

SENATE BILL No. 350

March 24, 2005, Introduced by Senators GARCIA, GILBERT and KUIPERS and referred to the Committee on Economic Development, Small Business and Regulatory Reform.

A bill to amend 1933 PA 254, entitled "The motor carrier act," by amending sections 2 and 10a of article V (MCL 479.2 and 479.10a), section 2 of article V as amended by 1996 PA 76 and section 10a of article V as amended by 1993 PA 352, and by adding article I-A; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

ARTICLE I-A

HOUSEHOLD GOODS CONSUMER PROTECTION

SEC. 11. AS USED IN THIS ARTICLE:

(A) "GOOD MORAL CHARACTER" MEANS THAT TERM AS DEFINED AND DETERMINED UNDER 1974 PA 381, MCL 338.41 TO 338.47.

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1 (B) "HOUSEHOLD GOODS" MEANS ANY OF THE FOLLOWING:

2 (i) PERSONAL EFFECTS AND PROPERTY USED OR TO BE USED IN A
3 DWELLING WHEN A PART OF THE EQUIPMENT OR SUPPLY OF THAT DWELLING,
4 BUT DOES NOT INCLUDE PROPERTY MOVING FROM A FACTORY OR STORE UNLESS
5 THE OWNER HAS PURCHASED THE PROPERTY WITH INTENT TO USE IN HIS OR
6 HER DWELLING AND THE PROPERTY IS TRANSPORTED AT THE REQUEST OF, AND
7 THE TRANSPORTATION CHARGES ARE PAID TO THE CARRIER BY, THE
8 HOUSEHOLDER.

9 (ii) FURNITURE, FIXTURES, EQUIPMENT, AND THE PROPERTY OF
10 STORES, OFFICES, MUSEUMS, INSTITUTIONS, HOSPITALS, OR OTHER
11 ESTABLISHMENTS WHEN A PART OF THE STOCK, EQUIPMENT, OR SUPPLY OF
12 THE STORES, OFFICES, MUSEUMS, INSTITUTIONS, HOSPITALS, OR OTHER
13 ESTABLISHMENTS EXCEPT FOR THE STOCK-IN-TRADE OF ANY ESTABLISHMENT,
14 WHETHER CONSIGNOR OR CONSIGNEE, OTHER THAN USED FURNITURE AND USED
15 FIXTURES, UNLESS TRANSPORTED INCIDENTAL TO MOVING OF THE
16 ESTABLISHMENT OR A PORTION OF THE ESTABLISHMENT FROM 1 LOCATION TO
17 ANOTHER.

18 (iii) ARTICLES, INCLUDING OBJECTS OF ART, DISPLAYS, AND
19 EXHIBITS, WHICH BECAUSE OF THEIR UNUSUAL NATURE OR VALUE REQUIRE
20 THE SPECIALIZED HANDLING AND EQUIPMENT USUALLY EMPLOYED IN MOVING
21 HOUSEHOLD GOODS.

22 SEC. 12. (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE,
23 ARTICLES I, II, III, IV, AND V DO NOT APPLY TO CARRIERS REGULATED
24 BY THIS ARTICLE.

25 (2) THIS ARTICLE APPLIES TO THE MOVEMENT OF HOUSEHOLD GOODS
26 WITHIN THE STATE OF MICHIGAN.

27 SEC. 13. (1) A PERSON SHALL NOT ENGAGE IN OR OFFER TO ENGAGE

1 IN THE BUSINESS OF BEING A CARRIER OF HOUSEHOLD GOODS UNLESS
2 LICENSED UNDER THIS ARTICLE.

3 (2) THE COMMISSION SHALL ISSUE A LICENSE TO A CARRIER SEEKING
4 LICENSURE UNDER THIS ARTICLE AS A MOVER OF HOUSEHOLD GOODS WHO
5 COMPLIES WITH ALL OF THE FOLLOWING:

6 (A) APPLIES IN THE MANNER PROVIDED FOR BY THE COMMISSION AND
7 HAS DISCLOSED THE BACKGROUND INFORMATION REQUIRED UNDER SUBSECTION
8 (3).

9 (B) SUBMITS THE APPLICATION FEE OF \$500.00 AND THE PER YEAR
10 LICENSE FEE OF \$300.00.

