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3 HOUSE PS&HS COMMITTEE SUBSTITUTE FOR SB20
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8 SYNOPSIS: The Department of Transportation operates a
9 fleet management program for the state for the
10 acquisition, leasing, and maintenance of state
11 owned motor vehicles.

12 This bill would require that vehicles
13 purchased or leased pursuant to the program are
14 required to be purchased or leased from a
15 dealership located in the state.
16

17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 Relating to the Fleet Management Program of the
22 Department of Transportation; to amend Section 23-1-50.1, Code
23 of Alabama 1975, to require that state vehicles acquired for
24 the program must be purchased or leased from a dealership
25 located in the State of Alabama.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. Section 23-1-50.1, Code of Alabama 1975,
2 is amended to read as follows:

3 "§23-1-50.1.

4 "(a) It is the intent of the Legislature to give the
5 State Department of Transportation authority to accumulate
6 depreciation, equipment replacement allowances, and salvage
7 value on road machinery and equipment sufficient to upgrade,
8 replace, or make extraordinary repairs to the road machinery
9 and equipment of the State Department of Transportation, as
10 determined by a road machinery and equipment management
11 program to be developed by the department.

12 "(b) Unless the context clearly indicates otherwise,
13 the following words and phrases will have the following
14 meanings:

15 "(1) STATE DEPARTMENT OF TRANSPORTATION DIVISIONS.
16 Those divisions of the Department of Transportation
17 responsible for road construction and maintenance over a
18 specified geographic area of the state.

19 "(2) DEPRECIATION. That process of allocating the
20 original cost per fixed asset over the productive life of the
21 asset using some generally accepted method of depreciation.

22 "(3) EQUIPMENT MANAGEMENT SURPLUS RESERVE ACCOUNT. A
23 special revolving account or fund to be established in the
24 Public Road and Bridge Fund of the State Department of
25 Transportation to accumulate depreciation, equipment
26 replacement allowances, and salvage value to be used to

1 upgrade, replace, or make extraordinary repairs to road
2 machinery and equipment.

3 "(4) EQUIPMENT REPLACEMENT ALLOWANCE. An amount,
4 when added to the depreciation and salvage value of a unit of
5 road machinery and equipment and accumulated in a special
6 account, that will provide the funds to upgrade, replace, or
7 make extraordinary repairs to that unit of road machinery and
8 equipment.

9 "(5) EXTRAORDINARY REPAIRS. Repairs made to extend
10 an asset's useful life beyond that which was originally
11 estimated.

12 "(6) GENERAL OFFICE. Those general and
13 administrative offices of the State Department of
14 Transportation located in Montgomery, Alabama.

15 "(7) ROAD MACHINERY AND EQUIPMENT. Self-propelled
16 equipment or other equipment commonly referred to in the State
17 Department of Transportation as rental equipment, including
18 aircraft.

19 "(8) SALVAGE VALUE. That portion of a unit of road
20 machinery and equipment's cost that is recovered at the end of
21 its productive life.

22 "(c) There is created in the Public Road and Bridge
23 Fund of the State Department of Transportation an Equipment
24 Management Surplus Reserve Account. The director of the
25 department is directed to establish a road machinery and
26 equipment management program which shall determine the type,
27 number, and distribution between the general office and

1 department divisions of the road machinery and equipment
2 necessary to carry out the mission of the State Department of
3 Transportation in an efficient manner. This system shall also
4 determine the productive life of all of the road machinery and
5 equipment and establish depreciation rates, equipment
6 replacement allowance, and salvage value which, when
7 accumulated in the Equipment Management Surplus Reserve
8 Account, will provide the necessary funds to upgrade, replace,
9 or make extraordinary repairs to road machinery and equipment.

10 "(d) The Equipment Management Surplus Reserve
11 Account shall be subdivided into subaccounts as follows: One
12 for the general office and one each for each of the department
13 divisions. Depreciation, equipment replacement allowance, and
14 salvage value shall be credited to the account of the general
15 office or department division to which the unit of road
16 machinery and equipment is assigned and shall not be
17 commingled or transferred between the department division and
18 the general office. The funds in each of these subaccounts of
19 the general office and department divisions shall be available
20 to the appropriate office or division to upgrade, replace, or
21 to make extraordinary repairs to road machinery and equipment.

22 "(e) There is appropriated all of the funds created
23 to the Equipment Management Surplus Reserve Accounts, due to
24 the depreciation, equipment replacement allowance, and salvage
25 value of road machinery and equipment, for upgrading,
26 replacement, or extraordinary repairs to road machinery and
27 equipment. These funds shall not revert at the end of each

1 fiscal year, but shall carry over to each succeeding year. It
2 is the intent of the Legislature that funds appropriated from
3 the Equipment Management Surplus Reserve Account be used only
4 to upgrade, replace, or make extraordinary repairs to road
5 machinery and equipment, and that they not be used to increase
6 the number of units of equipment of the State Department of
7 Transportation. It is the further intent of the Legislature to
8 use these funds to maintain the present level of road
9 maintenance, as opposed to using the funds to place the state
10 in a competitive position with private enterprise. Specific
11 funds shall be appropriated by the Legislature to increase the
12 number of units of road machinery and equipment. It is
13 specifically provided that the aircraft, pickup truck, and
14 three automobiles transferred from the Department of Finance
15 to the State Department of Transportation, pursuant to
16 Executive Order No. 12, dated December 21, 1993, shall be
17 added to and become a part of the Department of Transportation
18 road machinery and equipment management program and Equipment
19 Management Surplus Reserve Account.

20 "(f) Any other provision of law to the contrary
21 notwithstanding, at the end of the productive life of a unit
22 of road machinery or equipment covered by the equipment
23 management surplus reserve account established as provided for
24 in this section, the unit of road machinery or equipment shall
25 be sold at the discretion of the director, either at public
26 auction, as provided for by the laws of the State of Alabama,
27 or by a negotiated sale between the State Department of

1 Transportation and any other state department or agency, and
2 the proceeds from any sale, whether at public auction or by
3 such negotiation, shall be paid into the equipment management
4 surplus reserve account and credited to the subaccount to
5 which the unit of road machinery or equipment is credited.

6 "(g) (1) The department may develop a fleet
7 management program for the state which will operate in a
8 similar manner as the department's Equipment Management
9 Program. Any motor vehicle bought wholly or partially with
10 state funds pursuant to the fleet management program or other
11 state operated motor vehicle acquisition program for use of
12 state officers, officials, or employees on official business
13 shall be purchased from dealerships in the state. Such
14 vehicles shall be equipped as directed by the Department of
15 Transportation.

16 "(2) All personnel, facilities, property, equipment,
17 and funds assigned, allocated, or appropriated to the
18 Department of Finance, Division of Service for the operation
19 of a transportation pool or the maintenance and repair of
20 state-owned or operated automobiles shall transfer to the
21 Alabama Department of Transportation, effective October 1,
22 2014."

23 Section 2. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.