



House of Representatives

File No. 683

General Assembly

February Session, 2010

(Reprint of File Nos. 268 and 611)

Substitute House Bill No. 5033
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 1, 2010

**AN ACT PROVIDING A PARTIAL REFUND OF THE SALES TAX
IMPOSED ON THE SALE OF SCHOOL BUSES EQUIPPED BY THE
MANUFACTURER WITH SEAT SAFETY BELTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (*Effective July 1, 2010*) (a) The Department of Motor
2 Vehicles shall administer a program to provide funding to offset a
3 portion of sales tax on the purchase of school buses equipped with 3-
4 point lap/shoulder seat safety belts installed during the manufacture
5 of such buses. From July 1, 2011, to December 31, 2017, inclusive, a
6 local or regional school district may submit an application to the
7 department, on a form provided by said department, which shall
8 include a proposed agreement between such district and a private
9 carrier under contract with such district for the provision of
10 transportation of school children. Such agreement shall require such
11 carrier to provide the district with at least one but not more than fifty
12 school buses, each of which shall be equipped with such seat belts, and
13 shall include a request by such carrier for funds in an amount equal to
14 fifty per cent of the sales tax paid by the carrier for the purchase of any
15 such bus purchased on or after July 1, 2011. Such agreement shall be

16 contingent upon approval of the application and the payment of such
17 amount by the department. The department shall make any such
18 payments with funds available from the school bus seat belt account
19 established pursuant to subsection (a) of section 14-50b of the general
20 statutes, as amended by this act.

21 (b) A school district participating in the program shall provide
22 written notice concerning the availability and proper use of such seat
23 belts to a parent or legal guardian of each student who will be
24 transported on such school bus. A school district shall instruct such
25 students on the proper use, fastening and unfastening of such seat
26 belts.

27 (c) No local or regional school district, carrier with whom a local or
28 regional school district has contracted for the transportation of
29 students, or operator of a school bus shall be liable for damages for
30 injury resulting solely from a student's use, misuse or failure to use a
31 seat safety belt installed on a school bus used in the program
32 established under this section.

33 (d) During the 2018 regular session of the General Assembly, the
34 joint standing committees of the General Assembly having cognizance
35 of matters relating to transportation and education shall conduct a
36 joint public hearing on the level of participation in such program and
37 its effectiveness with respect to the use of seat belts. Not later than
38 March 1, 2018, the joint standing committees shall make a
39 recommendation to the General Assembly concerning the continuation
40 of such program.

41 Sec. 2. Subsections (a) and (b) of section 14-50b of the general
42 statutes are repealed and the following is substituted in lieu thereof
43 (*Effective July 1, 2010*):

44 (a) Any person whose operator's license or right to operate a motor
45 vehicle in this state has been suspended or revoked by the
46 Commissioner of Motor Vehicles, or who has been disqualified from
47 operating a commercial motor vehicle, shall pay a restoration fee of

48 [one hundred twenty-five] one hundred seventy-five dollars to said
 49 commissioner prior to the issuance to such person of a new operator's
 50 license or the restoration of such operator's license or such privilege to
 51 operate a motor vehicle or commercial motor vehicle. Such restoration
 52 fee shall be in addition to any other fees provided by law. The
 53 commissioner shall deposit fifty dollars of such fee in a separate
 54 nonlapsing school bus seat belt account which shall be established
 55 within the General Fund.

56 (b) Any person whose motor vehicle registration or right of
 57 operation of a motor vehicle in this state has been suspended or
 58 revoked by the Commissioner of Motor Vehicles shall pay a restoration
 59 fee of [one hundred twenty-five] one hundred seventy-five dollars to
 60 said commissioner prior to the issuance to such person of a new
 61 registration or the restoration of such registration or such right of
 62 operation. Such restoration fee shall be in addition to any other fees
 63 provided by law. The commissioner shall deposit fifty dollars of such
 64 fee in the school bus seat belt account established pursuant to
 65 subsection (a) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	New section
Sec. 2	July 1, 2010	14-50b(a) and (b)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Department of Motor Vehicles	TF - Cost	65,329	130,658
Department of Motor Vehicles	TF - One-time	17,050	17,050
Department of Motor Vehicles	School Bus Seat Belt Account (Non-lapsing GF) - Revenue Gain	2,100,000	2,100,000
Education, Dept.	GF - Cost	Potential Significant	Potential Significant