11 (C) IS OF GOOD MORAL CHARACTER.

12 (D) PAYS THE PER TRUCK FEE AS PROVIDED IN SECTION 2 OF ARTICLE
13 IV.

14 (3) AS PART OF THE APPLICATION PROCESS, THE APPLICANT SHALL
15 DISCLOSE THE FOLLOWING REGARDING THE APPLICANT, OR A SHAREHOLDER OR
16 PERSON WITH AN OWNERSHIP INTEREST IN THE APPLICANT, IN A MANNER
17 PROVIDED FOR BY THE COMMISSION:

18 (A) ANY FELONY CONVICTIONS IN THIS OR ANY OTHER STATE.

19 (B) ANY MISDEMEANOR CONVICTIONS INVOLVING FRAUD, EMBEZZLEMENT,
20 LARCENY, OR MISREPRESENTATION.

21 (C) ANY FAILURE TO SATISFY ANY CIVIL FINES OR ADMINISTRATIVE
22 FINES IMPOSED BY A LOCAL, STATE, OR FEDERAL GOVERNMENTAL BODY OR
23 AGENCY.

24 (D) ANY PENDING CRIMINAL OR ADMINISTRATIVE PROCEEDINGS BEFORE
25 A LOCAL, STATE, OR FEDERAL GOVERNMENTAL BODY OR AGENCY.

26 (E) ANY JUDGMENTS OR ADMINISTRATIVE FINDINGS OR ORDERS ENTERED
27 OR FILED BY A STATE OR FEDERAL GOVERNMENTAL BODY OR AGENCY.

1 (F) ANY JUDGMENTS OR ORDERS ENTERED OR FILED REGARDING A
2 VIOLATION OF THE MICHIGAN CONSUMER PROTECTION ACT, 1976 PA 331, MCL
3 445.901 TO 445.922, OR THE CONSUMER PROTECTION PROVISIONS OF 49
4 CFR, PARTS 375 AND 377, ADMINISTERED BY THE FEDERAL MOTOR CARRIER
5 SAFETY ADMINISTRATION OF THE FEDERAL DEPARTMENT OF TRANSPORTATION.

6 (G) PROOF OF COMPLIANCE WITH THE INSURANCE REQUIREMENTS OF
7 SECTION 14.

8 (H) PROOF OF COMPLIANCE WITH THE SAFETY REQUIREMENTS IMPOSED
9 BY THE COMMISSION BY RULE AND, UPON COMMISSION REQUEST, A FINDING
10 BY THE DEPARTMENT OF STATE POLICE THAT THE CARRIER IS IN COMPLIANCE
11 WITH THE MOTOR CARRIER SAFETY ACT OF 1963, 1963 PA 181, MCL 480.11
12 TO 480.22.

13 (4) UPON DENYING AN APPLICATION FOR LICENSURE AS A CARRIER OF
14 HOUSEHOLD GOODS, THE COMMISSION SHALL SPECIFICALLY LIST IN WRITING
15 THE REASONS FOR THE DENIAL. IF THE DENIAL IS BASED UPON FAILURE TO
16 MAKE CERTAIN DISCLOSURES OR COMPLETE THE ENTIRE APPLICATION, THE
17 COMMISSION SHALL SPECIFICALLY INDICATE THOSE FAILURES AND ALLOW THE
18 APPLICANT A REASONABLE TIME TO CORRECT THOSE FAILURES. IN THE CASE
19 OF AN APPLICANT WHO COMPLETES THE APPLICATION AND MAKES ALL OF THE
20 REQUIRED DISCLOSURES BUT IS DENIED LICENSURE UNDER THIS ARTICLE FOR
21 SPECIFIC REASON DESCRIBED BY THE COMMISSION, THE APPLICANT MAY
22 APPLY IN WRITING TO THE COMMISSION FOR A LIMITED OR PROBATIONARY
23 LICENSE. THE REQUEST FOR A LIMITED OR PROBATIONARY LICENSE SHALL BE
24 ACCOMPANIED BY AN ADDITIONAL APPLICATION FEE OF \$100.00. THE
25 COMMISSION MAY ISSUE A LIMITED OR PROBATIONARY LICENSE TO AN
26 APPLICANT THAT THE COMMISSION DETERMINES IS LIKELY TO SERVE THE
27 PUBLIC IN A FAIR AND HONEST MANNER UNDER THE CIRCUMSTANCES. THE

