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MICHIGAN PASSENGER TRANSPORTATION GUIDEBOOK

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This publication is based on Michigan state statutes, including the Michigan adoption of the Federal Motor Vehicle Safety Regulations (FMCSR). State statutes referenced in this document include:

- The **Michigan Limousine Transportation Act** (Act 271 of 1990, as amended);
- The **Michigan Motor Bus Transportation Act** (Act 432 of 1982, as amended);
- The **Michigan Motor Carrier Safety Act**; (Act 181 of 1963, as amended); and
- The **Michigan Vehicle Code** (Act 300 of 1949, as amended).

All Michigan statutes can be viewed, printed, and saved at www.legislature.mi.gov. Some counties, cities or townships may have additional laws regarding passenger transportation.

Both Act 181 and Act 432 adopt by reference the Federal Motor Carrier Safety Regulations (FMCSR), which are promulgated by the U.S. Department of Transportation, Federal Motor Carrier Safety Administration (USDOT/FMCSA), so that the FMCSRs are state statute.

This publication is for educational purposes only and does not attempt to substitute for or directly quote the laws referenced herein. Although it is intended to keep this document current, the regulations are constantly being revised, so readers are cautioned to consult the actual regulations for compliance. This document does not address all of the regulations, but does discuss those regulations that seem to generate the most questions and concern. This document may be reproduced without prior permission.

SOURCES OF INFORMATION

The Great Lakes Limousine Association: 810-523-3221 or www.glla.org

The Michigan Trucking Association: 517-321-1951 or www.mitrucking.org
Copies of Federal regulations, forms and documents, etc.

The Michigan Center for Truck Safety: 800-682-4682 or www.truckingsafety.org
Truck Drivers Guidebook, Questions answered, Training, etc.

The Michigan State Police Traffic Safety Division:
Contact your local state police post or www.michigan.gov/motorcarrier

The Michigan Department of Transportation Motor Bus & Limousine Regulatory Unit:
517-335-2574 or http://www.michigan.gov/mdot/0,1607,7-151-9625_21607_21616---,00.html

U.S. Department of Transportation, Federal Motor Carrier Safety Administration:
202-366-1790 or www.fmcsa.dot.gov

USDOT/FMCSA/Michigan Division Office	517-853-5990
FMCSA Violation Hotline	888-368-7238
Safety Ratings/USDOT Numbers/New Entrants	800-832-5660 or www.safersys.org

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WHAT REGULATIONS APPLY TO ME?

The passenger transportation regulations in Michigan are fairly complex. There are two essential questions that must be answered to determine which statutes apply to your operation:

- What is the passenger capacity of the vehicles I am utilizing?
- Do I transport passengers for-hire?

Passenger Capacity

Generally, the manufacturer or the secondary manufacturer (e.g., companies that “stretch” limos) are required by federal regulations established by the U.S. Department of Transportation, National Highway Traffic Safety Administration (USDOT/NHTSA), to affix a label indicating the maximum number of passengers, including the driver, for each vehicle.

In the absence of such a label, some agencies will utilize a 14” wide template to count the number of seats available for use in a vehicle. The template size is based on USDOT/NHTSA standards.

It is important to note that some statutory definitions are based strictly on passenger design capacity, and some state “designed or used,” meaning that if an eight passenger vehicle is used to transport 12 people, it falls within that definition of that particular act. In addition, some definitions also have a gross vehicle weight or gross vehicle weight rating threshold. In this circumstance, a vehicle can be under the passenger design capacity for the act, but over the weight threshold, and therefore subject to the act.

For-Hire or For-Compensation

For-hire, also referred to as “for compensation,” are operations where a person must pay for the transportation being provided. There are two types:

Direct Compensation: the person pays specifically for the transportation being provided.

Indirect Compensation: the person pays for an entire package, in which transportation services are included (e.g., airport shuttles, rental car shuttles, canoe rentals, etc.).

The following table breaks out the various regulations and how they apply to individual operations:

Number of Passengers*	For Hire or Private	Applicable Act(s)
Under 9	For-Hire, Direct	Act 271
9-15	For-Hire, Direct	Act 271 Act 181/FMCSR
9-15	For-Hire, Indirect	Act 181/FMCSR
Over 15	For-Hire, Direct	Act 432/FMCSR
Over 15	For-Hire, Indirect	Act 181/FMCSR
Over 15	Private, Not For-Hire	Act 181/FMCSR

*For purposes of this document, the number of passengers always includes the driver.

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Michigan Limousine Transportation Act (Act 271 of 1990, as amended)

Note: all passenger capacities noted include the driver.

