

1 SB20
2 163733-2
3 By Senators Ward and Brewbaker
4 RFD: Governmental Affairs
5 First Read: 03-MAR-15
6 PFD: 02/03/2015

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to the Fleet Management Program of the
12 Department of Transportation; to amend Section 23-1-50.1, Code
13 of Alabama 1975, to require that state vehicles acquired for
14 the program must be purchased or leased from a dealership
15 located in the State of Alabama.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

19 "§23-1-50.1.

20 "(a) It is the intent of the Legislature to give the
21 State Department of Transportation authority to accumulate
22 depreciation, equipment replacement allowances, and salvage
23 value on road machinery and equipment sufficient to upgrade,
24 replace, or make extraordinary repairs to the road machinery
25 and equipment of the State Department of Transportation, as
26 determined by a road machinery and equipment management
27 program to be developed by the department.

1 "(b) Unless the context clearly indicates otherwise,
2 the following words and phrases will have the following
3 meanings:

4 "(1) STATE DEPARTMENT OF TRANSPORTATION DIVISIONS.
5 Those divisions of the Department of Transportation
6 responsible for road construction and maintenance over a
7 specified geographic area of the state.

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

11 "(3) EQUIPMENT MANAGEMENT SURPLUS RESERVE ACCOUNT. A
12 special revolving account or fund to be established in the
13 Public Road and Bridge Fund of the State Department of
14 Transportation to accumulate depreciation, equipment
15 replacement allowances, and salvage value to be used to
16 upgrade, replace, or make extraordinary repairs to road
17 machinery and equipment.

18 "(4) EQUIPMENT REPLACEMENT ALLOWANCE. An amount,
19 when added to the depreciation and salvage value of a unit of
20 road machinery and equipment and accumulated in a special
21 account, that will provide the funds to upgrade, replace, or
22 make extraordinary repairs to that unit of road machinery and
23 equipment.

24 "(5) EXTRAORDINARY REPAIRS. Repairs made to extend
25 an asset's useful life beyond that which was originally
26 estimated.

1 "(6) GENERAL OFFICE. Those general and
2 administrative offices of the State Department of
3 Transportation located in Montgomery, Alabama.

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

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

11 "(c) There is created in the Public Road and Bridge
12 Fund of the State Department of Transportation an Equipment
13 Management Surplus Reserve Account. The director of the
14 department is directed to establish a road machinery and
15 equipment management program which shall determine the type,
16 number, and distribution between the general office and
17 department divisions of the road machinery and equipment
18 necessary to carry out the mission of the State Department of
19 Transportation in an efficient manner. This system shall also
20 determine the productive life of all of the road machinery and
21 equipment and establish depreciation rates, equipment
22 replacement allowance, and salvage value which, when
23 accumulated in the Equipment Management Surplus Reserve
24 Account, will provide the necessary funds to upgrade, replace,
25 or make extraordinary repairs to road machinery and equipment.

26 "(d) The Equipment Management Surplus Reserve
27 Account shall be subdivided into subaccounts as follows: One

1 for the general office and one each for each of the department
2 divisions. Depreciation, equipment replacement allowance, and
3 salvage value shall be credited to the account of the general
4 office or department division to which the unit of road
5 machinery and equipment is assigned and shall not be
6 commingled or transferred between the department division and
7 the general office. The funds in each of these subaccounts of
8 the general office and department divisions shall be available
9 to the appropriate office or division to upgrade, replace, or
10 to make extraordinary repairs to road machinery and equipment.

11 "(e) There is appropriated all of the funds created
12 to the Equipment Management Surplus Reserve Accounts, due to
13 the depreciation, equipment replacement allowance, and salvage
14 value of road machinery and equipment, for upgrading,
15 replacement, or extraordinary repairs to road machinery and
16 equipment. These funds shall not revert at the end of each
17 fiscal year, but shall carry over to each succeeding year. It
18 is the intent of the Legislature that funds appropriated from
19 the Equipment Management Surplus Reserve Account be used only
20 to upgrade, replace, or make extraordinary repairs to road
21 machinery and equipment, and that they not be used to increase
22 the number of units of equipment of the State Department of
23 Transportation. It is the further intent of the Legislature to
24 use these funds to maintain the present level of road
25 maintenance, as opposed to using the funds to place the state
26 in a competitive position with private enterprise. Specific
27 funds shall be appropriated by the Legislature to increase the

1 number of units of road machinery and equipment. It is
2 specifically provided that the aircraft, pickup truck, and
3 three automobiles transferred from the Department of Finance
4 to the State Department of Transportation, pursuant to
5 Executive Order No. 12, dated December 21, 1993, shall be
6 added to and become a part of the Department of Transportation
7 road machinery and equipment management program and Equipment
8 Management Surplus Reserve Account.

9 "(f) Any other provision of law to the contrary
10 notwithstanding, at the end of the productive life of a unit
11 of road machinery or equipment covered by the equipment
12 management surplus reserve account established as provided for
13 in this section, the unit of road machinery or equipment shall
14 be sold at the discretion of the director, either at public
15 auction, as provided for by the laws of the State of Alabama,
16 or by a negotiated sale between the State Department of
17 Transportation and any other state department or agency, and
18 the proceeds from any sale, whether at public auction or by
19 such negotiation, shall be paid into the equipment management
20 surplus reserve account and credited to the subaccount to
21 which the unit of road machinery or equipment is credited.

22 "(g) (1) The department may develop a fleet
23 management program for the state which will operate in a
24 similar manner as the department's Equipment Management
25 Program. Any motor vehicle bought or leased wholly or
26 partially with state funds pursuant to the fleet management
27 program or other state operated motor vehicle acquisition

1 program for use of state officers, officials, or employees on
2 official business, may be purchased from dealerships in the
3 state if the price of the vehicle is within five percent of
4 the lowest responsible bid. Such vehicles shall be equipped as
5 directed by the Department of Transportation.

6 "(2) All personnel, facilities, property, equipment,
7 and funds assigned, allocated, or appropriated to the
8 Department of Finance, Division of Service for the operation
9 of a transportation pool or the maintenance and repair of
10 state-owned or operated automobiles shall transfer to the
11 Alabama Department of Transportation, effective October 1,
12 2014."

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

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Senate

Read for the first time and referred to the Senate
committee on Governmental Affairs..... 03-MAR-15

Read for the second time and placed on the calen-
dar 1 amendment..... 10-MAR-15

Read for the third time and passed as amended 31-MAR-15

Yeas 33
Nays 0

Patrick Harris
Secretary