

LEGISLATIVE FISCAL ESTIMATE:

Yes 06/05/2023
07/06/2023

VETO MESSAGE:

No

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

Yes

Tina Kelley - For The Star-Ledger, 'With bill now signed, district to see return of courtesy busing Tina Kelley For
The Star-Ledger', *Star-Ledger, The* (online), 18 Aug 2023 003

CL/JA

P.L. 2023, CHAPTER 144, *approved August 16, 2023*
Assembly, No. 5329 (*First Reprint*)

1 AN ACT extending the useful service life of certain school buses
2 and amending P.L.1983, c.206.

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.1983, c.206 (C.39:3B-5.1) is amended to
8 read as follows:

9 1. School buses manufactured prior to April 1, 1977, other than
10 those of the transit type whose gross vehicle weight (G.V.W.)
11 exceeds 25,000 pounds, shall not be used for pupil transportation
12 purposes beyond the end of the tenth year from the date of
13 manufacture, as noted on the vehicle registration, or at the end of
14 the school year in which that date falls, whichever is later. School
15 buses manufactured on or after April 1, 1977 and before January 1,
16 2007, other than those of the transit type whose gross vehicle
17 weight (G.V.W.) exceeds 25,000 pounds, shall not be used for pupil
18 transportation purposes beyond the end of the twelfth year from the
19 date of manufacture, as noted on the vehicle registration, or at the
20 end of the school year in which that date falls, whichever is later.
21 School buses manufactured on or after January 1, 2007, and school
22 buses manufactured prior to January 1, 2007 that have been
23 installed with closed crankcase technology pursuant to the
24 provisions of section 6 of P.L.2005, c.219 (C.26:2C-8.31) and any
25 regulations promulgated thereunder, other than those of the transit
26 type whose gross vehicle weight (G.V.W.) exceeds 25,000 pounds,
27 shall not be used for pupil transportation purposes beyond the end
28 of the **[fifteenth]** twentieth year from the date of manufacture, as
29 noted on the vehicle registration, or at the end of the school year in
30 which that date falls, whichever is later.

31 Notwithstanding any provision of this section to the contrary, a
32 "Type S" school bus as defined by N.J.A.C.13:20-51.2 shall not be
33 used for pupil transportation purposes beyond the end of the
34 **[twelfth]** ¹**[twentieth]** twelfth¹ year from the date of manufacture,
35 as noted on the vehicle registration, or at the end of the school year
36 in which that date falls, whichever is later ¹, except that the Chief
37 Administrator of the New Jersey Motor Vehicle Commission shall
38 extend the retirement date of a Type S school bus by one year upon
39 request by the owner of the Type S school bus, provided that the
40 Type S school bus passes an additional inspection that is consistent

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted June 27, 2023.

1 with the inspection procedures established under the enhanced
2 safety inspection program established pursuant to the “School Bus
3 Enhanced Safety Inspection Act,” P.L.1999, c.5 (C.39:3B-18 et
4 seq.). The chief administrator shall not grant a Type S school bus
5 more than one extension¹.

6 Nothing provided herein shall be construed to allow the use of
7 any school bus for pupil transportation purposes if that school bus is
8 determined to be unsafe or unfit for pupil transportation.

9 (cf: P.L.2011, c.130, s.1)

10

11 2. This act shall take effect immediately.

12

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16 Extends useful service life of certain school buses to 20 years;
17 provides temporary one-year extension of service life of Type S
18 school buses.

ASSEMBLY, No. 5329

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 23, 2023

Sponsored by:

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Assemblyman REGINALD W. ATKINS

District 20 (Union)

Assemblyman WILLIAM F. MOEN, JR.

