



HOUSE BILL No. 5850

May 7, 1996, Introduced by Rep. London and referred to the Committee on Transportation.

A bill to amend section 9 of Act No. 432 of the Public Acts of 1982, entitled "Motor bus transportation act," as amended by Act No. 233 of the Public Acts of 1989, being section 474.109 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 9 of Act No. 432 of the Public Acts of
2 1982, as amended by Act No. 233 of the Public Acts of 1989, being
3 section 474.109 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 9. (1) In determining the fitness, willingness, and
6 ability of an applicant for a certificate of authority to provide
7 transportation service, the department shall consider all of the
8 following before the issuance of the original certificate of
9 authority:

1 (a) The applicant's safety record.

2 (b) The character and condition of each motor bus is such
3 that it may be operated safely upon the public highways based on
4 an inspection conducted by the department required pursuant to
5 section 16.

6 (c) The applicant's financial ability to provide continuous
7 insurance coverage as required by subsection (2) or (3) and to
8 have adequate financial resources in order to pay for damage
9 claims against the applicant.

10 (2) An applicant shall acquire the following insurance cov-
11 erage of liability for acts or omissions of the applicant as a
12 motor carrier of passengers:

13 (a) Bodily injury and property damage liability insurance
14 with a minimum combined single limit of \$5,000,000.00 for all
15 persons injured or for property damage.

16 (b) Personal protection insurance and property protection
17 insurance as required by sections 3101 to 3179 of the insurance
18 code of 1956, Act No. 218 of the Public Acts of 1956, being sec-
19 tions 500.3101 to 500.3179 of the Michigan Compiled Laws. A
20 motor common carrier of passengers shall maintain the insurance
21 described in this subsection as a condition of maintaining a cer-
22 tificate of authority issued under this act.

23 (3) THE INSURANCE REQUIREMENTS OF SUBSECTION (2) ARE WAIVED
24 IF THE APPLICANT QUALIFIES FOR AND OBTAINS A CERTIFICATE OF
25 SELF-INSURANCE FROM THE SECRETARY OF STATE UNDER SECTION 531 OF
26 THE MICHIGAN VEHICLE CODE, ACT NO. 300 OF THE PUBLIC ACTS OF
27 1949, BEING SECTION 257.531 OF THE MICHIGAN COMPILED LAWS.

1 (4) ~~(3)~~ An applicant that does not EITHER satisfy both
2 subsections (1) and (2) OR OBTAIN A CERTIFICATE OF SELF-INSURANCE
3 FROM THE SECRETARY OF STATE UNDER SUBSECTION (3) shall not be
4 issued a certificate of authority to provide transportation serv-
5 ice under this act.