



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4807 (Substitute H-1 as passed by the House)
Sponsor: Representative Dan Lauwers
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 12-6-17

CONTENT

The bill would amend Public Act 246 of 1921, which regulates the service, rates, fares, and charges of water carriers in Michigan, to do the following:

- **Codify the requirement that the Department of State Police fulfill the duties of the Michigan Public Service Commission under the Act.**
- **Require the Department to make a decision on all filed rates, fares, and charges within 30 days after they were filed.**
- **Require the Department to automatically approve a proposed rate, fare, charge, or tariff of a carrier by water that primarily transported vehicles between two State highways, if the rate, fare, charge, or tariff were less than the amount charged by comparable carriers.**

(Although the Act refers to the Michigan Public Utilities Commission, that entity was abolished and its functions were transferred to the Public Service Commission by statute.)

Under the Act, the rates, fares, and charges filed with the Commission by a person engaged in the transportation of freight, passengers, or express, by water, wholly within the State, remain in effect until superseded by other schedules filed by the carrier with the Commission. Upon request or upon its own motion, the Commission may suspend the operation of any filed rate, fare, charge, or tariff for up to 30 days. The Commission then must give the carrier immediate notice of the suspension and, within 10 days, set a hearing date not later than 20 days from the date of the suspension. After the hearing, the Commission must set the rate, fare, charge, or tariff in the matter complained of, and that rate, fare, charge, or tariff must continue in force until superseded as provided by law.

The Commission may examine and audit all books, accounts, records, and papers of a carrier by water.

The Commission is required to make all necessary rules and regulations governing its investigations of the affairs of carriers by water.

If a complaint is made to the Commission against any rate, fare, charge, or tariff of any carrier by water within Michigan, or against any rule or regulation of a carrier, or against a carrier's neglect, failure, or refusal to make, observe, or perform any rate, fare, charge, or tariff, or any rule or regulation, the Commission must investigate the matter, and may require the carrier to observe that rate, fare, charge, or tariff, and any rule or regulation. A carrier by water is entitled to reasonable notice and an opportunity to be heard on an investigation

before the Commission establishes or imposes any rate, fare, charge, or tariff, or any rule or regulation, and if something is established or imposed, the carrier by water must obey it.

A carrier by water may appeal any order or decision made by the Commission prescribing or affecting any rate, fare, charge, or tariff, or any rule or regulation of any carrier by water within Michigan, in the same manner as provided by law for the appeal of orders.

Any person, firm, or corporation violating the Act, or any order of the Commission made under it, is subject to a fine of up to \$100 for each violation. Any officer or director of any corporation violating the Act, or any Commission order, may be fined up to \$100 for each violation, or jailed for up to three months, or both.

The bill would replace references to the Commission in these provisions with references to the Department of State Police.

The bill also would require the Department to make a decision on all filed rates, fares, and charges within 30 days after they were filed.

In addition, the Department would have to compare the proposed rate, fare, charge, or tariff of any carrier by water that primarily transported vehicles directly between two State highways to the rates, fares, charges, or tariffs charged by comparable carriers by water. The Department would have to automatically approve any proposed rate, fare, charge, or tariff of any such carrier that was less than the rates, fares, charges, or tariffs charged by comparable carriers by water.

The Department could not audit any carrier by water whose proposed rate, fare, charge, or tariff was less than those charged by comparable carriers by water.

The Department could approve a proposed rate, fare, charge, or tariff of any carrier by water that primarily transported vehicles directly between two State highways that was more than the rates, fares, charges, or tariffs charged by comparable carriers by water if, based on justification submitted by the carrier, the Department found the rate, fare, charge, or tariff reasonable. If the Department determined that the rate, fare, charge, or tariff was not reasonable, it would have to meet with the carrier within 15 days after the determination and explain the reasons for its determination. Any carrier by water that met the criteria of these provisions would be deemed an instrumentality of the State.

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

MCL 460.201-460.206

BACKGROUND

Under the Public Service Commission law, when reference is or has been made in any law to the Michigan Public Utilities Commission, that reference must be construed to mean the Michigan Public Service Commission. As noted above, the Public Utilities Commission was abolished and its duties were transferred to the Public Service Commission.

Executive Order 2015-10 transferred the authority, powers, duties, functions, records, personnel, property, unspent balances of appropriations, and allocations or other funds of the Public Service Commission under Public Act 246 of 1921 to the Department of State Police, among other things.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have a minimal fiscal impact on the Department of State Police's Commercial Vehicle Enforcement Division, adding minor administrative costs that could be covered by existing appropriations, which are primarily funded through motor carrier fees.

Fiscal Analyst: Bruce Baker

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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.