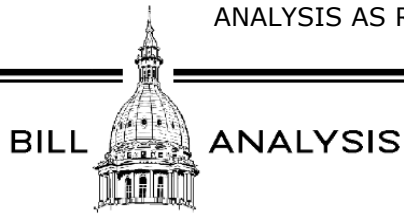




Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 8 (Substitute S-1 as reported)
Senate Bill 204 (as reported without amendment)
Sponsor: Senator Tonya Schuitmaker
Committee: Elections and Government Reform (S.B. 8)
Judiciary (S.B. 204)

Date Completed: 5-1-15

RATIONALE

It is not uncommon for legislators and other officials to receive complaints when people see State-owned vehicles parked where they do not appear to belong, such as in home's driveway or in the parking lot of a shopping mall or liquor store. Often, if not usually, the State employee assigned the vehicle has authority to drive it home or is conducting State business within a commercial establishment. At other times, that is not the case. On January 29, 2015, Attorney General Schuette announced that his Public Integrity Unit was bringing a fraud charges against an elevator inspector employed by the Department of Licensing and Regulatory Affairs, following an investigation into his alleged golfing activity during normal work hours and use of a State vehicle for private use. According to the Attorney General's press release, the investigation revealed that the employee had used State time as well as a State-owned vehicle to engage in personal activities on a total of 84 days during 2012, 2013, and 2014. In addition, though not mentioned in the press release, this person reportedly obscured the vehicle's license plate and State decals, and forged his mileage logs, to cover up his activities.

In other situations, people complain when they see a State-owned vehicle being driven over the speed limit or recklessly. Although the Department of Technology, Management, and Budget (which manages the State's vehicle fleet) will investigate when it receives a complaint, an incident typically cannot be substantiated unless law enforcement was involved.

While the case involving the elevator inspector might be an unusual example, some people believe that the State should take steps to improve the accountability of employees who are assigned State vehicles. In particular, it has been suggested that global positioning system devices could be used to track the location of the vehicles and detect driving violations. It also has been suggested that employees who disguise the State ownership of vehicles should be subject to criminal penalties.

CONTENT

Senate Bill 8 (S-1) would amend the Management and Budget Act to require the Department of Technology, Management, and Budget to conduct a pilot program using global positioning satellite technology on passenger vehicles managed by the Department.

Senate Bill 204 would amend the Management and Budget Act to prescribe a misdemeanor penalty for a State employee who removed or concealed registration plates or other external markings identifying State ownership of a vehicle.

Senate Bill 204 would take effect 90 days after it was enacted.

Senate Bill 8 (S-1)

The bill would require the Department of Technology, Management, and Budget (DTMB) to conduct a 12-month pilot program using global positioning satellite (GPS) technology on passenger vehicles

managed by the Department. The pilot program would have to begin by October 1, 2015. The bill states that the objective would be "to determine whether the use of technology can result in improved asset management, elimination of manual mileage logs, and improved efficiency in the operation of the passenger vehicle fleet managed by the department".

Within 60 days of the end of the 2015-16 fiscal year, the Department would have to report the results of the pilot program to the Senate and House Appropriations general government subcommittees. If the results demonstrated significant and improved efficiency in the operation of the passenger vehicle fleet managed by the DTMB, the ability to eliminate manual mileage logs, and asset management improvements, the Department would have to use GPS technology on all passenger vehicles added after January 1, 2017, to the fleet managed by the DTMB.

Senate Bill 204

Section 213 of the Management and Budget Act allows the Department of Technology, Management, and Budget to issue directives relative to State motor vehicles, except for vehicles under the jurisdiction of the Michigan Department of Transportation (MDOT). The DTMB may issue a directive relative to displaying distinctive vehicle registration plates and other external markings on the motor vehicles. The plates and markings must clearly identify State ownership unless the motor vehicle is used by an elected official or for an investigative use, or anonymity is essential to the proper performance of a necessary function of State government, as determined by the DTMB Director. As used in Section 213, "motor vehicle" means a passenger vehicle, van, minibus, bus, truck, tractor, or other motorized vehicle.

Section 215 of the Act specifies restrictions that apply to a motor vehicle and the person to whom a vehicle is assigned. This section defines "motor vehicle" as a motor vehicle as defined in Section 213 that is owned by MDOT or the Department of Natural Resources. Under Section 215, an unclassified employee who is a State department or agency director may be assigned a motor vehicle and may use it between his or her residence and official work station. A State employee who is not a department or agency director may be assigned a motor vehicle and may use it between his or her residence and official work station only if both of the following conditions are satisfied:

- Adequate or safe work station parking is nonexistent; technical equipment on or in the vehicle requires a secure parking area that is not available at the person's work station; or it is in the best interest of the State to occasionally begin or end the assignment of the vehicle at the employee's residence.
- The residence-to-official work station use is approved by the director of the employee's principal department or the director's authorized representative.

Otherwise, a person assigned a vehicle under Section 215 may use it for nonduty use only when he or she is on assignment away from his or her work station where other transportation is not available. The value of all mileage driven in a State motor vehicle must be recorded in accordance with regulations issued by the IRS and directives issued by the DTMB. A State motor vehicle may not be used for personal use.

