

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(Barfield, Clyburn, Merrill, Huggins & Skelton - Staff Contact: Emily Heatwole)

HOUSE BILL 4610

H. 4610-- Reps. Merrill, Bingham, Quinn, Sellers, Clemmons, Herbkersman, G.R. Smith, Atwater, Erickson, Skelton, Brannon, Daning, Crosby, Bedingfield, Southard, J.R. Smith, Crawford, Patrick, Ryan, Huggins, Limehouse, Bannister, Barfield, Battle, Edge, Harrison, Henderson, Hixon, Horne, Lowe, Murphy, Nanney, Simrill, G.M. Smith, Stavrinakis, Stringer, Taylor and Willis: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 68 TO TITLE 59 SO AS TO ENACT THE "SOUTH CAROLINA SCHOOL BUS PRIVATIZATION ACT OF 2012", INCLUDING PROVISIONS TO PROVIDE THAT THE STATE OF SOUTH CAROLINA SHALL NOT OWN, PURCHASE, OR ACQUIRE ADDITIONAL SCHOOL BUSES ON OR AFTER JULY 1, 2015, AND ITS PRESENT FLEET OF SCHOOL BUSES SOLD OR DISPOSED OF ON A PHASED-IN BASIS BEGINNING IN 2012, TO PROVIDE THAT BEGINNING WITH THE 2012-2013 SCHOOL YEAR, SCHOOL DISTRICTS ON A PHASED-IN BASIS INDIVIDUALLY OR TOGETHER WITH OTHER DISTRICTS SHALL PROVIDE SCHOOL TRANSPORTATION SERVICES OR BY CONTRACT MAY ENGAGE A PRIVATE ENTITY TO PROVIDE SCHOOL TRANSPORTATION SERVICES WITH THE PRIVATE ENTITY PROVIDING ALL SCHOOL BUSES, PERSONNEL TO OPERATE, AND AUXILIARY SERVICES, AND TO PROVIDE FOR TERMS, CONDITIONS, PROCEDURES, AND REQUIREMENTS APPLICABLE TO THE PROVISION OF THESE SERVICES, TO PROVIDE THAT STATE SCHOOL BUS MAINTENANCE FACILITIES, ON A PHASED-IN BASIS BEGINNING IN 2012, SHALL BE LEASED OR SOLD TO SCHOOL DISTRICTS OR PRIVATE SCHOOL TRANSPORTATION PROVIDERS OR IN THE ABSENCE OF A SALE OR LEASE CLOSED, TO ESTABLISH A "SCHOOL TRANSPORTATION REIMBURSEMENT FUND" CONSISTING OF SPECIFIED FUNDS WHICH MUST BE USED TO REIMBURSE SCHOOL DISTRICTS FOR THE COST OF SCHOOL TRANSPORTATION SERVICES ON A FORMULA BASIS, TO PROVIDE FOR THE LIABILITY INSURANCE REQUIREMENTS APPLICABLE TO PRIVATE ENTITIES PROVIDING SCHOOL TRANSPORTATION SERVICES AND FOR SCHOOL BUS, DRIVER, PASSENGER, AND EQUIPMENT REQUIREMENTS IN REGARD TO THESE SERVICES; TO AMEND SECTION 59-67-460, RELATING TO CONTRACTS BY SCHOOL DISTRICTS FOR TRANSPORTATION SERVICES WITH PRIVATE CONTRACTORS, SO AS TO PROVIDE THAT A SCHOOL DISTRICT OR A GROUP OF SCHOOL DISTRICTS IS AUTHORIZED BY CONTRACT TO HAVE THEIR SCHOOL TRANSPORTATION SERVICES PROVIDED BY A PRIVATE ENTITY WHICH FURNISHES ITS OWN BUSES, PERSONNEL, AND AUXILIARY SERVICES PRIOR TO THE REQUIRED IMPLEMENTATION DATE OF THE DISTRICT'S ASSUMPTION OF RESPONSIBILITY FOR ALL SCHOOL TRANSPORTATION SERVICES IN THE DISTRICT AS REQUIRED BY CHAPTER 68, TITLE 59; AND TO REPEAL SECTION 59-67-460 EFFECTIVE ON JULY 1, 2015, WHEN THE RESPONSIBILITY TO PROVIDE SCHOOL TRANSPORTATION SERVICES IS TRANSFERRED FULLY TO THE SCHOOL DISTRICTS OF THIS STATE.

