

**LEGISLATIVE HISTORY CHECKLIST**  
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(School bus--pupil transportation)

**NJSA:** 18A:39-1.2

**LAWS OF:** 1995 **CHAPTER:** 271

**BILL NO:** A1514

**SPONSOR(S):** Azzolina and others

**DATE INTRODUCED:** March 10, 1994

**COMMITTEE:** **ASSEMBLY** Local Government  
**SENATE:** Community Affairs

**AMENDED DURING PASSAGE:** Yes Amendments during passage  
 Third reprint enacted denoted by superscript  
 numbers

**DATE OF PASSAGE:** **ASSEMBLY:** December 1, 1995  
**SENATE:** October 19, 1995

**DATE OF APPROVAL:** December 8, 1995

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes Also attached: statement  
 adopted 11-1-94

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** No

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** Yes

**HEARINGS:** No

974.90 New Jersey. Commission on Business Efficiency of the Public  
 S372 Schools.  
 1994a Public transportation; plans for change. March, 1994.  
 Trenton, 1994.  
 [see pp. 12-13, 31-34]

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[THIRD REPRINT]  
ASSEMBLY, No. 1514

STATE OF NEW JERSEY

INTRODUCED MARCH 10, 1994

By Assemblymen AZZOLINA, WOLFE,  
Assemblywoman J. Smith and Assemblyman Felice

1 AN ACT concerning pupil transportation and amending  
2 N.J.S.18A:39-1.2 <sup>3</sup>[<sup>2</sup>,] and<sup>3</sup> N.J.S.40A:4-39<sup>2</sup> <sup>3</sup>[and P.L.1976,  
3 c.68]<sup>3</sup>.

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

7 1. N.J.S.18A:39-1.2 is amended to read as follows:  
8 18A:39-1.2. Whenever the governing body of a municipality[,  
9 which is a constituent district of a regional school district,] finds  
10 that for safety reasons it is desirable to provide transportation to  
11 and from a [regional] school for pupils living within the  
12 municipality, other than those living remote from the school or  
13 those physically handicapped or mentally retarded, the governing  
14 body and the board of education of the [regional] district are  
15 authorized to enter into <sup>2</sup>a<sup>2</sup> contract <sup>3</sup>pursuant to the "Interlocal  
16 Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.)<sup>3</sup> under the  
17 terms of which the [regional] board shall provide such  
18 transportation <sup>2</sup>[at the expense of the municipality and the] .  
19 Any<sup>2</sup> funds <sup>2</sup>[so]<sup>2</sup> required <sup>2</sup>to be paid by the municipality to the  
20 board of education under such a contract<sup>2</sup> shall be appropriated  
21 by the governing body and paid to the custodian of school moneys  
22 of the [regional] district. The governing body of the municipality  
23 may charge the parents or guardians of children who are  
24 transported for safety reasons in order to help defray expenses,  
25 provided that <sup>2</sup>[the governing body may not exclude from the  
26 transportation any child whose parent or guardian is unable to pay  
27 the cost because of financial hardship] no charge shall be imposed  
28 on the parent or guardian of any child who meets the Statewide  
29 eligibility standards established by the State Board of Education  
30 for free and reduced price meals under the State school lunch  
31 program. The amount of any charges and the method of  
32 collection shall be specified in the contract between the  
33 municipal governing body and the board of education. Nothing in  
34 this section shall prevent a board of education from providing  
35 transportation at its own expense<sup>2</sup>.

36 (cf: N.J.S.18A:39-1.2)

37 <sup>2</sup>2. N.J.S.40A:4-39 is amended to read as follows:

38 40A:4-39. a. In the budget of any local unit, dedicated  
39 revenues anticipated during the fiscal year from any dog tax, dog  
40 license, revenues collected pursuant to N.J.S.18A:39-1.2, solid  
41 fuel license, sinking fund for term bonds, bequest, escheat,  
42 federal grant, motor vehicle fine dedicated to road repairs,

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:

<sup>1</sup> Assembly ALG committee amendments adopted September 29, 1994.

<sup>2</sup> Assembly floor amendments adopted November 14, 1994.

<sup>3</sup> Senate SCO committee amendments adopted May 25, 1995.

1 relocation costs deposited into a revolving relocation assistance  
2 fund established pursuant to section 2 of P.L.1987, c.98  
3 (C.20:4-4.1a) and, subject to the prior written consent of the  
4 director, other items of like character when the revenue is not  
5 subject to reasonably accurate estimate in advance, may be  
6 included in said budget by annexing to said budget a statement in  
7 substantially the following form:

8 "The dedicated revenues anticipated during the year ..... from  
9 ..... (here insert one or more of the sources above, as the case  
10 may be) are hereby anticipated as revenue and are hereby  
11 appropriated for the purposes to which said revenue is dedicated  
12 by statute or other legal requirement."

