

OFFICE OF FISCAL ANALYSIS

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sSB-185

AN ACT CONCERNING SCHOOL BUSES EQUIPPED WITH SEAT SAFETY BELTS.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
Local and Regional School Districts	Savings	None	Minimal

Explanation

The bill results in a potential minimal savings annually beginning in FY 26 to local and regional school districts that contract with school bus companies which purchase buses with three-point lap and shoulder seat belts.

The bill reestablishes a grant program that refunds school bus companies for 50% of the sales tax on such school buses they purchase. The bill does not require school districts to purchase school buses with seat belts, which districts are allowed to do under current law.

To the extent that the bill reduces the cost to districts of contracting with private school bus companies, there would be a minimal savings. There were no grants awarded from FY 11 to FY 17, when the program was previously in effect

Grants awarded under the program are funded by the School Bus Seat Belt account, a non-lapsing General Fund account that was first established in FY 11. See Background for more information.

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The bill requires the Department of Motor Vehicles, in collaboration with the Department of Education, to inform schools districts annually about the program. This has no fiscal impact as it can be done within current operations.

Background

PA 10-83, the act which established the school bus seat belt pilot program, also established the School Bus Seat Belt account as a separate non-lapsing General Fund account. Funding for this account is provided by a portion of the fee for restoring a suspended or revoked license (\$50 of the \$175 fee). Though the pilot program previously sunset on December 31, 2017, the School Bus Seat Belt account and its funding source remain active.

From its inception in FY 11 through FY 23, the account realized cumulative revenue of \$23.7 million, transfers-out of \$18.5 million¹, and no spending related to the school bus seat belt pilot program. As of the beginning of FY 24, the account had a balance of \$5.3 million and is projected to realize approximately \$1.2 million in revenue annually from license restoration fees.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of grants awarded from the School Bus Seat Belt account.

¹ The most recent transfer-out was in FY 19 as part of the FY 18 and FY 19 biennial budget.