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HOUSE BILL 543

42ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1996

INTRODUCED BY

R. DAVID PEDERSON

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 22-16-3 NMSA 1978 (BEING LAWS 1967, CHAPTER 16, SECTION 221, AS AMENDED) TO REQUIRE UNINSURED MOTORISTS' INSURANCE COVERAGE FOR SCHOOL BUSES; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 22-16-3 NMSA 1978 (being Laws 1967, Chapter 16, Section 221, as amended) is amended to read:

"22-16-3. SCHOOL BUS SERVICE CONTRACTS. --

A. A school district may provide transportation services to students through the use of school bus service contracts. School districts may enter into school bus service contracts with individual school bus owner-operators or with school bus fleet owners or with both. A school district shall not enter into any school bus fleet service contract with any

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1 person who is simultaneously employed by that school district as
2 an individual school bus owner-operator.

3 B. All contracts entered into by a school district
4 to provide school bus service to students attending public
5 school within the school district shall be approved by the local
6 school board. The contracts shall be in writing on forms
7 approved by the state board.

8 C. In addition to approving the form of the
9 contract, the state board shall, by regulation, establish the
10 parameters of school bus service contracts to include
11 recognition of fuel costs, operation and maintenance costs and
12 employee salary and benefits costs. In entering into school bus
13 service contracts, school districts shall give preference to
14 in-state service providers and the use of multiple providers.
15 Upon request, the department of education shall provide
16 assistance to local school districts in the negotiation and
17 award of school bus service contracts.

18 D. A school district may enter into a school bus
19 service contract for a term not to exceed five years. A school
20 bus service contract may provide, at the expiration of the term
21 of the contract, for annual renewal of the school bus service
22 contract on the same terms and conditions at the option of the
23 local school board.

24 E. In the event a contract with a school bus
25 operator is terminated, the buses owned by the operator that are

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1 used pursuant to his school bus service contract shall be
2 appraised by three qualified appraisers appointed by the local
3 school board and approved by the state transportation director.
4 The operator succeeding to the contract shall purchase, with the
5 approval of the operator whose contract was terminated, all of
6 the buses owned by the former operator at their appraised value.

7 F. Students may not be transported on a school bus
8 pursuant to a school bus service contract unless the school bus,
9 the driver of the school bus and the students are covered for
10 the risks of bodily injury and property damage pursuant to a
11 motor vehicle liability insurance policy that includes uninsured
12 motorists' coverage as described in Section 66-5-301 NMSA 1978.
13 Limits of liability for the coverage shall be established by the
14 school district. A school bus service contract entered into
15 pursuant to the provisions of this section shall include a
16 requirement for the specified uninsured motorists' coverage. If
17 it does not, the contract is void."

18 Section 2. EMERGENCY.--It is necessary for the public
19 peace, health and safety that this act take effect immediately.

State of New Mexico House of Representatives

FORTY- SECOND LEGISLATURE

SECOND SESSION, 1996

February 1, 1996

Mr. Speaker:

Your RULES AND ORDER OF BUSINESS COMMITTEE, to
whom has been referred

HOUSE BILL 540

has had it under consideration and finds same to be
GERMANE in accordance with constitutional provisions.

Respectfully submitted,

Barbara A. Perea Casey,

Chairperson

Adopted _____

Not Adopted _____

(Chief Clerk)

(Chief Clerk)

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Date _____

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4 The roll call vote was 10 For 0 Against

5 Yes: 10

6 Excused: Lujan, Olguin, Rodella, R. G. Sanchez, S. M Williams

7 Absent: None

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