

**MOTOR BUS TRANSPORTATION ACT**  
**Act 432 of 1982**

AN ACT to regulate persons who transport passengers by motor bus; to prescribe powers and duties for the state transportation department; to impose certain fees; and to impose penalties.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

*The People of the State of Michigan enact:*

**474.101 Short title.**

Sec. 1. This act shall be known and may be cited as the “motor bus transportation act”.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

**474.103 Definitions.**

Sec. 3. As used in this act:

(a) “Certificate of authority” means a certificate of authority issued under the terms of this act unless the context indicates otherwise.

(b) “Department” means the state transportation department.

(c) “For hire” means for remuneration or reward of any kind, paid or promised, either directly or indirectly.

(d) “Lessor” means a person who leases a motor bus to any other person for the transportation of passengers for hire over the public highways of this state.

(e) “Motor bus” means a self-propelled motor vehicle used in the transportation of passengers and their baggage for hire upon any public highway of this state with a maximum seating capacity of 10 persons or more, or 16 persons or more if the limousine transportation act is enacted into law, including the driver. Motor bus does not include a self-propelled motor vehicle having a seating capacity of 15 passengers or less that is used by or on behalf of an employer to transport its employees to and from their place of employment.

(f) “Motor carrier of passengers” means a person who, either directly or through any device or arrangement, holds himself or herself out to the public as willing to undertake for hire to transport by motor bus from place to place over the public highways of this state persons who may choose to employ him or her for that purpose or for the purpose of transporting package express, baggage of passengers, newspapers, or United States mail in the same vehicle used to transport passengers.

(g) “Person” means an individual, sole proprietorship, partnership, association, corporation, or other legal entity, or the lessee, trustee, or receiver of any of these entities; this state; a city, village, township, or county of this state; the federal government; or an employee, officer, or agent of any of these units of government.

(h) “Public highway” means a highway, road, street, avenue, alley, or thoroughfare of any kind, or a bridge, tunnel, or subway used by the public.

(i) “The public” means that part or portion of the general public which the motor carrier is ready, able, willing, and equipped to serve.

(j) “Through any device or arrangement” means any and all methods, means, agreements, circumstances, operations, or subterfuges under which a person undertakes for hire to conduct, direct, control, or otherwise perform the transportation of passengers by motor bus service upon the public highways of this state.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

**474.104 Applicability.**

Sec. 4. (1) This act shall not apply to a motor carrier of passengers that is any of the following:

(a) A county, city, township, or village as provided by law, or other authority incorporated under Act No. 55 of the Public Acts of 1963, as amended, being sections 124.351 to 124.359 of the Michigan Compiled Laws. Each authority and governmental agency incorporated under Act No. 55 of the Public Acts of 1963 shall have the exclusive jurisdiction to determine its own contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects within its service area.

(b) An authority incorporated under the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, as amended, being sections 124.401 to 124.426 of the Michigan Compiled Laws, or that operates a transportation service pursuant to an interlocal agreement under the urban cooperation act of 1967, Act No. 7 of the Public Acts of the Extra Session of 1967, as amended, being sections 124.501 to 124.512 of the Michigan Compiled Laws.

(c) Operating under a contract entered into pursuant to Act No. 8 of the Public Acts of the Extra Session of 1967, being sections 124.531 to 124.536 of the Michigan Compiled Laws, or Act No. 35 of the Public Acts of

1951, being sections 124.1 to 124.13 of the Michigan Compiled Laws.

(d) An authority incorporated under the public transportation authority act, Act No. 196 of the Public Acts of 1986, being sections 124.451 to 124.479 of the Michigan Compiled Laws, or a nonprofit corporation organized under the nonprofit corporation act, Act No. 162 of the Public Acts of 1982, being sections 450.2101 to 450.3192 of the Michigan Compiled Laws, that provides transportation services.

(e) An authority financing public improvements to transportation systems under the revenue bond act of 1933, Act No. 94 of the Public Acts of 1933, being sections 141.101 to 141.140 of the Michigan Compiled Laws.

