



**House  
Legislative  
Analysis  
Section**

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***A SUMMARY OF HOUSE BILLS 4661  
AND 4662 AS INTRODUCED 4-13-89***

The Motor Bus Transportation Act currently regulates motor buses which transport ten or more passengers, including the driver, for hire upon public highways. The act, however, does not regulate limousine service providers. House Bill 4661 would create a new act to regulate persons who transport passengers by limousine, and House Bill 4662 would include within the Motor Bus Transportation Act similar provisions pertaining to motor bus carriers for hire. House Bill 4661 would define the term "limousine" as a self-propelled motor vehicle for carrying passengers and their baggage for hire, with a seating capacity of fifteen passengers or less (including the driver). The definition would not include vehicles with a passenger capacity of 15 or less used to transport an employer's workers to and from their place of employment. If House Bill 4661 were enacted into law, House Bill 4662 would amend the Motor Bus Transportation Act to change the definition of a motor bus to a vehicle used to transport 15 or more persons (including the driver) for hire.

House Bill 4661 would create the Limousine Transportation Act to prohibit the operation of a limousine unless the vehicle was operated in accordance with the bill. Persons that leased a limousine to any other person for the transportation of passengers for hire would be required to inform any person leasing the vehicle of the requirements of the bill on the motor vehicle lease agreement.

Exemptions. The bill would exempt entities that were incorporated under county, city, township, or village authorities from requirements of the bill. The bill would also exempt authorities incorporated under the Metropolitan Transportation Authorities Act and the Public Transportation Authority Act. Authorities financing public improvements to transportation systems under the Revenue Bond Act, certain taxis and taxicabs, and entities only operating limousines to provide the transportation of passengers for funerals would be exempt from the bill. The bill would specify that limousine servicers exempt under the bill would be required to operate under the requirements of the bill when they were operating outside of the political subdivisions permitted by the authorizing statute or the contract required by the authorizing statute.

Applications for certificates of authority. A person regulated under the bill could not operate a limousine on a public highway without first having obtained a "certificate of authority" from the Department of Transportation. An applicant for an original certificate would pay the department a filing fee of \$300 and a fee of \$200 for each limousine that would be used by the carrier to provide transportation for hire. The department would issue, without a hearing, the certificate authorizing a person to transport passengers by limousine subject to departmental jurisdiction, if the department found the applicant was fit, willing, and able to provide services authorized by, and to comply with, the bill. An applicant

**REGULATE LIMOUSINE SERVICE PROVIDERS**

**House Bills 4661 and 4662**

**Sponsor: Rep. Curtis Hertel  
Committee: Transportation  
Complete to 4-17-89**

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would also have to present evidence he or she had acquired personal injury protection for him- or herself, and bodily injury and property damage liability insurance with a minimum combined single limit of \$1.5 million for all persons injured or for property damage. (Under the Motor Bus Transportation Act a motor bus carrier is required to have \$5 million of this type of insurance coverage.) The department could attach terms or conditions it deemed appropriate to privileges granted by a certificate.

In determining the fitness, willingness, and ability of an applicant the department would consider all of the following before issuing a certificate:

- the applicant's safety record;
- the character and condition of each limousine proposed to be operated by the applicant, and evidence each limousine could be operated safely upon public highways; and
- the applicant's financial ability to provide continuous insurance coverage and to have adequate financial resources in order to pay for damage claims against the applicant.

The department would approve or deny an application for a certificate within 90 days after the complete application was filed with the department. If the department denied an application, it would notify the applicant in writing of the reason or reasons for the denial, and the applicant would have 30 days from the date of the denial to correct any deficiency and reapply without payment of an additional fee.

Renewal of certificates. The bill would provide for an annual renewal fee for certificates of \$25 for each limousine used by a certificate holder. The fee for limousines would be \$200 for each limousine used by a motor carrier. All certificates allowing their holders to provide transportation service granted by the department would be annually terminated on the last day of February unless renewed on or before that date with payment of the proper fees. A certificate holder who was delinquent in payment of fees would have his or her certificate canceled and revoked on or after March 1 of the year for which renewal should have been made, the carrier would be prohibited from operating any of its vehicles in the state, and all privileges that had been granted the carrier under the certificate would cease.

Safety provisions. The bill would require each certificate holder to permit the department to inspect each limousine at least once annually, or more frequently if necessary, to determine the current character and condition of the limousine. Each limousine would be required to pass the safety inspection which met the department's specifications for safe operating character and condition for certification renewal. A limousine that did not pass the required departmental safety inspection would not be allowed to operate in the state. Further, for each limousine not

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meeting the annual inspection requirement a certificate holder would pay an annual renewal fee of \$500.

Changes to certificates of authority. Upon application and filing of a \$25 fee, the department could grant any change to a certificate holder's certificate if the department determined the carrier met the bill's provisions for safety and insurance coverage. A motor carrier could apply for discontinuance of its regular route service upon payment of the \$25 fee required for a change to a certificate and publishing of the notice of application to discontinue service for two days in a newspaper of general circulation in each county to which the service proposed to be discontinued extended. A certificate holder, however, could not abandon or discontinue service without departmental approval. If a certificate holder discontinued service for more than 10 days without previous departmental approval, the carrier's certificate would be considered revoked without any further action by the department. Also, if a certificate holder's insurance was canceled for any reason, the carrier's certificate would be considered revoked without any further departmental action.

Enforcement provisions. The department could use any and all available legal and equitable remedies of a civil nature to enforce provisions of the bill, or of rules promulgated pursuant to the bill. The department could employ experts, assistants, inspectors, and other personnel as were necessary, subject to civil service rules, to permit it to administer and enforce the bill. A department employee could not ask or receive any fee from a person for the taking of acknowledgments or any other service. State and local police officers would be required to enforce the bill, and peace officers would have to arrest, on sight or upon warrant, any person found violating or having violated a provision of, or a rule promulgated under, the bill. The bill would require the attorney general's office and the prosecuting attorneys of the counties of the state to prosecute all violations of the bill. Further, when the bill was violated, the bill would allow the offense to be prosecuted in any jurisdiction in or through which a limousine implicated in a violation was present at the time of violation.

Penalties, fines. Under the bill, a certified carrier, or an officer or agent of the carrier, who required or permitted a person to operate a limousine in violation of the bill would be guilty of a misdemeanor, and could be punished by a fine of not more than \$500 or by imprisonment for up to 90 days, or both. Each person subject to the bill who operated a limousine service without first having obtained a certificate of authority or having met the bill's insurance requirements would be subject to a fine of not more than \$500, where each violation would constitute a separate offense.

The department could alter, suspend, or revoke a certificate issued under the bill if it determined in a contested case hearing held pursuant to the Administrative Procedures Act that a person to whom a certificate had been issued had willfully violated or refused to comply with the bill. A person could not violate or evade the provisions of the bill through any device or arrangement. The department could promulgate rules to implement the bill pursuant to the Administrative Procedures Act.

House Bill 4662 would amend the Motor Bus Transportation Act (MCL 474.103 et al) to provide similar requirements for motor bus carriers pertaining to exemptions for governmental entities (and including school bus operations), certification procedures, safety inspections,

and departmental powers as would be required for limousine providers under House Bill 4661. Filing fees for motor bus carriers would be \$300 plus \$25 per bus. Renewal fees would be increased from \$20 to \$25 per bus. The bill would require the department to adopt certain Federal Motor Carrier Safety Regulations that were in effect on the effective date of the bill.