

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

FILED SENATE  
Feb 27, 2013  
S.B. 145  
PRINCIPAL CLERK

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SENATE DRS85026-MLza-43S\* (1/20)

Short Title: Reform Oversight of State-Owned Vehicles. (Public)

Sponsors: Senators Hartsell (Primary Sponsor); Gunn, Hise, Hunt, and Nesbitt.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REFORM THE MANAGEMENT AND OVERSIGHT OF STATE-OWNED  
MOTOR VEHICLES, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
PROGRAM EVALUATION OVERSIGHT COMMITTEE BASED ON  
RECOMMENDATIONS FROM THE PROGRAM EVALUATION DIVISION.

The General Assembly of North Carolina enacts:

**SECTION 1.** Update registration records. – No later than October 1, 2013, all State agencies and institutions shall update the vehicle registration records with the Department of Transportation, Division of Motor Vehicles, for all of the State-owned vehicles under their management or control. As part of this update, all State agencies and institutions shall do the following:

- (1) Establish a standard naming convention for how the agency or institution name will be listed on all vehicle registration and titling forms.
- (2) Submit the standard naming convention to the State Auditor.
- (3) Conduct an internal reconciliation of the discrepancies between permanent license plates registered with the Division of Motor Vehicles and their vehicle records to identify permanent license plates that are inactive or lost.
- (4) Update vehicle registration information maintained by the Division of Motor Vehicles by (i) notifying the Division of Motor Vehicles of which vehicle records should be updated based on the standard naming convention established under subdivision (1) of this section and (ii) returning or cancelling inactive or lost permanent license plates.
- (5) Report to the State Auditor when updated vehicle registration information has been submitted to the Division of Motor Vehicles and provide a copy of the submission to the State Auditor.

The Office of the State Auditor shall provide an independent review of this reconciliation process and shall report to the General Assembly on any discrepancies found by submitting any discrepancies found to the Joint Legislative Program Evaluation Oversight Committee.

**SECTION 2.** Transfer ownership. – All State agencies and institutions that own the passenger vehicles identified by the Program Evaluation Division in "Ineffective Policies and Diffuse Oversight Result in Inefficient Use of State-Owned Vehicles," Report Number 2012-06, shall transfer the ownership of those vehicles to the Department of Administration as required by G.S. 143-341(8)i.3. The Department of Administration, Division of Motor Fleet Management, shall report to the Joint Legislative Commission on Governmental Operations on the status of these transfers no later than November 15, 2013.



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1           **SECTION 3.** Monitor rate structure. – The Department of Administration, Division  
2 of Motor Fleet Management, shall monitor the new rate structure that was effective January 1,  
3 2012, through the end of the 2013 calendar year and report on its effects on assigned vehicle  
4 utilization and vehicle replacement to the Senate Appropriations Committee on General  
5 Government and Information Technology and the House Appropriations Subcommittee on  
6 General Government on or before February 14, 2014. The report shall contain the following  
7 information related to implementation:

- 8           (1) Expenditure reductions and increases for each State agency and institution  
9           resulting from changing the rate structure.
- 10          (2) Increases or decreases in the mileage rate.
- 11          (3) Effects on assigned vehicle utilization by state agencies and institutions.
- 12          (4) Effects on cash balances for Motor Fleet Management's internal services  
13          fund, operating expenditures, and vehicle replacement expenditures.

14           **SECTION 4.** Improve management practices. – The Department of  
15 Administration, Division of Motor Fleet Management, shall improve its management practices  
16 by taking the following actions:

- 17          (1) Modify the Motor Fleet Management fleet management information system  
18          to collect vehicle frequency of use data for all State-owned passenger  
19          vehicles.
- 20          (2) Perform a daily demand analysis on motor pool vehicle usage to determine  
21          which vehicles can be eliminated.
- 22          (3) Replace aging vehicles with mileage exceeding the 125,000 mile  
23          replacement threshold or excessive maintenance costs.
- 24          (4) Enhance training and resources for vehicle coordinators by offering ongoing  
25          training opportunities, developing a handbook describing their role and  
26          responsibilities, and establishing a vehicle coordinators' user group.
- 27          (5) Conduct periodic customer satisfaction surveys of assigned and motor pool  
28          vehicle users.

29 The Department of Administration, Division of Motor Fleet Management, which may be the  
30 Division of State Fleet Management by the time of this report, shall report on the  
31 implementation of improvements to their management practices to the Senate Appropriations  
32 Committee on General Government and Information Technology and the House Appropriations  
33 Subcommittee on General Government on or before February 14, 2014.