(2) A motor carrier of passengers exempt under subsection (1) shall operate under the requirements of this act when operating outside of the political subdivisions permitted by the authorizing statute or the contract required by the authorizing statute.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.105 Motor carrier of passengers; compliance with act; certificate of authority.**

Sec. 5. A motor carrier of passengers shall not operate a motor bus for the transportation of persons for hire on a public highway in this state except in accordance with this act. A motor carrier of passengers shall not operate upon a public highway without first having obtained from the department a certificate of authority.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.106 Duty of lessor.**

Sec. 6. A lessor shall be required to inform any person leasing a motor bus for the transportation of passengers for hire of the requirements of this act on a motor vehicle lease agreement.

**History:** Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.107 Certificate of authority; issuance; findings; evidence of insurance; terms or conditions.**

Sec. 7. The department shall issue without a hearing a certificate of authority to a motor carrier of passengers authorizing that carrier to provide transportation services subject to the jurisdiction of the department under this act, if the department finds pursuant to section 9(1) that the carrier is fit, willing, and able to provide the transportation service authorized by the certificate of authority and to comply with this act, and if the applicant presents evidence of the acquisition of personal injury protection and property damage liability insurance as required by section 9(2). The department may attach to the exercise of the privilege granted by a certificate of authority terms or conditions as the department considers appropriate.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.109 Determination of eligibility for certificate of authority; consideration; acquisition of insurance; waiver; failure to satisfy subsections (1) and (2) or (3).**

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

(a) The applicant's safety record.

(b) The character and condition of each motor bus and whether it may be operated safely upon the public highways based on an inspection conducted by the department under section 16.

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

(2) An applicant shall acquire the following liability insurance coverage for acts or omissions of the applicant as a motor carrier of passengers:

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

(b) Personal protection insurance and property protection insurance as required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3119. A motor common carrier of passengers shall maintain the insurance described in this subsection as a condition of maintaining a certificate of authority issued under this act.

(3) The insurance requirements of subsection (2) are waived if the applicant qualifies for and obtains a certificate of self-insurance from the commissioner of the office of financial and insurance regulation under section 3101d of the insurance code of 1956, 1956 PA 218, MCL 500.3101d.

(4) An applicant that does not satisfy subsection (1) and either subsection (2) or subsection (3) shall not be issued a certificate of authority to provide transportation service under this act.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1986, Act 84, Imd. Eff. Apr. 24, 1986;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 1996, Act 432, Imd. Eff. Dec. 2, 1996;—Am. 2012, Act 570, Eff. Jan. 2, 2013.

#### **474.111 Application for certificate of authority; notice of denial; reapplication.**

Sec. 11. (1) The department shall approve or deny an application for a certificate of authority within 90 days after the complete application is filed with the department.

(2) If the department denies an application for a certificate of authority, the department shall notify the applicant in writing of the reason or reasons for the denial, and the applicant shall have 30 days from the date of denial to correct any deficiency and reapply without payment of an additional application fee.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

#### **474.113 Original certificate of authority; fees.**

Sec. 13. An applicant for an original certificate of authority shall pay to the department a filing fee of \$300.00 and a fee of \$25.00 times the number of motor buses to be used by the carrier to provide transportation for hire.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.115 Issuance of certificate of authority without making determination of eligibility.**

Sec. 15. The department shall issue a certificate of authority as provided in this act to a motor common carrier of passengers who holds either a valid permit as a contract motor carrier of passengers or a valid certificate of authority as a common motor carrier of passengers under the motor carrier act, Act No. 254 of the Public Acts of 1933, as amended, being sections 475.1 to 479.49 of the Michigan Compiled Laws, on the day immediately before the effective date of this act, without making the determination required by section 9(1) if the department determines that the carrier has met the insurance requirements of section 9(2).

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

#### **474.116 Inspections.**

Sec. 16. (1) Each motor carrier of passengers who holds a certificate of authority issued under this act shall permit the department to inspect each motor bus once annually, or more frequently if necessary to determine the current character and condition of the motor bus.

(2) Each motor bus operated by the motor carrier of passengers under its certificate of authority shall pass the safety inspection which meets the department's specifications for safe operating character and condition for the renewal of certificate.

(3) A motor bus that does not pass a required departmental inspection under this section shall not be operated over the public highways of this state.

(4) Instead of an inspection by the department under subsection (1), an applicant for a certificate of authority or a renewal of a certificate of authority may provide evidence of a current year motor bus inspection by a state, district, or province that has standards comparable to the federal motor carrier safety periodic inspection standards. The department shall issue a list of the states, districts, or provinces that have standards comparable to the federal standards promulgated under 49 C.F.R. part 396.