Certificate of Authority and Annual Inspection

Act 271 of 1990 requires for-hire limousine operations to obtain a certificate of authority from the Michigan Department of Transportation (MDOT) prior to beginning operations (Section 257.1907 and 1911). The certificate must be renewed annually (Section 257.1921). MDOT issues annual decals to limo carriers and requires a decal to be affixed to each limousine. There is an application fee and an annual renewal fee.

In addition, limo carriers must have each limo annually inspected by a state certified mechanic. Any limo that fails inspection cannot be utilized (Section 257.1919).

Insurance

For limousines with a seating capacity of 1 to 9 passengers, the owner must have bodily injury and property damage liability insurance with a minimum combined single limit of \$1 million for all persons injured or for property damage.

For limousines with a seating capacity of 10 to 15 passengers, the owner must have bodily injury and property damage liability insurance with a minimum combined single limit of \$2 million for all persons injured or for property damage.

A limo carrier must also maintain personal protection insurance and property protection insurance as required by the state insurance code (Act 218 of 1956).

Exemptions

The following operations are exempt from Act 271 (Section 257.1905):

- Public Transit Buses that remain in the political subdivision that grants them authority
- Transporting passengers for funerals
- Limos operating within the boundaries of a local government that has its own safety inspection and insurance requirements
- Metered taxi cabs of 3-9 passenger capacity

Additional Statutes

The Michigan Vehicle Code (Act 300 of 1949) has additional requirements for limo carriers:

Section 257.208b(6) requires a limo carrier to subscribe to the commercial look-up service maintained by the Secretary of State (driver license records of limo drivers).

Section 257.208b(7) requires a limo driver to maintain the most current copy of all nonpersonal information related to his/her driving record in the limousine and keep it available for review by any prospective passenger. Section 257.208b(8) states that any prospective passenger may review a copy of all nonpersonal information related to the driving record of a limo driver.

Section 257.624a(4) allows passengers of a chartered vehicle authorized to operate by MDOT to possess open intoxicants.

See the discussion of the Michigan Motor Carrier Safety Act, Act 181 of 1963 in this document for additional regulations that pertain to for-hire operations utilizing vehicles of 9-15 passengers.

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Michigan Motor Bus Transportation Act (Act 432 of 1982, as amended)

Note: all passenger capacities noted include the driver.

School Bus Operations

For-hire companies that provide school bus transportation for public and private schools must comply with Act 432. Public schools that provide for-hire transportation to groups other than pupil transportation to and from school are subject to this Act. Private schools that provide their own transportation are not subject to this Act, but are subject to Act 181 of 1963. All school buses are subject to the Michigan Pupil Transportation Act, Act 187 of 1990, which is not addressed in this document.

Certificate of Authority and Annual Inspection

Act 432 of 1982 requires for-hire motor carriers of passengers to obtain a certificate of authority from the Michigan Department of Transportation (MDOT) prior to beginning operations (Section 474.105 and 107). The certificate must be renewed annually (Section 474.117). There is an application fee and an annual renewal fee.

In addition, for-hire motor carriers of passengers must have each motorcoach annually inspected by an MDOT inspector (Section 474.116). Any bus that fails inspection cannot be utilized (Section 474.116).

Insurance

A motor carrier of passengers must have bodily injury and property damage liability insurance with a minimum combined single limit of \$5 million for all persons injured or for property damage for each bus (Section 474.109).

A motor carrier of passengers must also maintain personal protection insurance and property protection insurance as required by the state insurance code (Act 218 of 1956).

An exemption is provided for motor carriers of passengers that submit a certificate of self-insurance from the Michigan Secretary of State.

Exemptions

The following operations are exempt from Act 432 (Section 474.104):

- Public Transit Buses that remain in the political subdivision that grants them authority

Decals

MDOT Rule R474.104 promulgated under Act 432 requires that annual registration decals be issued and affixed to each motor bus and placed on the left side of the motor bus in the area immediately under the driver's window.

Carrier Identification

R474.104 requires each bus with an MDOT certificate of authority to be marked with the name of the owner and the operator of the bus on the left side of the unit.

The Federal Motor Carrier Safety Regulations (FMCSR) adopted by Act 432 require the carrier's name and USDOT Number to be displayed on both sides of the vehicle (Section 390.21).

Additional Statutes

Section 257.624a(4) allows passengers of a chartered vehicle authorized to operate by MDOT to possess open intoxicants.

See the discussion of the FMCSR in this document for additional regulations.

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Michigan Motor Carrier Safety Act (Act 181 of 1963, as amended)

Note: all passenger capacities noted include the driver.

General

Exemptions

The following operations are exempt from Act 181:

- Public Transit Buses (Section 480.11a(2))
- School Buses (Section 480.15(8))
- Motorcoaches certified by MDOT under Act 432 (Section 480.15(8))

Commercial Motor Vehicle Defined

Section 390.5 of the FMCSR defines a commercial motor vehicle as:

- Designed and used on public highways to transport passengers or property;
- Has either a gross vehicle weight rating (single or combination) or an actual gross weight of 10,001 lbs. or more;
- Is designed for carrying more than 15 passengers including the driver (not for compensation);
- Is designed for carrying more than 8 passengers including the driver (for compensation);
- Is used to transport hazardous materials in an amount that requires placarding.

