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House Bill 4734 (Substitute H-1 as reported without amendment)  
Sponsor: Representative Judson Gilbert  
House Committee: Transportation  
Senate Committee: Transportation and Tourism

Date Completed: 9-28-01

### **RATIONALE**

Michigan domestic bus companies are regulated by the Michigan Department of Transportation (MDOT). The United States Department of Transportation, however, sets the standards for these regulations under the Code of Federal Regulations (C.F.R.). Occasionally, the U.S. Department of Transportation revises the C.F.R. rules regarding bus safety. It has been customary for the State Legislature to amend references to the Federal regulations in the State's Motor Bus Transportation Act every three years to ensure that it is in line with Federal regulations. When the State updates its rules to comply with the Federal standards, Federal funds for bus safety inspections are made available to the MDOT.

The Motor Bus Transportation Act was last updated in 1996; therefore, its triennial update is overdue. Since the last update, one part of the applicable C.F.R. has been added, and three appendices to the C.F.R. have been removed and reserved for future use by the U.S. Department of Transportation. Also, some people feel that it is advisable to eliminate a date clause in the Act to avoid the need for the Legislature continually to update the law.

### **CONTENT**

**The bill would amend the Motor Bus Transportation Act to revise references to parts of the Code of Federal Regulations (C.F.R) that contain motor carrier safety regulations.**

Under the Act, the State adopts certain parts of Title 49 of the C.F.R. as of January 1, 1996,

on file with the Secretary of State, "...with the intent of following the policies and procedures of the United States Department of Transportation...as they relate to title 49...and the North American uniform driver/motor vehicle inspection standards...out of service and inspection procedures...". In addition to the parts of Title 49 that are currently cited, the bill would add Part 374, which specifies the regulations concerning the Federal licensing of each bus and all bus companies. The bill would delete Part 399, which details regulations for getting in and out of commercial trucks.

In addition, the Act indicates how certain terms in Title 49 are meant to be construed. Under the bill, the terms "Office of Motor Carrier Safety" and "Federal Motor Carrier Safety Administration" would be added to a group of terms meant to refer to the State Transportation Department. Currently, where "interstate" appears, it means "intrastate" or "interstate," or both; the bill would retain this definition but add "except as otherwise specifically provided in this act". The terms "Special Agent of the Office of Motor Carrier Safety" and "Special Agent of the Federal Motor Carrier Safety Administration" would be added to other terms that mean a peace officer, an enforcement member, or a Commercial Vehicle Safety Inspector of the State Transportation Department.

Lastly, the bill would delete the clause "as of January 1, 1996" from the reference to the State-adopted provisions of Title 49.

MCL 474.131

## **ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

### **Supporting Argument**

The bill would make changes in the Motor Bus Transportation Act that have been requested by the Michigan Department of Transportation. Federal regulations have been revised since 1996, and Michigan must act to re-adopt the new rules or possibly jeopardize Federal traffic safety funds used for bus vehicle and bus company inspections. To ensure ongoing compliance with Federal rules and regulations and avoid the risk of lost funds, it makes sense to allow perpetual filing and enforcement of new Federal regulations. If the date clause were eliminated, MDOT would have to file all rule changes with the Office of the Secretary of State as they are received (except where modified by the Act), and then enforce those rules upon filing. Doing so could ensure both continual compliance with Federal rules and uninterrupted Federal funding.

Legislative Analyst: C. Layman

### **FISCAL IMPACT**

Failure to revise the State law to comply with the Federal regulations could result in the loss of Federal funds. The Michigan Department of Transportation will receive an estimated \$150,000 in Federal funds to cover, in part, the costs of intercity bus inspections. These funds pay for 1.5 positions for random and unannounced inspections. These Federal funds are matched with 20% in State restricted revenue from the Comprehensive Transportation Fund. The State could lose \$6.2 million in Federal funding to the Michigan State Police for truck and bus inspections if it fails to enact changes in State law to comply with Federal regulations.

Fiscal Analyst: C. Thiel

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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.