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 11 \$	FY 12 \$
Various Municipalities	Cost	See Below	See Below

Explanation

The bill does the following:

Section 1 establishes a 50% Sales Tax rebate program on the purchase of new school buses equipped with seatbelts from July 1, 2011 through December 31, 2017. Assuming that school districts only apply for the rebate once per year, the Department of Motor Vehicles (DMV) will not incur any additional costs to administer the program. However, additional resources may be required if school districts submit multiple rebate applications each year.

Assuming that all school districts¹ choose to participate, it is anticipated that DMV will need to add one additional motor vehicle

inspector² each year in the first four years. The table below summarizes the number of inspectors needed and the associated costs:

Motor Vehicle Inspectors needed for School Bus Program					
	FY 11	FY 12	FY 13	FY 14	FY 15 +
Motor Vehicle Inspector(s) Positions	1	2	3	4	4
Salary (not including fringes ³)	\$50,466	\$100,932	\$151,398	\$201,864	\$201,864
Vehicle Rental, Telecom, Software & Uniform Expenses	\$14,863	\$29,726	\$44,589	\$59,452	\$59,452
Vehicle Equipment One-Time Cost per Vehicle	\$17,050	\$17,050	\$17,050	\$17,050	
Total Cost	\$82,379	\$147,708	\$213,037	\$278,366	\$261,316

Section 1 will result in additional costs to school districts that choose to have three point seat belts installed in buses, as the proposed rebate will cover less than half of the anticipated costs.

Additionally, there is a potential state impact. Local and regional school district transportation costs are reimbursed by the state through the transportation of school children grant, in the year subsequent to the year in which the local expenditure occurred. If local and regional costs increase, the amount a municipality is eligible to receive will also increase. The FY 10 appropriation for the grant is approximately \$48.0

¹ DMV’s most recent data indicates that there are 7,113 school buses currently registered. Of that total, 6,553 are Type 1 (10,000 pounds or more) and 860 are Type 2 (less than 10,000 pounds).

² Student transportation vehicles, including school buses, activity vehicles, vans, livery and camp vehicles, are subject to annual inspections before the start of the new school year. The seatbelt inspection adds approximately one-half hour to the inspection process of each bus. DMV currently has 8 Motor Vehicle Inspectors performing such inspections.

³ The estimated non-pension fringe benefit rate as a percentage of payroll is 26.66% which includes health insurance, social security, Medicare, life insurance, and unemployment compensation. Fringe benefit costs for new positions do not include

million. The transportation of school children grant is formulated using a wealth-based sliding scale. Currently, the state is reimbursing municipalities for approximately 26% of local eligible costs. Based on this percentage, a portion of the equipment, maintenance, and capacity costs referenced above could be eligible for a state grant, thus increasing costs for the state. However, for both FY 10 and FY 11 the transportation of school children grant was flat funded and capped at approximately 57% of full formula funding.

There will be a minimal cost to local and regional boards of education, which chose to participate in the program, associated with providing written notice concerning the availability and proper use of seat belts on school buses.

Section 2 increases from \$125 to \$175, the restoration fee on drivers' licenses and motor vehicle registrations that were suspended or revoked. This will result in an annual revenue gain of approximately \$2.1 million⁴ per year to the non-lapsing School Bus Seat Belt account within the General Fund established in Section 1. If all school districts participate in the program, it is unclear whether there will be sufficient funds to provide all towns with the 50% Sales Tax rebate. It should be noted that revenue from the restoration fee will continue to be deposited into the School Bus Seat Belt account after the end of the rebate period.

House 'A' strikes the language of the original bill and eliminates the associated fiscal impact.

The Out Years

State Impact:

pension costs as new positions will not impact the state's pension contribution until FY 12 after the next scheduled actuarial valuation.

⁴ It is anticipated that a total of \$13.6 million will be deposited into the account during the period that the rebate program is in effect (from 7/1/11 to 12/31/17).

