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BILL ANALYSIS

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Senate Fiscal Agency

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Senate Bill 701 (Substitute S-3 as reported)

Sponsor: Senator William Fault

Committee: State Affairs, Tourism, and Transportation

Date Completed: 5-9-88

SUMMARY OF SENATE BILL 701 (Substitute S-3):

The bill would amend the Motor Carrier Safety Act to require motor carriers, with certain exceptions, to obtain a permit from the Public Service Commission (PSC) before operating in this State; establish filing and registration fees, which would be deposited in the Truck Safety Fund (proposed under Senate Bill 703); and specify penalties for violations of the Act or a PSC order. The bill would not apply to units of government.

The bill is tie-barred to Senate Bills 700 and 703.

Operating Permit

The proposed permit requirements would not apply to motor carriers authorized to operate under the Motor Carrier Act or the Interstate Commerce Act, or trucks with farm license plates.

A motor carrier would have to apply to the PSC for a permit to operate and pay a \$25 filing fee. A permit would have to be issued if the PSC determined that the motor carrier was in compliance with the Act and the Michigan Vehicle Code. The PSC would have to approve or deny an application within 30 days of its receipt. If the application were denied, the applicant would have to be given written notice of the reasons for the denial and would be entitled to a hearing under the Administrative Procedures Act.

In addition to the \$25 filing fee, upon approval of a permit, a motor carrier would have to pay an annual fee for each truck or truck-tractor weighing over 10,000 pounds gross. The fee would be \$10 for vehicles registered in this State and \$5 for vehicles registered in a foreign state. Upon payment, the PSC would have to issue identification for each vehicle.

A motor carrier who failed to comply with the Act or the Michigan Vehicle Code could have his or her operating permit suspended or revoked for a period determined by the PSC. The suspension or revocation would take effect unless, within 30 days after the PSC mailed notice of the suspension or revocation to the motor carrier, the motor carrier requested a hearing.

### Violations

The Act makes it a misdemeanor to violate the Act or a rule promulgated under it. The bill would make it a misdemeanor also to violate an order of the PSC issued under the Act. A violation would be punishable by maximum imprisonment of 90 days, a fine of up to \$500, or both.

MCL 480.11a et al.

Legislative Analyst: S. Margules

### FISCAL IMPACT

The Department of Transportation estimates that the bill would generate \$1,500,000 in revenue annually to the Truck Safety Fund.

The Motor Carrier Division of the Public Service Commission estimates \$140,000 in additional administrative costs from requirements of the bill.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.