

ASSEMBLY, No. 3542

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

SYNOPSIS

Requires \$250,000 medical expense benefits coverage on a no-fault basis for school bus passengers; eliminates current exemption under motor bus PIP law.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning medical expense benefits for certain motor bus
2 passengers and amending P.L.1991, c.154.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 1 of P.L.1991, c.154 (C.17:28-1.5) is amended to
8 read as follows:

9 1. As used in this act:

10 "Commissioner" means the Commissioner of Banking and
11 Insurance.

12 "Hospital expenses" means:

13 a. The cost of a semiprivate room, based on rates customarily
14 charged by the institution in which the recipient of benefits is
15 confined;

16 b. The cost of board, meals and dietary services;

17 c. The cost of other hospital services, such as operating room;
18 medicines, drugs, anesthetics; treatments with X-ray, radium and
19 other radioactive substances; laboratory tests, surgical dressings and
20 supplies; and other medical care and treatment rendered by the
21 hospital;

22 d. The cost of treatment by a physiotherapist;

23 e. The cost of medical supplies, such as prescribed drugs and
24 medicines; blood and blood plasma; artificial limbs and eyes;
25 surgical dressings, casts, splints, trusses, braces, crutches; rental of
26 wheelchair, hospital bed or iron lung; oxygen and rental of
27 equipment for its administration.

28 "Medical expenses" means expenses for medical treatment,
29 surgical treatment, dental treatment, professional nursing services,
30 hospital expenses, rehabilitation services, X-ray and other
31 diagnostic services, prosthetic devices, ambulance services,
32 medication and other reasonable and necessary expenses resulting
33 from the treatment prescribed by persons licensed to practice
34 medicine and surgery pursuant to R.S.45:9-1 et seq., dentistry
35 pursuant to R.S.45:6-1 et seq., psychology pursuant to P.L.1966,
36 c.282 (C.45:14B-1 et seq.) or chiropractic pursuant to P.L.1953,
37 c.233 **[(C.45:9-41.1 et al.)]** (C.45:9-41.4 et al.) or by persons
38 similarly licensed in other states and nations or any nonmedical
39 remedial treatment rendered in accordance with a recognized
40 religious method of healing.

41 "Motor bus" means an omnibus, as defined in R.S.39:1-1, except
42 that "motor bus" shall not include:

43 a. Vehicles engaged in the transportation of passengers for hire
44 in the manner and form commonly called taxicab service unless

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 such service becomes or is held out to be regular service between
2 stated termini;

3 b. Hotel buses used exclusively for the transportation of hotel
4 patrons to or from local railroad or other common carrier stations
5 including local airports;

6 c. **【Buses operated for the transportation of enrolled children**
7 **and adults only when serving as chaperones to or from a school,**
8 **school connected activity, day camp, summer day camp, nursery**
9 **school, child care center, pre-school center or other similar places**
10 **of education, including "School Vehicle Type I" and "School**
11 **Vehicle Type II" as defined in R.S.39:1-1**】** (Deleted by amendment,
12 P.L. , c.) pending before the Legislature as this bill).**

13 d. Any autobus with a carrying capacity of not more than 13
14 passengers operated under municipal consent upon a route
15 established wholly within the limits of a single municipality or with
16 a carrying capacity of not more than 20 passengers operated under
17 municipal consent upon a route established wholly within the limits
18 of not more than four contiguous municipalities within any county
19 of the fifth or sixth class, which route in either case does not in
20 whole or in part parallel upon the same street the line of any street
21 railway or traction railway or any other autobus route;

22 e. Autocabs, limousines or livery services as defined in
23 R.S.48:16-13, unless such service becomes or is held out to be
24 regular service between stated termini;

25 f. Any vehicle used in a "ridesharing" arrangement, as defined
26 by the "New Jersey Ridesharing Act of 1981," P.L.1981, c.413
27 (C.27:26-1 et al.);

28 g. Any motor bus owned and operated by the New Jersey
29 Transit Corporation; or

30 h. Any special paratransit vehicle as defined in R.S.48:4-1.

31 "Noneconomic loss" means pain, suffering and inconvenience.

32 "Passenger" means any person occupying, entering into or
33 alighting from a motor bus, except employees of the owner or
34 operator of the motor bus while they are on duty.

35 (cf: P.L.1992, c.192, s.1)

36

37 2. This act shall take effect on the 180th day next following
38 enactment.

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41 STATEMENT

42

43 This bill requires school bus owners and operators to provide
44 \$250,000 medical expense benefits coverage on a no-fault basis to
45 passengers injured as a result of an accident while occupying,
46 entering into or alighting from a school bus. The bill eliminates the
47 current exemption for school buses under the law, which generally
48 requires owners of motor buses to provide this coverage. This law

1 is sometimes referred to as the “motor bus PIP law” because it
2 requires medical expense benefits coverage for bus passengers that
3 is similar to the coverage required under New Jersey’s private
4 passenger automobile insurance law.

5 In return for providing this coverage, owners and operators of
6 school buses are exempted from tort liability for noneconomic loss
7 (pain, suffering and inconvenience) to passengers, except under
8 certain circumstances as to the extent of their injuries.