Summary of Bill:

The bill decentralizes the state owned bus fleet to the districts; allows for districts to operate bus and shops at the district level; allows district to privatize all or part of

THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SC HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFITS OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUCTED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

the system; directs the proceeds from the sale of buses and shops to the districts or private entities as well as all state level transportation appropriations to be deposited in the 'School Transportation Reimbursement Fund' 59-68-130; directs drivers and shop employees must be considered for employment by district or private entity; districts may establish transportations regulations as allowed by state law and state reg; directs state funding to districts will be dollar rate ber bus operated and dollar rate permile operated

Introduced: 1/17/2012

Received by Ways and Means: 1/17/2012

Estimated Fiscal Impact:

BEA - Attached
OSB - Attached

Subcommittee Recommendation:

Adopted as Amended 4/17/2012

Full Committee Recommendation:

Pending

Other Notes/Comments:

Statement of Estimated State and Local Revenue Impact

Date: March 19, 2012
Bill Number: H.B. 4610
Authors: Merrill, Bingham, Quinn, Sellers, et al.
Committee Requesting Impact: House Ways and Mean

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Chapter 68 to Title 59 so as to enact the "South Carolina School Bus Privatization Act of 2012", including provisions to provide that the State of South Carolina shall not own, purchase, or acquire additional school buses on or after July 1, 2015, and its present fleet of school buses sold or disposed of on a phased-in basis beginning in 2012, to provide that beginning with the 2012-2013 school year, school districts on a phased-in basis individually or together with other districts shall provide school transportation services or by contract may engage a private entity to provide school transportation services with the private entity providing all school buses, personnel to operate, and auxiliary services, and to provide for terms, conditions, procedures, and requirements applicable to the provision of these services, to provide that state school bus maintenance facilities, on a phased-in basis beginning in 2012, shall be leased or sold to school districts or private school transportation providers or in the absence of a sale or lease closed, to establish a "School Transportation Reimbursement Fund" consisting of specified funds which must be used to reimburse school districts for the cost of school transportation services on a formula basis, to provide for the liability insurance requirements applicable to private entities providing school transportation services and for school bus, driver, passenger, and equipment requirements in regard to these services; to amend Section 59-67-460, relating to contracts by school districts for transportation services with private contractors, so as to provide that a school district or a group of school districts is authorized by contract to have their school transportation services provided by a private entity which furnishes its own buses, personnel, and auxiliary services prior to the required implementation date of the district's assumption of responsibility for all school transportation services in the district as required by Chapter 68, Title 59; and to repeal Section 59-67-460 effective on July 1, 2015, when the responsibility to provide school transportation services is transferred fully to the school districts of this state.

REVENUE IMPACT ¹¹

State: State motor fuel collections will increase by \$1,920,000 in FY 15-16 when school buses are no longer owned by the state and diesel fuel used to operate school buses is subject to the motor fuel user fee. State vehicle registration collections may be increased if the school buses are registered in state. State casual excise tax may be increased if buses are purchased and registered for in-state use. Due to the permissive language of the bill, the revenue impact of these two items is dependent upon the eventual decisions by the school districts and any contracted service providers as to the structure of school transportation service.

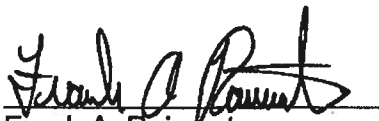
Statement of Estimated State and Local Revenue Impact

Local: Local property tax revenue may be increased if school buses are registered in state by private entities and become subject to local property tax.

Explanation

This bill establishes the "School Bus Privatization Act" in Chapter 68 of Title 59 to provide that the state shall no longer operate school buses after July 1, 2015. Additionally it provides that school districts may contract with a private entity for the provision of school transportation services and outlines the disposal of the state school bus fleet and establishment of the School Transportation Reimbursement Fund. Currently, motor fuel used in state-owned school buses is exempt from the sixteen cent motor fuel user fee under §12-28-710(A)(12). The bill specifies that the state will no longer own buses after July 1, 2015. Therefore, diesel fuel used in the operation of school buses owned by districts or private companies would be subject to the user fee. Based upon figures from the Department of Education, approximately 12 million gallons of diesel fuel are used annually for the school bus fleet. Taxing school bus diesel fuel would increase State motor fuel collections by \$1,920,000 in FY 15-16.

