

**Representative Loraine T. Pace** proposes the following substitute bill:

**DEPARTMENT OF ADMINISTRATIVE  
SERVICES AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

**Sponsor: Loraine T. Pace**

**This act modifies provisions relating to the Department of Administrative Services. This act modifies provisions relating to the Division of Fleet Operations. This act allows vehicles to be acquired with funding from sources other than state appropriations or through federal surplus. This act changes the membership of the Motor Pool Review Committee. This act requires agencies to report the results of investigations of vehicle misuse to the Divisions of Fleet Operations and Risk Management. This act allows the director of the Division of Fleet Operations to delegate functions to other state agencies upon approval from the executive director of the Department of Administrative Services. This act eliminates the Utah Sports Authority from the Department of Administrative Services. This act modifies the names of the divisions within the Department of Administrative Services. This act makes technical changes.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**63-38-3.5**, as last amended by Chapter 175, Laws of Utah 2001

**63A-1-109**, as last amended by Chapter 334, Laws of Utah 1996

**63A-9-301**, as last amended by Chapters 85 and 252, Laws of Utah 1997

**63A-9-302**, as last amended by Chapter 85, Laws of Utah 1997

**63A-9-401**, as last amended by Chapter 85, Laws of Utah 1997

**63A-9-501**, as enacted by Chapter 334, Laws of Utah 1996

REPEALS:



26           **63A-2-201**, as renumbered and amended by Chapters 118 and 212, Laws of Utah 1993

27 *Be it enacted by the Legislature of the state of Utah:*

28           Section 1. Section **63-38-3.5** is amended to read:

29           **63-38-3.5. Internal service funds -- Governance and review.**

30           (1) For purposes of this section:

31           (a) "Agency" means a department, division, office, bureau, or other unit of state  
32 government, and includes any subdivision of an agency.

33           (b) "Do not replace vehicles" means a vehicle accounted for in the Division of Fleet  
34 Operations for which charges to an agency for its use do not include amounts to cover  
35 depreciation or to accumulate assets to replace the vehicle at the end of its useful life.

36           ~~(b)~~ (c) "Internal service fund agency" means an agency that provides goods or  
37 services to other agencies of state government or to other governmental units on a capital  
38 maintenance and cost reimbursement basis, and which recovers costs through interagency  
39 billings.

40           ~~(c)~~ (d) "Revolving loan fund" means each of the revolving loan funds defined in  
41 Section 63A-3-205.

42           (2) An internal service fund agency is not subject to this section with respect to its  
43 administration of a revolving loan fund.

44           (3) An internal service fund agency may not bill another agency for services that it  
45 provides, unless the Legislature has:

46           (a) reviewed and approved the internal service fund agency's budget request;

47           (b) reviewed and approved the internal service fund agency's rates, fees, and other  
48 amounts that it charges those who use its services and included those rates, fees, and amounts  
49 in an appropriation act;

50           (c) approved the number of full-time, permanent positions of the internal service fund  
51 agency as part of the annual appropriation process; and

52           (d) appropriated to the internal service fund agency the internal service fund's  
53 estimated revenue based upon the rates and fee structure that are the basis for the estimate.

54           (4) (a) Except as provided in Subsection (4)(b), an internal service fund agency may  
55 not charge rates, fees, and other amounts that exceed the rates, fees, and amounts established  
56 by the Legislature in the appropriations act.

57 (b) (i) An internal service fund agency that begins a new service or introduces a new  
58 product between annual general sessions of the Legislature may establish and charge an interim  
59 rate or amount for that service or product.

60 (ii) The internal service fund agency shall submit that interim rate or amount to the  
61 Legislature for approval at the next annual general session.

62 (5) The internal service fund agency budget request shall separately identify the capital  
63 needs and the related capital budget.

64 (6) In the fiscal year that the accounting change referred to in Subsection 51-5-6(2) is  
65 implemented by the Division of Finance, the Division of Finance shall transfer equity created  
66 by that accounting change to any internal service fund agency up to the amount needed to  
67 eliminate any long-term debt and deficit working capital in the fund.

68 (7) No new internal service fund agency may be established unless reviewed and  
69 approved by the Legislature.

