state agency has shown the necessity for such

1 transportation. The director may assign a motor vehicle  
2 either for part-time or full-time use. The director may  
3 revoke the assignment at any time.

4 2. The director may cause all state-owned motor vehicles  
5 owned, leased, or rented by the state to be inspected  
6 periodically. Whenever the inspection reveals that repairs  
7 have been improperly made on the motor vehicle or that the  
8 operator is not giving the motor vehicle the proper care, the  
9 director shall report this fact to the head of the state  
10 agency to which the motor vehicle has been assigned, together  
11 with recommendation for improvement.

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

1 called to the director's attention.

2 A motor vehicle operated under this subsection shall not  
3 operate on gasoline other than gasoline blended with at least  
4 ten percent ethanol, unless under emergency circumstances. A  
5 state-issued credit card used to purchase gasoline shall not  
6 be valid to purchase gasoline other than gasoline blended with  
7 at least ten percent ethanol, if commercially available. The  
8 motor vehicle ~~shall~~ may also be affixed with a brightly  
9 visible sticker which notifies the traveling public that the  
10 motor vehicle is being operated on gasoline blended with  
11 ethanol. ~~However, the sticker is not required to be affixed~~  
12 ~~to an unmarked vehicle used for purposes of providing law~~  
13 ~~enforcement or security.~~

14 4. a. The director shall provide for the purchase, lease,  
15 or rental of all motor vehicles for all branches of the state  
16 government, except the state department of transportation,  
17 institutions under the control of the state board of regents,  
18 the department for the blind, and any other state agency  
19 exempted by law. The director shall purchase, lease, or rent  
20 new vehicles in accordance with competitive bidding procedures  
21 for items or services as provided in this subchapter. The  
22 director may purchase used or preowned vehicles at  
23 governmental or dealer auctions if the purchase is determined  
24 to be in the best interests of the state.

25 b. The director, and any other state agency, which for  
26 purposes of this subsection includes but is not limited to  
27 community colleges and institutions under the control of the  
28 state board of regents, or local governmental subdivisions  
29 purchasing, leasing, or renting new motor vehicles, shall  
30 purchase, lease, or rent new passenger vehicles and light  
31 trucks so that the average fuel efficiency for the ~~fleet of~~  
32 new passenger vehicles and light trucks purchased, leased, or  
33 rented in that year equals or exceeds the average fuel economy  
34 standard for the vehicles' model year as established by the  
35 United States secretary of transportation under 15 U.S.C. §

1 2002. This paragraph does not apply to vehicles purchased,  
2 leased, or rented for law enforcement purposes or used for  
3 off-road maintenance work, or work vehicles used to pull  
4 loaded trailers.

5 c. Not later than February 15 of each year, the director  
6 shall report compliance with the corporate average fuel  
7 economy standards published by the United States secretary of  
8 transportation for new motor vehicles, other than motor  
9 vehicles purchased, leased, or rented by the state department  
10 of transportation, institutions under the control of the state  
11 board of regents, the department for the blind, and any other  
12 state agency exempted from the requirements of this  
13 subsection. The report of compliance shall classify the  
14 vehicles purchased, leased, or rented for the current vehicle  
15 model year using the following categories: passenger  
16 automobiles, enforcement automobiles, vans, and light trucks.  
17 The director shall deliver a copy of the report to the  
18 department of natural resources. As used in this paragraph,  
19 "corporate average fuel economy" means the corporate average  
20 fuel economy as defined in 49 C.F.R. § 533.5.

21 d. The director shall assign motor vehicles available for  
22 use to maximize the average passenger miles per gallon of  
23 motor vehicle fuel consumed. In assigning motor vehicles, the  
24 director shall consider standards established by the director,  
25 which may include but are not limited to the number of  
26 passengers traveling to a destination, the fuel economy of and  
27 passenger capacity of vehicles available for assignment, and  
28 any other relevant information, to assure assignment of the  
29 most energy-efficient vehicle or combination of vehicles for a  
30 trip from those vehicles available for assignment. The  
31 standards shall not apply to special work vehicles and law  
32 enforcement vehicles. The standards shall apply to the  
33 following agencies:

- 34 (1) State department of transportation.  
35 (2) Institutions under the control of the state board of

1 regents.

