

FISCAL NOTE

HB 5

February 9, 1999

SUMMARY OF BILL: Requires that all school buses and other motor vehicles purchased, leased, or contracted for after the effective date of this act, which are intended to be used to transport pupils, shall be equipped with safety belts for the driver and for all passengers.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - \$747,500 FY1999-00 and thereafter

Increase State Expenditures - \$336,000 FY2001-02 and thereafter

Increase Local Govt. Revenues - \$336,000 FY2001-02 and thereafter

Assumes 575 new buses will be purchased annually with an additional cost of \$1,300 per bus to equip with seat belts. (575 x \$1,300 = \$747,500)

In addition, state expenditures are estimated to increase approximately \$336,000 in FY2001-02 with a corresponding increase in local government revenues. **An increase in expenditures in FY1999-00 by local school systems for transportation results in an estimated increase in state funds generated by the BEP formula for transportation beginning in FY2001-02.**

For information purposes, the requirement that buses be equipped with safety belts for all passengers could increase the number of buses that LEAs will have to purchase since 1) some systems currently exceed the school bus manufacturer's seating capacity; and 2) the seating capacity of buses could limit the number of students per seat from three to two. For example, a 72-passenger bus could be reduced to a 59-student capacity. Therefore, if more buses are required to be purchased, additional bus drivers, fuel, tires, insurance, etc. would also be needed. Such factors could increase the long term impact significantly.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director