

CHAPTER 474. STATE TRANSPORTATION

STATE TRANSPORTATION PRESERVATION ACT OF 1975

Act 196 of 1975

474.1-474.20 Repealed. 1976, Act 294, Imd. Eff. Oct. 27, 1976.

Compiler's note: Section 2 of Act 294 of 1976 provides:

"All contracts entered into and grants made pursuant to Act No. 196 of the Public Acts of 1975, being sections 474.1 to 474.20 of the Compiled Laws of 1970, are validated and made legal for all purposes."

FINGERPRINTING OF TRANSIT SERVICE EMPLOYEES

Act 341 of 2012

AN ACT to authorize transit service providers to fingerprint certain individuals for the purpose of receiving criminal history record information from the department of state police and the federal bureau of investigation; to prescribe the powers and duties of certain state departments and officers; and to provide for the collection of fees.

History: 2012, Act 341, Eff. Mar. 28, 2013.

The People of the State of Michigan enact:

474.31 Definitions.

Sec. 1. As used in this act:

- (a) "Bus" means a motor bus as defined in section 3 of the motor bus transportation act, 1982 PA 432, MCL 474.103.
- (b) "Criminal history record information" means that term as defined in section 1a of 1925 PA 289, MCL 28.241a.
- (c) "Employee" means an individual applying for employment as a bus driver with a transit service provider.
- (d) "Transit service provider" means a public transportation authority formed under any of the following:
 - (i) 1963 PA 55, MCL 124.351 to 124.359.
 - (ii) The metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.
 - (iii) The urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
 - (iv) 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536.
 - (v) 1951 PA 35, MCL 124.1 to 124.13.
 - (vi) The public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479.
 - (vii) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.
 - (viii) The revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.
 - (ix) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
 - (x) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
- (e) "Vulnerable population" means children, the elderly, or individuals with disabilities.

History: 2012, Act 341, Eff. Mar. 28, 2013.

474.32 Fingerprint-based criminal history check.

Sec. 2. (1) Notwithstanding any other provision of law to the contrary, a transit service provider may require the fingerprinting of an employee who comes into contact with a vulnerable population for the purpose of obtaining criminal history record information. Fingerprints obtained pursuant to this section may be submitted to the department of state police for a state criminal history record check. The department of state police shall forward the employee's fingerprints to the federal bureau of investigation for a national criminal history record check.

(2) A fingerprint-based criminal history check under this act shall be conducted in a manner prescribed by the department of state police. The department of state police shall conduct the fingerprint-based criminal history check and provide a report of the results to the requesting transit service provider.

(3) The department of state police may charge a fee for the fingerprint-based criminal history check. A fee for a fingerprint-based criminal history check charged under this subsection shall not exceed the actual and reasonable cost of conducting the check.

(4) A transit service provider that fingerprints employees under this section shall develop a written fingerprint policy and shall provide those employees with a written synopsis of the fingerprinting policy that describes how fingerprints are taken, to whom the fingerprints are sent, and how the fingerprints are used.

(5) The department of state police shall store and maintain all fingerprints submitted under this act in an automated fingerprint identification system database that provides for an automatic notification when a subsequent criminal arrest fingerprint card submitted into the system matches a set of fingerprints previously submitted in accordance with this act. Upon a match, the department of state police shall immediately notify the transit service provider that employs the employee. After the federal bureau of investigation implements a similar automatic notification system, the department of state police shall forward notifications from that system to the transit service provider.

(6) Any criminal history data kept on file by the transit service provider are exempt from disclosure under section 13(1)(d) of the freedom of information act, 1976 PA 442, MCL 15.243.

History: 2012, Act 341, Eff. Mar. 28, 2013.

STATE TRANSPORTATION PRESERVATION ACT OF 1976
Act 295 of 1976

AN ACT to improve and maintain transportation services in this state; to provide for the acquisition and use of funds; to provide for the acquisition of certain railroad facilities and certain property; to provide for the disposition and use of facilities and property acquired under this act; to provide for financial assistance to certain private transportation services; to prescribe the powers and duties of certain state departments and agencies; to provide for the transfer of certain funds; to provide for the creation of certain funds; and to provide for appropriations.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1981, Act 129, Imd. Eff. Sept 30, 1981;—Am. 1982, Act 288, Imd. Eff. Oct. 7, 1982;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 2001, Act 126, Imd. Eff. Oct. 15, 2001.

The People of the State of Michigan enact:

474.51 Short title; declaration of public purpose.

Sec. 1. (1) This act shall be known and may be cited as the "state transportation preservation act of 1976".

(2) There exists a need to provide authorization for financial assistance for the capital improvement, maintenance, and operation of rail, street railway, intercity bus, and ferry services in this state. To undertake the planning, development, acquisition, and operation of these services is in the best interest of the state and is a valid public purpose.

(3) The preservation of abandoned railroad rights of way for future rail use and their interim use as public trails is declared to be a public purpose.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 2008, Act 488, Imd. Eff. Jan. 12, 2009.

Constitutionality: MCL 474.51 et seq. and MCL 247.660b et seq. are constitutional. In re Advisory Opinion 1976 PA 295 and 1976 PA 297, 401 Mich 686; 259 NW2d 129 (1977).

474.52 Definitions.

Sec. 2. As used in this act:

(a) "Bureau" means the bureau of passenger transportation in the department.

(b) "Commuter trail" means a trail, lane, path, road, or other right of way on which motorized vehicles are not permitted and which has the primary or substantial purpose and result of providing a means for people to move from 1 location to another.

(c) "Department" means the state transportation department, the principal department of state government created under section 350 of the executive organization act of 1965, 1965 PA 380, MCL 16.450.

(d) "Federal acts" means the regional rail reorganization act of 1973, 45 USC 701 to 797m; the railroad revitalization and regulatory reform act of 1976, Public Law 94-210; the local rail service assistance act of 1978, section 5, Public Law 89-670; the staggers rail act of 1980, Public Law 96-448; and the northeast rail service act of 1981, subtitle E title XI, Public Law 97-35.