34           **SECTION 5.** Statewide fleet management information system plan. – (a) No later  
35 than October 1, 2013, the State Controller shall present to the Joint Legislative Program  
36 Evaluation Oversight Committee an implementation plan, including a time line, a cost estimate,  
37 and a continuing funding strategy, to create and operate a statewide fleet management  
38 information system to which all State agencies and institutions would be required to report  
39 identification, utilization, and direct cost data. In formulating an implementation plan, the  
40 Office of the State Controller shall do the following:

- 41          (1) Conduct a detailed needs assessment including a complete vehicle inventory  
42          using the information in Report Number 2011-07 from the Program  
43          Evaluation Division of the General Assembly as a starting point.
- 44          (2) Consult with State agencies and institutions that own vehicles.
- 45          (3) Review the existing fleet management information systems used by State  
46          agencies and institutions.
- 47          (4) Examine fleet management information systems used by other state  
48          governments.
- 49          (5) Determine whether the State should (i) expand a fleet management  
50          information system currently used by a State agency or institution for

- 1 statewide use, (ii) develop a new system in-house, or (iii) purchase a new  
2 system from an outside vendor.
- 3 (6) Determine the vehicle identification, utilization, and direct cost data that  
4 State agencies and institutions will be required to enter in the system.
- 5 (7) Determine fees or other methods to pay the initial and ongoing costs for the  
6 system.

7 The Office of Information Technology Services shall assist and advise the Office of  
8 the State Controller in carrying out subdivisions (3) through (5) of this section.

9 **SECTION 5.(b)** The sum of ten thousand dollars (\$10,000) is transferred from the  
10 internal service fund for Motor Fleet Management in the Department of Administration to the  
11 Office of State Controller and is appropriated for the purpose of conducting the study required  
12 under this section. Any funds remaining after the completion of this study shall revert back to  
13 the internal service fund.

14 **SECTION 6.** Telematics test. – (a) The Department of Administration, Division of  
15 Motor Fleet Management, shall, during fiscal year 2013-2014, perform a test of the  
16 effectiveness and efficiency of telematics services. To this end, the Division shall install  
17 telematics packages in a sampling of vehicles under its control. The sample of vehicles chosen  
18 shall be large enough and varied enough to help the Division test whether or not the use of  
19 telematics would result in savings to the State. As part of this test, the Division shall include  
20 both basic telematics packages and comprehensive telematics packages, which include safety  
21 alerts and remote diagnostic reporting, so the Division may assess the costs of both against the  
22 potential savings through new policies that might be implemented with improved data  
23 collection.

24 The Division of Motor Fleet Management, which will be the Division of State Fleet  
25 Management by the time of this report, shall report on the status of telematics testing to the  
26 Senate Appropriations Committee on General Government and Information Technology, the  
27 House Appropriations Subcommittee on General Government, and the Joint Legislative  
28 Program Evaluation Oversight Committee on or before September 15, 2014. The report should  
29 include the following information:

- 30 (1) A description of the telematics installation test and whether it strengthened  
31 accountability for vehicle usage.
- 32 (2) A recommendation on which telematics service package (basic or  
33 comprehensive) should be implemented.
- 34 (3) A description of vehicle use policy modifications explaining how telematics  
35 information will be used by the Division of State Fleet Management.
- 36 (4) An analysis of how telematics monitoring can be integrated with the  
37 Division of State Fleet Management's fleet information system.
- 38 (5) The annual cost for full telematics implementation and estimated cost  
39 savings from reduced vehicle utilization and other effects of telematics.
- 40 (6) The installation costs for full telematics implementation.
- 41 (7) A time line for installing telematics on the active Division of State Fleet  
42 Management's fleet.

43 The Department of Administration shall not implement telematics more broadly  
44 than the test directed by this section prior to approval by the General Assembly.

45 **SECTION 6.(b)** In addition to testing telematics on its own passenger vehicles, the  
46 Department of Administration, Division of Motor Fleet Management, shall convene an  
47 advisory group with vehicle managers throughout State government to discuss the use of  
48 telematics on all State-owned vehicles.

49 **SECTION 7.** Positions created. – Effective October 1, 2013, the following receipt  
50 supported positions are created within the Department of Administration, Division of Motor  
51 Fleet Management:

- 1 (1) Two positions to perform statewide supervision of vehicles owned by
- 2 agencies and institutions and to provide technical assistance in implementing
- 3 fleet management best practices.
- 4 (2) Two positions to collect and analyze vehicle information, maintain a vehicle
- 5 inventory, and operate the statewide fleet management information system.
- 6 (3) One accounting position to manage fee collection and other financial aspects
- 7 of statewide supervision.

8 **SECTION 8.** Create Division of State Fleet Management. – (a) The Division of  
 9 Motor Fleet Management of the Department of Administration is renamed the Division of State  
 10 Fleet Management and is tasked with the additional duties provided in this act.

11 **SECTION 8.(b)** G.S. 143-341 is amended by adding a new subdivision to read as  
 12 follows:

13 "(12) State Fleet Management:".

14 **SECTION 8.(c)** There is created in Chapter 20 of the General Statutes a new  
 15 Article 18 to be entitled "State-Owned Motor Vehicles." All recodified statutory locations that  
 16 are listed in subsection (d) of this section within Chapter 20 of the General Statutes are within  
 17 the new Article 18.

