

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 1040

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 6, 2011

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1040 (1R), with committee amendments.

As amended, this bill extends the service life of certain school buses from 12 to 15 years. Under the bill, school buses manufactured on or after January 1, 2007 and school buses manufactured prior to January 1, 2007 that have been installed with closed crankcase technology, other than school buses of the transit type whose gross vehicle weight exceeds 25,000 pounds and “Type S” school buses, can remain in service for 15 years. The bill also clarifies that the service life limits are applicable to all school buses, not only school buses operated under the jurisdiction of public schools.

“Type S” school buses, which can remain in service for 12 years, are vehicles with a gross vehicle weight of 3,000 pounds or more, originally designed by the manufacturer with a maximum seating capacity of nine passengers or less excluding the driver. School buses of the transit type whose gross vehicle weight exceeds 25,000 pounds are permitted to remain in service for 20 years under a different section of law, section 2 of P.L.1983, c.206 (C.39:3B-5.2).

As amended and reported, this bill is identical to Assembly Bill No. 2260 (1R), as also amended and reported by the committee.

COMMITTEE AMENDMENTS:

The committee amendments:

- Permit school buses manufactured prior to January 1, 2007 that have been installed with closed crankcase technology to remain in service for 15 years. Closed crankcase technology is designed to reduce the amount of fine particle emissions from diesel-powered vehicles such as school buses; and
- Provide that the vehicle’s date of manufacture will be determined from the vehicle registration, rather than the manufacturer’s certification plate.

FISCAL IMPACT:

The Office of Legislative Services notes that the potential savings from this legislation will vary depending on factors including whether or not a school district purchases its own school buses or purchases transportation services from another entity as well as the size of the school buses that are utilized. Since the legislation extends the service life of certain school buses by several years, it is not possible to specify a fiscal year in which the cost savings would be realized. Alternatively, one may estimate the difference in the equivalent annual cost (EAC) between owning a school bus for 12 years versus owning the same bus for 15 years. Assuming that a moderate-sized bus costs \$54,000 to purchase, the difference in the EAC is \$902 per year per school bus. The difference in the EAC of a larger school bus that costs \$80,000 would be \$1,336. These estimates assume that the average annual maintenance cost in years 13 through 15 are identical to the average maintenance cost in the earlier years. If the maintenance costs are higher in these years, then the difference in the EAC would be decreased by the difference in the average annual maintenance cost.