

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE USE OF A STATE-OWNED MOTOR VEHICLE FOR COMMUTING PURPOSES.

Prime Sponsors: Representative Lambert
Senator Cadman

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Summary of Amendments Made to the Bill After the 03/09/10 Legislative Council Staff Revised Fiscal Note Was Prepared (Amended by the House Finance Committee 04/14/10)

The House Finance Committee Report dated 4/14/10 amended the House State, Veterans, & Military Affairs Committee Report, dated 2/23/10, with a strike-below amendment that includes the following provisions:

- Requires employees who commute with a state-owned vehicle must have that requirement included in the employee's position description questionnaire;
- Defines what is and isn't considered to be commuting for the purposes of the bill;
- Requires the Department of Personnel and Administration's Division of Central Services to approve each application to use a state-owned motor vehicle for commuting;
- Specifies that the reimbursement amount shall be calculated based on the automobile lease-value rule established by the internal revenue service;
- Directs the reimbursement amount to be deducted from the employee's paycheck and deposited into the State-owned Motor Vehicle Cash Fund. These funds shall then be appropriated to the Division of Central Services to fund fleet operations. Please note that these **funds shall be used to supplant moneys that would otherwise be transferred from user agencies, and shall not be used to increase the total amount of the Department's appropriation or expenditures;** and
- Employees who operate certain vehicles shall be exempt from reimbursement requirements.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concur Does Not Concur Updated Analysis

Reason for the Update

The bill's fiscal analysis is updated to reflect the provisions that are included in the House Finance Committee Report, dated 4/14/10. The strike-below amendment changes the bill's fiscal impact because it applies different updates the House State, Veterans, and Military Affairs Committee Report dated 2/23/10 with a strike-below amendment.

Amendments/Appropriation Status

The bill's **fiscal impact is indeterminate at this time**, because it is unclear as to how the Department of Personnel and Administration, Division of Central Services will implement the legislation. Staff has been unable to obtain consistent documentation between the various Executive Branch entities, and has been unable to obtain how the bill impacts specific line items within all of the affected departments.

Bill Sponsor Amendments

Sponsor amendment **L.017** (attached) includes a technical adjustment that substitutes the term "maintenance costs" with the term "operating expenses." This substitution expands the requested reporting requirements for commuter vehicles to include *all* of a vehicle's operating costs. **Sponsor amendment L.017 does not affect the bill's fiscal impact.**

Points to Consider

1. Currently, some of the State's commuters satisfy the Internal Revenue Service's requirements for a taxable fringe benefit by having their income imputed at a rate of \$3.00 per day. However, this methodology does not reimburse the State for its expenses to provide the vehicle for commuting purposes, including fuel and maintenance costs.
2. The Legislative Council Staff Revised Fiscal Note dated 3/09/10 does not include funds for the Department of Personnel and Administration (DPA) to implement the legislation. Additionally, DPA budget staff did not indicate a need for additional resources during meetings to discuss the bill's fiscal impact. Staff anticipates that the **Department does not require additional resources to implement the bill's reporting requirements.**