



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 640 (as passed by the Senate)
Sponsor: Senator Phil Pavlov
Committee: Transportation

Date Completed: 1-16-18

RATIONALE

Public Acts 345 through 349 of 2016 amended several statutes, and created a new statute, to revise regulations that apply to motor carriers of passengers (buses), limousines, and taxicabs, and establish new requirements applicable to transportation network companies. Evidently, there was an error in Public Act 349 of 2016, which amended the Motor Bus Transportation Act. The Act contains a list of motor carriers that are exempt from it, which Public Act 349 of 2016 expanded. However, the amendments also exempted all interstate motor carriers operating under a United States Department of Transportation, Federal Motor Carrier Safety Administration certificate of authority, unless otherwise required by the Michigan Department of Transportation as a condition of financial assistance. Evidently, the exclusion was supposed to apply only motor carriers possessing a Federal certificate of authority that provide regular multistate route service from the Act, as opposed to all carriers with the Federal certificate. An amendment to reflect the limited exemption has been suggested.

CONTENT

The bill would amend the Motor Bus Transportation Act to revise an exemption from the Act for an interstate motor carrier of passengers operating under a Federal Motor Carrier Safety Administration certificate of authority, to require the motor carrier to be providing a multistate regular route service that passed through Michigan.

The Act regulates people who transport passengers by motor bus. It prohibits a motor carrier of passengers from operating on a public highway in Michigan without first obtaining an authority from the Michigan Department of Transportation (MDOT). The Act prescribes the process of acquiring an authority, and requires applicants to pay certain application and renewal fees for each bus to be used by the carrier to provide transportation for hire.

The Act does not apply to various categories of motor carriers listed in the Act. These include an interstate motor carrier of passengers operating under a United States Department of Transportation, Federal Motor Carrier Safety Administration certificate of authority, unless required by MDOT as a condition of financial assistance. The bill would amend this provision to refer to a motor carrier that was providing a multistate regular route service that passed through the State.

The bill would take effect 90 days after it was enacted.

MCL 474.104

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Currently, any bus service that has a Federal motor carrier certificate of authority that does not have regularly scheduled multistate routes through Michigan and does not accept financial assistance from the State is exempt from State regulations that apply to passenger buses. The bill is necessary to enable MDOT to regulate those carriers, while exempting motor carriers with a Federal certificate of authority that provide multistate regular route service passing through Michigan.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.