The bill permits school districts to contract with a company to provide transportation services. However, the bill does not specify that school buses must be registered in the state. Because of the permissive language, we anticipate that there may be an increase in state revenue collections for registering the school buses if they are registered in state. State casual excise tax may be increased if school buses are purchased and registered for in-state use. Additionally, local property tax revenue collections may be increased if school buses are registered in state and subject to local property taxes. At this time, the revenue impact for state casual excise tax, vehicle registrations and local property tax is unknown because of the permissive language of the bill and the impact is dependent upon the decisions by school districts and any contracted private service providers.


Frank A. Rainwater
Chief Economist

Analyst: Jolliff

¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

DRAFFIN/PAIR
APRIL 17, 2012

CLERK OF THE HOUSE

THE PROPERTY TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 4610 :

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ALL AFTER THE ENACTING WORDS AND
INSERTING:**

**/SECTION 1. (A) A COMMITTEE OF NINE
MEMBERS IS HEREBY CREATED TO STUDY THE
DECENTRALIZATION OF THE PROVISION OF
SCHOOL TRANSPORTATION SERVICES IN THIS
STATE EITHER BY THE PUBLIC SECTOR, PRIVATE
SECTOR, OR COMBINATION OF BOTH. THE STUDY
OF THE COMMITTEE SHALL INCLUDE BUT IS NOT**

LIMITED TO THE MOST COST-EFFECTIVE, EFFICIENT, AND SAFE WAY TO PROVIDE SCHOOL TRANSPORTATION SERVICES TO STUDENTS IN GRADES K-12 UTILIZING TO THE BEST EXTENT POSSIBLE AVAILABLE STATE AND LOCAL RESOURCES AND FUNDING. THE COMMITTEE SHALL CONSIST OF NINE MEMBERS, THREE MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE HOUSE, THREE MEMBERS TO BE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE, AND THREE MEMBERS TO BE APPOINTED BY THE GOVERNOR. VACANCIES SHALL BE FILLED IN THE MANNER OF ORIGINAL APPOINTMENT. THE MEMBERS AT THEIR FIRST MEETING SHALL ELECT A CHAIRMAN, VICE-CHAIRMAN, AND SUCH OTHER OFFICERS AS THEY DEEM NECESSARY. THE COMMITTEE SHALL MEET UPON THE CALL OF THE CHAIRMAN OR A MAJORITY OF ITS MEMBERS.

(B) THE MEMBERS OF THE COMMITTEE SHALL RECEIVE SUCH MILEAGE, SUBSISTENCE, AND PER DIEM IN THE PERFORMANCE OF THEIR

DUTIES AS IS PROVIDED BY LAW TO MEMBERS OF STATE BOARDS, COMMISSIONS, AND COMMITTEES TO BE PAID FROM THE APPROVED ACCOUNTS OF THE MEMBER'S APPOINTING AUTHORITY. THE STAFF OF THE HOUSE OF REPRESENTATIVES, THE SENATE, AND THE GOVERNOR'S OFFICE SHALL SUPPLY SUCH ASSISTANCE AS MAY BE NEEDED BY THE COMMITTEE IN THE PERFORMANCE OF ITS DUTIES. THE COMMITTEE SHALL RENDER ITS REPORT TO EACH HOUSE OF THE GENERAL ASSEMBLY AND THE GOVERNOR NO LATER THAN JANUARY 1, 2013, AT WHICH TIME THE COMMITTEE SHALL BE ABOLISHED.