1 COMMISSION SHALL NOT ISSUE A LIMITED OR PROBATIONARY LICENSE TO AN
2 APPLICANT THAT DOES NOT COMPLY WITH THE INSURANCE AND SAFETY
3 REQUIREMENTS IMPOSED IN SUBSECTION (3) (G) AND (H). THE COMMISSION
4 SHALL CONSIDER THE APPLICATION FOR A LIMITED OR PROBATIONARY
5 LICENSE AND RESPOND TO THE APPLICANT WITHIN 30 DAYS AFTER ITS
6 SUBMISSION TO THE COMMISSION. THE COMMISSION SHALL ISSUE A WRITTEN
7 ORDER DESCRIBING THE REASONS FOR THE GRANT OR DENIAL. A LIMITED OR
8 PROBATIONARY LICENSE IS RENEWABLE IN THE SAME MANNER AS REGULAR
9 LICENSES.

10 (5) IN DECIDING WHETHER TO ISSUE OR DENY A LICENSE UNDER THIS
11 SECTION, THE COMMISSION SHALL SEEK TO PROMOTE ALL OF THE FOLLOWING:

12 (A) SAFETY ON THE HIGHWAYS.

13 (B) COMPETITION AMONG MOVERS.

14 (C) ENTREPRENEURSHIP IN THE HOUSEHOLD GOODS INDUSTRY.

15 (D) THE USE OF ALL METHODS OF PRICING HOUSEHOLD GOODS MOVES
16 INCLUDING, BUT NOT LIMITED TO, THE USE OF HOURLY, WEIGHT AND
17 DISTANCE, AND PIECE METHODS OF CHARGING.

18 (E) CONSUMER PROTECTION.

19 SEC. 14. (1) A PERSON SEEKING A LICENSE UNDER THIS ARTICLE AS
20 A CARRIER MOVING HOUSEHOLD GOODS SHALL HAVE GENERAL LIABILITY
21 INSURANCE COVERAGE REQUIRED BY THE COMMISSION UNDER SECTION 9 OF
22 ARTICLE V AND ANY RULES PROMULGATED UNDER THAT SECTION, INSURANCE
23 AS REQUIRED BY LAW FOR EMPLOYERS OR OTHER PERSONS DOING BUSINESS IN
24 THIS STATE, AND CARGO INSURANCE OF THE TYPE AND IN THE AMOUNT
25 REQUIRED UNDER SUBSECTION (2).

26 (2) A PERSON SEEKING A LICENSE UNDER THIS ARTICLE AS A CARRIER
27 MOVING HOUSEHOLD GOODS SHALL HAVE CARGO INSURANCE IN THE AMOUNT OF

1 AT LEAST \$50,000.00 PER SHIPMENT.

2 SEC. 15. (1) BEFORE EXECUTION OF A CONTRACT FOR MOVING
3 HOUSEHOLD GOODS, A CARRIER LICENSED UNDER THIS ARTICLE SHALL MAKE A
4 WRITTEN ESTIMATE OF THE TOTAL COST OF THE MOVE. CARRIERS HAVE THE
5 OPTION OF PROVIDING A BINDING OR NONBINDING ESTIMATE TO THE
6 SHIPPER. A PLACE SHALL BE PROVIDED ON THE ESTIMATE FORM FOR
7 SHIPPERS TO INITIAL THEIR UNDERSTANDING THAT THEY ARE AGREEING TO
8 EITHER A BINDING OR A NONBINDING ESTIMATE OF PRICING. THE ESTIMATE
9 MAY BE MADE USING ANY METHOD OF PRICING INCLUDING, BUT NOT LIMITED
10 TO, HOURLY CHARGES, PIECE CHARGES, OR WEIGHT AND DISTANCE CHARGES,
11 AND SHALL INCLUDE THE METHOD FOR COMPUTING REIMBURSEMENT TO THE
12 CONSUMER FOR BROKEN OR DAMAGED ITEMS AS FURTHER DESCRIBED IN
13 SUBSECTION (2). ANY ADDITIONAL CHARGES SHALL BE SEPARATELY STATED
14 AND ITEMIZED ON THE ESTIMATE. BINDING AND NONBINDING ESTIMATES
15 SHALL CLEARLY DESCRIBE THE SHIPMENT AND ALL SERVICES TO BE PROVIDED
16 AND SHALL BE RETAINED BY THE CARRIER AS AN ADDENDUM TO THE BILL OF
17 LADING. MOVERS OF HOUSEHOLD GOODS FURNISHING NONBINDING ESTIMATES
18 SHALL ENTER THE ESTIMATED CHARGES ON THE BILL OF LADING. THE
19 ESTIMATE SHALL CONTAIN A SEPARATE PLACE ON THE ESTIMATE FOR THE
20 CONSUMER TO INITIAL OR SIGN AN ACKNOWLEDGMENT OF RECEIPT OF THE
21 CONSUMER RIGHTS BROCHURE DESCRIBED IN SECTION 18(2).

