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BILL ANALYSIS



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Senate Bill 392 (as enacted)
House Bills 4637, 4639, 4640, and 4641 (as enacted)
Sponsor: Senator Rick Jones (S.B. 392)
Representative Tim Kelly (H.B. 4637)
Representative Brandt Iden (H.B. 4639)
Representative Tom Barrett (H.B. 4640)
Representative Phil Phelps (H.B. 4641)
Senate Committee: Regulatory Reform
House Committee: Commerce and Trade

PUBLIC ACT 349 of 2016
PUBLIC ACTS 345-348 of 2016

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CONTENT

The bills amend several statutes, and create a new statute, to revise regulations that apply to motor carriers of passengers (buses), limousines, and taxicabs, and establish new requirements applicable to transportation network companies (operations that use a digital network to connect riders to drivers who provide prearranged rides).

Senate Bill 392 amends the Motor Bus Transportation Act to do the following:

- Delete references to limousines throughout the Act.
- Revise and expand the list of motor carriers that are exempt from the Act.
- Require a motor carrier to register its roster of buses with the Michigan Department of Transportation (MDOT).
- Require a motor carrier to obtain an "authority" rather than a "certificate of authority" in order to operate on a public highway, and specify that an authority covers a motor carrier and the authorized vehicles listed on its roster.
- Increase the per-vehicle fee payable for an original authority and for a renewal, and for the authorization of additional vehicles.
- Require at least one vehicle on a roster to remain in good standing during the time period covered by the authority.
- Revise the eligibility criteria for an authority.
- Reduce an insurance coverage requirement for buses with a seating capacity under 16, and provide that an authority must be revoked if required coverage is cancelled.
- Require a motor carrier to ensure that a bus passes a valid inspection to maintain authorized status; and add further requirements regarding bus inspections.
- Prescribe penalties for a bus that does not have a valid inspection.
- Allow an MDOT safety inspector to inspect a bus in certain situations.
- Revise provisions regarding a motor carrier's discontinuation of services.
- Permit a police or peace officer to seize and impound a vehicle operated by a motor carrier in violation of the Act or a rule promulgated under it, or in such a condition that its operation is an immediate hazard to the public.
- Establish a process under which a defendant or a person with an ownership interest in an impounded vehicle may post a bond for the vehicle to be released.
- Provide for the foreclosure sale of an impounded vehicle that is not picked up.
- Revise penalties for violations of the Act.

House Bill 4637 repeals the Limousine Transportation Act, which regulates people who transport passengers by limousines, and enacts the "Limousine, Taxicab, and Transportation Network Company Act" to regulate limousine carriers, taxicab carriers, transportation network companies (TNCs), and their drivers. Specifically, the bill does the following:

- Defines "transportation network company" as a person operating in the State that uses a digital network to connect TNC riders to TNC drivers who provide TNC prearranged rides.
- Specifies that the term does not include a taxi service, transportation service arranged through a transportation broker, ridesharing arrangement, or transportation service using fixed routes at regular intervals.
- Requires a limousine carrier, taxicab carrier, or TNC to register with the Michigan Department of Licensing and Regulatory Affairs (LARA) before operating in the State; prescribes the fees and information an applicant must provide to LARA; and allows LARA to audit a registrant's records.
- Describes the insurance coverage that a limousine and taxicab carrier must acquire.
- Establishes automobile insurance requirements that apply to a personal vehicle used by a TNC driver to transport passengers for compensation.
- Establishes safety inspection requirements for vehicles operated by a limousine carrier, taxicab carrier, or TNC.
- Requires the Department to summarily suspend the registration of a limousine carrier, taxicab carrier, or TNC if the required insurance coverage is canceled, or if LARA determines that a registrant's violation of the Act poses a threat to public health, safety, or welfare; and allows the carrier or TNC to petition LARA to dissolve the order.
- Requires an individual to apply to a limousine carrier, taxicab carrier, or TNC before he or she operates a vehicle on behalf of that carrier or accepts prearranged ride requests; and requires carriers and TNCs to conduct criminal history checks.
- Prohibits a limousine carrier, taxicab carrier, or TNC from allowing an individual to operate a limousine or taxicab or accept prearranged ride requests as a TNC driver using its digital network if certain conditions apply to the driver.
- Requires a limousine driver, taxicab driver, and TNC to maintain certain rider and driver records.
- Specifies that a limousine carrier, taxicab carrier, or TNC, or its drivers, will not be considered a common carrier, motor carrier, or contract carrier, or to provide commercial vehicle services.
- Requires a limousine carrier, taxicab carrier, and TNC to develop and implement a zero-tolerance policy regarding their drivers' activities while providing transportation services or accessing the TNC's digital network.
- Requires a limousine carrier, taxicab carrier, and TNC to adopt a policy of nondiscrimination with respect to passengers and potential passengers.
- Requires all limousine, taxicab, and TNC drivers to comply with all applicable laws regarding nondiscrimination as well as the accommodation of service animals.
- Establishes criminal penalties and administrative sanctions for violations of the Act.
- Prohibits local units of government from imposing a tax or fee on or requiring a license for a limousine carrier, taxicab carrier, or TNC, its drivers, or a limousine, taxicab, or personal vehicle, if it is related to prearranged rides.
- Allows an airport to enact an ordinance or regulation governing limousine carriers, taxicab carriers, or TNCs to establish reasonable procedures and fees for operations conducted by those entities on airport property.
- States that an article of incorporation in existence upon enactment of the Act covering a limousine carrier, taxicab carrier, or TNC by an authority created to

regulate those entities under the Municipal Partnership Act or the Public Transportation Authority Act will remain valid for four years.

The bill also does the following regarding transportation network companies:

- Allows a TNC, on behalf of a TNC driver, to charge and collect a fee for services provided to a TNC rider if certain criteria are satisfied.
- Requires that all TNC prearranged ride payments be made electronically using a TNC's digital network or software application.
- Requires a TNC to transmit an electronic receipt to the TNC rider within a reasonable period of time after a prearranged ride is completed.
- Prohibits a TNC driver from accepting a request for transportation except through the TNC's digital network.
- Requires a TNC digital network to display a picture of the TNC driver and the registration plate number of the personal vehicle to be used for a prearranged ride before a TNC rider enters the vehicle.
- Requires a TNC to disclose certain information to a TNC driver and a prospective driver before he or she may accept a request for a prearranged ride on the TNC's digital network.
- States that a TNC driver is considered an independent contractor and not an employee of the TNC if certain conditions are met.