SECTION 2. THIS ACT TAKES EFFECT UPON THE APPROVAL BY THE GOVERNOR. /

**RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.**

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A BILL

11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
12 1976, BY ADDING CHAPTER 68 TO TITLE 59 SO AS TO
13 ENACT THE "SOUTH CAROLINA SCHOOL BUS
14 PRIVATIZATION ACT OF 2012", INCLUDING PROVISIONS
15 TO PROVIDE THAT THE STATE OF SOUTH CAROLINA
16 SHALL NOT OWN, PURCHASE, OR ACQUIRE ADDITIONAL
17 SCHOOL BUSES ON OR AFTER JULY 1, 2015, AND ITS
18 PRESENT FLEET OF SCHOOL BUSES SOLD OR DISPOSED
19 OF ON A PHASED-IN BASIS BEGINNING IN 2012, TO
20 PROVIDE THAT BEGINNING WITH THE 2012-2013 SCHOOL
21 YEAR, SCHOOL DISTRICTS ON A PHASED-IN BASIS
22 INDIVIDUALLY OR TOGETHER WITH OTHER DISTRICTS
23 SHALL PROVIDE SCHOOL TRANSPORTATION SERVICES
24 OR BY CONTRACT MAY ENGAGE A PRIVATE ENTITY TO
25 PROVIDE SCHOOL TRANSPORTATION SERVICES WITH
26 THE PRIVATE ENTITY PROVIDING ALL SCHOOL BUSES,
27 PERSONNEL TO OPERATE, AND AUXILIARY SERVICES,
28 AND TO PROVIDE FOR TERMS, CONDITIONS,
29 PROCEDURES, AND REQUIREMENTS APPLICABLE TO
30 THE PROVISION OF THESE SERVICES, TO PROVIDE THAT
31 STATE SCHOOL BUS MAINTENANCE FACILITIES, ON A
32 PHASED-IN BASIS BEGINNING IN 2012, SHALL BE
33 LEASED OR SOLD TO SCHOOL DISTRICTS OR PRIVATE
34 SCHOOL TRANSPORTATION PROVIDERS OR IN THE
35 ABSENCE OF A SALE OR LEASE CLOSED, TO ESTABLISH
36 A "SCHOOL TRANSPORTATION REIMBURSEMENT FUND"
37 CONSISTING OF SPECIFIED FUNDS WHICH MUST BE
38 USED TO REIMBURSE SCHOOL DISTRICTS FOR THE COST
39 OF SCHOOL TRANSPORTATION SERVICES ON A
40 FORMULA BASIS, TO PROVIDE FOR THE LIABILITY
41 INSURANCE REQUIREMENTS APPLICABLE TO PRIVATE
42 ENTITIES PROVIDING SCHOOL TRANSPORTATION

1 SERVICES AND FOR SCHOOL BUS, DRIVER, PASSENGER,
2 AND EQUIPMENT REQUIREMENTS IN REGARD TO THESE
3 SERVICES; TO AMEND SECTION 59-67-460, RELATING TO
4 CONTRACTS BY SCHOOL DISTRICTS FOR
5 TRANSPORTATION SERVICES WITH PRIVATE
6 CONTRACTORS, SO AS TO PROVIDE THAT A SCHOOL
7 DISTRICT OR A GROUP OF SCHOOL DISTRICTS IS
8 AUTHORIZED BY CONTRACT TO HAVE THEIR SCHOOL
9 TRANSPORTATION SERVICES PROVIDED BY A PRIVATE
10 ENTITY WHICH FURNISHES ITS OWN BUSES,
11 PERSONNEL, AND AUXILIARY SERVICES PRIOR TO THE
12 REQUIRED IMPLEMENTATION DATE OF THE DISTRICT'S
13 ASSUMPTION OF RESPONSIBILITY FOR ALL SCHOOL
14 TRANSPORTATION SERVICES IN THE DISTRICT AS
15 REQUIRED BY CHAPTER 68, TITLE 59; AND TO REPEAL
16 SECTION 59-67-460 EFFECTIVE ON JULY 1, 2015, WHEN
17 THE RESPONSIBILITY TO PROVIDE SCHOOL
18 TRANSPORTATION SERVICES IS TRANSFERRED FULLY
19 TO THE SCHOOL DISTRICTS OF THIS STATE.

20

21 Be it enacted by the General Assembly of the State of South
22 Carolina:

23

24 SECTION 1. Title 59 of the 1976 Code is amended by adding:

25

26

“CHAPTER 68

27

School Bus Privatization

28

29

Article 1

30

31

General Provisions

32

33

34 Section 59-68-100. This chapter is known and may be cited as

35

the ‘South Carolina School Bus Privatization Act of 2012’.

36

37 Section 59-68-110. (A) The State of South Carolina, on
38 and after July 1, 2015, shall not own, purchase, or acquire
39 additional school buses as defined in Section 59-67-10 and its
40 present fleet of school buses must be disposed of as provided in
41 this chapter.