70 (8) (a) ~~Am~~ Except as provided in Subsection (8)(f), an internal service fund agency  
71 may not acquire capital assets unless legislative approval for acquisition of the assets has been  
72 included in an appropriations act for the internal service fund agency.

73 (b) An internal service fund agency may not acquire capital assets after the transfer  
74 mandated by Subsection ~~(4)~~ (6) has occurred unless the internal service fund agency has  
75 adequate working capital.

76 (c) The internal service fund agency shall provide working capital from the following  
77 sources in the following order:

78 (i) first, from operating revenues to the extent allowed by state rules and federal  
79 regulations;

80 (ii) second, from long-term debt, subject to the restrictions of this section; and

81 (iii) last, from an appropriation.

82 (d) (i) To eliminate negative working capital, an internal service fund agency may incur  
83 long-term debt from the General Fund or Special Revenue Funds to acquire capital assets.

84 (ii) The internal service fund agency shall repay all long-term debt borrowed from the  
85 General Fund or Special Revenue Funds by making regular payments over the useful life of the  
86 asset according to the asset's depreciation schedule.

87 (e) (i) The Division of Finance may not allow an internal service fund agency's

88 borrowing to exceed 90% of the net book value of the agency's capital assets as of the end of  
89 the fiscal year.

90 (ii) If an internal service fund agency wishes to purchase authorized assets or enter into  
91 equipment leases that would increase its borrowing beyond 90% of the net book value of the  
92 agency's capital assets, the agency may purchase those assets only with monies appropriated  
93 from another fund, such as the General Fund or a special revenue fund.

94 (f) (i) Except as provided in Subsection (8)(f)(ii), capital assets acquired through  
95 agency appropriation may not be transferred to any internal service fund agency without  
96 legislative approval.

97 (ii) Vehicles acquired by agencies from appropriated funds, ~~[or]~~ monies appropriated to  
98 agencies to be used for vehicle purchases, may be transferred to the Division of Fleet  
99 Operations and, when transferred, become part of the Fleet Operations Internal Service Fund.

100 (iii) Vehicles acquired with funding from sources other than state appropriations or  
101 acquired through the federal surplus property donation program may be transferred to the  
102 Division of Fleet Operations and, when transferred, become part of the Fleet Operations  
103 Internal Service Fund.

104 (iv) Unless otherwise approved by the Legislature, vehicles acquired under Subsection  
105 (8)(f)(iii) shall be accounted for as "do not replace" vehicles.

106 (9) The Division of Finance shall adopt policies and procedures related to the  
107 accounting for assets, liabilities, equity, revenues, expenditures, and transfers of internal  
108 service funds agencies.

109 Section 2. Section **63A-1-109** is amended to read:

110 **63A-1-109. Divisions of department -- Administration.**

111 (1) The department shall be composed of the following divisions:

112 (a) administrative rules;

113 (b) archives and records;

114 (c) facilities construction and management;

115 (d) finance;

116 (e) fleet operations;

117 (f) ~~[general]~~ information technology services;

118 (g) ~~[information technology services]~~ office of state debt collection;

- 119 (h) state purchasing and general services; and  
120 (i) risk management.
- 121 (2) Each division shall be administered and managed by a division director.  
122 [~~(3) The Utah Sports Authority is also part of the department.~~]
- 123 Section 3. Section **63A-9-301** is amended to read:
- 124 **63A-9-301. Motor Vehicle Review Committee -- Composition.**
- 125 (1) There is created a Motor Vehicle Review Committee to advise the division.
- 126 (2) The committee shall be composed of [~~seven~~] nine members as follows:
- 127 (a) the executive director of the Department of Administrative Services or [~~his~~] the  
128 director's designee;
- 129 (b) a member from a state agency other than higher education, the Department of  
130 Transportation, the Department of Public Safety, or the Department of Natural Resources, who  
131 uses the division's services;
- 132 (c) the director of the Division of Purchasing and General Services or [~~his~~] the  
133 director's designee; and
- 134 (d) one member [~~designated annually by the executive director of the Department of~~  
135 ~~Administrative Services~~] from:
- 136 (i) higher education, designated annually by the executive director of the Department  
137 of Administrative Services;
- 138 (ii) the Department of Transportation, designated annually by the executive director of  
139 the Department of Administrative Services;
- 140 (iii) the Department of Public Safety, [~~or~~] designated annually by the executive director  
141 of the Department of Administrative Services; and
- 142 (iv) the Department of Natural Resources [~~so that each has a representative on the~~  
143 ~~committee one year out of every four~~], designated annually by the executive director of the  
144 Department of Administrative Services; and
- 145 (e) [~~three~~] two public members [~~from the automotive industry~~] with [~~expertise~~]  
146 experience in fleet operations and maintenance appointed by the governor.
- 147 (3) (a) Except as required by Subsection (3)(b), the governor shall appoint each public  
148 member to a four-year term.
- 149 (b) Notwithstanding the requirements of Subsection (3)(a), the governor shall, at the