House Bill 4639 amends the Insurance Code to do the following:

- Allow an authorized insurer that issues an insurance policy insuring a personal vehicle to exclude all coverage under a policy for loss or injury occurring while a TNC driver is logged onto a TNC's digital network or while the TNC driver is providing a prearranged ride.
- Require an insurer providing automobile insurance to a TNC to comply with insurance provisions of the Limousine, Taxicab, and Transportation Network Company Act.
- Require a TNC and an insurer that provides coverage under the Act, during an investigation of whether a claim is covered under a policy, to cooperate to facilitate the exchange of information with people directly involved and any insurer of the TNC driver.

House Bill 4640 amends a provision of the Insurance Code under which a person suffering accidental bodily injury while an operator or a passenger of a motor vehicle operated in the business of transporting passengers must receive the personal protection insurance benefits to which he or she is entitled from the insurer of the vehicle. This provision does not apply to a person who was a passenger in one of the types of vehicles listed in the Code (including a school bus, a taxicab, and a bus operated by a common carrier of passengers), unless the passenger is not entitled to benefits under any other policy. The bill includes in this list of vehicles a transportation network company vehicle (i.e., a personal vehicle while the driver is logged on to the TNC digital network or is engaged in a prearranged ride).

House Bill 4641 amends the Michigan Vehicle Code to do the following:

- Identify types of automobile insurance that satisfy the financial responsibility requirements of the Code when a TNC driver is logged onto a TNC's digital network and is available to receive transportation requests but is not engaged in a prearranged ride, and when the driver is engaged in a prearranged ride.
- Specify that "chauffeur" does not include a limousine, taxicab, or TNC driver, and "commercial vehicle" does not include a limousine operated by a limousine

driver, a taxicab operated by a taxicab driver, or a personal vehicle operated by a TNC driver.

Each bill will take effect on March 21, 2017.

Senate Bill 392 and House Bill 4637 are described below in further detail.

Senate Bill 392

Application of the Act

The Motor Bus Transportation Act regulates people who transport passengers by motor bus. It prohibits a motor carrier of passengers from operating on a public highway in Michigan without first obtaining a certificate of authority from the Michigan Department of Transportation. The Act prescribes the process of acquiring a certificate, and requires applicants to pay certain application and renewal fees for each bus to be used by the carrier to provide transportation for hire.

The bill replaces the term "motor carrier of passengers" with "motor carrier", and defines that term as 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 public highways in Michigan. The bill defines "bus" as a motor vehicle with a seating capacity of nine or more passengers, including the driver, that is used in the transportation of passengers and their baggage for hire upon any public highway of the State. Except as otherwise provided in exemptions from the Act, the definition includes a school bus.

The Act does not apply to a motor carrier of passengers that is any of the following:

- A county, city, township, or village as provided by law, or other authority incorporated under Public Act 55 of 1963 (which governs mass transportation system authorities).
- An authority that is incorporated under the Metropolitan Transportation Authorities Act or that operates a transportation service pursuant to an interlocal agreement under the Urban Cooperation Act.
- Operating under a contract entered into under Public Act 8 of the Extra Session of 1967, (which governs intergovernmental transfers of functions) or Public Act 35 of 1951 (which governs intergovernmental contracts between municipal corporations).
- An authority incorporated under the Public Transportation Authority Act.
- An authority financing public improvements to transportation systems under the Revenue Bond Act.
- A nonprofit corporation organized under the Nonprofit Corporation Act.

The bill deletes a statement that each authority and governmental agency incorporated under Public Act 55 of 1963 has exclusive jurisdiction to determine its own contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects within its service area.

The bill also refers to a nonprofit corporation as defined by Section 501(c)(3), (4), (19), or (23) of the Internal Revenue Code that provides one or both of the following transportation services:

- Services that are restricted only to registered members of the nonprofit corporation.
- Services that are funded under the Michigan Transportation Fund law.

In addition, the bill exempts the following from the Act:

- A regional transit authority created under the Regional Transit Authority Act.
- A motor carrier that operates motor vehicles only for the purpose of transporting passengers to and from funerals.

- 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.
- A public or private school or a governmental unit 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.
- 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.
- An interstate motor carrier of passengers operating under a United States Department of Transportation, Federal Motor Carrier Safety Administration certificate of authority, unless required by MDOT as a condition of financial assistance.

Authority & Roster; Good Standing

The bill requires a motor carrier to obtain an authority, rather than a certificate of authority, from MDOT. An application for an authority will not be complete unless the applicant complies with all applicable provisions of Motor Bus Transportation Act and with MDOT's application requirements. If an applicant fails to comply with the application requirements and fails to correct its noncompliance within 60 days after the initial application date, the application must be cancelled and any application fees paid by the applicant will be forfeited.

The bill requires a motor carrier to register its roster with MDOT, and requires all vehicles on the roster to comply with the Act. The bill defines "roster" as a list of buses to be operated for hire by a motor carrier that is authorized or seeking authorization under the Act, indicating all of the following information:

- The vehicle identification number, make, model, fleet number, and year of each vehicle.
- The beginning and ending dates of service for each seasonal vehicle.

An authority covers a motor carrier and the authorized vehicles listed on its roster. A motor carrier and at least one vehicle on its roster must remain in good standing during the time period covered by the authority or the authority will automatically be revoked. To remain in good standing, a motor carrier must do the following:

- Submit an accurate roster to MDOT and notify the Department of any changes to it.
- Pay all fees by the due date.
- Maintain insurance for each authorized vehicle on the roster.
- Ensure that each authorized vehicle on the roster complies with the inspection requirements of the Act.

If the Department denies an application for an authority, it must notify the applicant of the denial in writing and the reasons for the denial. Within 30 days after the date of the denial, the applicant may correct any deficiency in the application and reapply for an authority without payment of an additional application fee.