2 (3) Department for the blind.

3 (4) Any other state agency exempted from obtaining  
4 vehicles for use through the department.

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

10 5. Of all new passenger vehicles and light pickup trucks  
11 purchased by the director, a minimum of ten percent of all  
12 such vehicles and trucks purchased shall be equipped with  
13 engines which utilize alternative methods of propulsion  
14 including but not limited to any of the following:

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

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

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

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

23 b. Compressed or liquefied natural gas.

24 c. Propane gas.

25 d. Solar energy.

26 e. Electricity.

27 This subsection does not apply to vehicles and trucks  
28 purchased and directly used for law enforcement or purchased  
29 and used for off-road maintenance work or to pull loaded  
30 trailers.

31 6. All used motor vehicles owned by the state which are  
32 turned in to the director shall be disposed of by public  
33 auction, and the sales shall be advertised in a newspaper of  
34 general circulation one week in advance of sale, and the  
35 receipts from the sale shall be deposited in the depreciation

1 fund to the credit of the state agency turning in the vehicle;  
2 except that, in the case of a used motor vehicle of special  
3 design, the director may, instead of selling it at public  
4 auction, authorize the motor vehicle to be traded for another  
5 vehicle of similar design. If a vehicle sustains damage and  
6 the cost to repair exceeds the wholesale value of the vehicle,  
7 the director may dispose of the motor vehicle by obtaining two  
8 or more written salvage bids and the vehicle shall be sold to  
9 the highest responsible bidder.

10 7. The director may authorize the establishment of motor  
11 pools consisting of a number of state-owned motor vehicles  
12 owned, leased, or rented under the director's supervision.  
13 The director may store the motor vehicles in a public or  
14 private garage. If the director establishes a motor pool, any  
15 state officer or employee desiring the use of a state-owned  
16 motor vehicle owned, leased, or rented by the state on state  
17 business shall notify the director of the need for a vehicle  
18 within a reasonable time prior to actual use of the motor  
19 vehicle. The director may assign a motor vehicle from the  
20 motor pool to the state officer or employee. If two or more  
21 state officers or employees desire the use of a state-owned  
22 motor vehicle owned, leased, or rented by the state for a trip  
23 to the same destination for the same length of time, the  
24 director may assign one vehicle to make the trip.

25 8. The director shall require that a sign be placed on  
26 each state-owned motor vehicle, and on each vehicle leased or  
27 rented for a period greater than three months, in a  
28 conspicuous place which indicates its ownership use by the  
29 state. This requirement shall not apply to motor vehicles  
30 requested to be exempt by the director or by the commissioner  
31 of public safety. All state-owned motor vehicles shall  
32 display registration plates bearing the word "official" except  
33 motor vehicles requested to be furnished with ordinary plates  
34 by the director or by the commissioner of public safety  
35 pursuant to section 321.19. The director shall keep an

1 accurate record of the registration plates used on all state-  
2 owned motor vehicles.

3 9. All fuel used in state-owned automobiles, leased, or  
4 rented passenger vehicles shall be purchased at cost from the  
5 various installations or garages of the state department of  
6 transportation, state board of regents, department of human  
7 services, or state motor pools throughout the state, unless  
8 the state-owned sources for the purchase of fuel are not  
9 reasonably accessible. If the director determines that state-  
10 owned sources for the purchase of fuel are not reasonably  
11 accessible, the director shall authorize the purchase of fuel  
12 from other sources. The director may prescribe a manner,  
13 other than the use of the revolving fund, in which the  
14 purchase of fuel from state-owned sources is charged to the  
15 state agency responsible for the use of the motor vehicle.  
16 The director shall prescribe the manner in which oil and other  
17 normal motor vehicle maintenance for state-owned motor  
18 vehicles owned, leased, or rented by the state may be  
19 purchased from private sources, if they cannot be reasonably  
20 obtained from a state motor pool. The director may advertise  
21 for bids and award contracts in accordance with competitive  
22 bidding procedures for items and services as provided in this  
23 subchapter for furnishing fuel, oil, grease, and vehicle  
24 replacement parts for all state-owned motor vehicles owned,  
25 leased, or rented by the state. The director and other state  
26 agencies, when advertising for bids for gasoline, shall also  
27 seek bids for ethanol blended gasoline.