18 **SECTION 8.(d)** The introductory paragraph of G.S. 143-341(8)i. is recodified as  
 19 G.S. 143-341(12)d. The following sub-sub-subdivisions of sub-subdivision i. of  
 20 G.S. 143-341(8) are recodified as follows:

| <b>Current Statutory Location</b> | <b>Recodified Statutory Location</b> |
|-----------------------------------|--------------------------------------|
| 21 G.S. 143-341(8)i.1.            | G.S. 143-341(12)e.                   |
| 22 G.S. 143-341(8)i.2.            | G.S. 143-341(12)f.                   |
| 23 G.S. 143-341(8)i.2a.           | G.S. 20-410                          |
| 24 G.S. 143-341(8)i.2b.           | G.S. 20-411                          |
| 25 G.S. 143-341(8)i.2c.           | G.S. 143-341(12)p.                   |
| 26 G.S. 143-341(8)i.3.            | G.S. 143-341(12)g.                   |
| 27 G.S. 143-341(8)i.4.            | G.S. 143-341(12)h.                   |
| 28 G.S. 143-341(8)i.5.            | G.S. 20-415                          |
| 29 G.S. 143-341(8)i.6.            | G.S. 143-341(12)k.                   |
| 30 G.S. 143-341(8)i.7.            | G.S. 143-341(12)l.                   |
| 31 G.S. 143-341(8)i.7a.           | G.S. 20-417                          |
| 32 G.S. 143-341(8)i.8.            | G.S. 143-341(12)c.                   |
| 33 G.S. 143-341(8)i.9.            | G.S. 143-341(12)m.                   |
| 34 G.S. 143-341(8)i.10.           | G.S. 143-341(12)n.                   |
| 35 G.S. 143-341(8)i.11.           | G.S. 143-341(12)o.                   |

36 **SECTION 8.(e)** G.S. 20-39.1(a) reads as rewritten:

37 (a) Except as otherwise provided in this section, the executive head of every department  
 38 of State government and every county, institution, or agency of the State shall mark every  
 39 motor vehicle owned by the State, county, institution, or agency with a statement that the  
 40 vehicle belongs to the State, county, institution, or agency. The requirements of this subsection  
 41 are complied with if:

- 42 (1) The vehicle has imprinted on the license plate, above the license number, the
- 43 words "~~State Owned~~ and Owned," the vehicle has affixed to the front the
- 44 words "~~State Owned~~;Owned," and the vehicle is marked to indicate the
- 45 State agency or institution that owns or operates the vehicle;
- 46 (2) In the case of a county, the vehicle has painted or affixed on its side a circle
- 47 not less than eight inches in diameter showing a replica of the seal of the
- 48 county; or
- 49 (3) In the case of vehicles assigned to members of the Council of State, the
- 50 vehicle has imprinted on the license plate the license number assigned to the
- 51

1 appropriate member of the Council of State pursuant to G.S. 20-79.5(a); a  
2 member of the Council of State shall not be assessed any registration fee if  
3 the member elects to have a State-owned motor vehicle assigned to the  
4 member designated by the official plate number."

5 **SECTION 8.(f)** Article 18 of Chapter 20 of the General Statutes, created by  
6 subsection (c) of this section and as amended by subsection (d) of this section, reads as  
7 rewritten:

8 "Article 18.

9 "State-Owned Motor Vehicles.

10 **"§ 20-401. Definitions.**

11 As used in this Article, the following definitions apply:

- 12 (1) Division of State Fleet Management. – The Division of State Fleet  
13 Management in the Department of Administration.
- 14 (2) Economically suitable transportation. – The most cost-effective standard  
15 vehicle in the State motor fleet, unless special towing provisions are required  
16 by an agency.
- 17 (3) Motor vehicle. – As defined for this Chapter in G.S. 20-4.01.
- 18 (4) Passenger motor vehicle. – Any automobile sedan, station wagon, pickup  
19 truck, sport utility vehicle, or passenger-type minivan.
- 20 (5) State-owned. – Owned by any State agency, entity, or institution, regardless  
21 of the funds used to purchase.

22 **"§ 20-402. Compliance with State vehicle policies required by all State entities.**

23 All State agencies, departments, and institutions shall do the following:

- 24 (1) Comply with the provisions of this Article.
- 25 (2) Comply with all statewide policies and rules for fleet management and  
26 operation adopted by the Department of Administration.
- 27 (3) Maintain and report up-to-date information required by the Department of  
28 Administration about each employee authorized to commute in a  
29 State-owned motor vehicle, including home-to-work-station commuting  
30 distance, each duty that requires commuting, and a justification for  
31 authorizing the use of a State-owned vehicle for commuting.
- 32 (4) Require any employee who is assigned a State-owned vehicle to document  
33 all call-backs including each call-back's date, time, duration, and reason it  
34 was necessary.
- 35 (5) Track and report all vehicle misuse complaints including a description of  
36 each incident, findings of the investigation, and any disciplinary action taken  
37 as a result of the investigation.
- 38 (6) Collect and report vehicle identification, utilization, and direct cost data for  
39 all vehicles under its control or management to the statewide fleet  
40 management information system.
- 41 (7) Submit vehicle acquisition and replacement requests for approval.
- 42 (8) Develop and submit annual vehicle replacement plans.
- 43 (9) Pay fees as required by the Division of State Fleet Management to cover the  
44 cost of the fleet management information system and statewide supervision.
- 45 (10) Provide other fleet management or vehicle information as requested by the  
46 Division of State Fleet Management.