(e) "Recreational trail" means a trail, lane, path, road, or other right of way that because of its scenic, wild, or topographical nature, has as its primary purpose recreational use of the trail itself.

(f) "Street railway" means that term as defined under the nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.31.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 1998, Act 235, Imd. Eff. July 3, 1998;—Am. 2008, Act 488, Imd. Eff. Jan. 12, 2009.

474.53 Repealed. 1998, Act 235, Imd. Eff. July 3, 1998.

Compiler's note: The repealed section pertained to administration of act and promulgation of rules.

474.54 Powers of department generally.

Sec. 4. The department shall exercise those powers necessary to gain qualification on behalf of the state for financial assistance available pursuant to the federal acts and, in so doing, may:

(a) Plan, promote, supervise, and support safe, adequate, and efficient rail services.

(b) Employ sufficient trained and qualified personnel to implement the purposes described in this section.

(c) Maintain adequate programs of investigation, research, promotion, and development in connection with the purposes described in this section, and provide for public participation in these areas.

(d) Comply with the rules and regulations of the secretary of transportation of the United States department of transportation in connection with federal rail assistance programs.

(e) Do those other things necessary to maximize federal assistance for rail services to this state.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.55 Financial assistance for railroad or street railway; department as agent.

Sec. 5. The department may provide financial assistance in the form of grants, leases, loans, and purchases, or any combination of grants, leases, loans, and purchases, within the limits of the funds appropriated by the legislature or otherwise obtained, for the maintenance of a railroad or a street railway within the state as provided in the federal acts, other relevant federal legislation, 1951 PA 51, MCL 247.651 to 247.675, or other relevant state law. The department may act as the agent for the state, a person, a public or private corporation, a local or regional transportation authority, a local governmental unit, a private carrier, a group of rail users, or a combination of these entities for the maintenance of a railroad or a street railway in this state.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1982, Act 288, Imd. Eff. Oct. 7, 1982;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 2008, Act 488, Imd. Eff. Jan. 12, 2009.

474.56 Acquisition of railroad property or other property; condemnation.

Sec. 6. (1) The department, as sole agent for the state, may acquire by purchase or through the procedures set forth in the staggers rail act of 1980, Public Law 96-448, 94 Stat. 1895, and the northeast rail service act of 1981, subtitle E title XI, Public Law 97-35, 95 Stat. 643, a portion or portions of the property of a railroad company, including, but not limited to, the tracks and ties, rights of way, land, buildings, appurtenances, other facilities, rolling stock, and equipment, whether or not necessary for the operation of a railroad, for the preservation of a railroad line, or for commuter trail use. In addition, the department may acquire by purchase or otherwise other property owned by an entity other than a railroad company which is found by the department to be necessary for the present or future operation of a railroad.

(2) The department may acquire through condemnation only those segments of a railroad which has been abandoned. Acquisition through condemnation shall be limited to right of way, track, ties, bridges, and culverts which are necessary for the operation of a railroad. The action shall be undertaken pursuant to Act No. 149 of the Public Acts of 1911, being sections 213.21 to 213.25 of the Michigan Compiled Laws, and Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.57 Expired. 1976, Act 295, Eff. Dec. 31, 1976.

Compiler's note: The expired section pertained to sale, transfer, or exchange of rail properties or trackage rights subject to bankruptcy or discontinuance proceedings.

474.58 Notice of abandonment; acquisition of rights of railroad company by state department of transportation or department of natural resources; warranty or quitclaim deed; acquisition of rights in rights of way approved for abandonment.

Sec. 8. (1) A railroad company operating within this state shall notify the department at the time it files with the appropriate governmental agencies for abandonment of a line.

(2) The rights a railroad company may have in all rights of way approved for abandonment within the state shall not be offered for sale without offering the department, on reasonable terms in the first instance, and the department of natural resources, on reasonable terms in the second instance, the right to purchase those rights. The offer shall include a detailed description of the property and appropriate valuation maps and track charts. Additional information or documents may be provided as agreed to by the parties. The department shall reimburse the railroad company for the expense of providing all such additional information or documents. Upon receipt of such an offer, the department shall notify the departments of natural resources, agriculture, and commerce. The purchase or other acquisition may be by warranty or quitclaim deed. The department or the department of natural resources may purchase or acquire those rights a railroad company may have in all rights of way approved for abandonment unless within 60 days of the offer for sale by the railroad company, the department determines that the abandoned route does not have potential for a use described in section 6 or the department of natural resources determines that the abandoned route does not have potential for management as a recreational resource. If the department determines that the abandoned route does not have potential for a use described in section 6 and the department of natural resources determines that the abandoned route does not have potential for management as a recreational resource or the department or the department of natural resources does not make a reasonable offer, in writing, to purchase within 60 days, the railroad company may dispose of the rights it has in those rights of way as it sees fit. If a right of way abandoned before January 1, 1977, is available and the department determines that the right of way has potential for a use described in section 6, the department may purchase by warranty or quitclaim deed the rights a railroad company or others have in the right of way.

History: 1976, Act 295, Eff. Jan. 1, 1977;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.59 Cooperation and contractual arrangements with other states and dominion of Canada; acquisition of trackage rights and rail property in other states and dominion of Canada.

Sec. 9. The department may cooperate with other states and the dominion of Canada in connection with the purchase of rail property within the state. The department may acquire trackage rights in other states and rail property lying in other states and the Dominion of Canada to carry out the intentions and purposes of this act. In carrying out the authority conferred by this section, the department may enter into general contractual arrangements, including joint purchasing and leasing of rail property with other states and the Dominion of Canada.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.60 Acquiring, leasing, or securing easement for use of real property owned by railroad; conveyance or lease to public or private entity; preservation of right-of-way for future use as railroad line; disposing of or leasing right-of-way; powers of department; restrictions to assure future rail use.

