



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5850 (as reported without amendment)
Sponsor: Representative Terry London
House Committee: Transportation
Senate Committee: Financial Services

CONTENT

The bill would amend the Motor Bus Transportation Act to waive the insurance requirement for an applicant for a certificate of authority to provide transportation service under the Act if the applicant qualified for and obtained a certificate of self-insurance from the Secretary of State under the Michigan Vehicle Code. (The Code allows a person in whose name more than 25 motor vehicles are registered to obtain a certificate of self-insurance; the Secretary of State may issue a certificate of self-insurance if he or she is satisfied that the applicant is and will continue to be able to pay judgments obtained against the applicant.)

Currently, an applicant for a certificate of authority to provide transportation service must acquire insurance for bodily injury and property damage liability and personal protection coverage. An applicant who does not satisfy that requirement may not be issued a certificate of authority to provide transportation service. Under the bill, an applicant who did not satisfy either the current requirement or the bill's self-insurance option could not obtain a certificate of authority.

MCL 474.109

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-19-96

Fiscal Analyst: B. Bowerman