47 **"§ 20-403. Noncompliance of State entity with vehicle policies.**

48 The Division of State Fleet Management shall file an annual report with the General  
49 Assembly documenting State entities' failures to comply with the requirements of G.S. 20-402  
50 or any rule or policy related to State-owned motor vehicles.

51 **"§ 20-404. Violation of Article or State Fleet Management rule.**

1 Any person who violates a provision of this Article or a State Fleet Management rule  
2 adopted by the Department of Administration and approved by the Governor is guilty of a  
3 Class 1 misdemeanor.

4 **"§ 20-405: Reserved for future codification purposes.**

5 **"§ 20-406. Identification of State-owned vehicles.**

6 State-owned vehicles shall be marked as required by G.S. 20-39.1.

7 **"§ 20-407. Transfer of ownership of passenger vehicles to the Department of**  
8 **Administration.**

9 Based on the schedule adopted by the Department of Administration under  
10 G.S. 143-341(12), all State agencies shall transfer ownership, custody, or control of any or all  
11 passenger motor vehicles within the ownership, custody, or control of that agency to the  
12 Department of Administration, except for those motor vehicles under the ownership, custody,  
13 or control of the following:

14 (1) Highway Patrol.

15 (2) State Bureau of Investigation.

16 (3) A constituent institution of The University of North Carolina, provided the  
17 vehicles are being used primarily for law-enforcement purposes.

18 (4) Department of Public Safety, provided the vehicles are for Butner Public  
19 Safety and primarily used for law enforcement, fire, or emergency purposes.

20 **"§§ 20-408 through 20-409: Reserved for future codification purposes.**

21 **"§ 20-410. Diesel vehicles to be compatible with B-20 fuel.**

22 Every new motor vehicle transferred to or purchased by the Department of Administration  
23 that is designed to operate on diesel fuel shall be covered by an express manufacturer's  
24 warranty that allows the use of B-20 fuel, as defined in G.S. 143-58.4. This  
25 sub-sub-subdivisionsection does not apply if the intended use, as determined by the  
26 Department, Department of Administration, of the new motor vehicle requires a type of vehicle  
27 for which an express manufacturer's warranty allows the use of B-20 fuel is not available.

28 **"§ 20-411. Fuel economy standards for new vehicles.**

29 (a) Definitions. – As used in this sub-sub-subdivision, section, the following definitions  
30 apply:

31 (1) "fuel"Fuel economy" and "class of comparable automobiles" have the same  
32 meaning as in Part 600 of Title 40 of the Code of Federal Regulations (July  
33 1, 2008 Edition).

34 (2) As used in this sub-sub-subdivision, "passenger"Passenger motor vehicle"  
35 has the same meaning as "private passenger vehicle" as defined in  
36 G.S. 20-4.01.

37 (b) Notwithstanding the requirements of sub-sub-subdivision 2a. of this  
38 sub-subdivision, G.S. 20-410, every request for proposals for new passenger motor vehicles to  
39 be purchased by the Department of Administration shall state a preference for vehicles that  
40 have a fuel economy for the new vehicle's model year that is in the top fifteen percent (15%) of  
41 its class of comparable automobiles. The award for every new passenger motor vehicle that is  
42 purchased by the Department of Administration shall be based on the Department's evaluation  
43 of the best value for the State, taking into account fuel economy ratings and life cycle cost that  
44 reasonably consider both projected fuel costs and acquisition costs. This  
45 sub-sub-subdivisionsection does not apply to vehicles used in law enforcement, emergency  
46 medical response, and firefighting.

47 (c) Report. – The Department of Administration shall report the number of new  
48 passenger motor vehicles that are purchased as required by this sub-sub-subdivision, section,  
49 the savings or costs for the purchase of vehicles to comply with this sub-sub-subdivision,  
50 section, and the quantity and cost of fuel saved for the previous fiscal year on or before October

1 of each year to the Joint Legislative Commission on Governmental Operations and the  
2 Environmental Review Commission.

3 **"§§ 20-412 through 20-414: Reserved for future codification purposes.**

4 **"§ 20-415. Assignment of vehicles by Department of Administration.**

5 (a) Upon proper requisition, proper showing of need for use on State business only, and  
6 proper showing of proof that all persons who will be driving the motor vehicle have valid  
7 drivers' licenses, ~~to the Department of Administration may~~ assign economically suitable  
8 transportation, either on a temporary or permanent basis, to any State employee or agency.

