

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3734

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3734, with committee amendments.

As amended and reported, the bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (2) school buses manufactured prior to January 1, 2007 that have been installed with closed crankcase technology and have a gross vehicle weight that does not exceed 25,000 pounds.

The bill also permits the Chief Administrator (chief administrator) of the New Jersey Motor Vehicle Commission to extend the retirement date of a Type S school bus by one year upon request by the owner of the Type S school bus, provided that the Type S school bus passes an additional inspection that is consistent with the inspection procedures established under the enhanced safety inspection program established pursuant to the "School Bus Enhanced Safety Inspection Act." The chief administrator is prohibited from granting a Type S school bus more than one extension.

Finally, the bill explicitly provides that its provisions are not to be construed to allow the use of any school bus for pupil transportation purposes if the school bus is determined to be unsafe or unfit for pupil transportation.

As amended and reported by this committee, Senate Bill No. 3734 is identical to Assembly Bill No. 5329, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amendments provide that the permitted service life of Type S school buses is 12 years, instead of 20 years as required under the bill as introduced. The committee amendments also permit the chief administrator to extend the retirement date of a Type S school bus by one year upon request by the owner of the Type S school bus, provided that the Type S school bus passes an additional inspection that is consistent with the inspection procedures established under the enhanced safety inspection program established pursuant to the "School Bus Enhanced Safety Inspection Act," and prohibit the chief

administrator from granting a Type S school bus more than one extension.

FISCAL IMPACT:

The Office of Legislative Services estimates that the bill would decrease local expenditures by allowing certain school districts, which own the school buses that are used to provide pupil transportation service, to extend the permitted service lives of certain buses by five or eight years, based on certain characteristics of the bus. As a result, these school districts would no longer be required to purchase certain new school buses during the five to eight year period following the effective date of the bill.

According to information provided to the OLS in 2018, approximately 1,500 to 2,000 new school buses are purchased each year. 50 percent of newly purchased buses would be replacing buses that have reached their mechanical useful life and could not be extended even if the bill was enacted. Approximately 60 percent of buses would qualify for the extension. Of the 438 school districts in the State that provide pupil transportation services, approximately 282 school districts, or 64 percent of districts, own their bus fleet. Based on this information, the OLS estimates that the bill would permit certain school districts to forgo the purchase of roughly 288 to 384 new school buses per year during the initial five-year extension provided under this bill.

Assuming the average cost of a mid-size diesel school bus is approximately \$100,000, the OLS estimates that certain school districts could experience aggregate annual expenditure reductions of up to \$29 million to \$38 million for the first five years after the enactment of this bill.