For-Hire, 9-15 Passengers, Direct Compensation

Motor carriers that are for-hire, direct compensation and utilizing vehicles with a capacity of 9-15 passengers are subject to Act 181 and its adoption of the FMCSR.

Section 390.3(f)(6)(ii) provides some relief from the regulations. If a vehicle is being operated within a 75-mile radius of the driver's normal work reporting location and does not otherwise meet the definition of a commercial motor vehicle (see above definition), then the vehicle is only subject to the following regulations:

- Section 390.15, Accident register
- Section 390.19, Submission of MCS-150 (USDOT # application)
- Section 390.21(a) and (b)(2), display of USDOT # on both sides of each vehicle (carrier name is not required to be displayed)

Any vehicle that operates outside of the 75 air-mile radius is subject to all of the FMCSR. In addition, it is important to note that an act (SAFETEA-LU) passed by Congress in 2005 has eliminated the 75 air-mile radius exemption for for-hire carriers. However, the USDOT/FMCSA has not yet changed the FMCSR to reflect the elimination of the exemption. USDOT/FMCSA and the Michigan State Police will honor the 75 air-mile radius exemption until it is adopted into the FMCSR.

For-Hire, 9-15 Passengers, Indirect Compensation

Motor carriers that are for-hire, indirect compensation and utilizing vehicles with a capacity of 9-15 passengers are subject to Act 181 and its adoption of the FMCSR.

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However, Section 390.3(f)(6)(i) provides relief from the regulations. If a vehicle does not otherwise meet the definition of a commercial motor vehicle (see above definition), then the vehicle is only subject to the following regulations:

- Section 390.15, Accident register
- Section 390.19, Submission of MCS-150 (USDOT # application)
- Section 390.21(a) and (b)(2), display of USDOT # on both sides of each vehicle (carrier name is not required to be displayed)

For-hire, Over 15 Passengers, Indirect Compensation

For-hire motor carriers operating vehicles over 15 passenger capacity for indirect compensation are subject to Act 181 and its adoption of the FMCSR. There are no exemptions for these vehicles. See the section on the FMCSR in this document for more information.

Private, Over 15 Passengers

Private motor carriers of passengers (PMCP) utilizing vehicles with a capacity of more than 15 passengers are subject to Act 181 and the FMCSR. They are separated into two groups:

- Business PMCP (e.g., a farmer transporting farm workers; a company transporting its own employees)
- Non-Business PMCP (e.g., church buses, Boy Scouts, YMCA, etc.)

Business PMCP

Business PMCP operations are subject to all of the FMCSR except Part 387 (Insurance). Drivers of these vehicles must have the appropriate CDL and be in a drug and alcohol testing program. There is a fuel system exemption for these vehicles in Section 393.67. Section 391.69 provides relief from some paperwork requirements for drivers of these vehicles employed prior to July 1, 1994.

Non-Business PMCP

Non-Business PMCP operations are subject to all of the FMCSR except for the following:

- Part 387 (Insurance)
- Minimum age of drivers (Section 391.68)
- Requirement to provide employer with list of violations (Section 391.68)
- Completion of a driver road test (Section 391.68)
- The portions of Section 391.41 and 391.45 that require a driver be medically qualified and possess a medical certificate (Section 391.68)
- The recordkeeping requirements of Subpart F of Part 391 (Section 391.68)
- The requirement to maintain a log book (Section 395.8(a)), but there is no exemption from the hours of service requirements of Part 395
- Daily vehicle inspection reports (Section 396.11(d))
- Fuel system exemption (section 393.67)

Drivers of these vehicles must have the appropriate CDL and be in a drug and alcohol testing program.

Note: SAFETEA-LU, an act of law passed by Congress, requires FMCSA to promulgate a rule to require private carriers of passengers to comply with Part 387.

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Federal Motor Carrier Safety Regulations (FMCSR)

Note: all passenger capacities noted include the driver.

Because there is a wealth of information regarding compliance with the FMCSR available elsewhere, this document will only provide a brief overview of the regulations. It is important to understand that any vehicle meeting the definition of a commercial motor vehicle (see page 5) is generally subject to the FMCSR.