13 b. Dedicated revenues included in accordance with this section  
14 shall be available for expenditure by the local unit as and when  
15 received in cash during the fiscal year. The inclusion of such  
16 dedicated revenues shall be subject to the approval of the  
17 director, who may require such explanatory statements or data in  
18 connection therewith as he deems advisable for the information  
19 and protection of the public.<sup>2</sup>

20 (cf: P.L.1987, c.98, s.1)

21 <sup>2</sup>[2.] <sup>3</sup>[3.<sup>2</sup> Section 3 of P.L.1976, c.68 (C.40A:4-45.3) is  
22 amended to read:

23 3. In the preparation of its budget a municipality shall limit  
24 any increase in said budget to 5% or the index rate, whichever is  
25 less, over the previous year's final appropriations subject to the  
26 following exceptions:

27 a. (Deleted by amendment, P.L.1990, c.89.)

28 b. Capital expenditures, including appropriations for current  
29 capital expenditures, whether in the capital improvement fund or  
30 as a component of a line item elsewhere in the budget, provided  
31 that any such current capital expenditure would be otherwise  
32 bondable under the requirements of N.J.S.40A:2-21 and 40A:2-22;

33 c. (1) An increase based upon emergency temporary  
34 appropriations made pursuant to N.J.S.40A:4-20 to meet an  
35 urgent situation or event which immediately endangers the  
36 health, safety or property of the residents of the municipality,  
37 and over which the governing body had no control and for which it  
38 could not plan and emergency appropriations made pursuant to  
39 N.J.S.40A:4-46. Emergency temporary appropriations and  
40 emergency appropriations shall be approved by at least  
41 two-thirds of the governing body and by the Director of the  
42 Division of Local Government Services, and shall not exceed in  
43 the aggregate 3% of the previous year's final current operating  
44 appropriations.

45 (2) (Deleted by amendment, P.L.1990, c.89.)

46 The approval procedure in this subsection shall not apply to  
47 appropriations adopted for a purpose referred to in subsection d.  
48 or j. below;

49 d. All debt service, including that of a Type I school district;

50 e. Upon the approval of the Local Finance Board in the  
51 Division of Local Government Services, amounts required for  
52 funding a preceding year's deficit;

53 f. Amounts reserved for uncollected taxes;

54 g. (Deleted by amendment, P.L.1990, c.89.)

- 1 h. Expenditure of amounts derived from new or increased  
2 construction, housing, health or fire safety inspection or other  
3 service fees imposed by State law, rule or regulation or by local  
4 ordinance;
- 5 i. Any amount approved by any referendum;
- 6 j. Amounts required to be paid pursuant to (1) any contract  
7 with respect to use, service or provision of any project, facility  
8 or public improvement for water, sewerage, parking, senior  
9 citizen housing, transportation of school pupils for safety reasons  
10 pursuant to N.J.S.18A:39-1.2<sup>2</sup>, to the extent that such amounts  
11 are not reimbursed by charges to the parents or guardians of the  
12 school pupils,<sup>2</sup> or any similar purpose, or payments on account of  
13 debt service therefor, between a municipality and any other  
14 municipality, county, school or other district, agency, authority,  
15 commission, instrumentality, public corporation, body corporate  
16 and politic or political subdivision of this State; (2) the provisions  
17 of article 9 of P.L.1968, c.404 (C.13:17-60 through 13:17-76) by a  
18 constituent municipality to the intermunicipal account; (3) any  
19 lease of a facility owned by a county improvement authority  
20 when the lease payment represents the proportionate amount  
21 necessary to amortize the debt incurred by the authority in  
22 providing the facility which is leased, in whole or in part; and (4)  
23 any repayments under a loan agreement entered into in  
24 accordance with the provisions of section 5 of P.L.1992, c.89.
- 25 k. (Deleted by amendment, P.L.1987, c.74.)
- 26 l. Appropriations of federal, county, independent authority or  
27 State funds, or by grants from private parties or nonprofit  
28 organizations for a specific purpose, and amounts received or to  
29 be received from such sources in reimbursement for local  
30 expenditures. If a municipality provides matching funds in order  
31 to receive the federal, county, independent authority or State  
32 funds, or the grants from private parties or nonprofit  
33 organizations for a specific purpose, the amount of the match  
34 which is required by law or agreement to be provided by the  
35 municipality shall be excepted;
- 36 m. (Deleted by amendment, P.L.1987, c.74.)
- 37 n. (Deleted by amendment, P.L.1987, c.74.)
- 38 o. (Deleted by amendment, P.L.1990, c.89.)
- 39 p. (Deleted by amendment, P.L.1987, c.74.)
- 40 q. (Deleted by amendment, P.L.1990, c.89.)
- 41 r. Amounts expended to fund a free public library established  
42 pursuant to the provisions of R.S.40:54-1 through 40:54-29,  
43 inclusive;
- 44 s. (Deleted by amendment, P.L.1990, c.89.)
- 45 t. Amounts expended in preparing and implementing a housing  
46 element and fair share plan pursuant to the provisions of  
47 P.L.1985, c.222 (C.52:27D-301 et al.) and any amounts received  
48 by a municipality under a regional contribution agreement  
49 pursuant to section 12 of that act;
- 50 u. Amounts expended to meet the standards established  
51 pursuant to the "New Jersey Public Employees' Occupational  
52 Safety and Health Act," P.L.1983, c.516 (C.34:6A-25 et seq.);
- 53 v. (Deleted by amendment, P.L.1990, c.89.)
- 54 w. Amounts appropriated for expenditures resulting from the

