

1 SB20  
2 167477-3  
3 By Senators Ward and Brewbaker  
4 RFD: Governmental Affairs  
5 First Read: 03-MAR-15  
6 PFD: 02/03/2015

1 SB20

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4 ENROLLED, An Act,

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

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

13 "§23-1-50.1.

14 "(a) It is the intent of the Legislature to give the  
15 State Department of Transportation authority to accumulate  
16 depreciation, equipment replacement allowances, and salvage  
17 value on road machinery and equipment sufficient to upgrade,  
18 replace, or make extraordinary repairs to the road machinery  
19 and equipment of the State Department of Transportation, as  
20 determined by a road machinery and equipment management  
21 program to be developed by the department.

22 "(b) Unless the context clearly indicates otherwise,  
23 the following words and phrases will have the following  
24 meanings:

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

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

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

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

21           "(5) EXTRAORDINARY REPAIRS. Repairs made to extend  
22 an asset's useful life beyond that which was originally  
23 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.

1           "(d) The Equipment Management Surplus Reserve  
2 Account shall be subdivided into subaccounts as follows: One  
3 for the general office and one each for each of the department  
4 divisions. Depreciation, equipment replacement allowance, and  
5 salvage value shall be credited to the account of the general  
6 office or department division to which the unit of road  
7 machinery and equipment is assigned and shall not be  
8 commingled or transferred between the department division and  
9 the general office. The funds in each of these subaccounts of  
10 the general office and department divisions shall be available  
11 to the appropriate office or division to upgrade, replace, or  
12 to make extraordinary repairs to road machinery and equipment.

13           "(e) There is appropriated all of the funds created  
14 to the Equipment Management Surplus Reserve Accounts, due to  
15 the depreciation, equipment replacement allowance, and salvage  
16 value of road machinery and equipment, for upgrading,  
17 replacement, or extraordinary repairs to road machinery and  
18 equipment. These funds shall not revert at the end of each  
19 fiscal year, but shall carry over to each succeeding year. It  
20 is the intent of the Legislature that funds appropriated from  
21 the Equipment Management Surplus Reserve Account be used only  
22 to upgrade, replace, or make extraordinary repairs to road  
23 machinery and equipment, and that they not be used to increase  
24 the number of units of equipment of the State Department of  
25 Transportation. It is the further intent of the Legislature to

1 use these funds to maintain the present level of road  
2 maintenance, as opposed to using the funds to place the state  
3 in a competitive position with private enterprise. Specific  
4 funds shall be appropriated by the Legislature to increase the  
5 number of units of road machinery and equipment. It is  
6 specifically provided that the aircraft, pickup truck, and  
7 three automobiles transferred from the Department of Finance  
8 to the State Department of Transportation, pursuant to  
9 Executive Order No. 12, dated December 21, 1993, shall be  
10 added to and become a part of the Department of Transportation  
11 road machinery and equipment management program and Equipment  
12 Management Surplus Reserve Account.

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

1           "(g) (1) The department may develop a fleet  
2 management program for the state which will operate in a  
3 similar manner as the department's Equipment Management  
4 Program. Any motor vehicle bought wholly or partially with  
5 state funds pursuant to the fleet management program or other  
6 state operated motor vehicle acquisition program for use of  
7 state officers, officials, or employees on official business  
8 shall be purchased from dealerships in the state.

9           "(2) All personnel, facilities, property, equipment,  
10 and funds assigned, allocated, or appropriated to the  
11 Department of Finance, Division of Service for the operation  
12 of a transportation pool or the maintenance and repair of  
13 state-owned or operated automobiles shall transfer to the  
14 Alabama Department of Transportation, effective October 1,  
15 2014."

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

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB20

Senate 31-MAR-15

I hereby certify that the within Act originated in and passed the Senate.

Patrick Harris  
Secretary

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House of Representatives  
Amended and passed 28-MAY-15

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Senate concurred in House amendment 28-MAY-15

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By: Senator Ward