

Fiscal Note

BILL # SB 1460

TITLE: ADOT; state motor vehicle fleet

SPONSOR: Shope

STATUS: As Introduced

PREPARED BY: Rebecca Perrera

Description

SB 1460 transfers the operational and fiscal responsibilities of the state motor vehicle fleet from the Arizona Department of Administration (ADOA) to the Arizona Department of Transportation (ADOT).

Estimated Impact

The Executive estimates that ADOT's cost of administering the state motor vehicle fleet will be more expensive than ADOA. To fund this higher cost, ADOT is proposing to charge higher motor fleet fees. In total, agency fees would increase by \$4.0 million, including \$2.5 million from the General Fund. The Executive requests this additional funding in their FY 2022 budget request.

Analysis

Background

The ADOA motor vehicle fleet consists of both a long-term "extended dispatch" and a daily rental system operated under a third-party vehicle rental company. Vehicles included in the extended dispatch program are vehicles owned by ADOA and leased to agencies for their own long-term agency use. The daily rental program consists of vehicles owned and operated by a third-party vendor and rented by state agencies for occasional transportation needs.

The ADOA fleet does not include vehicles at the Department of Child Safety, Arizona Department of Corrections, Arizona State Schools for the Deaf and the Blind, Department of Economic Security, Department of Public Safety, or ADOT, all of which operate their own fleets. However, several of these agencies currently have interagency service agreements (ISAs) with ADOT for some fleet operating costs. The bill does not transfer responsibility for these non-ADOA fleets to ADOT.

In FY 2019, ADOT entered into an ISA with ADOA to operating the ADOA motor vehicle fleet. In FY 2020, ADOA collected \$6.8 million in fees charged to agencies for motor vehicle fleet services including for the extended dispatch program and the daily rental program and transferred these monies to ADOT to operate its fleet. We have asked for more information on ADOT's ISA expenditures with ASDB and other state agencies.

Fleet Transfer Proposal

The bill does not mandate a specific level of revenue collected from fees charged to agencies for motor vehicle fleet services. We believe the transfer does not require additional resources beyond what is currently spent on the state motor vehicle fleet. We assume, however, that the Executive would choose to implement the bill consistent with the Executive's FY 2022 budget proposal to transfer the ADOA fleet to ADOT. The Executive's request would increase agency fees by \$4.0 million in total, including \$2.5 million from the General Fund.

In addition, the bill modifies reporting requirement for electric vehicles and alternative rule. We estimate that these reporting modifications will have no fiscal impact.

Local Government Impact

None

2/16/21

JLBC