- 1 impact of a hazardous waste facility as described in subsection c.  
2 of section 32 of P.L.1981, c.279 (C.13:1E-80);
- 3 x. Amounts expended to aid privately owned libraries and  
4 reading rooms, pursuant to R.S.40:54-35;
- 5 y. (Deleted by amendment, P.L.1990, c.89.)
- 6 z. (Deleted by amendment, P.L.1990, c.89.)
- 7 aa. Extraordinary expenses, approved by the Local Finance  
8 Board, required for the implementation of an interlocal services  
9 agreement;
- 10 bb. Any expenditure mandated as a result of a natural disaster,  
11 civil disturbance or other emergency that is specifically  
12 authorized pursuant to a declaration of an emergency by the  
13 President of the United States or by the Governor;
- 14 cc. Expenditures for the cost of services mandated by any  
15 order of court, by any federal or State statute, or by  
16 administrative rule, directive, order, or other legally binding  
17 device issued by a State agency which has identified such cost as  
18 mandated expenditures on certification to the Local Finance  
19 Board by the State agency;
- 20 dd. Expenditures of amounts actually realized in the local  
21 budget year from the sale of municipal assets if appropriated for  
22 non-recurring purposes or otherwise approved by the director;
- 23 ee. Any local unit which is determined to be experiencing  
24 fiscal distress pursuant to the provisions of P.L.1987, c.75  
25 (C.52:27D-118.24 et seq.), whether or not a local unit is an  
26 "eligible municipality" as defined in section 3 of P.L.1987, c.75  
27 (C.52:27D-118.26), and which has available surplus pursuant to  
28 the spending limitations imposed by P.L.1976, c.68 (C.40A:4-45.1  
29 et seq.), may appropriate and expend an amount of that surplus  
30 approved by the director and the Local Finance Board as an  
31 exception to the spending limitation. Any determination  
32 approving the appropriation and expenditure of surplus as an  
33 exception to the spending limitations shall be based upon:
- 34 1) the local unit's revenue needs for the current local budget  
35 year and its revenue raising capacity;
- 36 2) the intended actions of the governing body of the local unit  
37 to meet the local unit's revenue needs;
- 38 3) the intended actions of the governing body of the local unit  
39 to expand its revenue generating capacity for subsequent local  
40 budget years;
- 41 4) the local unit's ability to demonstrate the source and  
42 existence of sufficient surplus as would be prudent to appropriate  
43 as an exception to the spending limitations to meet the operating  
44 expenses for the local unit's current budget year; and
- 45 5) the impact of utilization of surplus upon succeeding budgets  
46 of the local unit;
- 47 ff. Amounts expended for the staffing and operation of the  
48 municipal court;
- 49 gg. Amounts appropriated for the cost of administering a joint  
50 insurance fund established pursuant to subsection b. of section 1  
51 of P.L.1983, c.372 (C.40A:10-36), but not including appropriations  
52 for claims payments by local member units<sup>1</sup>;
- 53 hh. Amounts appropriated for the cost of implementing an  
54 estimated tax billing system and the issuance of tax bills

1 thereunder pursuant to section 3 of P.L.1994, c.72 (C.54:4-66.2)<sup>1</sup>.  
2 (cf: P.L.1994, c.72, s.6)]<sup>3</sup>

3 <sup>2</sup>[3.] <sup>3</sup>4.<sup>2</sup> 3.<sup>3</sup> This act shall take effect immediately.

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8 Authorizes municipality to provide school busing for safety  
9 reasons and to charge parents for costs incurred.

1 4) the local unit's ability to demonstrate the source and  
2 existence of sufficient surplus as would be prudent to appropriate  
3 as an exception to the spending limitations to meet the operating  
4 expenses for the local unit's current budget year; and

5 5) the impact of utilization of surplus upon succeeding budgets  
6 of the local unit;

7 ff. Amounts expended for the staffing and operation of the  
8 municipal court;

9 gg. Amounts appropriated for the cost of administering a joint  
10 insurance fund established pursuant to subsection b. of section 1  
11 of P.L.1983, c.372 (C.40A:10-36), but not including appropriations  
12 for claims payments by local member units.

