

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 1010

6  
7 H.P. 781

House of Representatives, March 3, 1983

8 Submitted by the Department of Transportation pursuant to Joint Rule  
9 24.

10 On Motion of Representative Carroll of Limerick referred to the Commit-  
tee on Transportation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative Theriault of Fort Kent.

11 Cosponsors: Representative Macomber of So. Portland, Representative  
McPherson of Eliot and Representative Nadeau of Lewiston.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Deregulate Motor Carriers of  
18 Passengers for Hire.  
19

20 Be it enacted by the People of the State of Maine as  
21 follows:

22 Sec. 1. 29 MRSA §2703, as enacted by PL 1981, c.  
23 469, §2, is amended to read:

24 §2703. Operating permit required

25 In order that there may be proper supervision and  
26 control of the use of the highways of this State,  
27 every person, firm or corporation transporting  
28 freight, merchandise ~~or~~, household goods or passen-  
29 gers by motor vehicle for hire upon the public high-  
30 ways of this State, between points within this State,  
31 between points without the State but passing through  
32 this State or between points within and points with-  
33 out the State, is required to obtain a permit for

1 that operation from the Bureau of State Police.  
2 Application for these permits shall be made in the  
3 manner and form to be prescribed by the bureau in its  
4 regulations and these permits shall issue as a matter  
5 of right upon compliance with these regulations and  
6 payment of fees. An application for a permit shall be  
7 accompanied by a fee of \$25. No permit issued under  
8 this section may be transferred, except that, where  
9 the holder of a permit has become incorporated, the  
10 holder may transfer his permit to the corporation  
11 upon the payment of any transfer fee and the filing  
12 of written notice of intent to transfer with the  
13 bureau.

14 Notwithstanding the foregoing, any person, firm  
15 or corporation transporting freight, merchandise ~~or~~  
16 household goods or passengers by motor vehicle for  
17 hire in this State, on the effective date of this  
18 Act, pursuant to a certificate ~~or~~ permit or a li-  
19 cence issued by the Public Utilities Commission or  
20 Department of Transportation, as the case may be,  
21 shall be deemed to hold an operating permit as re-  
22 quired by this section.

23 The acquisition of an operating permit, as pro-  
24 vided for by this section, shall not be deemed to be  
25 a termination, restriction in scope or suspension of  
26 a prior intrastate certificate of public convenience  
27 and necessity as defined in the United States Code,  
28 Title 49, Section 306(6).

29 Sec. 2. 29 MRSA §2707, as enacted by PL 1981, c.  
30 469, §2, is amended to read:

31 §2707. Rules

32 The bureau may make such rules as it deems neces-  
33 sary or advisable to ensure proper administration and  
34 enforcement of this chapter and to promote the safety  
35 of the operation of motor carriers, including passen-  
36 ger carriers ~~otherwise subject to the jurisdiction of~~  
37 ~~the Department of Transportation under Title 35,~~  
38 ~~chapters 91 and 97,~~ over the highways. This authority  
39 includes the right to make rules relating to the  
40 length of duty of drivers operating any motor vehicle  
41 on the highways of this State engaged in for-hire  
42 transportation. These rules shall conform as nearly

1 as practicable to the standards set forth by the  
2 appropriate federal agencies pertaining to the length  
3 of duty of drivers operating motor vehicles in inter-  
4 state commerce. Until these rules have been promul-  
5 gated by the bureau, the rules promulgated by the  
6 Public Utilities Commission or Department of Trans-  
7 portation and in effect on the effective date of this  
8 Act shall remain in effect to the extent consistent  
9 with this Act. The terms "Bureau of State Police" or  
10 "bureau" shall be substituted for the terms "Public  
11 Utilities Commission" or "commission" or "Department  
12 of Transportation" wherever those terms occur in the  
13 rules promulgated by the commission or department.  
14 The bureau is authorized ~~to~~ may enter into and make  
15 cooperative agreements with the Interstate Commerce  
16 Commission and the United States Department of Trans-  
17 portation to enforce the laws and regulations of the  
18 United States and this State concerning highway  
19 transportation.

