



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

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 561 (as introduced 7-13-11)
Sponsor: Senator Jack Brandenburg
Committee: Transportation

Date Completed: 9-26-11

CONTENT

The bill would amend the Limousine Transportation Act to do all of the following:

- **Provide that the Michigan Department of Transportation (MDOT) and the Department of State would have exclusive authority to license limousines, limo carriers of passengers, and limo operators.**
- **Prohibit local units of government from licensing limousines, limo carriers of passengers, or chauffeurs, or adopting ordinances to do so.**
- **Eliminate a provision exempting from regulation a limo carrier of passengers operating only within the boundaries of a local unit that has its own safety inspection and insurance requirements.**
- **Delete a provision under which a limo carrier that operates Class B limousines within a city with a population of 750,000 or more, also must comply with that city's vehicle-for-hire ordinance.**

The bill also would repeal sections allowing a local unit that has an ordinance regulating limousines to perform required annual safety inspections, and requiring a limo carrier of passengers who has the inspections done by a local unit to pay MDOT a fee for each limousine inspected.

Local Regulation

The Act does not apply to a limo carrier of passengers that operates only entirely within the boundaries of a local unit of government that has its own safety inspection and insurance requirements. The bill would delete this provision.

A limo carrier of passengers may not operate a limousine for the transportation of people for hire on a public highway in Michigan, except in accordance with the Act. The Act requires MDOT to issue a certificate of authority to a limo carrier of passengers if it finds the carrier to be fit, willing, and able to provide the transportation services authorized by the certificate and to comply with the Act, including its insurance requirements.

In addition to complying with the Act, a limo carrier of passengers that operates Class B limousines for the purpose of picking up passengers in a city with a population of 750,000 or more must comply with that city's vehicle-for-hire ordinance but may remain in the city during a given trip for the sole purpose of picking up the same passengers whom it originally brought into the city on that trip. The bill would delete that provision. (Detroit was the only city that met that population threshold, but the city's population fell below 750,000 according to the 2010 U.S. census.)

("Class B limousine" means a limousine with a seating capacity of fewer than seven passengers including the driver.)

The bill specifies that MDOT and the Department of State would have exclusive authority to license limousines and limo carriers of passengers and to license operators, drivers, and chauffeurs of limousines and limo carriers of passengers.

A county, regional authority, city, township, or village or any other local unit of government would be prohibited from licensing limousines, limo carriers of passengers, or chauffeurs of limousines or limo carriers of passengers. A county, city, village, or township could not adopt a local ordinance to license limousine drivers or limo carriers of passengers within the limits of the county, city, village, or township.

Repeal of Local Safety Inspections

Section 19 of the Act requires each limo carrier of passengers holding a certificate of authority issued under the Act to have each limousine inspected annually by a mechanic certified under the Motor Vehicle Service and Repair Act, at a motor vehicle repair facility registered under that Act that is designated by MDOT as an inspection station. Each limousine operated by a limo carrier of passengers under its certificate must pass a safety inspection meeting the Department's specifications for safe operating character and condition for the certificate's renewal. A limousine that does not pass a required inspection may not be operated over the State's public highways.

Under Section 14 of the Act, a county, city, village, or township that has adopted a local ordinance to regulate limousines or a limo carrier of passengers within its corporate limits may perform the safety inspection required by Section 19 upon request of the limo carrier of passengers. A safety inspection performed by a local unit must meet or exceed the requirements and standards of an MDOT safety inspection. The bill would repeal Section 14, and delete several references to an inspection performed by a local unit under this section elsewhere in the Act.

Under Section 23, each certified limo carrier of passengers who has the required annual inspection done by a local unit must submit to MDOT a copy of the safety inspection report and pay the Department a fee equal to \$5 for each limousine inspected. The bill would repeal Section 23.

MCL 257.1905 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an unknown and likely minimal impact on revenue and expenditure for both the State and local units. Most limousine carriers are already licensed by the State and inspected under State provisions. The bill would eliminate local licensing authority, potentially reducing both license revenue and enforcement expenses for local units while increasing revenue and expenses for the State. The specific impact would depend upon relevant fee schedules and the number of violations.

Fiscal Analyst: David Zin

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