



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 5714 (Substitute S-1 as reported)
Sponsor: Representative Michael D. McCready
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

CONTENT

The bill would amend the Motor Carrier Act to do the following:

- Revise language pertaining to temporary authority to offer a service, and specify that temporary authority for a service would be valid for up to 60 days.
- Delete provisions for a temporary permit for a service by a motor contract carrier.
- Revise procedures for motor carriers of general commodities and motor carriers of household goods applying for a certificate of authority.
- Allow the Michigan Public Service Commission to issue an emergency temporary motor carrier authority to motor carriers of general commodities or household goods for up to 60 days.
- Require the Commission to issue a certificate of authority to a motor carrier of household goods if the Commission found that the carrier's vehicles could be operated safely, the applicant was fit and able to provide the authorized services, and the applicant had appropriate insurance.
- Specify that a rate, fare, or charge made by a motor carrier of household goods would have to be just and reasonable, and establish certain conditions for rates, fares, and charges.
- Revise provisions concerning certificate renewal by an intrastate-only motor carrier of general commodities or a motor carrier of household goods.
- Require a motor carrier subject to the Act to demonstrate compliance with the Worker's Disability Compensation Act.
- Extend certain prohibitions to brokers.
- Increase the maximum criminal fine for certain violations from \$500 to \$1,000.

The bill also would repeal various sections of the Act.

MCL 475.1 et al.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Public Service Commission (PSC) within the Department of Licensing and Regulatory Affairs, and no fiscal impact on local units of government. The bill would make some changes to administrative functions within the PSC with regard to motor carriers. For example, the bill would eliminate the requirement for the biweekly mailing of notices for hearings, applications, and other hearings, which would save an indeterminate amount each year. In fiscal year 2013-14, the PSC spent a total of \$54,600 in mailing services from motor carrier fees, which support the regulation of motor carriers. Removing the requirement for these mailings would reduce future mailing expenditures by some amount.

The bill also would remove several PSC regulatory requirements and responsibilities with regard to transporters of general commodities, and add similar requirements and responsibilities to sections regarding transporters of household goods engaged in nonlocal moves. It is unknown how these changes would affect PSC operations. If the change is merely a recategorization of carriers under the relevant articles of the Motor Carrier Act, then the change would have no fiscal impact. If, however, the change would cause certain carriers to no longer be subject to those regulations, and others to become subject to them, then the fiscal impact could be positive or negative depending on how many carriers would be subject to those requirements relative to the current number.

Finally, the bill would increase the misdemeanor fine for various violations of the Motor Carrier Act from \$500 to \$1,000. Any increased revenue from these fines would benefit public libraries.

Date Completed: 12-3-14

Fiscal Analyst: Josh Sefton

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