22 (2) THE CARRIER SHALL OFFER BOTH OF THE FOLLOWING CHOICES,
23 ATTACHED TO OR MADE AS A SEPARATE SECTION OF THE ESTIMATE, TO THE
24 CONSUMER, TO BE SIGNED OR INITIALED BY THE CONSUMER NOTING HIS OR
25 HER CHOICE, REGARDING BROKEN OR DAMAGED ITEMS:

26 (A) DEPRECIATED VALUE, REIMBURSING THE DEPRECIATED VALUE OF
27 THE ITEM OR NOT LESS THAN \$2.25 PER POUND.

1 (B) REPLACEMENT VALUE, REIMBURSING THE REPLACEMENT VALUE OF
2 THE ITEM OR NOT LESS THAN \$4.00 PER POUND.

3 (3) A WRITTEN CONTRACT SHALL BE PROVIDED TO THE CONSUMER,
4 SHALL BE SIGNED AND DATED BY THE PARTIES, AND SHALL INCLUDE AT
5 LEAST THE FOLLOWING:

6 (A) THE NAME, TELEPHONE NUMBER, AND ADDRESS WHERE THE
7 CARRIER'S EMPLOYEES ARE AVAILABLE DURING NORMAL BUSINESS HOURS.

8 (B) THE DATE THE CONTRACT IS PREPARED AND THE PROPOSED DATE OF
9 THE MOVE.

10 (C) THE NAME AND ADDRESS OF THE CONSUMER, THE ADDRESSES WHERE
11 THE ITEMS ARE TO BE PICKED UP AND DELIVERED, AND A TELEPHONE NUMBER
12 WHERE THE CONSUMER MAY BE REACHED.

13 (D) AN ITEMIZED BREAKDOWN AND DESCRIPTION AND ESTIMATED TOTAL
14 OF ALL COSTS FOR ALL SERVICES.

15 (E) THE ACCEPTABLE FORMS OF PAYMENT.

16 (4) A CARRIER MAY COMBINE THE ESTIMATE AND CONTRACT INTO 1
17 DOCUMENT SO LONG AS IT COMPLIES WITH THIS SECTION.

18 (5) A CONTRACTUAL PROVISION THAT CONTRAVENES THE PROVISIONS OF
19 THIS SECTION IS VOIDABLE BY THE CONSUMER.

20 SEC. 16. (1) A CARRIER SHALL DELIVER AND RELINQUISH THE
21 HOUSEHOLD GOODS AFTER PAYMENT OF THE AMOUNT IN THE ESTIMATE. THE
22 CARRIER MAY PLACE THE HOUSEHOLD GOODS IN STORAGE IF PAYMENT IS NOT
23 MADE ACCORDING TO THE CONTRACT.

24 (2) UPON EXECUTION OF A CONTRACT FOR MOVING HOUSEHOLD GOODS
25 BASED UPON A NONBINDING ESTIMATE, IF THE COST OF MOVING THE
26 HOUSEHOLD GOODS EXCEEDS THE AMOUNT IN THE WRITTEN NONBINDING
27 ESTIMATE, THE CARRIER MAY SEEK ADDITIONAL PAYMENT AFTER DELIVERY OF

1 THE HOUSEHOLD GOODS UPON THE EXPIRATION OF 30 DAYS AFTER THE
2 DELIVERY OF THE HOUSEHOLD GOODS.

3 (3) UPON EXECUTION OF A CONTRACT FOR MOVING HOUSEHOLD GOODS
4 BASED UPON A BINDING ESTIMATE, THE ESTIMATE SHALL CONSTITUTE THE
5 TOTAL CHARGES THE CARRIER MAY COLLECT FROM THE CONSUMER. UPON
6 PAYMENT OF THE BINDING ESTIMATE, FURTHER COLLECTION OF PAYMENTS IS
7 NOT ALLOWED.