42

(B) All state school bus maintenance facilities of the
43 Department of Education, according to the schedule provided in

1 Section 59-68-120, must be leased or sold to private entities
2 providing school transportation services in this State as provided in
3 this chapter, leased or sold to a school district or a group of school
4 districts in this State providing their own transportation services in
5 the manner permitted by this chapter, or in the alternative closed
6 when no longer needed.

7
8 Section 59-68-120. (A)(1) After May 1, 2012, those school
9 districts that do not wish to provide school transportation services
10 for the students of the district themselves, shall prepare and publish
11 requests for proposals soliciting responsive bids from private
12 entities to furnish school transportation services for the district
13 beginning with the 2012-2013 school year or after, but beginning
14 no later than school year 2015-2016, in the manner provided by
15 this chapter, or shall negotiate an agreement for school
16 transportation with a private carrier if permitted under state and
17 local procurement provisions. The governing body of the district
18 then shall award a contract to a responsive bidder pursuant to the
19 bid or negotiated agreement. An integral part of the contract must
20 be the requirement for the private carrier to acquire from the
21 Department of Education the state-owned school buses and
22 maintenance facilities previously employed in the school
23 transportation services contemplated by the contract. The prices
24 for these state-owned buses and facilities must be set in advance as
25 set forth in this chapter. State school buses and maintenance
26 facilities may be sold together or separately; provided, the state
27 school bus maintenance facilities also may be leased rather than
28 sold. The Department of Education shall conduct these sales in the
29 manner required by this chapter, and subject to the approval of the
30 State Budget and Control Board. The proceeds of these sales must
31 be deposited in the School Transportation Reimbursement Fund
32 established in Section 59-68-130. The private entities shall then
33 begin providing school transportation services to the school
34 districts with which they have contracts, beginning at the earliest
35 with the 2012-2013 school year, and beginning at the latest with
36 the 2015-2016 school year. Nothing herein prevents the
37 Department of Education from selling the state-owned school
38 buses used in a particular school district and a state-owned school
39 bus maintenance facility to a school district in the manner provided
40 by this chapter which wishes to provide its own school
41 transportation services.

42 (2) The Department of Education, upon approval of the State
43 Budget and Control Board, is authorized to delay for a period not

1 exceeding one year the scheduled implementation of the
2 privatization of school transportation services in a particular school
3 district, including the sale of state-owned school buses and
4 state-owned school bus maintenance facilities where for justifiable
5 reasons, including procurement protests, lack of responsive
6 bidders, or other factors beyond the control of the school district,
7 the institution of the provisions of this chapter for the furnishing of
8 school transportation services cannot be reasonably and effectively
9 accomplished.

10 (B) The Department of Education shall specify the school buses
11 and maintenance facilities to be sold in connection with the school
12 transportation service for each school district. The department
13 may sell school buses and facilities to private carriers contracted to
14 provide school transportation to school districts that previously
15 used the same buses and facilities in their student transportation
16 service, or the department may sell the appropriate assets to a
17 school district or group of districts which together or separately
18 wish to provide school transportation services directly in the
19 manner authorized by this chapter. All proceeds of these sales
20 must be deposited in the School Transportation Reimbursement
21 Fund.

22 (C) Only those school buses determined to be in good operating
23 condition by the department and less than fifteen years of age from
24 the date of manufacture may be operated in school service after the
25 sale. If a school bus is fifteen years of age or older based on its
26 date of manufacture, the private carrier or school district acquiring
27 the bus shall remove it from the operating bus fleet, and may
28 dispose of the bus at wholesale auction or otherwise sell it on the
29 open market.

30 (D) To establish the prices to be charged, appraisals must be
31 obtained by the State for each bus in the state fleet, and for each of
32 the state's maintenance facilities. The buses may be priced in
33 groups by age. Thereafter, districts opting to provide their own
34 transportation service and private contractors with agreements to
35 provide service to specific districts may purchase the
36 corresponding buses and facilities at appraised value, and
37 commence their own service within the period required by this
38 chapter.