**History:** Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 1996, Act 421, Imd. Eff. Nov. 22, 1996.

#### **474.117 Annual renewal fee; fee for additional motor bus; termination of certificates; delinquency; cessation of privileges.**

Sec. 17. (1) Each motor carrier of passengers who holds a certificate of authority issued under this act shall pay to the department an annual renewal fee equal to \$25.00 times the number of motor buses used exclusively by the carrier to provide transportation of passengers for hire and that meet the annual renewal inspection requirements of section 16. An annual renewal fee of \$500.00 shall be paid for any motor bus not meeting the annual renewal inspection requirement of section 16.

(2) A motor carrier of passengers who holds a certificate of authority issued under this act to provide transportation for hire shall pay to the department a fee of \$25.00 per motor bus for each additional motor bus acquired during the year for the purpose of the current year inspection required by section 16.

(3) All certificates granted by the department terminate on the last day of February of each year unless renewed on or before that date with payment of the fee prescribed by subsection (1). The certificate of any motor carrier of passengers who is delinquent in payment of fees required to be paid by this section is canceled and revoked on or after March 1 of the year for which renewal should have been made pursuant to the requirements of this section, and the motor carrier of passengers shall be prohibited from operating any of its vehicles upon or over the highways of this state. All privileges granted the motor carrier of passengers under the expiring certificate shall cease.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.121 Authority to transport other than passengers.**

Sec. 21. Upon request of a motor carrier of passengers, a certificate of authority that is issued to the motor carrier of passengers shall include authority to transport newspapers, baggage of passengers, package express, or United States mail in the same motor bus with the passengers and, in addition, shall include authority to transport in a separate motor vehicle baggage of passengers and package express having a prior or subsequent movement by motor bus.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.123 Temporary authority for transportation of passengers; duration.**

Sec. 23. If there is an immediate and urgent need for the transportation of passengers to a point or between points within this state, the department may grant upon a proper application temporary authority for that service by a person having a certificate of authority or by an applicant for a certificate of authority. A temporary authority granted by the department under this section, unless suspended or revoked for good cause, shall be valid for the time which the department specifies, but not to exceed 90 days.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.125 Granting change to certificate of authority; requirements; application; fee.**

Sec. 25. Upon application and the filing of a \$25.00 fee, the department may grant a motor carrier of passengers holding a certificate of authority under this act a change to that certificate of authority, if the department determines that the carrier has met the requirements of section 9.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.127 Discontinuance of service; application for authority; fees; notice of application; notice of protest; hearing; basis for granting application; failure to issue final determination on application within 90 days.**

Sec. 27. (1) A motor carrier of passengers holding a certificate of authority for regular route service between points within this state may apply to discontinue all or a portion of its service under this certificate of authority by filing written application with the department, payment of the fees described in section 25, and within 10 days after filing the application publish notice of the application once a day for 2 different days in a newspaper of general circulation published in each county to which the service proposed to be discontinued extends. Within 20 days after the last date of publication, any person opposing the application shall file written notice of protest with the department. If the application is not opposed, the motor carrier of passengers holding a certificate of authority may immediately discontinue the service. If the application is opposed, the department, within 20 days, may conduct a hearing on the application, with at least 10 days' notice to all interested parties.

(2) The department shall grant an application for authority to discontinue if the applicant demonstrates that intrastate revenue per mile derived from the route or routes proposed to be discontinued is less than the fully allocated cost per mile including depreciation. If the department's final determination on the application is not issued within 90 days after the last date of publication, the applicant may discontinue the service described in the application.

(3) A motor carrier of passengers holding a certificate of authority for service within this state other than regular route service may apply to discontinue all or a portion of its service under this certificate of authority by filing written application with the department and payment of the fees as described in section 25.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.129 Abandonment or discontinuance of service without approval prohibited; exception; effect of discontinuance of service without approval; cancellation of insurance coverage.**

Sec. 29. (1) A motor carrier of passengers authorized to provide transportation service under this act shall not abandon or discontinue a service established under this act without the approval of the department, except, if applicable, as provided in section 27(2). If a motor carrier of passengers discontinues service for more than 10 days without the previous approval of the department authorizing the discontinuance, the certificate of authority issued to that carrier shall be considered revoked without any further action upon the part of the department.

