DEPARTMENT OF TRANSPORTATION
BUREAU OF URBAN AND PUBLIC TRANSPORTATION
MOTOR BUS TRANSPORTATION

Filed with the Secretary of State on

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a (6) of 1969 PA 306. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

(By authority conferred on the department of transportation by section 39 of Act No. 432 of the Public Acts of 1982, being S474.139 of the Michigan Compiled Laws)

R 474.1, R 474.2, R 474.3, R 474.4, R 474.5, R 474.6 and R 474.7, of the Michigan Administrative Code are added, as follows:

R 474.1. Definitions.
   Rule 1. As used in these rules:
   (1) “Remuneration” means the compensation that one receives in exchange for the work or services performed, including both cash and non-cash payments received directly or indirectly.
   (2) “Renewal Period” means the period from January 1st to the last day of February each year.
   (3) “Bus” includes private owned school bus.
   a. School buses owned and operated by public school systems are not eligible for an authority under Act 432 per the terms contained within the Pupil Transportation Act 187 of 1990.

R 474.2. Applicability
   Rule 2. Carriers based outside the State of Michigan and registered with the United States Department of Transportation using vehicles in interstate regular route service or interstate charter service, that begins and ends outside of Michigan are exempted from Act 432, unless required by MDOT as a condition of financial assistance. Carriers operating intrastate regular route or charter service offering trip origins within Michigan shall comply with the requirements of Act 432.

R 474.3. Authority; issuance; findings; terms or conditions; application requirements; failure to correct noncompliance; outstanding fees; good standing required; denial of application; notice; correction of deficiency.
   Rule 3. The following guidance shall be used to administer this section of Act 432:

February 28, 2018
(1) An applicant shall submit all items requested in the application, as required by the Michigan Department of Transportation (MDOT.)
(2) The information specified in Act 432, and in these rules, shall be sent to MDOT via electronic means or by mail to the address listed on the application.
(3) To determine if a carrier is “fit, willing and able” as required by Act 432, MDOT will consider if a carrier has completed the application process as specified in Act 432 and whether or not they have a history of violating Act 432.

R 474.4. Liability insurance coverage; condition for maintaining authority; waiver; cancellation of coverage below required level as automatic revocation of authority; notification rights to department.

Rule 4. An alternate method of notifying MDOT of the cancellation of insurance may be requested in lieu of granting of notifications rights to MDOT.

R 474.5. Inspections.

Rule 5. The following guidance will be used to administer this section of Act 432:
(1) Each vehicle listed under a certificate of authority shall be inspected annually, within 12 months of the previous inspection, or more frequently, to determine the character of the vehicle. Inspections expire the first day of the month following that 12-month period.
(2) The inspection will follow the federal motor vehicle safety regulations and motor carrier safety standards, except where MDOT determines there is a clear and convincing need to exceed the federal standards.
(3) The date, time and location of the inspection is at MDOT’s discretion based on the inspector’s schedule and availability of a safe inspection location. Carriers will make their vehicles available at MDOT’s requested time and location.
(4) It is the responsibility of the carrier to contact MDOT and ensure their inspection is scheduled prior to the previous inspection expiring. Inspections that are not conducted prior to expiration may result in late fees to be paid by the carrier.
(5) It is the responsibility of the carrier to provide a safe inspection location.
(6) MDOT shall offer an inspection date that is within 15 business days from the carrier’s initial contact for an inspection.
(7) An inspection may be cancelled at the inspector’s discretion if, for any reason, they feel performing the inspection would put the inspector in an unsafe situation. This may result in late inspection fees.
(8) Upon successful completion of an inspection, a decal designated by MDOT will be affixed on the driver’s side of the vehicle in the immediate area of the driver’s window.
(9) A vehicle that does not pass its inspection, which is not placed Out-of-Service by the MDOT inspector under Act 432, has until the prior inspection expires to make repairs and pass their inspection before their vehicle becomes unauthorized.
(10) The MDOT inspector has the authority to place a vehicle in an Out-of-Service status when found in violation of safety issues as described in the Commercial Vehicle Safety Alliance out-of-service criteria. The vehicle will not be authorized for passenger-for-hire
service, under Act 432, until the vehicle has been returned to an authorized status by MDOT.

R 474.6. Original certificate of authority; fees.
   Rule 6. Vehicle registration fees become non-refundable once the vehicle has been entered into the MDOT database.

R 474.7. Alteration, suspension, or revocation of certificate of authority.
   Rule 7. An applicant applying for a new or reinstated authority that is determined by MDOT to have been associated with a previously suspended or revoked carrier will have that carrier’s previous service record, vehicle condition and history included in the determination of the applicant’s eligibility and ability to meet the requirements of Act 432.