

HOUSE BILL No. 4661

April 13, 1989, Introduced by Rep. Hertel and referred to the Committee on Transportation.

A bill to regulate persons who transport passengers by limousine; to prescribe powers and duties for the state transportation department; to impose certain fees; and to prescribe remedies and penalties.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "limousine transportation act".

3 Sec. 3. As used in this act:

4 (a) "Certificate of authority" means a certificate of
5 authority issued under the terms of this act unless the context
6 indicates otherwise.

7 (b) "Department" means the state transportation department.

8 (c) "For hire" means the remuneration or reward of any kind,
9 paid or promised, either directly or indirectly.

1 (d) "Lessor" means a person who leases a limousine to any
2 other person for the transportation of passengers for hire over
3 the public highways of this state.

4 (e) "Limousine" means a self-propelled motor vehicle used in
5 the carrying of passengers and the baggage of the passengers for
6 hire upon a public highway of this state with a seating capacity
7 of 15 passengers or less, including the driver. Limousine does
8 not include a self-propelled motor vehicle having a seating
9 capacity of 15 passengers or less that is used by or on behalf of
10 an employer to transport its employees to and from their place of
11 employment.

12 (f) "Limo carrier of passengers" means a person who, either
13 directly or through any device or arrangement, holds himself or
14 herself out to the public as willing to undertake for hire to
15 transport by limousine from place to place over the public high-
16 ways of this state persons who may choose to employ him or her
17 for that purpose.

18 (g) "Person" means an individual, sole proprietorship, part-
19 nership, association, corporation, or other legal entity or the
20 lessee, trustee, or receiver of any of these entities; this
21 state; a city, village, township, or county; the federal govern-
22 ment; or an employee, officer, or agent of any of these units of
23 government.

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

1 (i) "The public" means that part or portion of the general
2 public which the limo carrier is ready, able, willing, and
3 equipped to serve.

4 (j) "Through any device or arrangement" means any and all
5 methods, means, agreements, circumstances, operations, or subter-
6 fuges under which a person undertakes for hire to conduct,
7 direct, control, or otherwise perform the transportation of pas-
8 sengers by limousine upon the public highways of this state.

9 Sec. 5. (1) This act shall not apply to a limo carrier of
10 passengers that is any of the following:

11 (a) A county, city, township, or village as provided by law,
12 or other authority incorporated under Act No. 55 of the Public
13 Acts of 1963, being sections 124.351 to 124.359 of the Michigan
14 Compiled Laws.

15 (b) An authority incorporated under the metropolitan trans-
16 portation authorities act of 1967, Act No. 204 of the Public Acts
17 of 1967, being sections 124.401 to 124.426 of the Michigan
18 Compiled Laws, or that operates a transportation service pursuant
19 to an interlocal agreement under the urban cooperation act of
20 1967, Act No. 7 of the Public Acts of the Extra Session of 1967,
21 being sections 124.501 to 124.512 of the Michigan Compiled Laws.

22 (c) Operating under a contract entered into pursuant to Act
23 No. 8 of the Public Acts of the Extra Session of 1967, being sec-
24 tions 124.531 to 124.536 of the Michigan Compiled Laws, or Act
25 No. 35 of the Public Acts of 1951, being sections 124.1 to 124.13
26 of the Michigan Compiled Laws.

1 (d) An authority incorporated under the public
2 transportation authority act, Act No. 196 of the Public Acts of
3 1986, being sections 124.451 to 124.479 of the Michigan Compiled
4 Laws, or a nonprofit corporation organized under the nonprofit
5 corporation act, Act No. 162 of the Public Acts of 1982, being
6 sections 450.2101 to 450.3192 of the Michigan Compiled Laws, that
7 provides transportation services.

8 (e) An authority financing public improvements to transpor-
9 tation systems under the revenue bond act of 1933, Act No. 94 of
10 the Public Acts of 1933, being sections 141.101 to 141.140 of the
11 Michigan Compiled Laws.

12 (f) Only providing transportation using metered vehicles
13 identified as a taxi or taxicab with a maximum seating capacity
14 of 3 to 9 passengers or less, including the driver.

15 (g) Only operating limousines to provide the transportation
16 of passengers for funerals.

17 (2) A limo carrier of passengers exempt under subsection (1)
18 shall operate under the requirements of this act when operating
19 outside of the political subdivisions permitted by the authoriz-
20 ing statute or the contract required by the authorizing statute.

21 Sec. 7. A limo carrier of passengers shall not operate a
22 limousine for the transportation of persons for hire on a public
23 highway in this state except in accordance with this act. A limo
24 carrier of passengers shall not operate upon a public highway
25 without first having obtained from the department a certificate
26 of authority.

1 Sec. 9. A lessor shall be required to inform any person
2 leasing any limousine for the transportation of passengers for
3 hire of the requirements of this act on a motor vehicle lease
4 agreement.

5 Sec. 11. The department shall issue without a hearing a
6 certificate of authority to a limo carrier of passengers autho-
7 rizing that carrier to provide transportation services subject to
8 the jurisdiction of the department under this act, if the depart-
9 ment finds pursuant to section 13(1) that the carrier is fit,
10 willing, and able to provide the transportation service autho-
11 rized by the certificate of authority and to comply with this act
12 and if the applicant presents evidence of the acquisition of per-
13 sonal injury protection and property damage liability insurance
14 as required by section 13(2). The department may attach to the
15 exercise of the privilege granted by a certificate of authority
16 terms or conditions as the department considers appropriate.

17 Sec. 13. (1) In determining the fitness, willingness, and
18 ability of an applicant for a certificate of authority to provide
19 transportation service, the department shall consider all of the
20 following before the issuance of the original certificate of
21 authority:

22 (a) The applicant's safety record.