District 5 (Camden and Gloucester)

Co-Sponsored by:

Assemblyman Wimberly

SYNOPSIS

Extends useful service life of certain school buses to 20 years.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/25/2023)

A5329 STANLEY, ATKINS

2

1 AN ACT extending the useful service life of certain school buses
2 and amending P.L.1983, c.206.

3

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5 of New Jersey:

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7 1. Section 1 of P.L.1983, c.206 (C.39:3B-5.1) is amended to
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13 manufacture, as noted on the vehicle registration, or at the end of
14 the school year in which that date falls, whichever is later. School
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16 2007, other than those of the transit type whose gross vehicle
17 weight (G.V.W.) exceeds 25,000 pounds, shall not be used for pupil
18 transportation purposes beyond the end of the twelfth year from the
19 date of manufacture, as noted on the vehicle registration, or at the
20 end of the school year in which that date falls, whichever is later.
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24 provisions of section 6 of P.L.2005, c.219 (C.26:2C-8.31) and any
25 regulations promulgated thereunder, other than those of the transit
26 type whose gross vehicle weight (G.V.W.) exceeds 25,000 pounds,
27 shall not be used for pupil transportation purposes beyond the end
28 of the **[fifteenth]** twentieth year from the date of manufacture, as
29 noted on the vehicle registration, or at the end of the school year in
30 which that date falls, whichever is later.

31 Notwithstanding any provision of this section to the contrary, a
32 "Type S" school bus as defined by N.J.A.C.13:20-51.2 shall not be
33 used for pupil transportation purposes beyond the end of the
34 **[twelfth]** twentieth year from the date of manufacture, as noted on
35 the vehicle registration, or at the end of the school year in which
36 that date falls, whichever is later.

37 Nothing provided herein shall be construed to allow the use of
38 any school bus for pupil transportation purposes if that school bus is
39 determined to be unsafe or unfit for pupil transportation.

40 (cf: P.L.2011, c.130, s.1)

41

42 2. This act shall take effect immediately.

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.

STATEMENT

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The bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) Type S school buses; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (3) 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 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.

ASSEMBLY TRANSPORTATION AND INDEPENDENT
AUTHORITIES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5329

STATE OF NEW JERSEY

DATED: MAY 11, 2023

The Assembly Transportation and Independent Authorities Committee reports favorably Assembly Bill No. 5329.

As reported, the bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) Type S school buses; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (3) 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 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.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5329

STATE OF NEW JERSEY

DATED: MAY 18, 2023

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5329.

The bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) Type S school buses; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (3) 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 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.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5329

STATE OF NEW JERSEY

DATED: JUNE 1, 2023

The Senate Transportation Committee reports favorably Assembly Bill No. 5329.

As reported, the bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) Type S school buses; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (3) 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 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 reported, Assembly Bill No. 5329 is identical to Senate Bill No. 3734, which was also reported by the committee on this date.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5329

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 27, 2023

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 5329, 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 the committee, Assembly Bill No. 5329 is identical to Senate Bill No. 3734, 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.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5329
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 1, 2023

SUMMARY

Synopsis: Extends useful service life of certain school buses to 20 years.

Type of Impact: Reduction in local expenditures.

Agencies Affected: School Districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1 Through Year 5</u>	<u>Year 6 Through Year 8</u>
Annual Local Expenditure Decrease	\$29 million to \$38 million	Indeterminate

- The Office of Legislative Services (OLS) 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. Fifty 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. During the following three years, these school districts are also expected to experience

lesser, indeterminate cost savings associated with the eight-year extension of the permitted service life for Type S school buses.

BILL DESCRIPTION

This bill extends the statutorily permitted useful service life of certain school buses to 20 years. The provisions of the bill apply to: (1) Type S school buses, for which the statutorily permitted useful life would be extended by eight years; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds, for which the statutorily permitted useful life would be extended by five years; and (3) 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, for which the statutorily permitted useful life would be extended by five years. Notably, 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.

Under current law, Type S school buses have a useful service life of 12 years. Additionally, school buses manufactured prior to January 1, 2007 that are equipped with closed crankcase technology and weigh 25,000 pounds or less, and school buses manufactured after January 1, 2007 that weigh 25,000 pounds or less have a useful service life of 15 years under current law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the bill would result in aggregate annual savings of up to \$29 million to \$38 million for certain school districts during the first five years after the enactment of the bill. During the three following years, these school districts would also be expected to experience lesser, indeterminate cost savings associated with the extended service life of Type S school buses.

The bill is expected to 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 for five to eight years, thereby delaying the district's need to purchase certain new school buses by five to eight years.