Agency Affected	Fund-Effect			
Department of Motor Vehicles	TF - Cost	195,987	261,316	261,316
Department of Motor Vehicles	TF - One-time	17,050	17,050	None
Department of Motor Vehicles	School Bus Seat Belt Account (Non-lapsing GF) - Revenue Gain	2,100,000	2,100,000	2,100,000
Education, Dept.	GF - Cost	Potential Significant	Potential Significant	Potential Significant

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact:

Municipalities	Effect			
Various Municipalities	Cost	See Above	See Above	See Above

The out year figures reflect additional inspectors and associated costs needed for seat belt inspections for school transportation vehicles.

OLR Bill Analysis**sHB 5033 (File 611, as amended by House "A")******AN ACT REQUIRING A STUDY OF SEAT SAFETY BELTS ON SCHOOL BUSES.*****SUMMARY:**

This bill requires the Department of Motor Vehicles (DMV) to administer a program to help pay for the cost of school buses equipped with lap/shoulder (3-point) seat belts. DMV must do this by increasing certain fees by \$50 and using the increase to offset a portion of the sales tax school bus companies pay for seat belt-equipped school buses in participating school districts.

Under the bill, school districts may apply to DMV for this funding from July 1, 2011 through December 31, 2017. The application must include a proposed agreement between the school district and the bus company with which it contracts. The agreement is contingent on DMV's approval and funding from a school seat belt account the bill creates.

The bill requires participating school districts to provide written notice of the availability and proper use of seat belts to the parents or legal guardians of each student who uses a school bus. It requires the school district to teach students the proper use of the seat belts, including how to fasten and unfasten them.

It exempts participating school districts, the school bus companies they contract with, and school bus operators, from liability for injuries caused solely by a student's use, misuse, or failure to use a school bus seat belt.

It requires the Transportation and Education committees to hold a

joint hearing during the 2018 legislative session on the program's effectiveness and level of participation, and to recommend to the legislature, by March 1, 2018, whether to continue the program.

*House Amendment "A" replaces the underlying bill, which required the commissioner to study the feasibility of equipping model year 2012 and newer school buses with 3-point seat belts.

EFFECTIVE DATE: July 1, 2010

SEAT BELT PROGRAM

From July 1, 2011 through December 31, 2017, school districts may apply to DMV, on a form DMV provides, to take part in the program. The application must include a proposed agreement between the district and the school bus company that transports the district's students. The proposed agreement must (1) require that the carrier provide the school district with between one and 50 school buses, each equipped with seat belts installed at the time of manufacture, and (2) include a request by the carrier for funding in the amount of half the sales tax paid on seat belt-equipped school buses it purchases on or after July 1, 2011.

SCHOOL BUS SEAT BELT ACCOUNT

The bill creates a school bus seat belt account as a separate non-lapsing account in the General Fund. Funding for the account comes from increasing, from \$125 to \$175, the fee to restore a suspended or revoked (1) driver's license or right to operate a motor vehicle, (2) right to operate a commercial motor vehicle, and (3) motor vehicle registration or right to register a motor vehicle.

BACKGROUND

Federal Requirements

National Highway Traffic Safety Administration (NHTSA) regulations require seat belts on school buses whose fully loaded weight is less than 10,000 pounds (small school buses) but do not require them on buses weighing 10,000 pounds or more (large school

buses) (49 CFR 571.222). NHTSA leaves the decision on whether to require seat belts on large school buses to individual states.

In 2009, NHTSA upgraded its school bus seat belt requirements, requiring that small school buses have 3-point, rather than lap belts, and setting performance standards for 3-point belts voluntarily installed in large school buses. These requirements apply to buses manufactured on and after October 21, 2011.

Legislative History

On April 7, the House referred the bill (File 268) to the Appropriations Committee, which favorably reported a substitute that replaced a requirement that 2012 or newer school buses be equipped with lap/shoulder seat belts with a study of that requirement’s feasibility.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 29 Nay 7 (03/16/2010)

Appropriations Committee

Joint Favorable Substitute

Yea 41 Nay 10 (04/12/2010)