39
40 Section 59-68-130. Funds received from the sale of
41 state-owned school buses and state-owned maintenance facilities
42 as required by Section 59-68-120, funds available from other
43 sources due to the elimination of the requirement that the State of

1 South Carolina obtain and provide school buses, including the
2 elimination of appropriations to the Department of Education for
3 state aid to school districts for school bus drivers, aides to drivers,
4 and other transportation needs, funds saved by the Department of
5 Education due to the closure of school bus maintenance facilities,
6 and other funds, including those set aside for the purchase of
7 school buses, all as determined by the General Assembly in the
8 general appropriations act, must be placed annually into a special
9 fund administered by the Department of Education to be known as
10 'School Transportation Reimbursement Fund'. All interest or
11 other income of the fund must remain in the fund. Beginning with
12 fiscal year 2012-2013, the Department of Education shall provide
13 payments to school districts from this fund on a quarterly basis, as
14 these districts begin the operation of their own student
15 transportation, either by employing a private contractor, or by
16 self-operation, in those amounts determined as provided by this
17 chapter to reimburse them in the form of state aid for their costs
18 incurred in providing school transportation services.

19

20 Section 59-68-140. Local school districts, as authorized by
21 Article 3 of this chapter, by contract may engage private entities
22 providing school transportation services to provide student
23 transportation services to all students within the district eligible to
24 be furnished school transportation where the State has assumed
25 this responsibility in the manner provided by law or, in the
26 alternative, may provide these services on its own or together with
27 other districts. Private providers selected must provide complete
28 transportation services for all eligible students in the district.

29

30 Section 59-68-150. (A) School bus drivers must be
31 considered for employment by either the private transportation
32 entity awarded a contract to provide school transportation services
33 to the particular district in which the school bus driver works or,
34 alternatively, by the school district in which the school bus driver
35 works if it elects to provide school transportation services itself or
36 together with a group of other districts as provided in Article 3.

37 (B) Employees of school bus maintenance facilities, who are in
38 good standing, must be considered for employment by either the
39 private contractor selected to provide school transportation
40 services in the maintenance area where the employee is employed,
41 or by a school district in the maintenance area where the employee
42 is employed if it elects to provide its own transportation services
43 individually or together with other districts.

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Article 3

Provisions of Transportation Services

Section 59-68-300. School districts furnishing school transportation services shall comply with all requirements of this chapter and Chapter 67, Title 59 as are applicable, and the regulations of the Department of Education thereunder.

Section 59-68-310. The means of student transportation to and from school, whether furnished by school conveyances, private conveyances, or common carriers, and contracts and agreements relating thereto, are the responsibility of the governing body of a local school district according to the timelines provided in this chapter.

Section 59-68-320. Insofar as it is feasible, transportation for exceptional students, kindergarten students, and students in isolated areas must be integrated with regular transportation services in cases where transportation of these students is provided but not required by law.

Section 59-68-330. When a school district becomes responsible for providing its own school transportation services as provided in this chapter, a school district is granted self-determination to make decisions as to how to approach their student transportation services, how much to pay, and in setting local transportation policies within the parameters of state law and regulations. For this purpose, the governing body of a school district is responsible for all aspects of school transportation programs, including the following:

- (1) the selection of means of transportation in conformity with state law and regulations;
- (2) the selection and approval of appropriate vehicles for use in district service and eligible operators who qualify under state law and regulations;
- (3) the establishment of routes, schedules, and loading zones which comply with state laws and regulations, together with a provision of planned instruction for school bus drivers serving in the district; provided, however, that in meeting the requirement for school bus driver instruction, the Department of Education is authorized to continue its school bus driver training program and

1 offer this instruction to school bus drivers or prospective drivers of
2 a school district or of a private contractor providing such services
3 to a school district in this State upon the payment of an appropriate
4 fee set by the department;

5 (4) the adoption of policies and establishment of criteria and
6 procedures governing:

7 (a) the eligibility of resident students for free transportation
8 services;

9 (b) the discipline related to transportation of students and
10 other authorized passengers; and

11 (c) field trips, including the number of chaperons and
12 whether the chaperons may be accompanied on field trips by their
13 minor children;

14 (5) the furnishing of rosters of students to be transported on
15 each school bus run or trip;

16 (6) the maintenance of a record of students transported to and
17 from school, including determination of students' distances from
18 home to pertinent school bus loading zones;

19 (7) the negotiation and execution of contracts or agreements
20 with private contractors, drivers of district vehicles and common
21 carriers, and submission of pertinent documents to the department
22 for approval of operation; and

23 (8) assuring that vehicles used in transporting students have
24 adequate liability insurance coverage as required by this chapter.