The New Jersey Motor Vehicle Commission provided the OLS information in 2018 noting that approximately 1,500 to 2,000 newly purchased school buses are submitted for inspections annually. According to industry data, the mechanical useful life of school buses is 12 to 15 years. Based on this data, the OLS estimates that 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 are expected to qualify for the extension. Information provided to the OLS also indicates that of the 438 school districts that provide pupil transportation service, approximately 282 school districts, or 64 percent of districts, own their school 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 that 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 during the first five years after the enactment of this bill. During the following three years, these school districts are also expected to experience lesser, indeterminate cost savings associated with the eight-year extension of the permitted service life for Type S school buses.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5329

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 6, 2023

SUMMARY

- Synopsis:** Extends useful service life of certain school buses to 20 years; provides temporary one-year extension of service life of Type S school buses.
- Type of Impact:** Reduction in local expenditures.
- Agencies Affected:** School Districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1 Through Year 5</u>
Annual Local Expenditure Decrease	\$29 million to \$38 million

- The Office of Legislative Services (OLS) 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 years. As a result, these school districts would no longer be required to purchase certain new school buses during the five-year period following the effective date of the bill.
- 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.

BILL DESCRIPTION

This bill extends the statutorily permitted useful service life of certain school buses to 20 years. The provisions of the bill apply to: (1) school buses manufactured on or after January 1, 2007 that

have a gross vehicle weight that does not exceed 25,000 pounds, for which the statutorily permitted useful life would be extended by five years; 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, for which the statutorily permitted useful life would be extended by five years. Additionally, this bill permits the 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, provided that the Type S school bus passes an additional inspection. Notably, the bill explicitly prohibits the chief administrator from granting a Type S school bus more than one extension and 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.

Under current law, Type S school buses have a useful service life of 12 years. Additionally, school buses manufactured prior to January 1, 2007 that are equipped with closed crankcase technology and weigh 25,000 pounds or less, and school buses manufactured after January 1, 2007 that weigh 25,000 pounds or less have a useful service life of 15 years under current law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the bill would result in aggregate annual savings of up to \$29 million to \$38 million for certain school districts during the first five years after the enactment of the bill.

The bill is expected to 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 for five years, thereby delaying the district's need to purchase certain new school buses by five years. The provisions of this bill would potentially extend certain qualifying Type S school buses for one year, at the discretion of the chief administrator, resulting in additional expenditure decreases. However, the OLS is unable to quantify the impact of those decreases due to the following unknown factors: (1) the number of Type S school buses owned by school districts; (2) the number of Type S school buses owned by these districts that would pass inspection; and (3) the number of school districts that would elect to extend the service life of Type S school buses.

The Motor Vehicle Commission provided the OLS information in 2018 noting that approximately 1,500 to 2,000 newly purchased school buses are submitted for inspections annually. According to industry data, the mechanical useful life of school buses is 12 to 15 years. Based on this data, the OLS estimates that 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 are expected to qualify for the extension. Information provided to the OLS also indicates that of the 438 school districts that provide pupil transportation service, approximately 282 school districts, or 64 percent of districts, own their school 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 that 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 during the first five years after the enactment of this bill.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).

SENATE, No. 3734

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 30, 2023

Sponsored by:

Senator PATRICK J. DIEGNAN, JR.

District 18 (Middlesex)

Senator KRISTIN M. CORRADO

District 40 (Bergen, Essex, Morris and Passaic)

Co-Sponsored by:

Senator Stanfield

SYNOPSIS

Extends useful service life of certain school buses to 20 years.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2023)

1 AN ACT extending the useful service life of certain school buses
2 and amending P.L.1983, c.206.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
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7 1. Section 1 of P.L.1983, c.206 (C.39:3B-5.1) is amended to
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11 exceeds 25,000 pounds, shall not be used for pupil transportation
12 purposes beyond the end of the tenth year from the date of
13 manufacture, as noted on the vehicle registration, or at the end of
14 the school year in which that date falls, whichever is later. School
15 buses manufactured on or after April 1, 1977 and before January 1,
16 2007, other than those of the transit type whose gross vehicle
17 weight (G.V.W.) exceeds 25,000 pounds, shall not be used for pupil
18 transportation purposes beyond the end of the twelfth year from the
19 date of manufacture, as noted on the vehicle registration, or at the
20 end of the school year in which that date falls, whichever is later.
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22 buses manufactured prior to January 1, 2007 that have been
23 installed with closed crankcase technology pursuant to the
24 provisions of section 6 of P.L.2005, c.219 (C.26:2C-8.31) and any
25 regulations promulgated thereunder, other than those of the transit
26 type whose gross vehicle weight (G.V.W.) exceeds 25,000 pounds,
27 shall not be used for pupil transportation purposes beyond the end
28 of the **【fifteenth】** twentieth year from the date of manufacture, as
29 noted on the vehicle registration, or at the end of the school year in
30 which that date falls, whichever is later.

