

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

[First Reprint]

## ASSEMBLY, No. 1677

with committee amendments

# STATE OF NEW JERSEY

DATED: JUNE 26, 2024

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 1677 (1R).

This bill, as amended by the committee, authorizes a board of education to enter into extended contracts and lease terms for electric school buses. The amended bill also permits the New Jersey School Boards Association to serve as a government aggregator to obtain certain gas and electric related services, including electric school buses and related goods and services, for members and other local units.

Current law permits a school district to enter into a contract for the leasing of school buses for a term not exceeding in the aggregate 10 years. The amended bill provides that a school district may enter into a contract for the leasing of electric school buses and related charging equipment and services for a term not in excess of the service life of the electric school bus. The amended bill also clarifies that the 10-year contract term limit continues to apply to fossil fuel school buses.

Also under existing law, a school district may enter into a lease purchase agreement for the acquisition of a school bus for a term not in excess of 10 years. The amended bill extends the term of a lease purchase agreement in the case of electric school buses and related charging equipment and services to the service life of the electric school bus. The amended bill also clarifies that the 10-year lease purchase agreement term limit continues to apply to fossil fuel school buses.

Finally, the bill amends the “Electric Discount and Energy Competition Act,” P.L.1999, c.23 (C.48:3-49 et al), to provide that the New Jersey School Boards Association may serve as a government aggregator to obtain electric school buses and related goods and services. The amended bill also permits the New Jersey School Boards Association to serve as a government aggregator to obtain the listed services, including electric school buses and related goods and services, for counties, municipalities, and other local contracting units.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- remove the provision permitting a board of education to utilize competitive contracting in certain circumstances; and
- update the synopsis.

FISCAL IMPACT:

This bill is not certified for as requiring a fiscal note.