8 (4) NOTWITHSTANDING SUBSECTION (3), A CARRIER MAY SEEK
9 ADDITIONAL PAYMENT FROM THE CONSUMER FOR STORAGE COSTS INCURRED
10 UNDER SUBSECTION (1) IF PAYMENT IS NOT MADE ACCORDING TO THE
11 CONTRACT.

12 SEC. 17. A PERSON LICENSED UNDER THIS ARTICLE SHALL NOT DO ANY
13 OF THE FOLLOWING:

14 (A) KNOWINGLY MAKE A FALSE STATEMENT, REPRESENTATION, OR
15 CERTIFICATION ON ANY APPLICATION, DOCUMENT, OR RECORD SUBMITTED
16 UNDER THIS ARTICLE.

17 (B) MISREPRESENT ANY OF THE FOLLOWING:

18 (i) A CONTRACT FOR SERVICE, BILL OF LADING, OR INVENTORY
19 HOUSEHOLD GOODS IN THE ESTIMATE.

20 (ii) THE TIME FRAME OR SCHEDULE FOR DELIVERY OR STORAGE OF
21 HOUSEHOLD GOODS.

22 (iii) THE PRICE, SIZE, NATURE, EXTENT, QUALITIES, OR
23 CHARACTERISTICS OF MOVING OR OTHER SERVICES OFFERED.

24 (iv) THE NATURE OR EXTENT OF OTHER GOODS, SERVICES, OR
25 AMENITIES OFFERED.

26 (v) A CONSUMER'S RIGHTS, PRIVILEGES, OR BENEFITS.

27 (C) FAIL TO HONOR OR COMPLY WITH ALL THE PROVISIONS OF A

1 CONTRACT FOR SERVICES REGARDING THE CONSUMER'S RIGHTS, BENEFITS,
2 AND PRIVILEGES UNDER THAT CONTRACT.

3 (D) WITHHOLD DELIVERY OR IN ANY WAY HOLD HOUSEHOLD GOODS IN
4 STORAGE AGAINST THE EXPRESSED WISHES OF THE CONSUMER IF PAYMENT HAS
5 BEEN MADE AS DESCRIBED IN THE CONTRACT OR ESTIMATE.

6 (E) SEEK, SOLICIT, OR INCLUDE IN ANY CONTRACT A PROVISION
7 PURPORTING TO WAIVE OR LIMIT ANY RIGHT OR BENEFIT PROVIDED TO
8 CONSUMERS UNDER THIS ACT.

9 (F) ADVERTISE OR SOLICIT BUSINESS UNLESS THE CARRIER'S
10 BUSINESS ADDRESS IS CLEARLY DISCLOSED.

11 (G) ENGAGE IN ANY ACT THAT CONSTITUTES FRAUD,
12 MISREPRESENTATION, OR FAILURE TO DISCLOSE A MATERIAL FACT IN A
13 TRANSACTION UNDER THIS ARTICLE.

14 (H) REFUSE OR FAIL AFTER NOTICE TO PRODUCE ANY DOCUMENT,
15 RECORD, OR INFORMATION REQUIRED TO BE DISCLOSED OR PRODUCED UNDER
16 THIS ACT.

17 (I) KNOWINGLY MAKE A MATERIALLY FALSE STATEMENT IN RESPONSE TO
18 ANY REQUEST OR INVESTIGATION CONDUCTED BY THE COMMISSION.

19 SEC. 18. (1) THE COMMISSION MAY PROMULGATE RULES UNDER THE
20 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
21 24.328, TO ADMINISTER AND ENFORCE THIS ARTICLE, AND MAY ISSUE
22 ORDERS TO ENFORCE THIS ARTICLE.

