

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3990
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 20, 2022

SUMMARY

- Synopsis:** Provides temporary one-year extension of service life of school buses for 2022-2023 school year; authorizes chief administrator to allow one-year extension in subsequent two school years.
- Type of Impact:** Temporary decrease in local costs; temporary increase in State costs.
- Agencies Affected:** School Districts; New Jersey Motor Vehicle Commission.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost Increase		Indeterminate	
Local Cost Decrease		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will likely result in a decrease in local costs for the 2022-2023 school year by delaying school districts’ need to purchase new school buses by one year. The cost is indeterminate because it is unclear how many school buses will have their service lives extended and in which school districts.
- The OLS estimates that the bill may result in a possible indeterminate decrease in local costs in the 2023-2024 school year and 2024-2025 school year if the New Jersey Motor Vehicle Commission further extends the service lives of school buses as authorized under the provisions of the bill.
- The OLS estimates that the bill will likely result in an increase in Motor Vehicle Commission workload for up to three years to provide a report, or multiple reports, to the Governor and Legislature concerning the extension of the service lives of school buses. The cost of this reporting requirement is unknown but should be producible by current commission staff using existing resources.

BILL DESCRIPTION

This bill provides a temporary extension of the service lives of school buses for the 2022-2023 school year. Under the bill, the service lives of certain school buses would be extended from 12 years, 15 years, and 20 years to 13 years, 16 years, and 21 years, respectively, depending on the type of school bus, for the 2022-2023 school year.

Thereafter, for the 2023-2024 school year and the 2024-2025 school year, the New Jersey Motor Vehicle Commission, in consultation with the Department of Education, is authorized to provide one-year extensions for any school bus used for pupil transportation services that would otherwise be retired pursuant to current law.

For any year that the service lives of school buses is extended, the chief administrator is required to provide a report to the Governor and the Legislature concerning the extension.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill will likely result in an indeterminate temporary decrease in local costs and an indeterminate temporary increase in State costs. The bill is expected to decrease local costs in the 2022-2023 school year by allowing certain school districts, which own one or more school buses that are required to be retired in the 2022-2023 school year, to extend the useful lives of such buses for one additional year, thereby delaying the district's need to purchase new school buses by one year. The decrease is indeterminate because it is unclear how many school buses will have their useful lives extended under the bill and in which school districts. The bill also requires the the New Jersey Motor Vehicle Commission to provide a report to the Governor and Legislature concerning the extension of the service lives of school buses, which will increase the commission's workload. The OLS does not have information indicating the costs that may be incurred by the commission to provide this report, but it should be producible by current staff using existing resources.

The bill may also result in an indeterminate increase in State costs and indeterminate decrease in local costs in the 2023-2024 school year and 2024-2025 school year if the commission, in consultation with the Department of Education, decides to extend the school bus retirement date for one or both of these additional years. As noted above, if the service lives of school buses are extended beyond the 2022-2023 school year, school districts may experience a decrease in local costs by further delaying the cost to purchase new school buses. If the Motor Vehicle Commission decides to extend the service lives of school buses in either the 2023-2024 school year or the 2024-2025 school year, or both, the commission is required to provide additional reports to the Governor and Legislature, which will increase the commission's workload for any applicable year.

Section: Authorities, Utilities, Transportation and Communications

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).