

**Michigan Office of Administrative Hearings and Rules
Administrative Rules Division (ARD)**

MOAHR-Rules@michigan.gov

REQUEST FOR RULEMAKING (RFR)

1. Department:

Licensing and Regulatory Affairs

2. Bureau:

Corporations, Securities, & Commercial Licensing

3. Promulgation type:

Full Process

4. Title of proposed rule set:

Limousine, Taxicab, and Transportation Network Companies

5. Rule numbers or rule set range of numbers:

R 339.4001 - R 339.4011

6. Estimated time frame:

12 months

Name of person filling out RFR:

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7. Describe the general purpose of these rules, including any problems the changes are intended to address.

The purpose of these rules is to clarify the background check requirements, record retention requirements, and insurance form requirements of the limousine, taxicab, and transportation network company act ("act"), 2016 PA 345, MCL 257.2101 to 257.2153. The rules are intended to assist the public and registrants in better understanding the parameters of the act, such as the zero-tolerance policy posting requirement, and to ensure that the department is receiving standard forms and records in its administration of the act.

8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).

General rulemaking authority is conferred upon the Department of Licensing and Regulatory Affairs under Section 3 of the act, 2016 PA 345, MCL 257.2103.

A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).

Section 3 of 2016 PA 345, MCL 257.2103.

B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.

The rules are not mandated by a constitutional or statutory provision, however, there are numerous sections of the act that the Department believes can better serve the public and registrants through the clarification of a ruleset, which is authorized under Section 3, MCL 257.2103.

9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

The rules do not conflict with nor duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?

Yes. The Department's website for Taxicabs, Limousines, and Transportation Network Companies (<https://www.michigan.gov/lara/bureau-list/cscl/licensing/prof/tnc>) features under the header "Quick Links", links and instructions to obtain, renew, and verify a license, and to file a complaint. The link to obtain a license is labelled "MiCLEAR – Licensing – Apply/Renew". To verify a license, there is a link labeled "Verify a License". There are also 3 paragraphs describing the 3 license and registration types.

Further down this webpage are links to the relevant statute, consumer information, and online application information.

11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?

Yes.

12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?

Full Process

13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

The rules do not exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.

The Licensing Division has received a range of complaints filed against registrants in recent years (which may be filed by the public) that has informed the drafting of these rules and the need to establish a ruleset under the act. The Department plans to present the rules to the public through the public hearing format prescribed under the Administrative Procedures Act.

15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.

The rules are to be a newly established ruleset. Since the act was signed into law in 2016, the proliferation of ride-hailing applications, point-to-point transportation services, etc. has only continued in Michigan. The department has been administering the act without rules since it went into effect. In that time, the need for clarifying rules has emerged as registrants, and Licensing Division staff, have encountered confusion and inefficiencies in the interpretation of certain provisions of the act.

Given the realities of an industry, which has changed dramatically by the introduction of disrupters like “Uber” and “Lyft”, rules are necessary make administration of the act clearer. The rules therefore consider this evaluation of the regulatory scheme and changes in the industry in the past decade. They seek to reduce confusion as it pertains to proper paperwork to be provided and retained, and compliance with background check and vehicle inspection requirements. They seek to increase efficiency as it pertains to the processing of initial and renewal applications for licenses and registrations, and the auditing and enforcement provisions of the act.

16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?

There have been no changes or developments that demonstrate no continued need for the rules.

17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.

No

Based on the information provided in this RFR, MOAHR concludes that there are sufficient policy and legal bases for approving the RFR. The RFR satisfies the requirements of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and Executive Order No. 2019-6.