Eligibility Determination

Under the Act, in determining the fitness, willingness, and ability of an applicant for a certificate of authority to provide transportation service, MDOT must consider all of the following:

- The applicant's safety record.
- The character and condition of each motor bus and whether it may be operated safely upon public highways based on an inspection conducted under the Act.

- The applicant's financial ability to provide continuous insurance coverage as required under the Act and to have adequate financial resources in order to pay for damage claims against the applicant.

Under the bill, instead, in determining the eligibility of an applicant for an authority to provide transportation service, MDOT must consider all of the following:

- Whether the applicant has paid the required fees under the Act.
- Whether the character and condition of each bus on the applicant's roster are such that it may be operated safely upon a public highway based on an inspection conducted in accordance with the Act.
- Whether the applicant has proof of insurance coverage as required by the Act.
- Whether the applicant has provided MDOT with details of any fixed route service that the applicant will provide in the State, if applicable.
- Whether the applicant has met all other requirements of the Act.

The Department may not issue an authority to an applicant that does not meet these eligibility requirements. Additionally, MDOT may not issue an authority to a motor carrier or renew a motor carrier's certificate if the carrier owes outstanding fees to MDOT.

Original Annual & Renewal Certificate Fees

Under the Act, an applicant for an original certificate of authority must pay to MDOT a filing fee of \$300 and a fee of \$25 times the number of motor buses to be used by the carrier to provide transportation for hire. The bill retains the \$300 filing fee and requires an applicant to pay a fee of \$100 times the number of buses to be used by the applicant to provide transportation for hire.

Currently, each motor carrier of passengers who holds a certificate of authority must pay to MDOT an annual renewal fee equal to \$25 times the number of motor buses that are used exclusively by the carrier to provide transportation of passengers for hire and that meet the annual renewal inspection requirements. The bill requires a renewal fee of \$100 times the number of buses subject to the Act. A motor carrier must submit its roster to MDOT 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 the Act.

Currently, an annual renewal fee of \$500 must be paid for any motor bus not meeting the annual renewal inspection requirement. The bill deletes this provision.

Under the Act, a motor carrier of passengers that holds a certificate of authority to provide transportation for hire must pay to MDOT a fee of \$25 per motor bus for each additional motor bus acquired during the year for the purpose of the current-year inspection required by the Act. Under the bill, instead, a motor carrier that holds an authority and wishes to have additional buses authorized between annual renewal periods must pay to MDOT a fee of \$100 times the number of buses being added to its roster. The motor carrier must submit its updated roster to MDOT at the time of payment, and ensure that each vehicle added to a roster complies with all requirements of the Act.

The authority of a motor carrier that does not comply with these provisions regarding fees must be automatically revoked on March 1, and the motor carrier must apply for and be issued a new certificate before resuming service.

Insurance Requirements

The Act requires an applicant to acquire the following liability insurance coverage for acts or omissions of the applicant as a motor carrier of passengers:

- Bodily injury and property damage liability insurance with a minimum combined single limit of \$5.0 million for all people injured or for property damage.
- Personal protection insurance and property protection insurance as required under Chapter 31 of the Insurance Code.

The bill retains these requirements, but applies the first requirement to buses with a seating capacity of 16 or more passengers, including the driver. For buses with a seating capacity of between nine and 15 passengers, including the driver, an applicant must acquire bodily injury and property damage liability insurance with a minimum combined single limit of \$1.5 million for all people injured or for property damage.

The bill requires a motor carrier to maintain the required insurance coverage as a condition of maintaining an authority issued under the Act. For each authorized seasonal vehicle, a motor carrier must maintain the coverage during the approved seasonal period.

Except as otherwise provided in the Act, if a motor carrier cancels the required insurance coverage for any reason or if the coverage level falls below the required levels, the authority issued to the motor carrier will be automatically revoked.

The bill requires the insurance requirements to be waived if an 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. (That section allows a person to qualify as a self-insurer if more than 25 motor vehicles are registered in the person's name.)

The bill also requires a motor carrier to grant notification rights to MDOT for all insurance policies required under the Act to ensure that the Department is notified of all activities related to the policies, including cancellation and replacement.

Safety Inspection

Under the Act, each motor carrier of passengers that holds a certificate of authority must permit MDOT to inspect each motor bus once annually, or more frequently if necessary to determine the current character and condition of the bus. Each bus operated by the motor carrier of passengers under its certificate of authority must pass the safety inspection that meets MDOT's specifications for safe operating character and condition for the renewal of certificate. The bill deletes these provisions.

Instead, to maintain authorized status for a bus, a motor carrier must ensure that the bus passes a valid inspection as provided under the bill and that the condition of the bus is maintained between inspections.

For an inspection of a bus to be valid under the bill, all of the following must be satisfied:

- An inspection has been scheduled at MDOT's convenience.
- The inspector indicates on an inspection report prepared by MDOT that the bus has passed the inspection before the previous inspection expired.
- If the inspection is of a seasonal bus, the inspection occurs at least 30 days before the beginning of the approved seasonal period for that bus.

Also, the Department must accept an inspection conducted by the Michigan State Police if that inspection meets the requirements of the Act.

Currently, a motor bus that does not pass a required MDOT inspection may not be operated over the public highways in Michigan. Under the bill, a bus that does not have a valid inspection may not be operated over the public highways in Michigan.

Until MDOT conducts an inspection, or January 1, 2018, whichever is later, an inspection that is conducted and passed in accordance with the Act or the Limousine Transportation Act before January 1, 2017, must be considered a valid inspection.

The bill requires a motor carrier to maintain a copy of a current valid inspection report on board each bus at all times. The report must be made available for review upon demand by an authorized Federal, State, or local official.

Under the bill, if MDOT has reasonable cause to believe that a bus is unsafe for operation or has not been inspected as required by the Act or rules promulgated under it, an MDOT safety inspector may inspect the bus. If the vehicle is not in compliance with the Act, MDOT may require the motor carrier to place the vehicle out of service until all violations have been corrected or eliminated.

Safety Inspection Penalties

Under the bill, a motor carrier is subject to penalties for each bus that does not have a valid inspection. A motor carrier must be assessed a fee of \$250 for each inspection that is conducted between one and 30 days late, and a fee of \$500 for each inspection that is conducted 31 or more days late. The fee is in addition to any other assessed reinspection fee. The Department may waive the fee if the late inspection is primarily caused by the schedule of the safety inspector. A vehicle that fails an inspection is subject to the late inspection fees.