23 (2) THE COMMISSION SHALL DEVELOP A CONSUMER RIGHTS BROCHURE TO
24 BE PROVIDED TO THE CARRIERS LICENSED UNDER THIS ARTICLE FOR
25 DISTRIBUTION TO CONSUMERS.

26 SEC. 19. (1) A PERSON WHO VIOLATES THIS ARTICLE, A RULE
27 PROMULGATED UNDER THIS ARTICLE, OR AN ORDER ISSUED BY THE

1 COMMISSION UNDER THIS ARTICLE IS SUBJECT TO 1 OR MORE OF THE
2 FOLLOWING AFTER NOTICE AND OPPORTUNITY FOR A HEARING UNDER THE
3 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
4 24.328:

5 (A) SUSPENSION OR REVOCATION OF A LICENSE ISSUED UNDER THIS
6 ARTICLE OR DENIAL OF AN APPLICATION FOR LICENSURE UNDER THIS
7 ARTICLE.

8 (B) A CONSENT ORDER.

9 (C) PROBATION OR LIMITATION OF A LICENSE.

10 (D) ISSUANCE OF A CEASE AND DESIST ORDER.

11 (E) RESTITUTION.

12 (F) AN ADMINISTRATIVE FINE OF NOT MORE THAN \$5,000.00 PER
13 OFFENSE.

14 (2) A CONSUMER MAY INSTITUTE AN ACTION IN A COURT OF COMPETENT
15 JURISDICTION FOR DAMAGES OR EQUITABLE RELIEF REGARDING A VIOLATION
16 OF THIS ARTICLE BY A LICENSEE.

17 (3) THE COMMISSION MAY INSTITUTE AN ACTION IN A COURT OF
18 COMPETENT JURISDICTION FOR DAMAGES, EQUITABLE RELIEF REGARDING A
19 VIOLATION OF THIS ARTICLE BY A LICENSEE, A JUDGMENT OR FINAL
20 ADMINISTRATIVE ORDER FOR RESTITUTION ON BEHALF OF A CONSUMER, OR
21 THE COLLECTION OF ANY CIVIL OR ADMINISTRATIVE FINE IMPOSED UNDER
22 THIS ARTICLE.

23 (4) THE COMMISSION MAY INSTITUTE AN ACTION IN A COURT OF
24 COMPETENT JURISDICTION FOR A CIVIL FINE OF NOT MORE THAN \$5,000.00
25 FOR A VIOLATION OF THIS ARTICLE BY A LICENSEE.

26 (5) A PERSON WHO VIOLATES THIS ARTICLE IS GUILTY OF A
27 MISDEMEANOR AND SHALL BE IMPRISONED NOT MORE THAN 90 DAYS OR FINED

1 NOT MORE THAN \$10,000.00, OR BOTH.

2 (6) THE REMEDIES AND PENALTIES IN THIS ARTICLE ARE CUMULATIVE
3 AND RELIEF UNDER 1 REMEDY DOES NOT BAR RELIEF UNDER ANY OTHER
4 REMEDY.

5 ARTICLE V

6 Sec. 2. (1) This act ~~shall~~ **DOES** not apply to any of the
7 following:

8 (a) A vehicle operated entirely within a city or village of
9 this state; or to a motor carrier of property whose operations may
10 extend a distance of not more than 8 miles beyond the boundary of a
11 city or village having a population of less than 500,000, if the
12 origin and destination of the property being transported is within
13 an 8-mile radius of the city or village. The territory within the
14 external corporate limits of a city, even though it includes and
15 embraces the area of 1 or more separately organized and existing
16 cities, shall be considered a single city. Notwithstanding any
17 other provision of this subdivision, a certificate or permit issued
18 under this act is required for the operation of a vehicle of a
19 motor carrier, other than a vehicle exempted under subdivisions (b)
20 to (p), in the transportation of property between a city having a
21 population of 500,000 or more and a city or village located within
22 the commercial zone of a city having a population of 500,000 or
23 more, or between cities or villages within that commercial zone. As
24 used in this subdivision, "commercial zone" means the area within
25 an 8-mile radius of a city having a population of 500,000 or more
26 and includes all cities and villages, any part of which are located
27 within that 8-mile radius.

1 (b) A vehicle owned or operated by the state or the United
2 States, or by a state or federal corporation, agency, or
3 instrumentality.