Sec. 10. (1) In weighing the varied interests of the residents of this state, the department shall consider the individual interest of any person, public or private corporation, local or regional transportation authority, local governmental unit, private carrier, group of rail users, state agency, other public or private entity, including a port authority established under the Hertel-Law-T. Stopczynski port authority act, 1978 PA 639, MCL 120.101 to 120.130, or any combination of these entities, expressing a desire to acquire or lease or secure an easement for the use of a portion or all of the real property owned by a railroad company. The property acquired by the department under this act may be conveyed or leased to an entity or combination of entities listed in this subsection with appropriate reimbursement, as determined by the department.

(2) Upon acquisition of a right-of-way, the department may preserve the right-of-way for future use as a railroad line and, if preserving it for that use, shall not permit any action that would render it unsuitable for future rail use. If the department determines a right-of-way or other property acquired under this act is no longer necessary for railroad transportation purposes, the department may preserve and utilize the right-of-way for other transportation purposes or may dispose of the right-of-way or other property acquired under this act for the purposes described in section 6, or may dispose of or lease the right-of-way or other property for other purposes, as appropriate. The department shall not dispose of or lease a right-of-way without first offering to transfer the right-of-way to the department of natural resources. If the department of natural resources desires to lease or purchase the right-of-way, the department of natural resources must indicate its desire to lease or purchase the right-of-way within 60 days and accept the offered transfer within 1 year after the offer is made. If the department of natural resources does not indicate a desire to lease or purchase the right-of-way within 60 days, the department may dispose of or lease the right-of-way as otherwise provided for in this act. If the department of natural resources does not accept the offered transfer within 1 year after indicating its desire to lease or purchase the right-of-way, the department may dispose of or lease the right-of-way as otherwise provided for in this act. When appropriate, a right-of-way or other property shall be transferred or leased to a public or private entity with appropriate reimbursement, as determined by the department.

(3) In preserving a right-of-way for future rail use, the department may do 1 or more of the following:

(a) Develop the right-of-way for use as a commuter trail where the use is feasible and needed or lease the right-of-way to a county, city, village, or township expressing a desire to develop the right-of-way as a commuter trail. The lease shall be for an indefinite period of time and is cancelable by the department only if the right-of-way is needed for rail usage. The trails, unless leased to a county, city, village, or township, shall remain under the jurisdiction of the department.

(b) Transfer, for appropriate reimbursement, the right-of-way to the department of natural resources for use as a Michigan railway pursuant to part 721 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.72101 to 324.72116, if the deed includes restrictions on the use of the property that assure that the property remains viable for future rail usage, and includes a clause that requires the department of natural resources to transfer, for appropriate reimbursement, the right-of-way to the department, upon a determination of the director of the department that the right-of-way is needed for use as a railroad line.

(c) Lease the right-of-way to the department of natural resources, or upon approval of the department of natural resources, to a county, city, village, or township for use as a recreational trail. The lease shall be for an indefinite period of time and is cancelable by the department only if the right-of-way is needed for rail usage. A recreational trail shall be reserved for non-motorized forms of recreation or snowmobiling only.

Snowmobiling shall not be allowed on more than 50% of the mileage of the recreational trails established pursuant to this act.

(d) In cases where a trail serves both a significant commuter and recreation function, authorize the joint development of the trail by the department and the department of natural resources, or the department and any interested county, city, village, or township. Administration of the trail shall be determined jointly by the department and the department of natural resources.

(4) As a term of conveyance, the department may require restrictions on the use of the property that assure that the property remains viable for future rail use and that the rail line is made available by the purchaser for future freight or passenger rail uses and that the property will revert to the department if the purchaser fails to maintain the property so that it remains viable for future rail use.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 1993, Act 28, Imd. Eff. Apr. 21, 1993;—Am. 1998, Act 235, Imd. Eff. July 3, 1998;—Am. 2008, Act 570, Imd. Eff. Jan. 16, 2009;—Am. 2011, Act 29, Imd. Eff. May 17, 2011;—Am. 2012, Act 42, Imd. Eff. Mar. 6, 2012;—Am. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

474.60a Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014

Compiler's note: The repealed section pertained to issuance of statement regarding viability of segment.

474.60b Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to prequalification requirements.

474.60c Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to appeal of committee's decision not to prequalify prospective bidder.

474.60d Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to appeal of panel's decision to state transportation commission.

474.60e Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to divestiture of segment.

474.60f Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to scoring mechanism for selecting bidders.

474.60g Repealed. 2014, Act 25, Imd. Eff. Mar. 4, 2014.

Compiler's note: The repealed section pertained to selection of replacement operator for segment on emergency basis.

474.61 Federal funds; public or private grants, gifts, donations, or appropriations.

Sec. 11. The department may utilize federal funds, or other public or private grants, gifts, donations, or appropriations in carrying out the purposes of this act.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.62 Federal loan, guarantee of loan, or federal programs.

Sec. 12. The department may apply for an acquisition and modernization loan, or a guarantee of a loan, pursuant to the federal acts or other federal programs within the limit of funds appropriated for this purpose.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.63 Repealed. 1981, Act 129, Eff. Oct. 1, 1981.

Compiler's note: The repealed section pertained to the administration of a delinquent railroad tax fund and to the transferring of balances to the general fund.

474.64 Acquisition of intercity bus and ferry equipment and facilities.

Sec. 14. The department may purchase intercity bus equipment and related station and servicing facilities, as well as ferry equipment, dock, port, and water equipment servicing facilities. The department may acquire equipment and facilities to be utilized by intercity bus and ferry operations, under terms and conditions determined by the department.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.65 Modernization, rehabilitation, rebuilding, and relocation of rail property; maintenance and improvements.

Sec. 15. The department may spend sums appropriated and other available funds for the construction, modernization, rehabilitation, rebuilding, and relocation of rail property and may perform or contract for

maintenance or improvements on rail property owned by the state, a person, a public or private corporation, a local or regional transportation authority, a local governmental unit, a private carrier, a group of rail users, or a combination of these entities, including, but not limited to, a street railway, as is necessary in the public interest as determined by the department.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 2008, Act 488, Imd. Eff. Jan. 12, 2009.