150 time of appointment, adjust the length of terms to ensure that the terms of public members are  
151 staggered so that [~~approximately one half~~] one of the public members [~~are~~] is appointed every  
152 two years.

153 (c) When a vacancy occurs in the membership for any reason, the replacement shall be  
154 appointed for the unexpired term.

155 (4) (a) (i) Members who are not government employees shall receive no compensation  
156 or benefits for their services, but may receive per diem and expenses incurred in the  
157 performance of the member's official duties at the rates established by the Division of Finance  
158 under Sections 63A-3-106 and 63A-3-107.

159 (ii) Members may decline to receive per diem and expenses for their service.

160 (b) (i) State government members who do not receive salary, per diem, or expenses  
161 from their agency for their service may receive per diem and expenses incurred in the  
162 performance of their official duties from the committee at the rates established by the Division  
163 of Finance under Sections 63A-3-106 and 63A-3-107.

164 (ii) State government members may decline to receive per diem and expenses for their  
165 service.

166 (c) (i) Higher education members who do not receive salary, per diem, or expenses  
167 from the entity that they represent for their service may receive per diem and expenses incurred  
168 in the performance of their official duties from the committee at the rates established by the  
169 Division of Finance under Sections 63A-3-106 and 63A-3-107.

170 (ii) Higher education members may decline to receive per diem and expenses for their  
171 service.

172 (5) Five members of the committee are a quorum.

173 (6) The executive director of the Department of Administrative Services is chair of the  
174 committee.

175 Section 4. Section **63A-9-302** is amended to read:

176 **63A-9-302. Committee duties.**

177 The committee shall:

178 (1) advise the director about carrying out the director's responsibilities under this  
179 chapter;

180 (2) review each administrative rule proposed by the division and make

181 recommendations to the director about those rules; and  
182 ~~[(3) review the process mapping report and make recommendations to the director and~~  
183 ~~legislature about how to implement its recommendations; and]~~  
184 ~~[(4)]~~ (3) in conjunction with the director, make recommendations to the legislature  
185 about any amendments to statute needed to allow the division to fulfill its responsibilities under  
186 this chapter.

187 Section 5. Section **63A-9-401** is amended to read:

188 **63A-9-401. Division -- Duties.**

189 (1) The division shall:

190 (a) perform all administrative duties and functions related to management of state  
191 vehicles;

192 ~~[(a)]~~ (b) coordinate all purchases of state vehicles;

193 ~~[(b)]~~ (c) establish one or more fleet automation and information systems for state  
194 vehicles;

195 ~~[(c)]~~ (d) make rules establishing requirements for:

196 (i) maintenance operations for state vehicles;

197 (ii) use requirements for state vehicles;

198 (iii) fleet safety and loss prevention programs;

199 (iv) preventative maintenance programs;

200 (v) procurement of state vehicles, including ~~[authorization requirements for fleet~~  
201 ~~expansion and]~~ vehicle standards ~~[for vehicle sizing]~~, alternative fuel ~~[vehicles]~~ vehicle  
202 requirements, short-term lease programs, equipment installation, and warranty recovery  
203 programs;

204 (vi) fuel management programs;

205 (vii) cost management programs;

206 (viii) business and personal use practices, including commute standards;

207 (ix) cost recovery and billing procedures;

208 (x) disposal of state vehicles;

209 (xi) reassignment of state vehicles and reallocation of vehicles ~~[to other fleets]~~  
210 throughout the fleet;