13 (cf: P.L.1993, c.269, s.16)

14 3. This act shall take effect immediately.

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#### STATEMENT

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19 This bill authorizes a governing body of a municipality to  
20 contract with any school district in its jurisdiction for the  
21 transportation of pupils when it finds, for safety reasons, that  
22 such transportation is desirable. The bill also authorizes the  
23 municipality to charge the parents or guardians of the children  
24 who are transported for safety reasons to help defray the cost of  
25 providing the service; however, the governing body may not  
26 exclude any child from receiving transportation if the parent or  
27 guardian is unable to pay the cost because of financial hardship.

28 The bill also amends current law to allow a municipality to  
29 exempt from its municipal cap the cost of providing  
30 transportation to school pupils for safety reasons.

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35 Authorizes municipality to fund school busing for safety reasons  
36 and excludes cost from municipal budget cap.

STATEMENT TO  
[FIRST REPRINT]  
**ASSEMBLY, No. 1514**

with Assembly Floor Amendments  
(Proposed by Assemblyman Azzolina)

ADOPTED November 14, 1994

These amendments clarify that a municipality would be responsible for the determination that transportation is needed for safety reasons. The school board would provide the transportation and the municipality could agree to reimburse the board of education for some or all of the transportation expense. The amendments also make clear that when a municipality determines to charge the parents of the children transported for safety reasons, children who meet Statewide eligibility standards established by the State Board of Education for free and reduced price meals under the State school lunch program shall not be charged. The amendments further state that a board of education may provide the transportation at its own expense.

The amendments also add language to N.J.S.40A:4-39 to state that revenues collected by a municipality from charges to parents for safety transportation shall be dedicated by rider to offset the municipal transportation costs.



ASSEMBLY LOCAL GOVERNMENT COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1514**

with committee amendments

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 29, 1994

The Assembly Local Government Committee reports favorably Assembly Bill No. 1514 with committee amendments.

Assembly Bill No. 1514, as amended by the committee, authorizes the governing body of a municipality to contract with any school district in its jurisdiction for the transportation of pupils when it finds, for safety reasons, that such transportation is desirable. The bill also authorizes the municipality to charge the parents or guardians of the children who are transported for safety reasons to help defray the cost of providing the service; however, the governing body may not exclude any child from receiving transportation if the parent or guardian is unable to pay the cost because of financial hardship.

The bill also amends current law to allow a municipality to exempt from its municipal cap the cost of providing transportation to school pupils for safety reasons.

The committee made a technical amendment to the bill to reflect a change in the text of the statutory exceptions to the requirements of the local "cap" law, found in section 3 of P.L.1976, c.68 (C.40A:4-45.3), as a result of the enactment of P.L.1994, c.72.

SENATE COMMUNITY AFFAIRS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

**ASSEMBLY, No. 1514**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 25, 1995

The Senate Community Affairs Committee reports favorably and with committee amendments Assembly Bill No. 1514 (2R).

This bill, as amended by the committee, would authorize the governing body of a municipality and the board of education of a school district to enter into a contract, pursuant to the "Interlocal Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.), for the transportation of pupils living within the municipality, other than those living remotely from the school or those physically or mentally handicapped, when the municipal governing body finds that for safety reasons such transportation is desirable.

The amended bill would authorize a municipality that has entered into such a contract to charge the parents or guardians of the children who are transported for safety reasons to help defray the cost of providing the service; however, the parents or guardians of children who meet Statewide eligibility standards established by the State Board of Education for free and reduced price meals under the State school lunch program may not be charged. Any revenues anticipated to be collected by a municipality from charges to parents or guardians for safety transportation may be treated as other dedicated revenues under N.J.S.40A:4-39 in order to offset the municipal transportation costs.

The bill does not prohibit a board of education from providing such transportation at its own expense.

Under current law, a municipal governing body may only contract to fund school transportation for resident pupils to a regional school at the municipality's expense. Current law does not authorize any mechanism for a municipality to assess fees to parents of children receiving such transportation. As amended, this bill would authorize a municipal governing body to fund all or a part of the busing of children to and from any school when such transportation is deemed desirable due to safety reasons.

The committee amended the bill to delete section 3 in its entirety. That section would have established a new "cap exception" for amounts required to be paid by a municipality pursuant to a contract for transportation of school pupils for safety reasons to the extent that such amounts are not reimbursed by parents or guardians of the pupils. The amendments also specify that a contract between a municipal governing body and a board of education under this bill must be entered into pursuant to the "Interlocal Services Act," P.L.1973, c.208 (C.40:8A-1 et seq.).

As reported, this bill is identical to Senate No. 1607 with committee amendments, reported by this committee on May 25, 1995.