



**House  
Legislative  
Analysis  
Section**

Olds Plaza Building, 10th Floor  
Lansing, Michigan 48909  
Phone: 517/373-6466

**BUS COMPANY AMENDMENTS**

**House Bills 5850-5852 as introduced  
First Analysis (5-14-96)**

**Sponsor: Rep. Terry London  
Committee: Transportation**

***THE APPARENT PROBLEM:***

The Department of Transportation has requested several amendments to the Motor Bus Transportation Act.

***THE CONTENT OF THE BILL:***

The bills would amend the Motor Bus Transportation Act (MCL 474.109, 474.116, and 474.131) in the following ways.

The act requires a bus company to carry a certain level of insurance coverage, including bodily injury and property damage liability insurance, and personal protection insurance and property protection insurance as required by the Insurance Code. House Bill 5850 would allow a company to meet this requirement by self-insuring, rather than purchasing an insurance policy.

The act also requires annual safety inspections of each bus by the Department of Transportation. (Administrative rules promulgated under the act allow a bus company, as a substitute for meeting the annual inspection requirement, to submit evidence of a current year bus inspection by certain specified states, or by any state "having a reciprocal safety inspection agreement with Michigan".) House Bill 5851 would add language to the statute allowing a bus company to, instead of having an annual inspection by the department, submit evidence of a current year motor bus inspection by a state, district, or province that had standards comparable to the federal motor carrier safety periodic inspection standards. The department would be required to issue a list of governmental units meeting the federal standards.

House Bill 5852 would delete language in the act that specifies that certain federal motor carrier safety regulations are adopted for Michigan. Instead, the bill would adopt certain specified federal regulations under Title 49 of the Code of Federal Regulations as of January 1, 1996.

***FISCAL IMPLICATIONS:***

According to the Department of Transportation, the bills have no fiscal implications for the state. (5-10-96)

***ARGUMENTS:***

***For:***

The bills would make several amendments to the Motor Bus Transportation Act that have been requested by the Department of Transportation. Allowing private bus lines to self-insure would be beneficial to them financially, and would apparently pose no risk to the public. Greyhound Lines, Inc., noted in information provided to the Transportation Committee that it has been able to self-insure under federal law, and in all but a few states, for several years. Further, extending reciprocity provisions to any state that meets federal safety standards for bus inspections would also provide an economic benefit to these companies. And finally, the state periodically must adopt federal motor carrier safety regulations. Federal regulations have been revised in recent years, and Michigan must act to re-adopt the new rules or possibly risk certain federal traffic safety funds.

***POSITIONS:***

The Department of Transportation supports the bills. (5-10-96)

Greyhound Lines, Inc. supports the bills. (5-7-96)

House Bills 5850-5852 (5-14-96)

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.