20 The bureau may refuse to reissue any vehicle  
21 identification device issued under this chapter for  
22 any willful or continued violations of this chapter  
23 or of any rules promulgated by the bureau pursuant to  
24 the authority thereof or of any rules promulgated by  
25 the Public Utilities Commission or Department of  
26 Transportation and remaining in effect under this  
27 section. The bureau may file a complaint in the  
28 Administrative Court seeking revocation or suspension  
29 of an operating permit. Notwithstanding Title 5,  
30 section 10051, the bureau may suspend a permit for  
31 lack of sufficient insurance. Any suspension shall  
32 continue until the bureau is satisfied that the car-  
33 rier has obtained adequate insurance. It is the duty  
34 of the State Police, sheriffs and their deputies and  
35 all other peace officers to investigate any alleged  
36 violations of this chapter and any rules promulgated  
37 by the bureau pursuant to the authority thereof, or  
38 promulgated by the Public Utilities Commission or  
39 Department of Transportation and remaining in effect  
40 under this section, to prosecute violators of this  
41 chapter and those rules and otherwise to aid in the  
42 enforcement of the provisions thereof.

43 Sec. 3. 29 MRSA §2708, as enacted by PL 1981, c.  
44 469, §2, is amended to read:

1        §2708. Indemnity bonds

2            The Secretary of State shall not register any  
3 motor vehicle required to obtain an operating permit  
4 subject to this chapter and the bureau shall not  
5 issue a permit covering the operation of any such  
6 motor vehicle or vehicles until the applicant for  
7 that permit has procured a good and sufficient insur-  
8 ance policy or indemnity bond, in such amount as the  
9 bureau prescribes, having as surety thereon, a surety  
10 company authorized to transact business in this State  
11 or 2 responsible individuals, which bond shall be  
12 approved by the bureau. The insurance policy or bond  
13 shall adequately provide for cargo insurance and for  
14 the collection of damages for which the holder of a  
15 permit may be liable by reason of the operation of  
16 any motor vehicle or vehicles subject to the opera-  
17 tion of this chapter. Notwithstanding this section,  
18 any person, firm or corporation transporting freight  
19 between points within this State and points without  
20 this State, or between points without the State but  
21 passing through this State is not required to provide  
22 cargo insurance. ~~This section does not apply to motor~~  
23 ~~vehicles used exclusively in the transportation of~~  
24 ~~passengers.~~

25            Sec. 4. 29 MRSA §2709, sub-§3 is enacted to  
26 read:

27            3. Motor carriers of passengers; exemption.  
28 Motor carriers of passengers are exempt as noted  
29 from this chapter as follows:

30            A. The operation of a school bus as defined in  
31 section 2011, when the school bus is engaged in  
32 transportation of children to and from school and  
33 to and from any school-sponsored activity when  
34 the school-sponsored activity is performed as  
35 part of a continuing contract to transport chil-  
36 dren to and from school sessions. The trans-  
37 portation may include a reasonable number of  
38 chaperones formally designated as such by school  
39 authorities;

40            B. Motor vehicles having a capacity of not more  
41 than 6 passengers operated over irregular routes  
42 and without a fixed schedule;

1 C. Motor vehicles owned or operated by or on  
2 behalf of hotels and used exclusively for the  
3 transportation of patrons between hotels and  
4 local railroad or other common carrier stations;

5 D. Motor vehicles owned or operated by or in  
6 behalf of growers, processors and manufacturers  
7 of fruit, vegetable or fish products and used in  
8 the transportation of workers between their homes  
9 and places of employment;

10 E. "Cooperative use transportation" means the  
11 collective use of privately owned vehicles by 2  
12 or more people where the providing of transporta-  
13 tion is not the primary business of the owner or  
14 driver of the vehicle, or both, but is incidental  
15 to their livelihood. Cooperative use includes,  
16 but is not limited to, shared driving, shared  
17 expense car pools, station wagon pools and van  
18 pools, employer owned or leased vehicles, includ-  
19 ing buses which are operated for convenience of  
20 the employees, commuter services organized and  
21 arranged by employee cooperatives, labor unions,  
22 credit unions and neighborhood groups which are  
23 operated for the convenience of their members,  
24 and vehicles operated under the auspices of gov-  
25 ernment sponsored commuter matching services and  
26 brokerage programs, and individuals or groups  
27 providing nonprofit matching and other brokerage  
28 type services;