474.65a Rail infrastructure loan fund.

Sec. 15a. (1) The rail infrastructure loan fund is created to implement the rail infrastructure loan program in the state transportation department. Subject to the maximum established by this section, the legislature shall appropriate an amount not to exceed \$3,000,000.00 each year to the rail infrastructure loan fund until the maximum in subsection (5) is met. Interest earned and repayments received and any penalties assessed and received for failure to repay loans on time shall be credited to the fund. The rail infrastructure loan fund is a self-sustaining revolving loan fund to finance construction and improvements that are designed for improvements to freight railroad infrastructure for the purposes of preserving, rebuilding, rehabilitating, or constructing facilities or improvements on railroad operating property or property adjacent to railroad operating property, in this state. Construction is limited to those facilities or improvements required to continue rail service on a particular line or to improve the efficiency and safety of existing rail service. If the department determines that the public interest requires, a loan may be made to eligible applicants provided by subsection (2) to acquire rail property for the purpose of preserving freight rail service or improving the efficiency of existing freight rail service. An eligible applicant described in subsection (2) may apply for a loan from the fund for the purposes described in this section or for use as nonfederal match for any federal rail infrastructure loan program.

(2) The fund shall provide noninterest bearing loans for the purposes described in this section. The department shall evaluate loan applications according to the relative merit of the project in conjunction with program goals and make recommendations to the state transportation commission regarding each loan application. The state transportation commission shall approve or deny the loans and establish loan disbursement and payment schedules based on the needs of the work in progress. A loan shall fund not more than 90% of the rail portion of project costs, and the loan repayment period shall not exceed 10 years. A county, city, township, village, economic development corporation, and railroad and current or potential users of freight railroad services are eligible applicants.

(3) Except as otherwise provided in this subsection, at the end of each fiscal year, unexpended funds shall remain in the rail infrastructure loan fund and shall be available for the purposes of the program in the succeeding fiscal year. For the fiscal year ending September 30, 2010, \$5,700,000.00 in unobligated fund balance shall be deposited in the comprehensive transportation fund. Amounts in the fund may be combined by the state treasurer with other amounts in the state treasury for purposes of cash management. The earnings from the investment of the fund shall accrue to the fund. The fund shall be accounted for separately from other funds of the state. The fund may receive gifts or grants for the purposes of the fund. Any penalties assessed and received for failure to repay a loan on time and money that is received by this state as repayment for rail infrastructure loans made pursuant to this program shall remain within the rail infrastructure loan fund and shall only be used for the purposes of rail infrastructure loans as provided in this section.

(4) By December 31 each year, the department shall report to the house and senate appropriations subcommittees on transportation and the house and senate fiscal agencies the following information, as appropriate, regarding this section and on a separate report the rail freight fund under section 17:

(a) The beginning fund balance of each fund, revenues received, expenditures and encumbrances incurred, and the ending fund balance for each fund for the preceding fiscal year.

(b) The projects funded during the preceding fiscal year.

(c) The status of projects funded in the preceding fiscal years including the degree to which the projects funded have achieved the objectives of this act.

(d) Status of all outstanding loans.

(e) Any other information considered necessary by the department.

(5) The state's total contribution to the rail infrastructure loan fund shall not exceed \$15,000,000.00 exclusive of interest and any penalties assessed, received, and credited to the fund.

History: Add. 2002, Act 747, Imd. Eff. Dec. 30, 2002;—Am. 2010, Act 161, Imd. Eff. Sept. 17, 2010.

474.66 Contracts for rail, street railway, intercity bus, or ferry service.

Sec. 16. The department may contract with a person, firm, or public or private corporation to provide rail, street railway, intercity bus, or ferry service deemed by the department to be in the best interest of this state.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 2008, Act 488, Imd. Eff. Jan. 12, 2009.

474.67 Financial assistance for facilities of rail freight and marine freight transportation; deposit of funds to be held as separate fund; rail freight fund; administration.

Sec. 17. (1) The department may provide financial assistance, within the limits and conditions of the funds appropriated by the legislature, or otherwise obtained, for grants, leases, loans, and purchases, or any combination of grants, leases, loans, and purchases, for the establishment, continuation, and improvement of production, operation, maintenance, and support facilities of rail freight and marine freight transportation.

(2) The following funds shall be deposited in the state treasury and shall be held as a separate fund to be known as the rail freight fund which shall be administered by the department within the limits and conditions of funds appropriated by the legislature for the purposes of subsection (1):

(a) The funds repaid under a contract entered into pursuant to subsection (1).

(b) Revenue received from the sale, lease, or other disposition of property acquired under this act.

(c) Railroad operating subsidies refunded to the state pursuant to a contract.

(d) Revenue received from the sale or lease of a tug barge or related facilities constructed or acquired with comprehensive transportation fund money or comprehensive transportation fund bond proceeds.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1982, Act 288, Imd. Eff. Oct. 7, 1982;—Am. 1984, Act 210, Imd. Eff. July 9, 1984;—Am. 1990, Act 68, Imd. Eff. Apr. 27, 1990;—Am. 1993, Act 16, Imd. Eff. Apr. 14, 1993;—Am. 1998, Act 235, Imd. Eff. July 3, 1998.

474.67a Soo Locks fund.

Sec. 17a. (1) The Soo locks fund is created as a separate restricted account within the comprehensive transportation fund and shall be administered by the department for the purposes of fulfilling the state's portion of the nonfederal cost share for construction of a new marine lock facility at Sault Ste. Marie, Michigan, as authorized under section 17(1).

(2) The following funds may be deposited into the Soo locks fund:

(a) Comprehensive transportation fund revenues or comprehensive transportation fund bond proceeds.

(b) Other revenues that are appropriated for the purpose of subsection (1).