28 Sec. 4. Section 8A.363, subsection 1, Code 2005, is  
29 amended to read as follows:

30 1. A state officer or employee shall not use a state-  
31 owned motor vehicle owned, leased, or rented by the state for  
32 personal private use. A state officer or employee shall not  
33 be compensated for driving a privately owned motor vehicle  
34 unless it is done on state business with the approval of the  
35 director. In that case the state officer or employee shall

1 receive an amount to be determined by the director. The  
2 amount shall not exceed the maximum allowable under the  
3 federal internal revenue service rules per mile,  
4 notwithstanding established mileage requirements or  
5 depreciation allowances. However, the director may authorize  
6 private motor vehicle rates in excess of the rate allowed  
7 under the federal internal revenue service rules for state  
8 business use of substantially modified or specially equipped  
9 privately owned vehicles required by persons with  
10 disabilities. A statutory provision establishing  
11 reimbursement for necessary mileage, travel, or actual  
12 expenses to a state officer falls under the private motor  
13 vehicle mileage rate limitation provided in this section  
14 unless specifically provided otherwise. Any peace officer  
15 employed by the state as defined in section 801.4 who is  
16 required to use a private motor vehicle in the performance of  
17 official duties shall receive the private vehicle mileage rate  
18 at the rate provided in this section. However, the director  
19 may delegate authority to officials of the state, and  
20 department heads, for the use of private vehicles on state  
21 business up to a yearly mileage figure established by the  
22 director. If a state motor vehicle has been assigned to a  
23 state officer or employee, the officer or employee shall not  
24 collect mileage for the use of a privately owned motor vehicle  
25 unless the state motor vehicle assigned is not useable.

26 Sec. 5. Section 8A.364, subsection 1, Code 2005, is  
27 amended to read as follows:

28 1. A fleet management revolving fund is created in the  
29 state treasury under the control of the department. There is  
30 appropriated from moneys in the state treasury not otherwise  
31 appropriated the sum of twenty-five thousand dollars to the  
32 revolving fund. All purchases of gasoline, oil, tires,  
33 repairs, and all other general expenses incurred in the  
34 operation of state-owned motor vehicles owned, leased, or  
35 rented by the state, and all salaries and expenses of

1 employees providing fleet management services shall be paid  
2 from this fund.

3 Sec. 6. Section 8A.366, Code 2005, is amended to read as  
4 follows:

5 8A.366 VIOLATIONS -- WITHDRAWING USE OF VEHICLE.

6 If any state officer or employee violates any of the  
7 provisions of sections 8A.361 through 8A.365, the director may  
8 withdraw the assignment ~~of any state owned motor vehicle~~ to  
9 any such state officer or employee of any motor vehicle owned,  
10 leased, or rented by the state.

11 EXPLANATION

12 Under current law, the state, through the department of  
13 administrative services, owns and operates a fleet of daily  
14 trip passenger vehicles. This bill requires each state agency  
15 receiving an appropriation to review its policies concerning  
16 the use of passenger vehicles, with the goal of developing a  
17 policy for daily or short-term travel that maximizes cost  
18 savings, with reports to the legislative government oversight  
19 committees.

20 The bill requires the department of administrative services  
21 to notify each agency that the agency shall use a motor pool  
22 vehicle only when it is deemed cost-effective. The department  
23 is also required to develop a request for proposals or other  
24 competitive process for the lease or rental of vehicles to  
25 serve daily overflow needs. The department is also required  
26 to determine whether it is more cost-effective to purchase or  
27 lease vehicles before it purchases any daily trip vehicles.

28 The bill exempts leased or rented vehicles from a statutory  
29 requirement stating that 10 percent of passenger vehicles and  
30 light pickup trucks utilize "alternative methods of  
31 propulsion".

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