

SB 314-FN – AS AMENDED BY THE HOUSE

03/28/12 1420s
25Apr2012... 1682h

2012 SESSION

12-2971
05/01

SENATE BILL **314-FN**

AN ACT relative to state-owned vehicle fleet management.

SPONSORS: Sen. Morse, Dist 22; Sen. Rausch, Dist 19; Sen. Bradley, Dist 3; Sen. D’Allesandro,
Dist 20; Rep. Weyler, Rock 8

COMMITTEE: Finance

ANALYSIS

This bill establishes a mileage reimbursement procedure for use of state-owned vehicles by employees.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT relative to state-owned vehicle fleet management.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 New Section; State-Owned Vehicle Fleet Management; Mileage Reimbursement. Amend
2 RSA 21-I by inserting after section 19-i the following new section:

3 21-I:19-j State-Owned Vehicle Fleet Management; Mileage Reimbursement.

4 I. The purpose of this section is to promote fiscal responsibility in the use of state-owned
5 vehicles, as is currently being performed by the vehicle utilization committee. By necessity,
6 reporting on the use of state-owned vehicles includes the Internal Revenue Service's term "non-
7 business miles." As it relates to the state's fleet vehicles, "non-business miles" does not equate to
8 personal miles and in most instances, represents mileage incurred for legitimate, bona fide business
9 purposes. This section is intended to clarify instances of legitimate business uses for state-owned
10 vehicles.

11 II. Any person who drives any state-owned vehicle for personal or non-business use,
12 including, but not limited to commuting between an employee's home and regular place of business,
13 shall reimburse the state for mileage, subject to the exemptions in paragraphs IV and V.
14 Reimbursement shall be made by payroll deduction. The amount of reimbursement shall
15 approximate the benefit derived from the use of the vehicle as prescribed by the Internal Revenue
16 Service's published reimbursement rate.

17 III. Funds received under this section shall be transferred by the agency to the fund under
18 which the vehicle's cost is funded.

19 IV.(a) This section shall not apply to the use of vehicles:

20 (1) That are qualified non-personal use vehicles, including law enforcement vehicles.

21 A qualified non-personal use vehicle is any vehicle that the employee is not likely to use more than
22 minimally for personal purposes because of its design. Classification of these vehicles as such,
23 should generally conform with Internal Revenue Service guidance for "qualified non-personal use
24 vehicles";

25 (2) For a job assignment which, based on its duties, makes such mileage required by
26 the employer for bona fide business reasons of the state; or

27 (3) For emergency purposes at the discretion of the agency commissioner.

28 (b) The vehicle utilization committee established pursuant to RSA 21-I:19-h shall
29 approve all exemptions under this paragraph. The commissioner of administrative services shall

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1 maintain a list of vehicles and job assignments for which the exemption has been approved. This list
2 shall be reported to the fiscal committee of the general court.

3 V. Further exemptions or appeals of decisions of the vehicle utilization review committee
4 under this section may be submitted to and granted by the fiscal committee of the general court.

5 2 Effective Date. This act shall take effect on January 1, 2013.

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LBAO
12-2971
Amended 05/03/12

SB 314 FISCAL NOTE

AN ACT relative to state-owned vehicle fleet management.

FISCAL IMPACT:

The Department of Administrative Services states this bill, as amended by the House (Amendment #2012-1682h), would increase state revenues by an indeterminable amount in FY 2013 and each year thereafter, and increase state expenditures by \$175,626 in FY 2013, \$123,462 in FY 2014, \$130,912 in FY 2015 and, \$138,688 in FY 2016. There will be no fiscal impact on county and local revenues or expenditures.

METHODOLOGY:

The Department states this bill would require state employees to reimburse the state, through payroll deduction, for non-business use mileage traveled in state vehicles, at the Internal Revenue Service (IRS) rate (\$0.555 per mile, as of December 2, 2011), with all reimbursements credited to the state highway fund. The Department states in FY 2011 there were a total of 1,692,805 non-business use miles reported by all agencies state-wide, less 286,921 driven by vehicles that have subsequently been repurposed, for a net total of 1,405,884 miles. The Department states it is unable to determine how this bill will affect total non-business use mileage reported, and therefore is unable to calculate the potential increase to state revenues in FY 2013 and each year thereafter.

The Department of Administrative Services states this bill would require additional administrative responsibilities for processing and auditing payroll deductions identified in this bill. To handle these additional duties, the Department would need two (2) additional Auditor I positions (labor grade 19) to start on January 1, 2013. The estimated total salary and benefit cost for the two positions is \$75,626 in FY 2013, \$123,462 in FY 2014, \$130,912 in FY 2015 and, \$138,688 in FY 2016. The Department also states to continue its objective to gain efficiencies by consolidating and reducing back office processing, it assumes the eventual design and development of a more automated “employee self-service” web based system within 12 months after the effective date of this bill. The Department estimates the cost of this system to be \$100,000 in FY 2013.

This bill contains neither authorization nor appropriation for new positions.