



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0344 - Require new school buses to be equipped with lap-shoulder belts (Thane, Mark )

**Status:** As Introduced

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<b>FY 2024 Difference</b>	<b>FY 2025 Difference</b>	<b>FY 2026 Difference</b>	<b>FY 2027 Difference</b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	\$0	\$0	\$0	\$0

**Description of fiscal impact:** HB 344 requires a new school bus purchased on or after January 1, 2024, to be equipped with lap-shoulder belts. The Office of Public Instruction (OPI) has determined that there is no state fiscal impact associated with the language of HB 344.

### FISCAL ANALYSIS

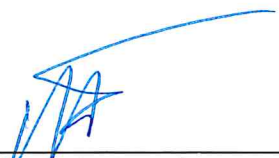

**Assumptions:**

1. HB 344, Section 1, requires new school buses purchased after January 1, 2024, to be equipped with seat belts and that seat belt use is to be enforced, required, and in good working order. This section also provides that a person may not be charged for violation of this section if another passenger is in violation when the district has a publicly available policy. Additionally, if the district has a policy in place the district is not liable.
2. Section 2 provides an exemption from the lap-shoulder belt requirement when the bus is purchased prior to January 1, 2024, or if the Board of Trustees determines the district's budget does not permit adding the cost of the lap-shoulder belts and there is a vote to approve the determination.
3. Section 20-10-101, MCA, a definitions section, adds a requirement that if a vehicle that is not a school bus has lap-shoulder belts the districts enforceable, publicly available lap-shoulder belt usage policy applies to any passenger in the vehicle.

4. Section 4, under current statute states that before any contract with a private party for pupil transportation is awarded the school board is required to use a bidding process and that the new contract is not to exceed more than 12% of the basic costs of the prior year contract. Increased costs associated with the purchase and installation of lap-shoulder belts is not to be considered a portion of the base contract increase over the previous year.
5. The bill clarifies in Section 5 that the board may not adopt a rated capacity that exceeds the rated capacity of the school bus as determined by the school bus manufacturer.
6. Section 6 adds language that reduces the fee in lieu of tax by 10% when the bus is equipped with a lap-shoulder belts.
7. The estimated cost of installing seat belts in new school buses is estimated to be \$7,000 - \$12,000 per bus depending upon the make and model of the school bus.
8. In review of OPI data from the past five years, approximately 60 new school buses are purchased annually statewide. This estimate does not include resale of buses to other districts that may or may not have seat belts installed.
9. Under current Montana School Bus Standards, some school districts currently purchase buses with three-point lap-shoulder belts and are permitted under these same standards.
10. Neither OPI nor the state have any cost related to this legislation.

**Effect on County or Other Local Revenues or Expenditures:**

1. Based on the estimate of 60 new school buses annually and applying proportionality to the rate capacity weighting, it is estimated that an annual local school district cost of \$650,000 statewide would be required to purchase and install the required seat belts.

 _____ <i>Sponsor's Initials</i>	<u>2-1-23</u> _____ <i>Date</i>	 _____ <i>Budget Director's Initials</i>	<u>2-1-23</u> _____ <i>Date</i>
---	---------------------------------------	--	---------------------------------------