A motor carrier also must be assessed a \$100 reinspection fee for each inspection after an initial failed inspection until the vehicle passes or is permanently removed from service. The motor carrier must pay the fee before MDOT conducts the reinspection.

Alternative Inspection

Under the Motor Bus Transportation Act, instead of an inspection by MDOT, an applicant for a certificate of authority or a renewal of a certificate may provide evidence of a current-year motor bus inspection by a state, district, or province that has standards comparable to the Federal Motor Carrier Safety Periodic Inspection Standards. The Department is required to issue a list of the states, districts, or provinces that have standards comparable to the Federal standards.

Under the bill, instead of an inspection by MDOT, a motor carrier may, not later than the end of the month in which the inspection expires, provide evidence of a current-year bus 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 MDOT. The Department may issue a list of the states, districts, provinces, and local municipalities that have standards comparable to the Federal standards.

Out of State Bus

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

Motor Carrier Display Requirements

The bill requires each bus on a motor carrier's roster to display the carrier's legal name or assumed name as listed on its application for authority or official request for name change as

submitted to MDOT, and primary telephone number on both sides of the bus in a color and size specified by the bill. A school bus is not required to display a primary telephone number.

Also, upon satisfactory completion of a valid inspection of a bus and payment of all required fees by the motor carrier, MDOT must issue a decal indicating the expiration date of the inspection for that bus. A decal will be property of the State. A motor carrier may not use a bus displaying an expired decal to provide for-hire passenger service. A motor carrier may not operate a bus over Michigan public highways if it does not have a properly displayed current decal issued by MDOT.

The Department may require a motor carrier to return a decal to it if the bus upon which that decal is displayed is removed from the motor carrier's roster by MDOT or the motor carrier. A motor carrier that fails to return a decal within 30 days after a request by MDOT must pay a \$50 fee.

Discontinuation of Service

Currently, a motor carrier of passengers holding a certificate of authority for regular route service between points within Michigan may apply to discontinue all or a portion of its service under its certificate of authority by filing a written application with MDOT, paying the fees described in the Act, and, within 10 days after filing the application, publishing notice of the application in a newspaper of general circulation according to a schedule described in the Act. The Act provides for additional procedures and scenarios under which an authority may be discontinued.

The bill deletes these provisions. Instead, the bill requires a motor carrier holding an authority for regular route service between points within the State to notify MDOT in writing at least 60 days before it plans to discontinue all or a portion of its service under its authority. Within 10 days after notifying MDOT, the carrier must post notice of the discontinuation of service on its website and in all ticketing locations.

Vehicle Seizure & Impoundment

The bill allows a police officer or a peace officer to seize and impound a vehicle that is operated by a motor carrier in violation of the Act or a rule promulgated under it, or is in such a condition that the continued operation of the vehicle upon the highway constitutes an immediate hazard to the public. Upon impoundment, the vehicle will be 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.

Additionally, upon impoundment, a notice must 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. The notice must be accompanied by an invoice for any outstanding charges imposed under the Act. The notice must inform the owner and any lienholder that they have 30 days from the date of the notice and upon payment of applicable charges to pick up the impounded vehicle. A notice must be sent by the agency authorizing the impoundment 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. If a bond is posted, the vehicle must be released from impoundment. The vehicle also must be released, and the lien must be discharged, upon a judicial determination that the defendant is not responsible for a violation of the Act or upon payment of the fine, costs, and damages. Additionally, if the defendant is determined to be not responsible for the violation, the court must 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.

If the court determines that the defendant is responsible for violating the Act and the defendant defaults in the payment of any fine, costs, or damages, or any installment, as ordered, a bond posted as described above must be forfeited and applied to the fine, costs, damages, or installment. The court must certify any remaining unpaid amount to the attorney for the governmental entity bringing the action.

If the owner or lienholder does not pick up the vehicle within the 30-day period, the vehicle may be sold by foreclosure sale. The sale must be conducted in the manner provided and subject to the same rights as applied in the case of execution sales under the Revised Judicature Act.

At least 21 days before a foreclosure sale, the attorney for the governmental entity bringing the action must send by certified mail written notice of the time and place of the foreclosure sale to the owner and any lienholder. In addition, at least 10 days before the sale, the attorney must publish notice of the time and place of the sale twice in a newspaper of general circulation in the county in which the vehicle was seized. The attorney must give the buyer and the Secretary of State a copy of the proof of notice to the owner and lienholder, and a bill of sale. The Secretary of State must use the documentation to issue the appropriate certificate of title.

The proceeds of the foreclosure sale must be distributed in the following order of priority:

- To discharge any lien on the vehicle that was recorded before the lien was created.
- To the clerk of the court for the payment of the fine, costs, and damages, that the defendant was ordered to pay.
- To discharge any lien on the vehicle that was recorded after the lien was created.
- To the owner of the vehicle.

Penalties

Currently, a person subject to the Act who operates a passenger service without obtaining a certificate of authority as required or without meeting the Act's insurance requirements is subject to a fine of up to \$500. The bill refers to a civil fine.

Under the Act, a motor carrier of passengers, or an officer or agent of a motor carrier of passengers, who requires or permits a driver or operator to drive or operate a motor bus in violation of the Act, or a rule promulgated under it, is guilty of a misdemeanor, punishable by a fine of up to \$500, imprisonment for up to 90 days, or both. Under the bill, instead, the motor carrier, officer, or agent will be responsible for a State civil infraction and may be ordered to pay a civil fine of up to \$500.

The Act permits MDOT to alter, suspend, or revoke a certificate of authority if it determines in a contested case hearing that a person to whom a certificate of authority has been issued has willfully violated or refused to comply with the Act. In addition, under the bill, if a motor carrier is found operating a bus for the transportation of people after its authority has been revoked, MDOT may compel compliance with the Act by bringing civil proceedings in any county in which the alleged violator may be sued or in Ingham County Circuit Court.