211 (xii) standard use and rate structures for state vehicles; and

- 212 (xiii) insurance and risk management requirements;
- 213 [~~(d)~~] (e) establish a parts inventory;
- 214 [~~(e)~~] (f) create and administer a fuel dispensing services program that meets the
- 215 requirements of Subsection (2);
- 216 [~~(f)~~] (g) emphasize customer service when dealing with agencies and agency
- 217 employees; and
- 218 [~~(g)~~] (h) conduct an annual audit of all state vehicles for compliance with division
- 219 requirements.
- 220 (2) The division shall operate a fuel dispensing services program in a manner that:
- 221 (a) reduces the risk of environmental damage and subsequent liability for leaks
- 222 involving state-owned underground storage tanks;
- 223 (b) eliminates fuel site duplication and reduces overall costs associated with fuel
- 224 dispensing;
- 225 (c) provides efficient fuel management and efficient and accurate accounting of
- 226 fuel-related expenses;
- 227 (d) where practicable, privatizes portions of the state's fuel dispensing system;
- 228 (e) provides central planning for fuel contingencies;
- 229 (f) establishes fuel dispensing sites that meet geographical distribution needs and that
- 230 reflect usage patterns;
- 231 (g) where practicable, uses alternative sources of energy; and
- 232 (h) provides safe, accessible fuel supplies in an emergency.
- 233 (3) The division shall:
- 234 (a) ensure that the state and each of its agencies comply with state and federal law and
- 235 state and federal rules and regulations governing underground storage tanks;
- 236 (b) coordinate the installation of new state-owned underground storage tanks and the
- 237 upgrading or retrofitting of existing underground storage tanks; and
- 238 (c) ensure that counties, municipalities, school districts, and special districts
- 239 subscribing to services provided by the division sign a contract that:
- 240 (i) establishes the duties and responsibilities of the parties;
- 241 (ii) establishes the cost for the services; and
- 242 (iii) defines the liability of the parties.



243 (4) The executive director of the Department of Administrative Services may make  
244 rules governing fuel dispensing according to the procedures and requirements of Title 63,  
245 Chapter 46a, Utah Administrative Rulemaking Act.

246 ~~[(2)]~~ (5) (a) (i) Each state agency and each higher education institution shall subscribe  
247 to the fuel dispensing services provided by the division.

248 (ii) A state agency may not provide or subscribe to any other fuel dispensing services,  
249 systems, or products other than those provided by the division.

250 (b) Counties, municipalities, school districts, special districts, and federal agencies may  
251 subscribe to the fuel dispensing services provided by the division if:

252 (i) the county or municipal legislative body, the school district, or the special district  
253 board recommends that the county, municipality, school district, or special district subscribe to  
254 the fuel dispensing services of the division; and

255 (ii) the division approves participation in the program by that government unit.

256 (6) The director, with the approval of the executive director, may delegate functions to  
257 institutions of higher education, by contract or other means authorized by law, if:

258 (a) the agency or institution of higher education has requested the authority;

259 (b) in the judgment of the director, the state agency or institution has the necessary  
260 resources and skills to perform the delegated responsibilities; and

261 (c) the delegation of authority is in the best interest of the state and the function  
262 delegated is accomplished according to provisions contained in law or rule.

263 Section 6. Section **63A-9-501** is amended to read:

264 **63A-9-501. Complaints about misuse or illegal operation of state vehicles --**  
265 **Disposition.**

266 (1) The division shall refer complaints from the public about misuse or illegal  
267 operation of state vehicles to the agency that is the owner or lessor of the vehicle.

268 (2) Each agency head or his designee shall investigate all complaints about misuse or  
269 illegal operation of state vehicles and shall discipline each employee that is found to have  
270 misused or illegally operated a vehicle by following the procedures set forth in the rules  
271 adopted by the [~~Division of Personnel Management~~] Department of Human Resource  
272 Management as authorized by Section 67-19-18.

273 (3) (a) Each agency shall report the findings of each investigation conducted as well as

274 any action taken as a result of the investigation to the directors of the Divisions of Fleet  
275 Operations and Risk Management.

276 (b) Misuse or illegal operation of state vehicles may result in suspension or revocation  
277 of state vehicle driving privileges as governed in rule.

278 Section 7. **Repealer.**

279 This act repeals:

280 Section **63A-2-201, Duties of the division -- Fuel dispensing.**