29 F. "For profit brokerage and matching services"  
30 means that the provider of the service neither  
31 sets the rates for the service, provides backup  
32 transportation, passes upon the qualifications of  
33 the drivers or their vehicles, establishes the  
34 routes nor collects the fees paid for the ser-  
35 vice. The business of matching drivers with  
36 passengers and the rendering of technical assis-  
37 tance in support of cooperative use transporta-  
38 tion is exempt from regulation under this chap-  
39 ter;

40 G. "For profit car pooling and van pooling"  
41 means the business of organizing and operating a  
42 car pooling or van pooling system. In this con-  
43 text, "car pools and van pools" mean any vehicle

1 used in a continuing form of prearranged commuter  
2 transportation by a relatively fixed group of 15  
3 persons or less for travel between their places  
4 of residence and their place of employment. The  
5 business of organizing and operating a car pool-  
6 ing or van pooling system, including the selec-  
7 tion and approval of cars, vans and drivers, the  
8 fixing and collection of fees, the establishment  
9 of routes and the provision of backup transporta-  
10 tion, is exempt from regulation under this chap-  
11 ter, provided that proof of adequate insurance  
12 coverage, as determined by the bureau, is filed  
13 with the bureau prior to commencing operation;  
14 and

15 H. Motor carriers transporting passengers that  
16 receive state, municipal or federal subsidies ad-  
17 ministered by the Department of Transportation,  
18 except that the carriers will be subject to the  
19 rules of the bureau pertaining to safety promul-  
20 gated under section 2707. For the purpose of  
21 this section, the term subsidies shall include  
22 assistance that is provided by the State Govern-  
23 ment, municipal government or Federal Government  
24 that is used for purposes of planning to offset  
25 operating losses or to acquire capital equipment.

26 Sec. 5. 29 MRSa §2713, as enacted by PL 1981, c.  
27 469, §2, is amended to read:

28 §2713. Transportation Safety Fund

29 1. Deposit of funds. All revenues derived from  
30 fees authorized by this chapter, and, ~~for carriers of~~  
31 ~~passengers, by Title 35, chapters 91 and 97 shall be~~  
32 deposited with the Treasurer of State in a separate  
33 account to be known as the Transportation Safety  
34 Fund.

35 2. Legislative approval of budget. Expenditures  
36 from the Transportation Safety Fund are subject to  
37 legislative approval in the same manner as alloca-  
38 tions from the Highway Fund are approved.

39 3. Use of funds. Subject to the Personnel Law,  
40 money in the fund may be expended to hire employees  
41 and to defray other costs authorized by law for the  
42 several agencies as follows.

1 A. There shall be allocated to the Department of  
2 Public Safety for State Police up to \$450,000  
3 annually from the fund to carry out the statutory  
4 duties of the bureau imposed by this chapter and  
5 Title 35 and for related activities.

6 B. There shall be allocated to the Department of  
7 Transportation not more than \$5,000 annually from  
8 the fund to be expended to carry out the statu-  
9 tory duties of the department imposed by this  
10 chapter and by Title 35, chapters 91 and 97,  
11 relating to common, special and charter carriers  
12 of passengers for hire and for related activi-  
13 ties.

14 C. Any balance in the fund in excess of that re-  
15 quired for the purposes of ~~paragraphs~~ paragraph A  
16 and B may be allocated in the same manner and for  
17 the same purposes as moneys in the Highway Fund,  
18 but with special emphasis on matters relating to  
19 transportation safety. Any allocation of this  
20 balance shall be identified as to source.

21 4. Unexpended funds. Any funds not expended at  
22 the end of a fiscal year shall not lapse, but shall  
23 be carried forward for the purposes specified in suc-  
24 ceeding fiscal years.

25 Sec. 6. 35 MRSA cc. 91 and 97, as amended are  
26 repealed.

27 STATEMENT OF FACT

28 This bill completes the deregulation of surface  
29 transportation in this State. Specifically, bus  
30 operations are deregulated by this measure, except  
31 the operation shall be subject to safety regulation  
32 by the State Police. The public interest no longer  
33 requires the exercise of economic regulation at the  
34 state level.

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