9 (b) An agency assigned a motor vehicle may not allow a person to operate that motor  
10 vehicle unless that person displays to the agency and allows the agency to copy that person's  
11 valid driver's license. Notwithstanding G.S. 20-30(6), persons or agencies requesting  
12 assignment of motor vehicles may ~~photostat~~ copy or otherwise reproduce drivers' licenses for  
13 purposes of complying with this subsection.

14 (c) ~~As used in this subpart, "economically suitable transportation" means the most~~  
15 ~~cost effective standard vehicle in the State motor fleet, unless special towing provisions are~~  
16 ~~required by the agency.~~ The assignment of vehicles by the Department of Administration shall  
17 additionally be subject to the following:

18 (1) The Department may not assign any employee or agency a motor vehicle  
19 that is not economically suitable.

20 (2) The Department shall not approve requests for vehicle assignment or  
21 reassignment when the purpose of that assignment or reassignment is to  
22 provide any employee with a newer or lower mileage vehicle because of his  
23 or her rank, management authority, or length of service or because of any  
24 non-job-related reason.

25 (3) The Department shall not assign "special use" vehicles, such as four-wheel  
26 drive vehicles or law enforcement vehicles, to any agency or individual  
27 except upon written justification, verified by historical data, and accepted by  
28 the Secretary.

29 (4) The Department may provide law enforcement vehicles only to those  
30 agencies which have statutory pursuit authority.

31 **"§ 20-416. Minimum rates for passenger motor vehicles.**

32 The amount allocated and charged by the Department of Administration to State agencies to  
33 which passenger motor vehicle transportation is furnished shall be at least as follows:

34 (1) Pursuit vehicles and full size four wheel drive vehicles – \$.24/mile.

35 (2) Vans and compact four-wheel drive vehicles – \$.22/mile.

36 (3) All other vehicles – \$.20/mile.

37 **"§ 20-417. Permanent assignment of State-owned passenger motor vehicles; required**  
38 **reports; commuting policy; revocation of assignment.**

39 (a) General Provisions. – To adopt with the approval of the Governor and to enforce  
40 rules and to coordinate State policy regarding (i) the permanent assignment of state-owned  
41 passenger motor vehicles and (ii) the use of and reimbursement for those vehicles for the  
42 limited commuting permitted by this subdivision. For the purpose of this subdivision 7a,  
43 "state-owned passenger motor vehicle" includes any state-owned passenger motor vehicle,  
44 whether or not owned, maintained or controlled by the Department of Administration, and  
45 regardless of the source of the funds used to purchase it. Notwithstanding the provisions of  
46 G.S. 20-190 or any other provisions of law, all state-owned passenger motor vehicles are  
47 subject to the provisions of this ~~subdivision 7a; no section.~~ No permanent assignment shall be  
48 made and no one shall be exempt from payment of reimbursement for commuting or from the  
49 other provisions of this subdivision 7a section except as provided by this subdivision 7a  
50 section. Commuting, as defined and regulated by this ~~subdivision, section,~~  
51 is limited to those specific cases in which the Secretary of Administration has received and accepted written

1 justification, verified by historical data. The Department of Administration shall not assign any  
2 state-owned motor vehicle that may be used for commuting other than those authorized by the  
3 procedure prescribed in this ~~subdivision~~section. The Department of Administration shall adopt  
4 rules to govern the permanent assignment of State-owned passenger motor vehicles based on  
5 miles traveled, frequency of use, and vehicle purpose.

6 ~~A State-owned passenger motor vehicle shall not be permanently assigned to an individual~~  
7 ~~who is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless~~  
8 ~~(i) the individual's duties are routinely related to public safety or (ii) the individual's duties are~~  
9 ~~likely to expose the individual routinely to life-threatening situations. A State-owned passenger~~  
10 ~~motor vehicle shall also not be permanently assigned to an agency that is likely to drive it on~~  
11 ~~official business at a rate of less than 3,150 miles per quarter unless the agency can justify to~~  
12 ~~the Division of Motor Fleet Management the need for permanent assignment because of the~~  
13 ~~unique use of the vehicle. Each agency, other than the Department of Transportation, that has a~~  
14 ~~vehicle assigned to it or has an employee to whom a vehicle is assigned shall submit a quarterly~~  
15 ~~report to the Division of Motor Fleet Management on the miles driven during the quarter by the~~  
16 ~~assigned vehicle. The Division of Motor Fleet Management shall review the report to verify~~  
17 ~~that each motor vehicle has been driven at the minimum allowable rate. If it has not and if the~~  
18 ~~department by whom the individual to which the car is assigned is employed or the agency to~~  
19 ~~which the car is assigned cannot justify the lower mileage for the quarter, the permanent~~  
20 ~~assignment shall be revoked immediately. The Department of Transportation shall submit an~~  
21 ~~annual report to the Division of Motor Fleet Management on the miles driven during the year~~  
22 ~~by vehicles assigned to the Department or to employees of the Department. If a vehicle~~  
23 ~~included in this report has not been driven at least 12,600 miles during the year, the Department~~  
24 ~~of Transportation shall review the reasons for the lower mileage and decide whether to~~  
25 ~~terminate the assignment. The Division of Motor Fleet Management may not revoke the~~  
26 ~~assignment of a vehicle to the Department of Transportation or an employee of that Department~~  
27 ~~for failure to meet the minimum mileage requirement unless the Department of Transportation~~  
28 ~~consents to the revocation.~~