(3) For each fiscal year, beginning with the fiscal year ending September 30, 2001 and ending with the fiscal year ending September 30, 2050, there is appropriated from the fund an amount necessary to fulfill the terms and conditions of the state's agreement with the Great Lakes commission, acting in its capacity as the principal fiduciary agent for the nonfederal cost share, for the construction of a new marine lock facility at Sault Ste. Marie, Michigan.

(4) Principal and interest earnings in the fund shall not lapse and shall remain in the fund at the close of the fiscal year and shall carry forward for use for the purposes described in subsection (1), except for the fiscal year ending September 30, 2007 when \$5,270,000.00 shall lapse to the comprehensive transportation fund.

(5) The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(6) Any unexpended balances remaining in the fund upon fulfillment of the state's obligation as described in this section shall lapse to the funds from which originally appropriated.

History: Add. 2001, Act 126, Imd. Eff. Oct. 15, 2001;—Am. 2007, Act 68, Imd. Eff. Sept. 28, 2007.

474.68 Termination of rail freight services; contracts for substitute services and relocation assistance.

Sec. 18. When rail freight services are terminated, the department may contract for substitute services and relocation assistance within this state, to serve affected shippers and communities, if deemed desirable by the department.

History: 1976, Act 295, Eff. Nov. 15, 1976;—Am. 1984, Act 210, Imd. Eff. July 9, 1984.

474.69 Repealed. 1984, Act 210, Imd. Eff. July 9, 1984.

Compiler's note: The repealed section pertained to program approval procedure for rail continuation contractual grant and upgrading programs.

474.69a Compliance.

Sec. 19a. In exercising the powers provided by this act, the department shall comply with policies established by the state transportation commission in accordance with section 28 of article V of the state constitution of 1963.

History: Add. 1984, Act 210, Imd. Eff. July 9, 1984.

474.70 Effective date.

Sec. 20. This act shall not take effect until November 15, 1976.

History: 1976, Act 295, Eff. Nov. 15, 1976.

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; to impose penalties; and to repeal acts and parts of acts.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

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) "Applicant" means a person who applies for an authority under this act.
- (b) "Authority" means an authority issued under this act. Authority includes an original annual authority, a reinstatement authority, and a renewal authority.
- (c) "Authorized seasonal vehicle" means an authorized vehicle that satisfies both of the following:
 - (i) The department has approved the vehicle to be used in service for a contiguous period of time that does not exceed 6 months.
 - (ii) The vehicle satisfies the inspection and insurance requirements of this act during the period the vehicle has been approved for use.
- (d) "Authorized vehicle" means a vehicle operated by a motor carrier that complies with all requirements of this act.
- (e) "Bus" means a motor vehicle with a seating capacity of 9 or more passengers, including the driver, that is used in the transportation of passengers and their baggage for hire upon any public highway of this state. Except as otherwise provided in section 4(1)(j), bus includes a school bus.
- (f) "Department" means the state transportation department.
- (g) "For hire" means for remuneration or reward of any kind, paid or promised, either directly or indirectly.
- (h) "Motor carrier" means a person who, either directly or through any device or arrangement, holds himself or herself out to the public as willing to transport passengers for hire by bus over the public highways of this state.
- (i) "Original annual authority" means the first authority applied for and received by a motor carrier under this act.
- (j) "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.
- (k) "Public highway" means a highway, road, street, avenue, alley, or thoroughfare of any kind, or a bridge, tunnel, or subway used by the public.
- (l) "Reinstatement authority" means an authority issued to a motor carrier whose original annual authority or original seasonal authority was previously revoked under this act.
- (m) "Renewal authority" means an authority for the continuation of a prior original annual authority or an original seasonal authority that remained in good standing, or the continuation of a reinstatement authority.
- (n) "Roster" means a list of buses to be operated for hire by a motor carrier that is authorized or seeking authorization under this act and that indicates all of the following information:
 - (i) The vehicle identification number, make, model, fleet number, and year of each vehicle.
 - (ii) The beginning and ending dates of service for each seasonal vehicle.
- (o) "Safety inspector" means an individual designated by the department to conduct safety inspections under this act.
- (p) "Service" means the movement of passengers by bus.
- (q) "The public" means the part or portion of the general public that the motor carrier is ready, able, willing, and equipped to serve.
- (r) "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 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;—Am. 2016, Act 349, Eff. Mar. 21, 2017. Rendered Monday, July 7, 2025

474.104 Applicability.

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

(a) A county, city, township, or village as provided by law, or other authority incorporated under 1963 PA 55, MCL 124.351 to 124.359.

(b) An authority incorporated under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or that operates a transportation service under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(c) Operating under a contract entered into under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or 1951 PA 35, MCL 124.1 to 124.13.

(d) An authority incorporated under the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479.

(e) A regional transit authority created under the regional transit authority act, 2012 PA 387, MCL 124.541 to 124.558.

(f) A nonprofit corporation organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, and as defined by sections 501(c)(3), (4), (19), or (23) of the internal revenue code of 1986, that provides 1 or both of the following transportation services:

(i) Services that are restricted only to registered members of the nonprofit corporation.

(ii) Services that are funded under 1951 PA 51, MCL 247.651 to 247.675, through programs administered by the department.

(g) An authority financing public improvements to transportation systems under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(h) A motor carrier that operates motor vehicles only for the purpose of transporting passengers to and from funerals.

(i) A motor carrier that operates a motor vehicle that is owned or leased by or on behalf of an employer to transport its employees to and from their place of employment.

(j) A public or private school or a unit of government that owns or operates a school bus, or a privately owned school bus that is under contract with a school district, an independent school district, or a private or charter school, when that bus is used solely for the transportation of pupils to or from school, school-related events, or other uses as provided under the pupil transportation act, 1990 PA 187, MCL 257.1801 to 257.1877.

(k) A vehicle operated by a canoe or other watercraft, bicycle, or horse livery that is used only to transport clients between their primary business location and the launch or disembarkment location.

