Overview

This bill eliminates state economic regulation of for-hire passenger carriers who provide service in vehicles of 8 or more capacity. It eliminates regulation of their rates and removes provisions that allow a denial of operating authority on competitive grounds. All such passenger carriers would be required to register with the department of transportation and obtain a certificate of registration. The certificate could be suspended for an unsatisfactory safety rating. These passenger carriers would be prohibited from employing drivers who have been convicted of the same offenses that would disqualify a property manager.

Small-vehicle passenger service in vehicles seating 7 or fewer, such as taxis, would continue to be under local regulation, but local ordinances would have to provide for driver qualifications, insurance, vehicle standards, and vehicle inspection.

ARTICLE 1
MOTOR CARRIERS

Section

1 Limousine definition. Makes the definition of "limousine" in vehicle registration law apply to other chapters of law as well. This definition defines limousine as a luxury passenger auto, other than a van or station wagon, that seats up to 12 persons excluding the driver.

2 Motor carrier definition. Redefines "motor carrier" in motor carrier law to exclude building movers and limousines.

3 Motor carrier of passengers definition. Defines "motor carrier of passengers" in motor carrier law to
mean a person engaged in for-hire passenger transportation in vehicles of 8 or more capacity including the driver.

4 **Small vehicle passenger service definition.** Defines "small vehicle passenger service" as for-hire passenger service provided in vehicles of 7 or fewer capacity including the driver.

5 **Registration certificate.** Provides for motor carrier certificates.

   **Subdivision 1. Certificate.** Specifies that in the existing requirement that a motor carrier must have a certificate or permit in effect, the certificate is a certificate of registration. The previous reference was to a certificate of public convenience and necessity. Under existing law all motor carriers must have a certificate of registration.

   Deletes a reference to the transportation regulation board and substitutes a reference to the commissioner of transportation. The transportation regulation board has not functioned since 1996.

   **Subd. 2. Sanctions.** Allows MnDOT to suspend, revoke, or deny renewal of a certificate of registration for serious or repeated violation of motor carrier law or a pattern of repeated violations of local traffic or parking ordinances.

   **Subd. 3. Hearing.** Provides for hearings on sanctions imposed under subdivision 2.

6 **Exceptions.** Deletes a reference to the transportation regulation board and substitutes a reference to the commissioner of transportation.

   Changes the prohibition against transit providers who receive assistance from MnDOT or the metropolitan council from providing charter service without a charter permit, to make it a prohibition against providing service as a motor carrier of passengers without having a certificate of registration.

7 **Exempt carriers.** Excludes from the list of carriers who are exempt from motor carrier law passenger transportation that receives operating assistance from MnDOT or the metropolitan council.

8 **Registration of motor carriers of property.** Makes the existing law that requires motor carriers to obtain a certificate of registration apply only to
motor carriers of property. Registration certificates for motor carriers of passengers are provided for in section 9.

**Registration of motor carriers of passengers.**
Provides for registration of motor carriers of passengers. This section applies only to carriers defined as "motor carriers of passengers," which under section 3 is limited to vehicles with a capacity of 8 or more, and thus it would not apply to small-vehicle passenger service such as taxicabs.

**Subdivision 1. Filing.** Requires motor carriers of passengers to file with MnDOT a federal motor carrier identification report form and a state vehicle registration form that describes each vehicle.

**Subd. 2. Signature.** Specifies who may sign a form required under this section.

**Subd. 3. Audit, inspection.** Requires an annual audit by MnDOT of the records of motor carriers of passengers, and an annual inspection by the department of the carrier's vehicles to determine their compliance with federal regulations. Allows an inspection by a department of public safety commercial vehicle inspector in lieu of the latter requirement.

**Subd. 4. Certificate.** Requires MnDOT to issue a certificate to a passenger carrier if the carrier has filed the statement under subdivision 1, does not have an unsatisfactory safety rating, has paid the fee under subdivision 7, has been audited and inspected, and demonstrates insurance coverage. Requires a copy of the registration certificate in each vehicle. Prohibits transfers and assignments of certificates. Makes registration valid for one year.

**Subd. 5. Suspension.** Allows registration of a passenger carrier for an unsatisfactory safety rating.

**Subd. 6. Annual renewal.** Requires annual renewal of a passenger carrier certificate of registration.

**Subd. 7. Fees.** Sets the fee for initial registration and each renewal at $500. Requires deposit of fees into the trunk highway fund.