29 (b) Commuting Policy. – Every individual who uses a State-owned passenger motor  
30 vehicle, pickup truck, or van to drive between the individual's official work station and his or  
31 her home, shall reimburse the State for these trips at a rate computed by the Department. This  
32 rate shall approximate the benefit derived from the use of the vehicle as prescribed by federal  
33 law. Reimbursement shall be for 20 days per month regardless of how many days the individual  
34 uses the vehicle to commute during the month. Reimbursement shall be made by payroll  
35 deduction. Funds derived from reimbursement on vehicles owned by the ~~Motor Fleet~~  
36 ~~Management Division~~Department of Administration shall be deposited to the credit of the  
37 ~~Division;~~that Department; funds derived from reimbursements on vehicles initially purchased  
38 with appropriations from the Highway Fund and not owned by the ~~Division~~Department of  
39 Administration shall be deposited in a Special Depository Account in the Department of  
40 Transportation, which shall revert to the Highway Fund; funds derived from reimbursement on  
41 all other vehicles shall be deposited in a Special Depository Account in the Department of  
42 Administration which shall revert to the General Fund. Commuting, for purposes of this  
43 paragraph, does not include those individuals whose office is in their home, as determined by  
44 the ~~Department of Administration;~~ Division of MotorState Fleet Management. Also, this  
45 ~~paragraph~~subsection does not apply to the following vehicles: (i) clearly marked police and fire  
46 vehicles, (ii) delivery trucks with seating only for the driver, (iii) flatbed trucks, (iv) cargo  
47 carriers with over a 14,000 pound capacity, (v) school and passenger buses with over 20 person  
48 capacities, (vi) ambulances, ~~(vii) [Repealed].~~ ~~(viii)~~(vii) bucket trucks, ~~(ix)~~(viii) cranes and  
49 derricks, ~~(x)~~(ix) forklifts, ~~(xi)~~(x) cement mixers, ~~(xii)~~(xi) dump trucks, ~~(xiii)~~(xii) garbage  
50 trucks, ~~(xiv)~~(xiii) specialized utility repair trucks (except vans and pickup trucks), ~~(xv)~~(xiv)  
51 tractors, ~~(xvi)~~(xv) unmarked law-enforcement vehicles that are used in undercover work and



1 are operated by full-time, fully sworn law-enforcement officers whose primary duties include  
 2 carrying a firearm, executing search warrants, and making arrests, and ~~(xvii)~~(xvi) any other  
 3 vehicle exempted under Section 274(d) of the Internal Revenue Code of 1954, and Federal  
 4 Internal Revenue Services regulations based thereon.

5 (c) Report on Commuting Non-Reimbursement. – ~~The Department of Administration,~~  
 6 ~~Division of Motor State Fleet Management, Management~~ shall report quarterly to the Joint  
 7 Legislative Commission on Governmental Operations and to the Fiscal Research Division of  
 8 the Legislative Services Office on individuals who use State-owned passenger motor vehicles,  
 9 pickup trucks, or vans between their official work stations and their homes, ~~who~~ and are not  
 10 required to reimburse the State for these trips.

11 (d) Revocation of Assignment. – The Department of Administration shall revoke the  
 12 assignment or require the Department owning the vehicle to revoke the assignment of a  
 13 State-owned passenger motor vehicle, pickup truck or van to any individual ~~who~~: who does any  
 14 of the following:

- 15 ~~I.~~(1) Uses the vehicle for other than official business except in accordance with  
 16 the commuting ~~rules;~~ rules.
- 17 ~~II.~~(2) Fails to supply required reports to the Department of Administration, or  
 18 supplies incomplete reports, or supplies reports in a form unacceptable to the  
 19 Department of Administration and does not cure the deficiency within 30  
 20 days of receiving a request to do ~~so;~~ so.
- 21 ~~III.~~(3) Knowingly and willfully supplies false information to the Department of  
 22 Administration on applications for permanent assignments, commuting  
 23 reimbursement forms, or other required reports or ~~forms;~~ forms.
- 24 ~~IV.~~(4) Does not personally sign all reports on forms submitted for vehicles  
 25 permanently assigned to him or her and does not cure the deficiency within  
 26 30 days of receiving a request to do ~~so;~~ so.
- 27 ~~V.~~(5) Abuses the ~~vehicle;~~ or vehicle.
- 28 ~~VI.~~(6) Violates other rules or policy promulgated by the Department of  
 29 Administration not in conflict with this ~~act.~~ Article or G.S. 143-341(12).