(l) An interstate motor carrier of passengers operating under a United States Department of Transportation, Federal Motor Carrier Safety Administration (USDOT-FMCSA) certificate of authority that is providing a multistate regular route service that passes through this state, unless required by the department as a condition of financial assistance.

(2) A motor carrier that is exempt under subsection (1) shall operate under the requirements of this act when operating outside of the exemptions described in subsection (1).

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017;—Am. 2018, Act 275, Eff. Sept. 27, 2018.

474.105 Motor carrier; compliance with act; authority; registration of roster.

Sec. 5. A motor carrier shall not operate a bus for the transportation of persons for hire on a public highway in this state except in accordance with this act. A motor carrier shall not operate upon a public highway without first having obtained from the department an authority. A motor carrier shall register its roster with the department, and all vehicles on the roster shall comply with the provisions of this act.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.106 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to duty of lessor to inform person leasing motor bus for hire of requirements.

474.107 Authority; issuance; findings; terms or conditions; application requirements; failure to correct noncompliance; outstanding fees; good standing required; denial of application; notice; correction of deficiency.

Sec. 7. (1) The department shall issue without a hearing an authority to a motor carrier authorizing that carrier to provide transportation services subject to the jurisdiction of the department under this act, if the

department finds that the motor carrier is fit, willing, and able to provide the transportation service authorized by the authority in compliance with this act. The department may attach terms or conditions to the exercise of the privilege granted by an authority as the department considers appropriate.

(2) An application for an authority is not complete unless the applicant has complied with all applicable provisions of this act and with the application requirements of the department. If an applicant fails to comply with the application requirements of the department and fails to correct its noncompliance within 60 days after the initial application date, the application shall be canceled and any application fees paid by the applicant are forfeited.

(3) The department shall not issue or renew an authority to a motor carrier if the motor carrier owes outstanding fees to the department.

(4) An authority covers a motor carrier and the authorized vehicles listed on the roster of the motor carrier. A motor carrier and at least 1 vehicle on its roster shall remain in good standing during the time period covered by the authority or the authority is automatically revoked. To remain in good standing as required by this subsection, a motor carrier shall do all of the following:

(a) Submit an accurate roster to the department and notify the department of any changes to the roster.

(b) Pay all fees by the due date.

(c) Maintain insurance for each authorized vehicle on the roster.

(d) Ensure that each authorized vehicle on the roster complies with the inspection requirements of this act.

(5) If the department denies an application for an authority, the department shall notify the applicant of the denial in writing and the reasons for the denial. An applicant whose application is denied may, within 30 days after the date of the denial, correct any deficiency in the application and reapply for an authority without payment of an additional application fee.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.109 Eligibility of applicant; determination; consideration.

Sec. 9. (1) In determining the eligibility of an applicant for an authority to provide transportation service, the department shall consider all of the following:

(a) Whether the applicant has paid the required fees under section 17.

(b) Whether the character and condition of each bus on the applicant's roster is such that it may be operated safely upon the public highways based on an inspection conducted in accordance with this act.

(c) Whether the applicant has proof of insurance coverage as required by section 10.

(d) Whether the applicant has provided the department with details of any fixed route service that the applicant will provide in this state, if applicable.

(e) Whether the applicant has met all other requirements of this act.

(2) The department shall not issue an authority to an applicant that does not meet the eligibility requirements described in subsection (1).

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;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.110 Liability insurance coverage; condition for maintaining authority; waiver; cancelation or coverage below required level as automatic revocation of authority; notification rights to department.

Sec. 10. (1) An applicant shall acquire the following liability insurance coverage for acts or omissions of the applicant as a motor carrier:

(a) For buses with a seating capacity of between 9 and 15 passengers, including the driver, bodily injury and property damage liability insurance with a minimum combined single limit of \$1,500,000.00 for all persons injured or for property damage.

(b) For buses with a seating capacity of 16 or more passengers, including the driver, 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.

(c) 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 500.3179.

(2) A motor carrier shall maintain the insurance coverage described in subsection (1) as a condition of maintaining an authority issued under this act. For each authorized seasonal vehicle, a motor carrier shall maintain the insurance coverage described in subsection (1) during the approved seasonal period.

(3) The insurance requirements of subsection (1) are waived if the applicant qualifies for and obtains a certificate of self-insurance from the commissioner of the office of financial and insurance services under

section 3101d of the insurance code of 1956, 1956 PA 218, MCL 500.3101d.

(4) Except as otherwise provided in this act, if a motor carrier cancels the insurance coverage required under this section for any reason or if the coverage level falls below the levels provided in subsection (1), the authority issued to that motor carrier is automatically revoked.

(5) A motor carrier shall grant notification rights to the department for all insurance policies required under this act to ensure that the department is notified of all activities related to the policy, including cancellation and replacement.

History: Add. 2016, Act 349, Eff. Mar. 21, 2017.

474.111 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to application for certificate of authority.

474.113 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to filing fee for original certificate of authority.

474.115 Display of motor carrier's legal or assumed name; requirements.

Sec. 15. Except as otherwise provided in this section, each bus on a motor carrier's roster must display the motor carrier's legal name or assumed name as listed on its application for authority or official request for name change as submitted to the department on both sides of the bus in a color that is in sharp contrast to the background color and in a size that is visible from a distance of not less than 50 feet. The display required under this section must meet the vehicle identification requirements of 49 CFR parts 390 to 399.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 2016, Act 349, Eff. Mar. 21, 2017;—Am. 2024, Act 70, Imd. Eff. July 8, 2024.

474.116 Inspections.

Sec. 16. (1) To maintain authorized status for a bus, a motor carrier shall ensure that the bus passes a valid inspection as provided in this section and that the condition of the bus is maintained between inspections.

(2) Beginning on January 1, 2017, for an inspection of a bus to be a valid inspection, all of the following shall be satisfied:

(a) An inspection has been scheduled at the department's convenience.

(b) The inspector of the bus indicates on an inspection report prepared by the department that the bus has passed the inspection before the expiration of the previous inspection.