Repeals

The bill repeals sections of the Act regarding requirements for a lessor to inform a person leasing a bus for the transportation of passengers for hire about the requirements of the Act; application deadlines; filing fees; the ability of a motor carrier to request a certificate that includes the authority to transport newspapers, baggage of passengers, package express, or U.S. mail; and the adoption of certain Federal regulations.

House Bill 4637

Registration, Fees, & Application Requirements

The Limousine, Taxicab, and Transportation Network Company Act prohibits a limousine carrier, taxicab carrier, and TNC from operating in the State without first having registered with the Department of Licensing and Regulatory Affairs. An application for registration must be made on a form provided by LARA and accompanied by a fee of \$25 if the applicant registers 10 or fewer vehicles, \$50 if the applicant registers between 11 and 25 vehicles, or \$100 if the applicant registers more than 25 vehicles.

The Department must issue a registration to an applicant that meets the requirements of the Act and pays the application fee, as well as an annual registration fee of \$100 for the first vehicle registered under the Act and \$50 per vehicle for the second through ninth vehicles registered. If registering more than nine vehicles, the applicant must pay a registration fee according to the schedule shown in Table 1.

Table 1

Number of Vehicles Registered	Fee
10	\$550
11-25	\$1,000
26-100	\$2,500
101-500	\$5,000
501-1,000	\$10,000
More than 1,000	\$30,000

The Department must spend money received from permit fees to defray the costs of enforcing and administering the Act. Fees collected by LARA will not lapse to the General Fund.

To obtain a registration, a limousine carrier, taxicab carrier, or TNC must submit to LARA an application that includes the following information:

- Proof that the applicant has satisfied the insurance requirements of the Act.
- The name, telephone number, mailing address, and electronic mail address of a designated contact person for the applicant.
- The number of vehicles the applicant operates.
- If applicable, proof that the applicant has satisfied any penalties or conditions imposed by disciplinary action in the State.

Additionally, the application must indicate whether the applicant is an individual, a sole proprietorship, a partnership, a corporation, a limited liability company, or other type of business entity. An applicant that is a sole proprietorship or a general partnership is required to be registered at the county level and give LARA a copy of its certificate of conducting business under an assumed name or certificate of co-partnership. If the applicant is a business entity, it must be a Michigan entity in good standing or a foreign entity that has a certificate of authority and is authorized to do business in the State, and is required to provide to LARA its full legal name, a copy of its articles of incorporation, articles of organization, or certificate of authority, and its Federal employer identification number.

A registration will expire annually on August 31. The Department must renew a registration upon payment of the annual registration fee and receipt of a completed renewal form provided by LARA. The Department may request any additional information it deems necessary for the administration of the Act at the time of renewal.

The Department may audit the records of a registrant, including conducting a random sample of the registrant's records related to drivers, subject to both of the following:

- The audit may not be conducted more than two times per year.
- The audit may take place at a third-party location agreed upon by LARA and the registrant.

Records obtained by LARA or filed under the Act, including a record contained in or filed with an application or report, will be public records and must be made available for public examination, except for the following:

- A record obtained by LARA in connection with an audit.
- Part of a report prepared in connection with an audit that contains trade secrets or confidential information, if the registrant has asserted a claim of confidentiality or privilege that is authorized by law.
- A record that is not required to be provided to LARA or filed under the Act and is provided to LARA only on the condition that the record will not be subject to public examination or disclosure.

Unless otherwise provided by the Act or rules, an applicant for registration must complete all requirements for registration within one year after LARA receives the registration application or mails a notice of an incomplete registration to the last known address on file with LARA, whichever is later. If the applicant does not complete the requirements within this time period, any fees paid by the applicant must be forfeited to LARA and the application will be void. An applicant whose application is void and who wishes to register must submit a new application and fees, and meet the standards in effect on the date LARA receives the new application.

TNC Fee Collection & Other Requirements

On behalf of a TNC driver, a TNC may charge and collect a fee for services provided to a TNC rider, if both of the following are satisfied:

- The TNC discloses the fee calculation method on its website or within the software application device.
- The TNC provides the rider with the applicable rate being charged and the option to receive an estimated fee before the rider enters the driver's personal vehicle.

A TNC digital network must display a picture of the TNC driver and the registration plate number of the personal vehicle to be used for the TNC prearranged ride before the TNC rider enters the vehicle.

("TNC prearranged ride" means the provision of transportation by a TNC driver to a TNC rider, beginning when a TNC driver accepts a ride requested by a TNC rider through a digital network controlled by a TNC, continuing while the driver transports the requesting rider, and ending when the last requesting TNC rider departs from the personal vehicle. The term does not include a shared-expense carpooling or vanpooling arrangement or transportation provided using a taxicab, limousine, or other commercial vehicle.)

Within a reasonable time after a TNC prearranged ride is completed, the TNC must transmit an electronic receipt to the TNC rider listing all of the following information:

- The origin and destination of the trip.
- The total time and distance of the trip.
- An itemization of the total fee paid, if any.

Insurance Requirements

In addition to the insurance coverage described below, a limousine carrier, taxicab carrier, and TNC driver, or TNC on the driver's behalf, must maintain personal protection insurance and property protection insurance as required by Chapter 31 of the Insurance Code.

A limousine carrier must acquire the following insurance coverage for acts or omissions of the applicant as a limousine carrier, and must maintain the insurance as a condition of maintaining a license issued under the Act: bodily injury and property damage liability insurance with a minimum combined single limit of \$1.0 million for all people injured or for property damage.

A taxicab carrier must acquire all of the following insurance coverage for acts or omissions of the applicant as a taxicab carrier: bodily injury and property damage liability insurance with a minimum combined single limit of \$300,000 for all people injured or for property damage.

A TNC driver, or a TNC on a driver's behalf, must maintain primary automobile insurance on a personal vehicle that recognizes that the TNC driver uses the vehicle as a TNC driver or otherwise uses a vehicle to transport passengers for compensation, and covers the driver while he or she is logged on to the TNC's digital network or engaged in a TNC prearranged ride.

During the time that a TNC driver is logged on to the TNC's digital network and is available to receive transportation requests but is not engaged in a TNC prearranged ride, the following insurance is required: residual third-party automobile liability insurance in the amount of at least \$50,000 per person for death or bodily injury, \$100,000 per incident for death or bodily injury, and \$25,000 for property damage.