30 A new requisition shall not be honored until the Secretary of the Department of Administration  
 31 is assured that the violation for which a vehicle was previously revoked will not recur.

32 (e) The Department of Administration, with the approval of the Governor, may  
 33 delegate, or conditionally delegate, to the respective heads of agencies which own passenger  
 34 motor vehicles or to which passenger motor vehicles are permanently assigned by the  
 35 Department, the duty of enforcing all or part of the rules adopted by the Department of  
 36 Administration pursuant to ~~this subdivision—7a.~~ G.S. 143-341(12). The Department of  
 37 Administration, with the approval of the Governor, may revoke this delegation of authority.

38 (f) Notwithstanding the provisions of this ~~section and Article,~~ G.S. 14-247, and  
 39 G.S. 143-341(12), the Department of Administration may allow the organization sanctioned by  
 40 the Governor's Council on Physical Fitness to conduct the North Carolina State Games to use  
 41 State trucks and vans for the State Games of North Carolina. The Department of  
 42 Administration shall not charge any fees for the use of the vehicles for the State Games. The  
 43 State shall incur no liability for any damages resulting from the use of vehicles under this  
 44 provision. The organization that conducts the State Games shall carry liability insurance of not  
 45 less than one million dollars (\$1,000,000) covering such vehicles while in its use and shall be  
 46 responsible for the full cost of repairs to these vehicles if they are damaged while used for the  
 47 State Games.

48 **"§§ 20-418 through 20-420: Reserved for future codification purposes."**

49 **SECTION 8.(g)** G.S. 20-417(e), as amended by subsection (f) of this section, is  
 50 recodified as G.S. 20-405, and shall have the catchline "Delegation of enforcement of Article  
 51 and rules to other State agencies." G.S. 20-417(f), as amended by subsection (f) of this section,

1 is recodified as G.S. 20-420, and shall have the catchline "Exception for North Carolina State  
2 Games."

3 **SECTION 8.(h)** G.S. 143-341(12), as created by subsection (b) of this section and  
4 as amended by subsection (d) of this section, reads as rewritten:

5 "(12) State Fleet Management:

- 6 a. To supervise the management and operation of all vehicles owned by  
7 the State, including the following powers and duties:
- 8 1. Maintain an inventory of all State-owned vehicles.
  - 9 2. Collect and analyze information for all State-owned vehicles.
  - 10 3. Operate the statewide fleet management information system  
11 selected by the Office of the State Controller.
  - 12 4. Adopt and enforce statewide policies and rules for all aspects  
13 of fleet management, fleet operation, vehicle use, and  
14 identification of State-owned vehicles under  
15 G.S. 20-39.1(a)(1). Rules adopted on the identification of  
16 State-owned vehicles shall require, in addition to any other  
17 requirements within the rules, identification on the rear of a  
18 vehicle.
  - 19 5. Convene a state fleet management advisory committee with  
20 State agency representation to advise the division on  
21 statewide fleet management policies, rules, and issues.
  - 22 6. Provide technical assistance with implementing fleet  
23 management best practices.
  - 24 7. Compile and report vehicle misuse complaints and  
25 commuting information tracked by State agencies and  
26 institutions.
  - 27 8. Review and approve vehicle acquisition and replacement  
28 requests by State agencies and institutions.
  - 29 9. Compile a statewide vehicle replacement plan based on  
30 information from State agencies and institutions.
  - 31 10. Establish and collect fees from State entities for the support  
32 of services provided under this sub-subdivision.
  - 33 11. Report annually to the General Assembly on the status of  
34 State-owned vehicles and make any recommendations for  
35 improvements and changes necessary for more efficient  
36 management of State-owned vehicles.
- 37 b. To enforce rules adopted under this subdivision as well as the  
38 provisions of Article 18 of Chapter 20 of the General Statutes.
- 39 c. To adopt and administer rules for the control of all state-owned  
40 passenger motor vehicles and to require State agencies to keep all  
41 records and make all reports regarding motor vehicle use as the  
42 Secretary deems necessary.
- 43 d. To establish and operate a central motor pool and such subsidiary  
44 related facilities as the Secretary may deem ~~necessary, and to that~~  
45 ~~end~~ necessary.
- 46 e. To establish and operate central facilities for the maintenance, repair,  
47 and storage of state-owned passenger motor vehicles for the use of  
48 State agencies; to utilize any available State facilities for that  
49 purpose; and to establish such subsidiary facilities as the Secretary  
50 may deem necessary.