Exemptions (related to passenger transportation)

- School bus operations to transport pupils to and from school (Section 390.3(f)(1))
- Transporting human corpses or sick and injured persons (Section 390.3(f)(4))

General Overview

The FMCSR is broken into “parts” (like chapters of a book) that address a particular topic. Below is a list of the parts most applicable to commercial passenger vehicle operations:

- Part 40 Drug Testing Procedures
- Part 382 Drug and Alcohol Testing Programs
- Part 387 Financial Responsibility
- Part 390 General Regulations; Applicability
- Part 391 Driver Qualifications
- Part 392 Driving of CMVs
- Part 393 Vehicle Equipment Standards
- Part 395 Hours of Service
- Part 396 Inspection, Repair, and Maintenance
- Part 398 Transportation of Migrant Workers

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Migrant Worker Transportation (Part 398, FMCSR)

Note: all passenger capacities noted include the driver.

The transportation of migrant workers is regulated by Act 181 of 1963, which has adopted Part 398 of the FMCSR into state law.

Part 398 defines a migrant worker as any individual proceeding to or returning from employment in agriculture as defined in Section 3(f) of the Fair Labor Standards Act of 1938 or Section 3121(g) of the Internal Revenue Code of 1954.

A “carrier of migrant workers” is any carrier that transports at any one time, three or more migrant workers to or from their employment by any motor vehicle other than a passenger automobile or station wagon. A carrier of migrant workers does not include a migrant worker transporting himself/herself or his/her immediate family. Also, a carrier of migrant workers does not include a “common carrier,” such as a transit bus or for-hire motorcoach that is providing transportation to the general public.

Applicability

Operations that are subject to Part 398 are identified below. It is important to realize that while an operation may be exempt from Part 398, it may still be regulated by one or more of the other acts identified in this document, including Parts 390-396 of the FMCSR.

Part 398 only applies to a carrier of migrant workers (see above) that is transporting any migrant worker a total distance of more than 75 miles (note that it is not an air-mile radius, as other FMCSR exemptions).

Also, Part 398 does not apply to the transportation of migrant workers when (Section 398.2(b)(1)):

- The motor vehicle is designed or used to transport between 9 and 15 passengers;
- The motor carrier is directly compensated for the transportation; and
- The motor vehicle is operated beyond a 75 air-mile radius from the driver’s normal work reporting location.

However, Section 398.2(b)(2) goes on to state that operations described in the three bullets above are subject to the applicable requirements of Parts 385, 390, 391, 392, 393, 395, and 396.

The remainder of Part 398 specifies standards for drivers and vehicles:

Section 398.3 Driver Qualifications

This section specifies a minimum age of 21 years; a minimum of 1 year driving experience; and the driver must be able to speak and read English sufficiently to understand road signs and respond to official inquiries. It also specifies medical qualifications for drivers and requires a separate medical certificate.

Section 398.4 Driving of motor vehicles

This section prohibits ill or fatigued drivers and the use of alcoholic beverages. It requires obedience to traffic rules and speed limits, requires driver to inspect the vehicle, and specifies securement of loads.

The carrier must provide for meal stop intervals of no more than 6 hours and be at least 30 minutes in duration. If a truck is used to transport the migrant workers in excess of 600 miles, the truck must be stopped for a period of not less than 8 consecutive hours either before or after the completion of the 600 miles travel, and before or after the completion of any subsequent 600 miles travel.

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Only the following types of vehicles are permitted for migrant worker transportation: a bus, a truck with no trailer attached, or a semitrailer attached to a truck-tractor provided that no other trailer is attached to the semitrailer. Closed vans without windows or means to assure ventilation shall not be used. Bus is defined as any motor vehicle designed, constructed, or used to transport passengers, other than passenger automobiles or station wagons other than taxicabs.

Section 398.5 also specifies requirements for lighting devices and reflectors; prevention of the ignition of fuel and storage of reserve fuel; prohibits driving by unauthorized persons; requires protection of passengers from weather; sets precautions for unattended vehicles; and requires stops at all railroad grade crossings.

Section 398.5 Parts and Accessories

This section specifies standards for lighting devices, brakes, coupling devices, and tires. In addition, it establishes standards for the passenger compartment and protection from cold and weather. A seat must be provided for each migrant worker. Exits must be available and operable, including ladders or steps and handholds. Gates and doors must work from the inside without the use of tools. Vehicles with roofs must have an emergency exit and all vehicles must have a method to communicate with the driver.

Section 398.6 Hours of Service of drivers; maximum driving time

Section 398.6 states that a driver may not operate a motor vehicle under this part for more than 10 hours aggregate (excluding rest stops and meal stops) in any 24 consecutive hour period. An eight consecutive hour period of rest must be provided once the 10 hour maximum is reached.

Section 398.7 Inspection and maintenance of motor vehicles

Motor carriers are required to systematically inspect and maintain all motor vehicles and accessories. It does not specify an annual inspection.

Section 398.8 Administration

This section gives an officer or the FMCSA the authority to place a vehicle or driver Out-of-Service (OOS) under this Part.