

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 634 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Joel D. Gougeon
Committee: Transportation and Tourism

Date Completed: 7-13-98

RATIONALE

The Limousine Transportation Act regulates companies that transport passengers by limousine and prohibits a limousine from operating unless a certificate of authority has been obtained from the Department of Transportation (DOT). In addition, the Michigan Vehicle Code prohibits a person from driving a motor vehicle as a chauffeur unless he or she holds a valid chauffeur's license. Unless a person is exempt, a chauffeur's license is required for someone who does one of the following: is employed for the principal purpose of operating a motor vehicle with a gross vehicle weight of at least 10,000 pounds; operates a motor vehicle as a carrier of passengers or as a common or contract carrier of property; operates a pupil transportation vehicle used for the regularly scheduled transportation of pupils between school and home, such as a bus or a school bus; or, operates a taxi or limousine. Despite these requirements, concerns about the driving records of persons who hold a chauffeur's license and are employed as limousine drivers arose following a June 13, 1997, accident in which two players for the Detroit Red Wings hockey team and another team employee suffered severe injuries after their limousine slammed head-on into a tree. Upon investigation of the accident, it was shown that the driver's license of the limousine driver had been revoked in January 1996, for a number of driving infractions. Nevertheless, the person still was employed as a limousine driver.

The Federal Commercial Motor Vehicle Safety Act of 1986 requires employers of commercial drivers, such as truckers, to check yearly the driving record of their drivers, and drivers are required to report any violations. Michigan adopted the Federal regulations and since April 1992, the Department of State has offered commercial trucking companies a subscription service that monitors employee driving records. The service provides

companies with a yearly review of the driving records of their employees at a cost of \$6.55 for each record. The State Department also reviews the records weekly and informs employers of any violations, restrictions, suspensions, or revocations that have been posted. Although there are State and Federal requirements that companies employing persons who hold commercial driver licenses check the records of their drivers, there is no similar requirement for limousine drivers. Some people believe that limousine companies, before hiring a person to operate a limousine, should be required to review his or her driving record and that this information should be available to persons who may hire the limousine company.

CONTENT

The bill would amend the Limousine Transportation Act to require a limo carrier of passengers, before hiring any person to operate a limousine, to conduct a review of the person's driving record furnished by the Secretary of State.

Beginning on the bill's effective date, a limo carrier of passengers that advertised the availability of its services to the general public would have to include in that advertisement that nonpersonal information related to a driver's driving record would be available for review by the public at the owner's business address and that the information on each driver would have to be carried in each limousine by that driver. A limo carrier that failed to include the required information in its advertising would be subject to a fine of up to \$500.

(The Act defines "limo carrier of passengers" as a person who, either directly or through any device or arrangement, holds himself or herself out to the public as willing to undertake for hire to transport by limousine from place to place over the public

highways of the State persons who may choose to employ him or her for that purpose.)

Proposed MCL 257.1908

ARGUMENTS

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

Supporting Argument

The limousine accident involving the Red Wings personnel came after they attended a golf outing to celebrate the team winning the Stanley Cup hockey championship. While limousines are hired to transport persons to and from these type of events, many people hire one of the more than 1,300 limousines registered with the DOT to provide transportation for other special events, particularly high school proms and weddings. The bill would require owners and operators of limousine services to review the driving records of their drivers and to include in their advertisements that this information would be available to prospective passengers for their review. Consequently, limousine services and passengers would have the information they needed to make safe, informed decisions about whom they should hire.

Response: The bill would apply only to limousine services. Perhaps similar requirements should be made for other aspects of the livery industry, such as taxis and smaller size airport and senior citizen shuttle buses.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The State would collect additional revenue from the look-up fee it charges to look up driver records. There are 1,340 limousine vehicles registered with the Michigan Department of Transportation. Limousine carriers employ between one and four drivers per vehicle. The State charges \$6.55 to look up each record. Based on the one- to four-driver estimate, the bill would generate approximately \$17,500 from look-up fees.

The State also would incur some administrative cost for looking up records. However, the revenue collected from fees would cover the cost of preparing and furnishing records for requesting parties.

The revenue collected under the penalty provision would depend on the number of limousine carriers

subject to fines, as well as the amount of the fine. Based on Article VIII, Section 9 of the Michigan Constitution, fines collected under this provision would be applied to support public libraries.

Fiscal Analyst: E. Limbs

A9798\S634A

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.