31 Notwithstanding any provision of this section to the contrary, a
32 "Type S" school bus as defined by N.J.A.C.13:20-51.2 shall not be
33 used for pupil transportation purposes beyond the end of the
34 **【twelfth】** twentieth year from the date of manufacture, as noted on
35 the vehicle registration, or at the end of the school year in which
36 that date falls, whichever is later.

37 Nothing provided herein shall be construed to allow the use of
38 any school bus for pupil transportation purposes if that school bus is
39 determined to be unsafe or unfit for pupil transportation.

40 (cf: P.L.2011, c.130, s.1)

41
42 2. This act shall take effect immediately.

43
44 STATEMENT

45
46 The bill extends the statutorily permitted service life of certain
47 school buses to 20 years. This bill applies to: (1) Type S school
48 buses; (2) school buses manufactured on or after January 1, 2007
49 that have a gross vehicle weight that does not exceed 25,000

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.

S3734 DIEGNAN, CORRADO

3

1 pounds; and (3) school buses manufactured prior to January 1, 2007
2 that have been installed with closed crankcase technology and have
3 a gross vehicle weight that does not exceed 25,000 pounds.

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

SENATE TRANSPORTATION COMMITTEE

STATEMENT TO

SENATE, No. 3734

STATE OF NEW JERSEY

DATED: JUNE 1, 2023

The Senate Transportation Committee reports favorably Senate Bill No. 3734.

As reported, the bill extends the statutorily permitted service life of certain school buses to 20 years. This bill applies to: (1) Type S school buses; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds; and (3) 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 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 reported, Senate Bill No. 3734 is identical to Assembly Bill No. 5329, which was also reported by the committee on this date.

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.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3734
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: JUNE 5, 2023

SUMMARY

Synopsis: Extends useful service life of certain school buses to 20 years.

Type of Impact: Reduction in local expenditures.

Agencies Affected: School Districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1 Through Year 5</u>	<u>Year 6 through Year 8</u>
Annual Local Expenditure		
Decrease	\$29 million to \$38 million	Indeterminate

- The Office of Legislative Services (OLS) 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. During the following three years, these school districts are also expected to experience



lesser, indeterminate cost savings associated with the eight-year extension of the permitted service life for Type S school buses.

BILL DESCRIPTION

This bill extends the statutorily permitted useful service life of certain school buses to 20 years. The provisions of the bill apply to: (1) Type S school buses, for which the statutorily permitted useful life would be extended by eight years; (2) school buses manufactured on or after January 1, 2007 that have a gross vehicle weight that does not exceed 25,000 pounds, for which the statutorily permitted useful life would be extended by five years; and (3) 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, for which the statutorily permitted useful life would be extended by five years. Notably, 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.

Under current law, Type S school buses have a useful service life of 12 years. Additionally, school buses manufactured prior to January 1, 2007 that are equipped with closed crankcase technology and weigh 25,000 pounds or less, and school buses manufactured after January 1, 2007 that weigh 25,000 pounds or less have a useful service life of 15 years under current law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the bill would result in aggregate annual savings of up to \$29 million to \$38 million for certain school districts during the first five years after the enactment of the bill. During the three following years, these school districts would also be expected to experience lesser, indeterminate cost savings associated with the extended service life of Type S school buses.

The bill is expected to 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 for five to eight years, thereby delaying the district's need to purchase certain new school buses by five to eight years.