**Subd. 8. Exemptions from regulation.** Exempts
motor carriers of passengers from laws that require permits to operate and regulate rates.

10 **Technical.** Deletes references to charter carrier permits and regular route passenger carrier certificates. These permits and certificates are abolished under the bill.

11 **Private carriers.** Deletes the requirement that private carriers (carriers of property who do not operate for-hire) operating vehicles of more than 10,000 lbs. must comply with MnDOT rules governing leasing of vehicles or vehicles and drivers. Corrects references and deletes expired language.

12 **Vehicle identification rule.** Exempts limousines with LM license plates from the requirement to carry the owner's name and address on the vehicle.

13 **Local regulation.** Provides that a city that licenses and regulates small vehicle passenger service must do by an ordinance that provides for driver qualifications, insurance, vehicle safety, and vehicle inspections. Allows the metropolitan airports commission to regulate ground transportation at its airports, including regulating the number and type of service, concession agreements, and vehicle standards.

14 **Initial motor carrier contact program.** Requires MnDOT's initial motor carrier contact program (an education program for new motor carriers) to include discussion of accident countermeasures.

15 **Vehicle registration fee.** Extends to all motor carriers of passengers the requirement that now applies only to charter carriers to pay a $40 registration fee for each vehicle.

16 **Insurance.** Requires motor carriers of passengers to carry at least as much insurance as is required of interstate passenger carriers under federal regulations. Under federal regulations these minimum coverages are $5 million for vehicles 16 passengers or more and $1.5 million for smaller vehicles.

17 **Shipping documents.** Deletes references to record-keeping by various classes of motor carriers.

Requires all new motor carriers to participate in the program by January 1, 2000. Allows extension of the period of time after initial registration that a carrier must participate in the program (presently 90 days).
**Criminal background check.** Provides for criminal background checks of passenger vehicle drivers.

**Subdivision 1. Background check required.** Requires a motor carrier of passengers to conduct an initial background check of new employees and independent contractors who drive vehicles carrying passengers. Requires a new background check every three years.

**Subd. 2. Scope.** Prohibits a motor carrier of passengers from using a driver to operate a passenger vehicle if the background check shows that the driver has been convicted of committing or attempting to commit murder, manslaughter, assault, kidnaping, criminal sexual conduct, first degree arson, harassment or stalking, robbery, false imprisonment, theft, burglary, or terrorist threats.

**Subd. 3. Records.** Requires passenger carriers to keep records of background checks.

**Suspensions.** Eliminates the 45-day maximum period for suspensions without a hearing

of a motor carrier registration certificate or household goods mover permit. Allows suspensions for failure to pay an administrative penalty.

**Notice of suspension.** Requires the department to issue a notice if it seeks to suspend a certificate or permit, giving the reasons for the suspension. Makes the suspension effective two days after the notice is mailed.

**Suspension rescinded.** Makes provisions for rescinding suspensions inapplicable in cases where the registration has expired. Requires cancellation of registration for a carrier who has failed to comply with motor carrier requirements within one year of a suspension of registration.

**Operation without registration.** Makes conforming amendments to laws governing operation without a certificate or permit.

**Town regulation.** Amends the law that allows towns to adopt ordinances regulating taxis and car rental agencies to make the ordinances subject to the same requirements as specified in section 13.

**City regulation.** Amends the law that allows cities to adopt ordinances regulating taxis and car rental agencies to make the ordinances subject to the same requirements as specified in section 13.

**Conversion of certificates.** Provides that a motor
carrier of passengers that holds a certificate or permit issued before January 1, 2000, is deemed to have registered under section 9. Requires the department to issue a certificate of registration to such a carrier.

26 **Appropriation.** Makes a blank appropriation from the trunk highway fund to MnDOT for the 2000-2001 biennium to implement sections 1 to 25.

27 **Repealer.** Repeals the following laws:

- provisions dealing with personal transportation service (a category of service that is eliminated as a separate category under this bill)
- definitions of classes of passenger carriers that are being eliminated
- ratemaking powers of the transportation regulation board for certain motor carriers
- regulation of regular route passenger carriers
- provisions governing petitions for certificates for regulated carriers

28 Effective date. Makes all sections effective January 1, 2000, except that the appropriation would be effective July 1, 1999.

ARTICLE 2
CONFORMING

Makes conforming amendments.