(2) If the insurance coverage required under this act is canceled for any reason, the certificate of authority issued to that carrier shall be considered revoked without any further action by the department.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.131 Code of federal regulations; adoption; exceptions.**

Sec. 31. This state adopts the following provisions of title 49 of the code of federal regulations on file with the office of the secretary of state except where modified by this act, to provide for the safe transportation of persons, with the intent of following the policies and procedures of the United States department of transportation as they relate to title 49 of the code of federal regulations and the North American standard inspection uniform driver/vehicle inspection out of service criteria and inspection procedures: Motor carrier safety regulations, being 49 CFR part 356, part 365, part 374, part 382, part 387, parts 390 through 393, and parts 395 through 397, including appendices B and G, except for the following:

(a) Where the terms "United States department of transportation", "federal highway administration", "federal highway administrator", "director", "bureau of motor carrier safety", "office of motor carrier safety", and "federal motor carrier safety administration" appear, they shall be construed to refer to the state transportation department.

(b) Where "interstate" appears, it means intrastate or interstate, or both, as applicable, except as otherwise specifically provided in this act.

(c) Where "special agent of the federal highway administration", "special agent of the office of motor carrier safety", "special agent of the federal motor carrier safety administration", or "administration personnel" appears, it shall be construed to mean a peace officer or an enforcement member or a commercial vehicle safety inspector of the state transportation department.

**History:** Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 1996, Act 420, Imd. Eff. Nov. 22, 1996;—Am. 2001, Act 129, Imd. Eff. Oct. 15, 2001;—Am. 2005, Act 178, Imd. Eff. Oct. 20, 2005.

#### **474.132 Administration and enforcement of act.**

Sec. 32. The department may use any and all available legal and equitable remedies of a civil nature to enforce this act, an order issued, or a rule promulgated pursuant to this act. The department may employ such experts, assistants, inspectors, and other personnel as may be necessary subject to civil service rules, to enable it to administer and enforce this act. An employee of the department shall not ask or receive any fee from a person for the taking of acknowledgments or any other service. State and local police officers shall enforce this act and the rules promulgated pursuant to this act. A peace officer may arrest, on sight or upon warrant, any person found violating or having violated a provision of this act or a rule promulgated pursuant to this act. The attorney general of the state and the prosecuting attorneys of the counties of this state shall prosecute all violations of this act. When this act is violated, the offense may be prosecuted in any jurisdiction in or through which a motor bus implicated was present at the time of the violation.

**History:** Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

**Administrative rules:** R 474.101 et seq. of the Michigan Administrative Code.

#### **474.133 Violation of act; penalty; separate offense.**

Sec. 33. A person subject to this act who operates a passenger service without obtaining a certificate of authority required under this act or without meeting the insurance requirements provided in this act shall be subject to a fine of not more than \$500.00. Each violation constitutes a separate offense.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

#### **474.134 Violation of act or rule; misdemeanor; penalty.**

Sec. 34. A motor carrier of passengers, or an officer or agent of a motor carrier of passengers, who requires or permits a driver or operator to drive or operate a motor bus in violation of this act, or a rule promulgated under this act, is guilty of a misdemeanor, punishable by a fine of not more than \$500.00, or by imprisonment for not more than 90 days, or both.

**History:** Add. 1984, Act 73, Eff. Sept. 1, 1984;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

**Administrative rules:** R 474.101 et seq. of the Michigan Administrative Code.

#### **474.135 Alteration, suspension, or revocation of certificate of authority.**

Sec. 35. The department may alter, suspend, or revoke a certificate of authority issued under this act if the department determines in a contested case hearing held pursuant to chapter 4 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.271 to 24.287 of the Michigan Compiled Laws, that a person to whom a certificate of authority has been issued has willfully violated or refused to comply with this act.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

**474.137 Violation or evasion of act prohibited.**

Sec. 37. A person shall not violate or evade the provisions of this act through any device or arrangement.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

**474.139 Rules.**

Sec. 39. The department may promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989.

**Administrative rules:** R 474.101 et seq. of the Michigan Administrative Code.

**474.141 Conditional effective date.**

Sec. 41. This act shall not take effect unless House Bill No. 5669 of the 81st Legislature is enacted into law.

**History:** 1982, Act 432, Imd. Eff. Dec. 29, 1982.

**Compiler's note:** House Bill No. 5669, referred to in this section, was approved by the Governor on December 28, 1982, and became P.A. 1982, No. 399, Imd. Eff. Dec. 28, 1982.

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