During the time that a TNC driver is engaged in a TNC prearranged ride, the following insurance is required: residual third-party automobile liability insurance with a minimum combined single limit of \$1.0 million for all bodily injury or property damage.

These TNC insurance requirements may be satisfied by automobile insurance maintained by a TNC driver or a TNC, or a combination of both.

If the required TNC insurance lapses or does not provide the required coverage, the insurance maintained by a TNC must provide the required coverage, beginning with the first \$1 of a claim, and the TNC's insurer must defend a claim.

Coverage provided under an automobile insurance policy maintained by a TNC may not be dependent upon a personal automobile insurer denying the claim first, and may not require a personal automobile insurer to deny the claim first.

The required TNC insurance may be placed with an insurer licensed under the Insurance Code or, if the insurance is maintained by a TNC, an unauthorized insurer eligible under the Code. Also, the TNC insurance policy must satisfy the financial responsibility requirements described in the Michigan Vehicle Code.

A TNC driver must carry proof of the required insurance with him or her at all times during his or her use of a personal vehicle in connection with a TNC's digital network. The driver may provide proof of insurance by a paper or electronic copy of the insurance certificate. If an accident occurs when a TNC driver is using a personal vehicle in connection with a TNC's digital network, he or she must provide the following information upon request to directly interested parties, automobile insurers, and investigating law enforcement officers as required under the Michigan Vehicle Code:

- Insurance coverage information.
- Whether he or she was logged on to the TNC's digital network or on a TNC prearranged ride at the time of the accident.

A TNC's insurer must issue a payment directly to the business repairing a vehicle or jointly to the owner of a vehicle and the primary lienholder on the vehicle if a TNC's insurer makes a payment for a claim covered under comprehensive or collision coverage.

If a limousine carrier's, taxicab carrier's, or TNC's required insurance coverage is canceled for any reason, or if, after an audit, LARA determines that a registrant's violation of the Act poses a threat to the public health, safety, or welfare, LARA must issue an order summarily suspending the registration issued to that carrier or TNC, based on an affidavit by an individual who is familiar with the facts set forth in the affidavit, or, if appropriate, based on an affidavit made on information and belief that an imminent threat to the public health, safety, or welfare exists.

A limousine carrier, taxicab carrier, or TNC whose registration is summarily suspended may petition LARA to dissolve the order. The Department may grant or deny the petition without a hearing, or may immediately schedule a hearing to decide whether to grant or deny the petition.

At a hearing, an administrative law hearings examiner must dissolve the summary suspension order unless sufficient evidence is presented that an imminent threat to the public health, safety, or welfare exists that requires emergency action and continuation of LARA's summary suspension order.

Insurance & Other Information Disclosure

A TNC must disclose all of the following information in writing to a TNC driver before the driver may accept a request for a TNC prearranged ride on that TNC's digital network:

- The insurance coverage, including the types of coverage and limits for each type, that the TNC provides while the driver uses a personal vehicle in connection with the TNC's digital network.
- That, depending on the terms of the policy, the driver's personal automobile insurance policy might not provide coverage while the driver is logged on to the TNC's digital network or is engaged in a prearranged ride.

In addition, a TNC must disclose prominently to a prospective TNC driver, in the TNC driver's written terms of service, certain information regarding insurance, personal motor vehicle information, and auto loans, before that driver may accept a request for a TNC prearranged ride on the TNC's digital network.

A limousine carrier, taxicab carrier, or TNC must disclose all of the following information to LARA on an annual basis and in the event of a material reduction in insurance coverage maintained by the carrier or TNC on behalf of each driver providing transportation services for it:

- The automobile insurance coverage, including the types of coverage and limits for each type, that the limousine carrier, taxicab carrier, or TNC maintains on behalf of each driver while he or she operates a limousine or taxicab, or uses a personal vehicle in connection with the TNC's digital network.
- If the person subject to the Act is a TNC, whether it maintains comprehensive and collision insurance that covers a TNC driver's personal vehicle and, if the TNC maintains such coverage, the limits of coverage, applicable deductible, and conditions under which the coverage applies to a vehicle operated by a TNC driver.

"Material reduction in insurance coverage" does not include the replacement of insurance coverage with substantially similar insurance coverage from a different insurer by a TNC.

Driver Application Submissions & Prohibitions

Before an individual may operate a limousine or taxicab on behalf of a limousine carrier or taxicab carrier, or accept TNC prearranged ride requests as a TNC driver using a TNC's digital network, he or she must submit an application to the carrier or TNC. The application must

include the applicant's name, address, age, operator's license number, driving history, motor vehicle registration information, and automobile liability insurance information.

A limousine carrier, taxicab carrier, or TNC receiving an application must do both of the following before allowing the applicant to operate a limousine or taxicab, or accept TNC prearranged ride requests as a TNC driver using the TNC's digital network:

- Annually conduct, or use a third-party to annually conduct, a local and national criminal background check of the applicant, which must include a multistate or multijurisdiction criminal records locator or similar commercial nationwide database with validation, and the National Sex Offender Registry database.
- Annually obtain and review a driving history research report for the applicant.

A limousine carrier, taxicab carrier, or TNC may not allow an individual to operate a limousine or taxicab, or accept TNC prearranged ride requests as a TNC driver using its digital network, if any of the following apply:

- The individual has had more than four moving violations or one major violation in the three-year period before the date of the application.
- The individual has a felony conviction within five years before the date of the application for driving under the influence of drugs or alcohol, fraud, a sexual offense, use of a motor vehicle to commit a felony, a crime involving property damage, theft, an act of violence, or an act of terror.
- The individual is listed on the National Sex Offender Registry database.
- The individual does not possess a valid operator's license issued under the Michigan Vehicle Code or issued by another state.
- The individual is under 19 years of age.
- For TNCs only, the individual does not possess proof of registration issued under the Michigan Vehicle Code, or proof of registration issued by another state for each personal vehicle that he or she intends to use to provide TNC prearranged rides.
- For TNCs only, the individual does not possess proof of automobile liability insurance for each personal vehicle that he or she intends to use to provide TNC prearranged rides.

As used above, "major violation" includes, but is not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license.

All background records of drivers will be subject to audit by LARA at any time.