(c) If the inspection is of a seasonal bus, the inspection occurred no earlier than 30 days before the beginning of the approved seasonal period for that bus.

(d) The department shall accept an inspection conducted by the department of state police if that inspection meets the requirements of this act.

(3) A bus that does not have a valid inspection under this section shall not be operated over the public highways of this state.

(4) A motor carrier is subject to all of the following penalties for each bus that does not have a valid inspection as required by this section:

(a) A motor carrier shall be assessed a fee of \$250.00 for each inspection that is conducted between 1 and 30 days late, and a fee of \$500.00 for each inspection that is conducted 31 or more days late. This fee shall be in addition to any fee assessed under subdivision (b). The department may waive the fee provided for in this subdivision if the late inspection was primarily caused by the schedule of the safety inspector. A vehicle that fails an inspection is subject to the late inspection fees described in this subdivision.

(b) The motor carrier shall be assessed a \$100.00 reinspection fee for each inspection after an initial failed inspection until the vehicle passes or is permanently removed from service.

(c) A motor carrier that is assessed a reinspection fee under subdivision (b) shall pay the reinspection fee before the department conducts the reinspection on the vehicle for which the reinspection fee was assessed.

(5) Instead of an inspection by the department under subsection (2), a motor carrier may, no later than the end of the month in which the inspection expires, provide evidence of a current year inspection by a state, district, province, or local municipality that has standards comparable to the federal motor carrier safety periodic inspection standards and that has been approved by the department. The department may issue a list of the states, districts, provinces, and local municipalities that have standards comparable to the federal standards promulgated under 49 CFR part 396.

(6) A motor carrier shall maintain a copy of a current valid inspection report on board each bus at all times, and the report shall be made available for review upon demand by an authorized federal, state, or local official.

(7) If the department has reasonable cause to believe that a bus is unsafe for operation or has not been

inspected as required by this act or rules promulgated under this act, a department safety inspector may inspect the bus. If the bus is not in compliance with this act, the department may require the motor carrier to place the bus out of service until all violations have been corrected or eliminated.

(8) Upon satisfactory completion of a valid inspection of a bus as required by this act and payment of all required fees by the motor carrier, the department shall issue a decal indicating the expiration date of the inspection for that bus. A decal issued under this subsection is property of this state. A motor carrier shall not use a bus displaying an expired decal to provide for-hire passenger service.

(9) A motor carrier shall not operate a bus over the public highways of this state if that bus does not have a properly displayed current decal issued by the department under subsection (8).

(10) The department may require a motor carrier to return a decal issued under subsection (8) to the department if the bus upon which that decal was displayed is removed from the motor carrier's roster by the department or the motor carrier. A motor carrier that fails to return a decal within 30 days after a request by the department shall pay a \$50.00 fee.

(11) The department may waive the inspection and renewal requirements of this act for a bus that is not being used in this state for a motor carrier that is located outside of this state if the motor carrier submits a roster that indicates which of its vehicles will be used exclusively outside of this state for at least 1 year. The roster must be submitted before the affected vehicle ceases to comply with this act. The motor carrier may put the bus back into service in this state after at least 1 year by submitting a revised roster and complying with all other provisions of this act.

(12) Until the department conducts an inspection as provided in this act, or January 1, 2018, whichever is later, an inspection that was conducted and passed in accordance with this act or the limousine transportation act, 1990 PA 271, MCL 257.1901 to 257.1939, before January 1, 2017 shall be considered a valid inspection.

History: Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 1996, Act 421, Imd. Eff. Nov. 22, 1996;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.117 Annual renewal fee; submission of roster; fee for additional buses; noncompliance with section as automatic revocation.

Sec. 17. (1) An applicant for an original annual authority shall pay to the department a filing fee of \$300.00 and a fee of \$100.00 times the number of buses to be used by the applicant to provide transportation for hire under this act. The applicant shall submit its roster to the department at the time of payment.

(2) An authority issued under this act expires on March 1 of each year. No later than the last day of February each year, a motor carrier that holds an authority issued under this act shall pay to the department an annual renewal fee equal to \$100.00 times the number of buses subject to this act. The motor carrier shall submit its roster to the department at the time of payment. The department may require a carrier to submit additional documentation as part of the annual renewal process to ensure compliance with this act.

(3) A motor carrier that holds an authority issued under this act that wishes to have additional buses authorized under its authority between annual renewal periods shall pay to the department a fee of \$100.00 times the number of buses being added to its roster. The motor carrier shall submit its updated roster to the department at the time of payment. A motor carrier shall ensure that each bus added to a roster under this subsection complies with all requirements of this act.

(4) The authority of a motor carrier that does not comply with this section shall be automatically revoked on March 1, and the motor carrier must apply for and be issued a new authority before resuming service.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.121 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to authority to transport newspapers, baggage, or mail in same motor bus as passengers.

474.123 Emergency certificate of authority for transportation of passengers; duration; waiver of fees; exemptions.

Sec. 23. (1) The department may grant an emergency certificate of authority to a motor carrier if there is an immediate and urgent need for the transportation of passengers to a point or between points within this state. An emergency certificate of authority granted by the department under this section, unless suspended or revoked for good cause, is valid for the time specified by the department.

(2) The department may waive any or all applicable fees or other requirements under this act for a certificate granted under subsection (1).

(3) The department may exempt a motor carrier that is providing transportation to or from a special event

of statewide significance from this act.

(4) Notwithstanding any other provision of this act, a person that operates a streetcar, trolley, light rail vehicle, or tram as part of a public transportation system and is not otherwise considered a motor carrier under this act is not a motor carrier for purposes of this act and is exempt from this act.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 458, Eff. Mar. 29, 2017.

474.125 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to granting change to certificate of authority.

474.127 Discontinuation of service; notice.

Sec. 27. A motor carrier holding an authority for regular route service between points within this state shall notify the department in writing no less than 60 days before it plans to discontinue all or a portion of its service under its authority. Within 10 days after notifying the department, the carrier shall post notice of the discontinuation of service on its website and in all ticketing locations.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.129 Abandonment or discontinuation of service without notification prohibited; automatic revocation.