25

26 Section 59-68-340. (A) To implement the provisions of
27 this article, the governing body of a school district may at any time
28 contract with a private contractor for the furnishing of
29 transportation services where the private contractor will provide all
30 school buses, equipment, personnel to operate, and facilities to
31 accomplish this responsibility. The district is responsible for the
32 payment of all sums due under the contracts so entered into and
33 shall receive state aid to offset the cost thereof on the basis
34 provided in Section 59-68-350.

35 (B) A school district also is authorized under this chapter to
36 contract with a private entity to operate and maintain school buses
37 owned by the district under such terms as the district and private
38 entity may agree. The provisions of this subsection must be
39 accomplished by means of requests for proposals subject to all
40 applicable state and local procurement provisions, or by negotiated
41 agreement if permitted under state and local procurement
42 procedures.

43

1 Section 59-68-350. (A) The General Assembly declares
2 that state aid to school districts for transportation services should
3 be a uniform fixed rate, with a unitary dollar rate per bus operated,
4 plus a unitary dollar rate per mile operated with a goal of ease of
5 administration and as little of state involvement as possible.

6 (B) To implement the policy and goals of subsection (A), the
7 General Assembly in the annual general appropriations act
8 beginning with fiscal year 2012-2013 shall provide by formula for
9 the manner in which the school districts of this State, whether or
10 not a district provides its own transportation services,
11 transportation services together with other districts, or contracts
12 with a private entity to provide these services, must be reimbursed
13 from the School Transportation Reimbursement Fund for part of
14 the cost of providing transportation services or causing these
15 services to be provided. This formula shall include, but is not
16 limited to the following:

17 (1) a basic annual allowance per vehicle to compensate the
18 district for the operation of the vehicle in school service,
19 depreciation of the vehicle, its potential replacement, and its cost
20 of maintenance, including employee costs associated with these
21 expenses. This allowance per vehicle is required to be the same
22 for all vehicles in school service without regard for vehicle age;

23 (2) a basic mileage allowance for the miles a vehicle is
24 operated during a reimbursement period. This allowance is
25 required to be the same for all miles driven.

26 (C) The Department of Education may require any information,
27 substantiation, and verification it considers necessary to ensure
28 accurate reimbursements from the School Transportation
29 Reimbursement Fund and consistency and compliance with the
30 requirements of the applicable formula provisions.

31
32 Section 59-68-360. (A) A school district which contracts
33 with a private entity to provide school transportation services
34 where the private entity provides all services and furnishes and
35 operates its own equipment must do so in conformity with all
36 applicable state or local procurement provisions.

37 (B) One pricing option a district is authorized to request and
38 consider from private contractors is a basic price-per-bus-per-day
39 for AM/PM service, with midday routes, late buses, field and
40 athletic trips presented on an optional pricing structure, to be
41 selected as needs dictate, including:

42 (1) a dollar price-per-bus-per-day for AM/PM basic regular
43 bus;

- 1 (2) a dollar price-per-bus-per-day for AM/PM special needs
2 bus;
3 (3) a dollar price-per-bus-per-day for AM/PM special needs
4 bus with monitor;
5 (4) a dollar price-per-bus-per-day for midday route;
6 (5) a dollar price-per-bus-per-day for late bus;
7 (6) a dollar price-per-bus-per-hour for field and athletic;
8 (7) a dollar price-per-bus-per-mile for field and athletic.
9 The above price structure shall apply equally to magnet schools,
10 charter schools, summer school, or other services.
11

12 Section 59-68-370. A school district, in providing for its
13 transportation services under this chapter, is authorized to combine
14 routes or services on a shared cost basis with other districts to
15 maximize the effectiveness of the service at a minimum cost, or to
16 provide in a request for proposals from a private contractor for
17 shared routes or services with another district which includes
18 similar requirements in that district's request for proposals.
19

20 Article 5

21 Bus, Driver, Passenger, and Route Requirements

22 Section 59-68-500. (A) School buses in this State on and
23 after July 1, 2012, must meet the equipment requirements as the
24 General Assembly shall specify by law, except that any bus owned
25 by the State or a school district within the State and used in school
26 service as of the effective date of this chapter, must be permitted to
27 be used in school service until retired due to an age of fifteen years
28 or more, or unsatisfactory mechanical condition.
29

30 (B) Any school bus purchased from the State by a private
31 contractor as authorized by this chapter may continue to be
32 operated by that contractor for the transportation of students in this
33 State so long as it remains less than fifteen years old from the date
34 of manufacture, and is in safe operational condition.
35

36 Section 59-68-510. Beginning with the 2012-2013 school
37 year, school bus drivers employed by a school district or by a
38 private contractor must meet all requirements as provided by state
39 law.
40

41 Section 59-68-520. Beginning with the 2012-2013 school
42 year, school bus passengers authorized to ride on a school bus and
43

1 the extent of school transportation services required or authorized
2 to be provided continue to be as provided by state law.