Safety Inspection

A limousine carrier or taxicab carrier may not operate a limousine or taxicab, and a TNC may not allow a TNC driver to accept trip requests through that TNC's digital network, unless the limousine, taxicab, or personal vehicle has undergone a safety inspection conducted annually by a mechanic licensed by the State before being used to provide transportation services. Each limousine carrier and taxicab carrier must maintain, and each TNC driver must provide to the TNC, documentation of the inspection showing that all of the following vehicle components were inspected: foot brakes, parking brakes, steering mechanism, windshield, rear window and other glass, windshield wipers, headlights, taillights, brake lights, front seat adjustment mechanism, doors, turn signal lights, horn, speedometer, bumpers, muffler and exhaust system, tires, including tread depth, interior and exterior mirrors, safety belts, and defrosting system.

The vehicle inspections will be subject to audit by LARA at any time, and apply only to vehicles that are five years old or older.

Signage or Emblem

A vehicle subject to the Act must display a consistent and distinctive signage or emblem that is approved by LARA at all times while the vehicle is being used to provide transportation services; or while the vehicle is being used by a TNC driver for a TNC prearranged ride, or while the TNC driver is available to receive a transportation request. The emblem must sufficiently identify the limousine carrier, taxicab carrier, or TNC with which the vehicle is affiliated, and satisfy other requirements.

Record Maintenance

A limousine driver, taxicab driver, or TNC must maintain individual trip records. An individual trip record must be maintained for at least one year after the date the trip was provided. An individual trip record must contain pickup and drop-off location, as well as duration of the trip, distance traveled, and fee.

A limousine driver, taxicab driver, or TNC also must maintain individual records of drivers. An individual driver record must be maintained for at least one year after the driver ceases to operate a limousine or taxicab for a limousine carrier or taxicab carrier or the driver ceases to provide TNC prearranged rides using the TNC's digital network. An individual driver record must contain the name and contact information of the driver, as well as the make, model, and registration plate number of the vehicle he or she operates.

Regulation & Local Enforcement

A local unit of government may not impose a tax or fee upon or require a license for a limousine carrier, taxicab carrier, or TNC, a limousine driver, taxicab driver, or TNC driver, or a limousine, taxicab, or personal vehicle, if the tax, fee, or license is related to the provision of limousine or taxicab service or TNC prearranged rides. Except as otherwise provided, a local unit of government may not enact or enforce an ordinance regulating a limousine carrier, taxicab carrier, limousine driver, taxicab driver, or TNC. A local unit may issue a civil infraction to a limousine, taxicab, or TNC driver for a violation of sections of the Act regarding signage, a TNC driver carrying proof of insurance, a TNC driver accepting a request for transportation outside of a TNC's digital network, and nondiscrimination.

An article of incorporation in existence upon enactment of the Act covering a limousine carrier, taxicab carrier, or TNC by an authority created to regulate those entities under the Municipal Partnership Act or the Public Transportation Authority Act will remain valid for four years after the Act's effective date.

Airports

Under the Limousine, Taxicab, and Transportation Network Company Act, an airport may enact ordinances and regulations governing a limousine carrier, taxicab carrier, or TNC establishing reasonable procedures and fees for operations conducted by those carriers or TNCs on airport property. An ordinance or regulation must be consistent with industry standards, may not impose requirements that have the effect of unreasonably impeding service, and may not duplicate or contract the requirements of the Act.

"Airport" means one of the following:

- An airport as that term is defined under the Aeronautics Code.
- A public airport authority, regional airport authority, or community airport created under the Code.
- An airport authority created under Public Act 73 of 1970 (which provides for the creation of and governs airport authorities).

Independent Contractor

A TNC driver must be considered an independent contractor, and not an employee of a TNC, if all of the following conditions are met:

- The TNC does not prescribe the specific hours during which the driver is required to be logged on to the TNC's digital network.
- The TNC does not impose any restrictions on the driver's ability to use other TNCs' digital networks.
- The TNC does not assign a driver a particular territory within the State in which he or she may provide TNC prearranged rides.
- The TNC does not restrict a driver from engaging in any other occupation or business.
- The TNC and the driver agree in writing that the TNC driver is an independent contractor.

A TNC will not be deemed to control, direct, or manage a personal vehicle or a TNC driver who connects to its digital network, unless the parties have agreed otherwise in a written contract.

Zero-Tolerance Policy

A limousine carrier, taxicab carrier, or TNC must develop and implement a zero-tolerance policy regarding a limousine, taxicab, or TNC driver's activities while providing transportation services or accessing the TNC's digital network. The zero-tolerance policy must address the use of drugs or alcohol while a driver is providing transportation services or a TNC prearranged ride or is logged on to the TNC's digital network and available to receive a transportation request.

A limousine carrier, taxicab carrier, or TNC, or the parent company if the entity does not have a website, must provide notice of the zero-tolerance policy on its website, and also must provide on its website a procedure for a passenger to report a complaint about a driver whom the passenger reasonably suspects was under the influence of drugs or alcohol during a trip or a TNC prearranged ride.

Upon receiving a complaint, a limousine carrier, taxicab carrier, or TNC immediately must suspend the driver and, if applicable, the driver's access to the TNC's digital network, and investigate the incident. The driver's suspension must last for the duration of the investigation. A limousine carrier, taxicab carrier, or TNC must maintain records of a passenger complaint for at least two years after the date the complaint was received.

TNC Cash Payment Prohibition

A TNC driver may not accept a request for transportation unless the request is accepted through the TNC's digital network, or solicit or accept cash payments from TNC riders for TNC prearranged rides.

A payment for a TNC prearranged ride may only be made electronically using a TNC's digital network or software application.

A transportation network company must adopt a policy prohibiting a TNC driver from soliciting or accepting cash payments from TNC riders, and notify drivers using its digital platform of the policy.

Nondiscrimination

A limousine carrier, taxicab carrier, and TNC must adopt a policy of nondiscrimination with respect to passengers and potential passengers and must notify their drivers of the policy. A

limousine, taxicab, and TNC driver must comply with all applicable laws regarding nondiscrimination against a passenger or potential passenger. A driver also must comply with all applicable laws regarding accommodation of service animals. A limousine carrier, taxicab carrier, and TNC may not impose an additional charge for providing services to a passenger with a physical disability because of his or her disability.