- 1 f. To acquire passenger motor vehicles by transfer from other State  
2 agencies and by ~~purchase.~~ purchase, subject to the provisions of  
3 Article 18 of Chapter 20 of the General Statutes. All motor vehicles  
4 transferred to or purchased by the Department shall become part of a  
5 central motor pool.
- 6 g. To require on a schedule determined by the Department all State  
7 agencies to transfer ownership, custody or control of any or all  
8 passenger motor vehicles within the ownership, custody or control of  
9 that agency to the Department, except those motor vehicles under the  
10 ownership, custody or control of the ~~Highway Patrol, the State~~  
11 ~~Bureau of Investigation, or the constituent institutions of The~~  
12 ~~University of North Carolina which are used primarily for~~  
13 ~~law enforcement purposes, and except those motor vehicles under~~  
14 ~~the ownership, custody or control of the Department of Public Safety~~  
15 ~~for Butner Public Safety which are used primarily for~~  
16 ~~law enforcement, fire, or emergency purposes.~~ entities listed in  
17 G.S. 20-405.
- 18 h. To maintain, store, repair, dispose of, and replace state-owned motor  
19 vehicles under the control of the Department, using best management  
20 practices. The Department shall ensure that state-owned vehicles are  
21 replaced when most cost effective using a replacement formula  
22 developed by the Department and reviewed periodically for  
23 appropriateness of use. The Department shall report semiannually to  
24 the cochairs of the Joint Appropriations Subcommittee on General  
25 Government, on or before October 15 and March 15, on the effect of  
26 any new or revised replacement formula on the cost of operating the  
27 central motor pool, including the amount of any savings from use of  
28 any new or revised replacement formula.
- 29 i. To assign, subject to Article 18 of Chapter 20 of the General Statutes,  
30 transportation, either on a temporary or permanent basis, to any State  
31 employee or agency.
- 32 j. Subject to Article 18 of Chapter 20 of the General Statutes, to adopt  
33 with the approval of the Governor and to enforce rules and to  
34 coordinate State policy regarding (i) the permanent assignment of  
35 State-owned passenger motor vehicles and (ii) the use of and  
36 reimbursement for those vehicles for the limited commuting  
37 permitted by this subdivision.
- 38 k. To allocate and charge against each State agency to which  
39 transportation is furnished, on a basis of mileage or of rental, its  
40 proportionate part of the cost of maintenance and operation of the  
41 motor ~~pool.~~ pool, subject to the minimum rates provided in  
42 G.S. 20-416.  
43 ~~The amount allocated and charged by the Department of~~  
44 ~~Administration to State agencies to which transportation is furnished~~  
45 ~~shall be at least as follows:~~
- 46 I. ~~Pursuit vehicles and full size four wheel drive vehicles~~  
47 ~~\$.24/mile.~~
- 48 II. ~~Vans and compact four wheel drive vehicles — \$.22/mile.~~
- 49 III. ~~All other vehicles — \$.20/mile.~~
- 50 l. To adopt, with the approval of the Governor, reasonable rules for the  
51 efficient and economical operation, maintenance, repair, and

1 replacement, as limited in ~~paragraph 4-sub-subdivision h.~~ of this  
 2 subdivision, of all state-owned motor vehicles under the control of  
 3 the Department, and to enforce those rules; and to adopt, with the  
 4 approval of the Governor, reasonable rules regulating the use of  
 5 private motor vehicles upon State business by the officers and  
 6 employees of State agencies, and to enforce those rules. The  
 7 Department, with the approval of the Governor, may delegate to the  
 8 respective heads of the agencies to which motor vehicles are  
 9 permanently assigned by the Department the duty of enforcing the  
 10 rules adopted by the Department pursuant to this  
 11 ~~paragraph-sub-subdivision. Any person who violates a rule adopted~~  
 12 ~~by the Department and approved by the Governor is guilty of a Class~~  
 13 ~~1 misdemeanor.~~

- 14 m. To acquire motor vehicle liability insurance on all State-owned  
 15 motor vehicles under the control of the Department.
- 16 n. To contract with the appropriate State prison authorities for the  
 17 furnishing, upon such conditions as may be agreed upon from time to  
 18 time between such State prison authorities and the Secretary, of  
 19 prison labor for use in connection with the operation of a central  
 20 motor pool and related activities.
- 21 o. To report annually to the General Assembly on any rules adopted,  
 22 ~~amended~~amended, or repealed under ~~paragraphs 3, 7, or 7a~~ of this  
 23 subdivision.
- 24 p. To participate in the energy credit banking and selling program under  
 25 G.S. 143-58.4. The Division of ~~Motor~~State Fleet Management of the  
 26 Department of Administration is eligible to receive proceeds from  
 27 the Alternative Fuel Revolving Fund under G.S. 143-58.5 to  
 28 purchase alternative fuel, develop alternative fuel refueling  
 29 infrastructure, or purchase AFVs as defined in G.S. 143-58.4."

30 **SECTION 8.(i)** The Department of Administration may, notwithstanding any other  
 31 provision of law, use funds from the Motor Fleet Management internal service fund to prepare  
 32 for the expansion of the existing Division of Motor Fleet Management to the new Division of  
 33 State Fleet Management.

34 **SECTION 8.(j)** Except for subsection (i) of this section, this section becomes  
 35 effective January 1, 2014.

36 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes  
 37 law.