The New Jersey Motor Vehicle Commission provided the OLS information in 2018 noting that approximately 1,500 to 2,000 newly purchased school buses are submitted for inspections annually. According to industry data, the mechanical useful life of school buses is 12 to 15 years. Based on this data, the OLS estimates that 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 are expected to qualify for the extension. Information provided to the OLS also indicates that of the 438 school districts that provide pupil transportation service, approximately 282 school districts, or 64 percent of districts, own their school 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 that 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 during the first five years after the enactment of this bill. During the following three years, these school districts are also expected to experience lesser, indeterminate cost savings associated with the eight-year extension of the permitted service life for Type S school buses.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 3734 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: JULY 6, 2023

SUMMARY

- Synopsis:** Extends useful service life of certain school buses to 20 years; provides temporary one-year extension of service life of Type S school buses.
- Type of Impact:** Reduction in local expenditures.
- Agencies Affected:** School Districts.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1 Through Year 5</u>
Annual Local Expenditure Decrease	\$29 million to \$38 million

- The Office of Legislative Services (OLS) 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 years. As a result, these school districts would no longer be required to purchase certain new school buses during the five-year period following the effective date of the bill.
- 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.

BILL DESCRIPTION

This bill extends the statutorily permitted useful service life of certain school buses to 20 years. The provisions of the bill apply to: (1) school buses manufactured on or after January 1, 2007 that

have a gross vehicle weight that does not exceed 25,000 pounds, for which the statutorily permitted useful life would be extended by five years; 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, for which the statutorily permitted useful life would be extended by five years. Additionally, this bill permits the 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, provided that the Type S school bus passes an additional inspection. Notably, the bill explicitly prohibits the chief administrator from granting a Type S school bus more than one extension and 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.

Under current law, Type S school buses have a useful service life of 12 years. Additionally, school buses manufactured prior to January 1, 2007 that are equipped with closed crankcase technology and weigh 25,000 pounds or less, and school buses manufactured after January 1, 2007 that weigh 25,000 pounds or less have a useful service life of 15 years under current law.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates the bill would result in aggregate annual savings of up to \$29 million to \$38 million for certain school districts during the first five years after the enactment of the bill.

The bill is expected to 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 for five years, thereby delaying the district's need to purchase certain new school buses by five years. The provisions of this bill would potentially extend certain qualifying Type S school buses for one year, at the discretion of the chief administrator, resulting in additional expenditure decreases. However, the OLS is unable to quantify the impact of those decreases due to the following unknown factors: (1) the number of Type S school buses owned by school districts; (2) the number of Type S school buses owned by these districts that would pass inspection; and (3) the number of school districts that would elect to extend the service life of Type S school buses.

The Motor Vehicle Commission provided the OLS information in 2018 noting that approximately 1,500 to 2,000 newly purchased school buses are submitted for inspections annually. According to industry data, the mechanical useful life of school buses is 12 to 15 years. Based on this data, the OLS estimates that 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 are expected to qualify for the extension. Information provided to the OLS also indicates that of the 438 school districts that provide pupil transportation service, approximately 282 school districts, or 64 percent of districts, own their school 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 that 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 during the first five years after the enactment of this bill.

Section: Authorities, Utilities, Transportation and Communications

*Analyst: Michael D. Walker
Assistant Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).

Governor Murphy Takes Action on Legislation

08/16/2023

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

SCS for S-520/A-3847 (Cruz-Perez/Calabrese, Freiman, Spearman) - Exempts shellfish aquaculturists with commercial shellfish aquaculture permit from law prohibiting taking of shellfish on Sunday; requires submission of annual shellfish harvest report

S-1442/A-5345 (Singleton/Thomson, DePhillips, Space) - Requires public works contractor registration and payroll certification for public works projects to be completed online

S-3929/A-5182 (Vitale, Scutari/Lampitt, Mukherji) - Revises certain requirements for involuntary commitment for mental health treatment

[Copy of Statement](#)

S-3950/A-5575 (Gopal, O'Scanlon/Coughlin) - Establishes exemption from State school aid reductions for certain school districts

A-3912/S-2724 (Greenwald, Calabrese/Beach, Cruz-Perez) - Permits alternating proprietorship of certain wineries

A-4192/S-3082 (Greenwald/Beach) - Updates educational and experience requirements to obtain licensure as architect

A-5286/S-3718 (Greenwald, Pintor Marin/Ruiz, Sarlo) - Modifies employee health benefits requirements under certain economic development programs

A-5329/S-3734 (Stanley, Atkins, Moen/Diegnan, Corrado) - Extends useful service life of certain school buses to 20 years; provides temporary one-year extension of service life of Type S school buses