Violations & Penalties

A limousine carrier, taxicab carrier, or TNC, or an officer or agent of the entity, who requires or knowingly permits a driver to drive or operate a limousine, taxicab, or personal vehicle in violation of the Act, or a rule promulgated under it, will be guilty of a misdemeanor punishable by a fine of up to \$1,000 per violation or imprisonment for up to 90 days, or both.

In addition to that fine, LARA may assess against a person who violates the Act a fine that covers the actual cost to the Department of the investigation and enforcement of the violation, including attorney fees.

A proceeding held under the Act must be held under Chapter 4 of the Administrative Procedures Act (which governs procedures in consented cases).

All of the following apply to a person that violates the Act or rules or an order promulgated or issued under it:

- The person will be subject to denial of a registration or renewal of a registration.
- The Attorney General or the proper prosecuting attorney may institute appropriate criminal proceedings under the Act against the person with or without reference from LARA.
- The Department or any other person, to enforce compliance with the Act, may bring an action in a circuit court in any county in which the limousine carrier, taxicab carrier, or TNC has solicited or sold its services, whether or not that person purchased or used those services or is personally aggrieved by a violation of the Act.

In a case brought to enforce compliance, the court may award damages, issue equitable orders to restrain conduct in violation of the Act, and award reasonable attorney fees and costs to a prevailing party.

The Director of the Department or his or her designee may order a limousine carrier, taxicab carrier, or TNC to cease and desist from a violation of the Act, a rule promulgated under it, or an order issued under it. The carrier or TNC may request a hearing before LARA if the entity files a written request for a hearing within 30 days after the effective date of the cease and desist order.

If a limousine carrier, taxicab carrier, or TNC violates an order to cease and desist, the Attorney General may apply to a court to restrain and enjoin, either temporarily or permanently, that carrier or TNC from further violating the order.

Additional Provisions

A limousine carrier, taxicab carrier, TNC, or its driver may not be considered a common carrier, motor carrier, or contract carrier, or to provide commercial vehicle service.

("Motor carrier" means a person that is an authorized for-hire motor carrier, either directly or through any device or arrangement, of property other than household goods upon or over a public highway; or a person that, either directly or through any device or arrangement, packs, loads, unloads, or transports household goods upon or over a public highway for the general public in exchange for payment.)

A TNC driver is not required to register his or her personal vehicle as a commercial or for-hire vehicle.

A TNC operating under a license must maintain an agent authorized to receive service of process in the State.

A lessor must inform any person leasing any limousine or taxicab for the transportation of passengers for hire of the requirements of the Act on a motor vehicle lease agreement.

MCL 474.101 et al. (S.B. 392)
500.3009 et al (H.B. 4639)
500.3114 (H.B. 4640)
257.6 & 257.7 (H.B. 4641)

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

Senate Bill 392 and House Bill 4637

The bills will have an indeterminate, yet minimal impact on State revenue and costs. House Bill 4637 will have an indeterminate negative impact on local revenue, which will be offset to an unknown extent by reduced administrative costs.

The bills reorganize the regulatory responsibilities of the Department of Transportation as to commercial buses, limousine carriers, and taxicab carriers. Regulation of buses remains the responsibility of the Department of Transportation. Regulation of limousines and taxicabs, as well as transportation network companies, will become the responsibility of the Department of Licensing and Regulatory Affairs.

With regard to commercial buses, Senate Bill 392 increases annual authority fees by \$75 per bus. Re-inspection fees for buses that fail an initial inspection are set at \$100. With nearly 3,000 authorized buses¹ in Michigan, this fee increase has the potential to raise over \$200,000 in new revenue; however, this estimate is optimistic as such inspections will not have to be conducted by the Department of Transportation but may be done by a different state, or a municipality approved by the Department.

With regard to limousines, taxicabs, and transportation network companies, House Bill 4637 replaces the Limousine Transportation Act with a similar regulatory structure for all three services. Application and annual registration fees are staggered depending upon the size of the applicant's fleet.

The current registration renewal rate of \$50 per limousine will be replaced with a variable renewal rate between \$10 and \$100 per limousine, depending upon the size of the carrier's fleet. As most limo carrier fleets number 10 or fewer vehicles², it is expected that average registration fee revenue will hover slightly above \$50 per vehicle. Current registrations for limousines number just under 4,000 statewide, managed by slightly more than 1,100 carriers.³

Application and registration fees for taxicab fleets and transportation network fleets, also set at a rate between \$10 and \$100 depending upon the size of the fleet, will constitute new revenue for the State. Data on the number of taxicabs and transportation network vehicles operating in the State are not available.

¹ *Current List of Carriers* spreadsheet for buses, available on the Department of Transportation website.

² *Current List of Carriers* spreadsheet for limousines, available on the Department of Transportation website.

³ *Id.*

The Department of Licensing and Regulatory Affairs will retain revenue from application and registration fees to administer the Act created by House Bill 4637. That revenue will not lapse. The Department's administrative responsibilities will expand to include rule promulgation, record and insurance auditing, application processing, record keeping, inspection documentation, and enforcement for all three vehicle types: limousines, taxicabs, and transportation network vehicles. Depending upon the efficiency with which the Department manages these responsibilities, the additional fee revenue and administrative responsibilities may result in a minimal net gain or loss.

House Bill 4637 also will eliminate revenue to cities and villages that those entities currently generate via taxicab licensing or registration. There are insufficient data to determine whether this will result in a net loss or gain via reduced administrative costs.

House Bills 4639 and 4640

The bills will have no fiscal impact on State or local government.

House Bill 4641

The bill will have a minimal, negative effect on State revenue. By removing limousine and taxicab drivers from the definition of "chauffeur", and excluding network transportation drivers from the term, the bill will result in the loss of \$10 in license fees for each of those drivers who otherwise would apply for an original license, and the loss of \$17 on each renewal. In 2015, the State had 177,288 licensed chauffeurs.⁴ The bill will not have an impact on local revenue or costs.

Fiscal Analyst: Michael Siracuse

⁴ *Registration, Driver License, and Title Transaction History*, available on the Department of State website.