4 (c) A vehicle owned or operated by an incorporated city,
5 village, or school district, or by a county or township in the
6 state or by a corporation, agency, or instrumentality of the state,
7 for governmental purposes.

8 (d) A vehicle used exclusively for carrying United States
9 mail.

10 (e) A vehicle used for the transportation of farm products,
11 including livestock, when transported by other than the owner, from
12 the farm to the market in the raw state, or used for the
13 transportation of milk from the farm to milk stations, or trucks
14 owned by a farmer bearing a farm truck license issued under section
15 801(1)(c) of the Michigan vehicle code, ~~Act No. 300 of the Public~~
16 ~~Acts of 1949, being section 257.801 of the Michigan Compiled Laws~~
17 **1949 PA 300, MCL 257.801**, when being used by the farmer in hauling
18 farm produce, livestock, or farm equipment, and supplies for other
19 farmers for remuneration in kind or in labor, but not for money.

20 (f) A vehicle used for the transportation of fruits, eggs,
21 poultry, fish and seafood, grain, vegetables, seeds, nursery stock,
22 horticultural products, and sugar beets. This subdivision ~~shall~~
23 **DOES** not exempt a vehicle transporting the commodities described in
24 this subdivision in other than the raw state.

25 (g) A vehicle used for occasional accommodative service
26 including seasonal transportation of perishable commodities even
27 though the cost of the accommodative service and seasonal

1 transportation of perishable commodities may be paid by the person
2 accommodated.

3 (h) A dump truck having not more than 4 axles or any dump
4 vehicle moving directly to and from a public highway, airport, or
5 railroad or bridge construction site, when used for the
6 transportation of sand, gravel, slag, stone, limestone, crushed
7 stone, marl, pebbles, cinders, bituminous aggregates, asphalt,
8 blacktop, dirt, or fill material, or any dump vehicle transporting
9 commodities generally transported in the dump vehicle operating
10 within an 8-mile radius of a city having a population of 500,000 or
11 more and including all other cities or villages, any part of which
12 is located within the 8-mile radius.

13 (i) A vehicle used to transport a vehicle that is temporarily
14 disabled from a point within an 8-mile radius of a city having a
15 population of 500,000 or more and including all other cities or
16 villages, any part of which is located within the 8-mile radius to
17 another point within that radius.

18 (j) A vehicle used for the transportation of pulpwood, logs,
19 wood chips, bark, and sawdust when the vehicle is being used to
20 move the commodities from a forest, woodlot, cutting site, sawmill,
21 or chipping site to a market or railroad siding of not more than a
22 140-mile radius from the place where the vehicle is loaded.

23 (k) A vehicle having a manufacturer's rating of not more than
24 1-1/2 tons capacity or the equivalent gross vehicle weight rating
25 used for the transportation of newspapers.

26 (l) A vehicle towing a disabled motor vehicle from the location
27 at which it was disabled to another location or a vehicle towing a

1 motor vehicle involved in an accident from the location of the
2 accident to another location.

3 (m) A vehicle used in the transportation of livestock, poultry
4 feed, chemicals, pesticides, and fertilizers on movements directly
5 to a farm for use in agricultural production.

6 (n) A vehicle used for the transportation of property for
7 compensation provided by a person who is a member of a corporate
8 family for other members of the corporate family, if all of the
9 following conditions are met:

10 (i) The parent corporation notifies the commission annually of
11 its intent or the intent of 1 of its subsidiaries to provide the
12 transportation.

13 (ii) The notice described in subparagraph (i) contains a list of
14 participating subsidiaries and an affidavit that the parent
15 corporation owns directly or indirectly a 100% interest in each of
16 the subsidiaries.

17 (iii) The notice described in subparagraph (i) is accompanied by
18 a fee of \$100.00.

19 (iv) The commission publishes the notice described in
20 subparagraph (i) in the biweekly bulletin.

21 (v) A copy of the notice described in subparagraph (i) is
22 carried in the cab of all vehicles conducting the transportation.

23 (o) A vehicle transporting animal and poultry feed or feed
24 ingredients to sites of agricultural production or to a business
25 enterprise engaged in the sale to agricultural producers of goods
26 used in agricultural production.