Sec. 29. A motor carrier authorized to provide regular route service under this act shall not abandon or discontinue a service established under this act without notification to the department as described in section 27. If a motor carrier discontinues service for more than 10 days without previous notification to the department, the authority issued to that carrier shall be automatically 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;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.131 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to adoption of federal regulations.

474.132 Impoundment; bond; forfeiture; foreclosure sale; notice; distribution of proceeds; administration and enforcement of act.

Sec. 32. (1) A police officer or a peace officer may seize and impound a vehicle that is operated by a motor carrier in violation of this act or a rule promulgated by this act or is in such a condition that the continued operation of the vehicle upon the highway would constitute an immediate hazard to the public. Upon impoundment, the vehicle is subject to a lien, subordinate to a prior lien of record, in the amount of any fine, costs, and damages that the defendant may be ordered to pay under this act. Upon impoundment, a notice shall be sent to the owner and any lienholder of record as kept by the secretary of state of the vehicle that the vehicle is available for pickup by the owner or lienholder of record as kept by the secretary of state. The notice shall be accompanied by an invoice for any outstanding charges imposed under this act. The notice shall inform the owner and any lienholder of record as kept by the secretary of state that the owner and lienholder of record as kept by the secretary of state have 30 days from the date of the notice and upon payment of applicable charges to pick up the impounded vehicle. A notice under this subsection shall be sent by the agency authorizing the impoundment of the vehicle to the applicable address on record with the secretary of state by certified mail or by another commercially available delivery service providing proof of delivery. The defendant or a person with an ownership interest in the vehicle may post with the court a cash or surety bond in the amount of \$750.00. If a bond is posted, the vehicle shall be released from impoundment. The vehicle shall also be released, and the lien shall be discharged, upon a judicial determination that the defendant is not responsible for a violation of this act or upon payment of the fine, costs, and damages. Additionally, if the defendant is determined to be not responsible for the violation of this act, the court shall assess against the governmental entity bringing the action costs, payable to the defendant, for any damages that the defendant has sustained due to the impoundment of the vehicle.

(2) If the court determines that the defendant is responsible for the violation of this act and the defendant defaults in the payment of any fine, costs, or damages, or any installment, as ordered under this section, a bond posted under subsection (1) shall be forfeited and applied to the fine, costs, damages, or installment. The court shall certify any remaining unpaid amount to the attorney for the governmental entity bringing the action. If the owner or lienholder of record as kept by the secretary of state does not pick up the vehicle within the 30-day period described in subsection (1), the vehicle may be sold by foreclosure sale. The foreclosure

sale shall be conducted in the manner provided and subject to the same rights as apply in the case of execution sales under sections 6031, 6032, 6041, 6042, and 6044 to 6047 of the revised judicature act of 1961, 1961 PA 236, MCL 600.6031, 600.6032, 600.6041, 600.6042, and 600.6044 to 600.6047.

(3) Not less than 21 days before a foreclosure sale under subsection (2), the attorney for the governmental entity bringing the action shall by certified mail send written notice of the time and place of the foreclosure sale to the owner and any lienholder of record as kept by the secretary of state. In addition, not less than 10 days before the foreclosure sale, the attorney shall twice publish notice of the time and place of the foreclosure sale in a newspaper of general circulation in the county in which the vehicle was seized. The attorney for the governmental entity bringing the action shall provide the buyer and the secretary of state with a copy of the proof of notice under this subsection to the owner and lienholder of record as kept by the secretary of state, and a bill of sale. The secretary of state shall use the documentation provided to issue the appropriate certificate of title. The proceeds of the foreclosure sale shall be distributed in the following order of priority:

(a) To discharge any lien on the vehicle that was recorded prior to the creation of the lien under subsection (1).

(b) To the clerk of the court for the payment of the fine, costs, and damages, that the defendant was ordered to pay.

(c) To discharge any lien on the vehicle that was recorded after the creation of the lien under subsection (1).

(d) To the owner of the vehicle.

(4) 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 experts, assistants, inspectors, and other personnel as necessary subject to civil service rules, to enable it to administer and enforce this act. An employee of the department shall not ask for 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 police officer or 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 this state and the prosecuting attorneys of the counties of this state shall prosecute all violations of this act. A violation of this act may be prosecuted in any jurisdiction in or through which the bus implicated was present at the time of the violation.

History: Add. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

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

474.133 Violation of act; penalty; separate offense.

Sec. 33. Notwithstanding any other provision of this act, a person subject to this act who operates a passenger service without obtaining an authority required under this act or without meeting the insurance requirements provided in this act shall be subject to a civil 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;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

474.134 Violation of act or rule as civil infraction; penalty.

Sec. 34. A motor carrier, or an officer or agent of a motor carrier, that requires or permits a driver or operator to drive or operate a bus in violation of this act, or a rule promulgated under this act, is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

History: Add. 1984, Act 73, Eff. Sept. 1, 1984;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

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

474.135 Alteration, suspension, or revocation of authority.

Sec. 35. The department may alter, suspend, or revoke an authority issued under this act if the department determines in a contested case hearing held under chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287, that a motor carrier to which an authority has been issued has willfully violated or refused to comply with this act. If a motor carrier is found operating a bus for the transportation of persons after its authority has been revoked under this section, the department may compel compliance with this act by proceedings in mandamus, injunction, or other appropriate civil remedy. The proceedings described in this section may be brought in any county in which the alleged violator may be sued or in Ingham County circuit court.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

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 under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 1982, Act 432, Imd. Eff. Dec. 29, 1982;—Am. 1989, Act 233, Imd. Eff. Dec. 21, 1989;—Am. 2016, Act 349, Eff. Mar. 21, 2017.

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

474.141 Repealed. 2016, Act 349, Eff. Mar. 21, 2017.

Compiler's note: The repealed section pertained to conditional effective date.