23 (b) The character and condition of each limousine proposed
24 to be operated by the applicant and presentation of competent
25 evidence that each limousine may be operated safely upon the
26 public highways. Any limousine that does not pass the required

1 departmental safety inspection shall not be operated over the
2 public highways of this state.

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

7 (2) An applicant shall acquire the following insurance cov-
8 erage of liability for acts or omissions of the applicant as a
9 limo carrier of passengers:

10 (a) Bodily injury and property damage liability insurance
11 with a minimum combined single limit of \$1,500,000.00 for all
12 persons injured or for property damage.

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

20 Sec. 15. (1) The department shall approve or deny an appli-
21 cation for a certificate of authority within 90 days after the
22 complete application is filed with the department.

23 (2) If the department denies an application for a certifi-
24 cate of authority, the department shall notify the applicant in
25 writing of the reason or reasons for the denial, and the appli-
26 cant shall have 30 days from the date of denial to correct any

1 deficiency and reapply without payment of an additional
2 application fee.

3 Sec. 17. An applicant for an original certificate of
4 authority shall pay to the department a filing fee of \$300.00 and
5 a fee of \$200.00 times the number of limousines to be used by the
6 carrier to provide transportation for hire.

7 Sec. 19. (1) Each limo carrier of passengers who holds a
8 certificate of authority issued under this act shall permit the
9 department to inspect each limousine once annually, or more fre-
10 quently if necessary to determine the current character and con-
11 dition of the limousine.

12 (2) Each limousine operated by the limo carrier of passen-
13 gers under its certificate of authority shall pass the safety
14 inspection which meets the department's specifications for safe
15 operating character and condition for the renewal of
16 certificate.

17 Sec. 21. (1) Each limo carrier of passengers who holds a
18 certificate of authority issued under this act shall pay to the
19 department an annual renewal fee equal to \$200.00 times the
20 number of limousines used exclusively by the carrier to provide
21 transportation of passengers for hire and meeting annual renewal
22 inspection requirements of section 19. An annual renewal fee of
23 \$500.00 shall be paid for any limousine not meeting the annual
24 renewal inspection requirement of section 19.

25 (2) For newly acquired limousines purchased by a limo car-
26 rier of passengers who holds a certificate of authority issued
27 under this act to provide transportation for hire, the carrier

1 shall pay to the department a fee of \$25.00 per limousine to
2 obtain a current year inspection required in section 19.

3 (3) All certificates granted by the department terminate on
4 the last day of February of each year unless renewed on or before
5 that date with payment of the appropriate fee prescribed by this
6 section. The certificate of any limo carrier of passengers who
7 is delinquent in payment of fees required to be paid by this sec-
8 tion is canceled and revoked on or after March 1 of the year for
9 which renewal should have been made under the requirements of
10 this section, and the limo carrier of passengers shall be prohib-
11 ited from operating any of its vehicles upon or over the highways
12 of this state. All privileges granted the limo carrier of pas-
13 sengers under the expiring certificate shall cease.

14 Sec. 23. Upon application and the filing of a \$25.00 fee,
15 the department may grant a limo carrier of passengers holding a
16 certificate of authority under this act any change to the certifi-
17 cate of authority if the department determines that the carrier
18 has met the requirements of section 13.

19 Sec. 25. A limo carrier of passengers holding a certificate
20 of authority for service within this state may apply to discon-
21 tinue all or a portion of its service under this certificate of
22 authority by filing written application with the department, pay-
23 ment of fees described in section 23, and within 10 days after
24 filing the application publish notice of the application once a
25 day for 2 different days in a newspaper of general circulation in
26 each county in which the service proposed to be discontinued
27 extends.

1 Sec. 27. (1) A limo carrier of passengers authorized to
2 provide transportation service under this act shall not abandon
3 or discontinue a service established under this act without the
4 approval of the department. If a limo carrier of passengers dis-
5 continues service for more than 10 days without the previous
6 approval of the department authorizing the discontinuance, the
7 certificate of authority issued to that carrier shall be consid-
8 ered revoked without any further action upon the part of the
9 department.

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

14 Sec. 29. The department may use all available legal and
15 equitable remedies of a civil nature to enforce this act, an
16 order issued, or a rule promulgated pursuant to this act. The
17 department may employ such experts, assistants, inspectors, and
18 other personnel as may be necessary, subject to civil service
19 rules, to enable it to administer and enforce this act. An
20 employee of the department shall not ask or receive any fee from
21 a person for the taking of acknowledgments or any other service.
22 State and local police officers shall enforce this act and the
23 rules promulgated pursuant to this act. A peace officer shall
24 arrest, on sight or upon warrant, any person found violating, or
25 having violated, a provision of this act or a rule promulgated
26 under this act. The attorney general of the state and the
27 prosecuting attorneys of the counties of the state shall

1 prosecute all violations of this act. When this act is violated,
2 the offense may be prosecuted in any jurisdiction in or through
3 which any limousine implicated was present at the time of the
4 violation.

5 Sec. 31. Each person subject to this act who operates a
6 limousine service without obtaining a certificate of authority
7 required under this act or without meeting the insurance require-
8 ments provided in this act shall be subject to a fine of not more
9 than \$500.00. Each violation constitutes a separate offense.

10 Sec. 33. A limo carrier of passengers, or an officer or
11 agent of a limo carrier of passengers, who requires or permits a
12 driver or operator to drive or operate a limousine in violation
13 of this act, or a rule promulgated under this act, is guilty of a
14 misdemeanor, punishable by a fine of not more than \$500.00 or by
15 imprisonment for not more than 90 days, or both.

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

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

26 Sec. 39. The department may promulgate rules to implement
27 this act pursuant to the administrative procedures act of 1969,

1 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
2 24.328 of the Michigan Compiled Laws.