27 (p) A vehicle transporting recyclable materials to or from a

1 resource recovery facility. ~~The terms "recyclable materials"~~
2 **"RECYCLABLE MATERIALS"** and "resource recovery facility" ~~have the~~
3 ~~meanings attributed to these~~ **MEAN THOSE** terms **AS DEFINED** in ~~part~~
4 ~~115 (solid waste management)~~ **SECTION 11505** of the natural
5 resources and environmental protection act, ~~Act No. 451 of the~~
6 ~~Public Acts of 1994, being sections 324.11501 to 324.11549 of the~~
7 ~~Michigan Compiled Laws~~ **1994 PA 451, MCL 324.11505**, except that the
8 term recyclable materials does not include industrial scrap metal.
9 This subdivision shall not be construed to exempt from this act a
10 vehicle transporting new products.

11 **(2) THE MOVERS OF HOUSEHOLD GOODS ARE REGULATED AS PROVIDED**
12 **FOR UNDER ARTICLE I-A.**

13 **(3)** ~~—(2)—~~ As used in subsection (1)(n), "corporate family"
14 means a group of corporations consisting of a parent corporation
15 and all subsidiaries in which the parent corporation owns directly
16 or indirectly a 100% interest.

17 **(4)** ~~—(3)—~~ None of the exemptions in this section, where
18 applicable, apply to a vehicle entering this state from another
19 state, foreign country, or subdivision of a state or foreign
20 country that does not extend similar exemptions to vehicles from
21 this state entering the state, foreign country, or subdivision.

22 Sec. 10a. (1) The lease, contract, or arrangement under which
23 a holder augments his or her equipment shall specify the period for
24 which the equipment is to be operated, which shall not be less than
25 30 days, and shall include a provision that the vehicle has, within
26 the immediately preceding 12 months, passed an inspection pursuant
27 to the requirements of the motor carrier safety act, ~~Act No. 181~~

1 ~~of the Public Acts of 1963, being sections 480.11 to 480.21 of the~~
2 ~~Michigan Compiled Laws— 1963 PA 181, MCL 480.11 TO 480.22, and 49~~
3 ~~C.F.R.— CFR part 396.~~

4 (2) The lease, contract, or arrangement shall specify the
5 compensation to be paid by the lessee or party to the contract or
6 arrangement for the rental or use of the equipment.

7 (3) The lease, contract, or arrangement shall specify the time
8 and date or the circumstance on which the contract, lease, or other
9 arrangement begins, and the time or circumstance on which it ends.

10 (4) The lease, contract, or arrangement shall vest in the
11 holder of the vehicle exclusive possession and control of the
12 vehicle for the entire term of the lease, contract, or arrangement.

13 (5) The lease, contract, or arrangement shall provide that any
14 operation of the vehicle shall be conducted under the exclusive
15 supervision, direction, and control of the holder.

16 (6) The lease, contract, or arrangement shall provide that the
17 vehicle, at all times, while being operated under the lease,
18 contract, or arrangement, shall be operated only by persons who are
19 employees of the holder who stand in relation to the holder as
20 employee to employer.

21 (7) The lease, contract, or arrangement shall be in the
22 manner, form, and further content as the commission ~~by rule~~
23 provides **BY RULE**.

24 (8) The lease, contract, or arrangement shall be executed in
25 quadruplicate; the original shall be filed with the commission. One
26 copy shall be retained by the authorized motor carrier in whose
27 service the equipment is to be operated, 1 copy shall be retained

1 by the owner of the equipment, and 1 copy shall be carried on the
2 equipment specified in the lease, contract, or arrangement during
3 the entire period of the contract, lease, or other arrangement.

4 (9) ~~Nothing in this~~ **THIS** section ~~shall~~ **DOES NOT** apply to
5 the interchange with other certificated motor common carriers or
6 the multiple certification of motor carrier equipment when specific
7 approval and authority to interchange the equipment has been or is
8 granted by the commission.

9 (10) ~~The provisions of subsection~~ **SUBSECTION** (1) ~~shall~~
10 **DOES** not apply to ~~or be required of or between~~ movers of
11 household goods, when the equipment is used to transport household
12 goods ~~as defined by the commission~~ **UNDER ARTICLE I-A.**

13 Enacting section 1. Section 7c of article II of the motor
14 carrier act, 1933 PA 254, MCL 476.7c, is repealed.