3

4

Article 7

5

6

Liability

7

8 Section 59-68-700. School districts which elect to provide
9 school transportation services on their own without contracting for
10 same with a private contractor together with employees of the
11 district engaged in providing these services shall have that liability
12 as is provided in the South Carolina Tort Claims Act in Chapter
13 78, Title 15.

14

15 Section 59-68-710. (A) A private entity providing school
16 transportation services to a school district under contract as
17 provided in this chapter shall maintain with an insurer authorized
18 to transact business in this State liability insurance in connection
19 with the provisions of these services in an amount of at least five
20 million dollars for each accident for each motor vehicle with the
21 applicable school district as a named insured.

22 (B) The policy under this section covers the transportation of
23 pupils, their parents or guardians, authorized chaperones, school
24 district officers, faculty, and employees and school doctors,
25 dentists, and nurses:

26 (1) to and from the school or school district which operates
27 the school bus or contracts for its operation; and

28 (2) in connection with any extracurricular school activity
29 authorized by law.

30

31 Section 59-68-720. If a school district elects to provide school
32 transportation services on its own without contracting for same
33 with a private contractor, it may nevertheless contract with a
34 private contractor to operate and maintain the school bus
35 equipment owned by the district under such terms and conditions
36 as the district and the private contractor may agree. In this
37 instance, the liability of the private contractor and its employees
38 operating and maintaining the school district equipment,
39 notwithstanding any other provision of law, is not limited by the
40 South Carolina Tort Claims Act as provided in Chapter 78, Title
41 15, and the private contractor is required to maintain the insurance
42 coverage provided in Section 59-68-710.”

43

1 SECTION 2.A. Section 59-67-460 of the 1976 Code is amended to
2 read:

3
4 “Section 59-67-460. (A) ~~Any county board of education~~
5 The governing body of a school district may at any time contract
6 for any part or all of its transportation services with private
7 individual or contractors for the furnishing of ~~such~~ these services.
8 ~~In any such this~~ instance, the ~~county board of education~~ governing
9 body of the school district shall execute the contracts. The ~~county~~
10 ~~board~~ governing body of the school district shall be responsible for
11 the payment of all sums due under contracts so entered into and
12 shall receive aid from the State for pupils thus transported only on
13 the basis of the average per pupil operating cost of state-owned
14 equipment for the current year as determined by the State Board of
15 Education.

16 (B) The state board may enter into agreements with ~~county~~
17 ~~boards of education~~ the governing body of a school district
18 whereby pupils living in isolated areas may be transported by
19 special arrangements when such transportation can be provided at
20 lower cost than by operating a regular bus route.

21 (C) A school district or a group of districts is authorized by
22 contract to have their school transportation services provided by a
23 private entity which furnishes its own buses, personnel, and
24 auxiliary services prior to the required implementation date of the
25 district's assumption of responsibility for all school transportation
26 services in the district as required by Chapter 68, Title 59.”

27
28 B. Effective July 1, 2015, Section 59-67-460 of the 1976 Code is
29 repealed.

30
31 SECTION 3.If any section, subsection, paragraph, subparagraph,
32 sentence, clause, phrase, or word of this act is for any reason held
33 to be unconstitutional or invalid, such holding shall not affect the
34 constitutionality or validity of the remaining portions of this act,
35 the General Assembly hereby declaring that it would have passed
36 this act, and each and every section, subsection, paragraph,
37 subparagraph, sentence, clause, phrase, and word thereof,
38 irrespective of the fact that any one or more other sections,
39 subsections, paragraphs, subparagraphs, sentences, clauses,
40 phrases, or words hereof may be declared to be unconstitutional,
41 invalid, or otherwise ineffective.

42

1 SECTION 4. Unless otherwise specified, this act takes effect upon
2 approval by the Governor.
3 -----XX-----
4