Under the bill, a State employee who removed or concealed distinctive registration plates or other external markings that clearly identified State ownership of a motor vehicle assigned to that employee under Section 215, or in violation of a directive under Section 213 concerning the display of registration plates or external markings, would be guilty of a misdemeanor punishable by up to 90 days' imprisonment and/or a maximum fine of \$1,000. The penalty would not apply to a State employee whose assigned motor vehicle was not marked because it was for investigative use or because anonymity was essential to the proper performance of a necessary function of State government.

MCL 18.1213 (S.B. 8)
18.1213 & 18.1215 (S.B. 204)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The DTMB maintains the State's vehicle fleet, with the exception of MDOT vehicles, and investigates complaints of improper vehicle use, such as personal use of State-owned vehicles, speeding, reckless driving, or other driving violations. In many cases, however, the allegations cannot be substantiated. Employees assigned State vehicles are responsible for maintaining manual mileage logs, which are inefficient and possible to manipulate, and driving infractions typically cannot be verified unless law enforcement was involved. Often, an investigation comes down to one person's word against another's.

If passenger vehicles were equipped with GPS devices, the DTMB would be able to track the vehicles' location and determine whether the driver was where he or she was supposed to be on State time. Eventually, manual mileage logs could be eliminated. The technology also would be able to detect whether a driver was speeding or was driving aggressively by suddenly accelerating or braking or making sharp turns.

In addition to encouraging safe driving and driver accountability, the GPS devices also could help protect State employees, such as child protective services workers, who go into potentially dangerous situations. If someone were harmed or kidnapped, for example, the device would enable the DTMB and law enforcement to locate the vehicle and find the person.

The pilot program required by Senate Bill 8 (S-1) would help achieve these goals, and would be consistent with a pilot that the DTMB is planning to conduct with 120 vehicles from different State departments. The Department's project will produce data on speeding, idle time, mileage, the ability to eliminate manual logs, and compliance with vehicle maintenance schedules. Among other things, this information may help to reduce the use of fuel, which annually costs the State approximately \$21.0 million for the State's entire fleet (excluding MDOT vehicles), according to the Department. The DTMB also will be able to determine whether it is more efficient to assign State vehicles to employees or allow them to use their own vehicles and receive mileage reimbursement.

If the pilot program required by the bill demonstrated significant and improved efficiency, the ability to eliminate manual logs, and asset management improvements, then all passenger vehicles acquired for the DTMB fleet after January 1, 2017, would have to be equipped with GPS devices. According to the Department, other states that have instituted this technology for their vehicle fleets first began with pilot programs.

Response: Although the bill would require the results of the pilot program to demonstrate certain improvements and efficiency before GPS devices were required on all new passenger vehicles, the bill is silent on how the improvements and efficiency would be measured or who would determine whether the program was successful. The bill also would not provide for an evaluation of the costs of rolling out the program to all new vehicles. Perhaps the bill should require the Department to submit a project request, instead of only a report, after the pilot program ended.

Supporting Argument

Removing or concealing license plates and other State identification on a vehicle assigned to an employee can make it easier for him or her to use the vehicle, as well as State-paid time, for personal purposes without being detected. By making this activity a misdemeanor, Senate Bill 203 could deter the improper use of public property and taxpayer dollars, and would provide an appropriate penalty for an employee who took steps to disguise a State vehicle. Although an employee currently may be disciplined and charged with other offenses for falsifying records and using State time and property for personal use, the bill would create a new offense that could be separately charged.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 8 (S-1)

According to the Department of Technology, Management, and Budget, the pilot program would be funded with current appropriations. If the DTMB decided to use GPS technology on passenger vehicles added to the fleet after January 1, 2017, the bill would result in an estimated annual cost to the State ranging from \$500,000 to \$1.2 million, based on available DTMB data. The range in the estimate is based on the variance in the costs to install a GPS tracking device as well as the monthly subscription costs for use of the monitoring system. Installation costs range from \$200 to \$600 per vehicle while subscription costs range from \$25 to \$50 per month, per vehicle.

The DTMB estimates that approximately 1,000 vehicles per year would meet the criteria in the bill that would require the installation of a GPS tracking device (unless a vehicle were manufactured with such a device). If the lower figures for installation and monthly subscription costs are used (\$200 installation and \$25 monthly subscription per vehicle), the cost to the State would be an estimated \$500,000 for the 1,000 vehicles estimated to be affected by the bill each year. If the higher figures are used (\$600 installation and \$50 monthly subscription per vehicle), the total estimated cost per year would be \$1.2 million. These estimates are based on costs determined by various manufacturers. The price the State ultimately would pay would likely depend on a decision made after the submission of bids.

The bill would have no fiscal impact on local government.

Senate Bill 204

The bill could result in an increase in the number of misdemeanor convictions, which could increase the requirements on local court systems and jails. Any associated increase in fine revenue would be provided to public libraries.

Fiscal Analyst: Joe Carrasco
John Maxwell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.