

Transportation: Renaud, Chair; Platt and Woods.

Amend (S138) to Do. Pass 2/20 (p. 424)

SENATE FILE 505

BY COMMITTEE ON TRANSPORTATION

Approved (p. 923)

FILED MAR 20 1985

Passed Senate, Date 3-25-85 (p. 1016) Passed House, Date 4-1-86 (p. 1023)

Vote: Ayes 49 Nays 0 Vote: Ayes 95 Nays 0

Approved May 1, 1986 (p. 1528)

Repassed Senate 4-11-86 (p. 1234)
42-0

A BILL FOR

- 1 An Act relating to the regulation of motor carriers and
- 2 making penalties applicable.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 505

H-5138

- 1 Amend Senate File 505 as passed by the Senate as
- 2 follows:
- 3 1. Page 4, by striking lines 9 and 10 and
- 4 inserting the following: "or mail in the same motor
- 5 vehicle with passengers."

H-5138 FILED FEBRUARY 21, 1986 BY COMMITTEE ON TRANSPORTATION
Adopted 4/1/86 (p. 1023)

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1 Section 1. Section 325.1, subsections 8 and 9, Code 1985,
2 are amended to read as follows:

3 ~~The term "carpool"~~ "Car pool" means transportation of a
4 group of at least two riders in a vehicle having a seating
5 capacity for not more than eight passengers between a rider's
6 ~~or the owner-operator's, owner's, or operator's~~ residence or
7 other designated location and a rider's ~~or the owner-~~
8 ~~operator's, owner's, or operator's~~ place of employment or
9 other common destination of the group, when the vehicle is
10 driven by one of the members of the group.

11 9. ~~The term "vanpool"~~ "Van pool" means transportation of a
12 group of riders in a vehicle having a seating capacity for not
13 less than eight passengers and not more than fifteen
14 passengers between a rider's ~~or the owner-operator's, owner's,~~
15 ~~or operator's~~ residence or other designated location and a
16 rider's ~~or the owner-operator's, owner's, or operator's~~ place
17 of employment or other common destination of the group, when
18 the vehicle is driven by one of the members of the group.

19 Sec. 2. Section 325.1, Code 1985, is amended by adding the
20 following new subsections:

21 NEW SUBSECTION. 11. "Motor carrier of property" means a
22 person which holds itself out to the general public as
23 engaging in this state in the transportation of property by
24 motor vehicle for compensation, whether over regular or
25 irregular routes, except that a motor carrier of property does
26 not include a motor carrier of passengers engaged in the
27 transportation of baggage or express incidental to its pas-
28 senger service.

29 NEW SUBSECTION. 12. "Regular route motor carrier of
30 passengers" means a person which holds itself out to the
31 general public as engaging in this state in the transportation
32 of passengers by motor vehicle for compensation over regular
33 routes by scheduled service.

34 Sec. 3. Section 325.2, subsections 1 through 5, Code 1985,
35 are amended to read as follows:

1 1. Fix or approve the rates, fares, charges,
2 classifications, and rules pertaining thereto, of each motor
3 carrier of property.

4 2. Regulate and supervise the accounts, schedules, and
5 service of each motor carrier of property.

6 3. Prescribe a uniform system and classification of
7 accounts to be used, which among other things shall provide
8 for the setting up of adequate depreciation charges, and after
9 ~~such~~ the accounting system ~~shall~~-has been promulgated
10 adopted, motor carriers of property shall use no other.

11 4. Require the filing of annual and other reports by motor
12 carriers of property.

13 5. Supervise and regulate motor carriers of property in
14 all other matters affecting the relationship between ~~such~~ the
15 carriers and the traveling and shipping public.

16 Sec. 4. Section 325.3, Code 1985, is amended to read as
17 follows:

18 325.3 GENERAL POWERS.

19 The authority may ~~by-general-order-or-otherwise-prescribe~~
20 adopt rules ~~and-regulations~~ applicable to motor carriers of
21 property. The department may ~~prescribe~~ adopt and enforce
22 safety regulations in the operation of all types of motor
23 carriers and require a periodic inspection of the equipment of
24 every motor carrier from the standpoint of enforcement of
25 safety regulations, and the equipment is at all times subject
26 to inspection by properly authorized representatives of the
27 department.

28 Sec. 5. Section 325.4, Code 1985, is amended to read as
29 follows:

30 325.4 STATUTES APPLICABLE.

31 All ~~control, power, and authority~~ over railroads and
32 railroad companies now vested in the authority, ~~insofar as the~~
33 ~~same-is~~ applicable, ~~are-hereby-specifically~~ is extended to
34 include motor carriers of property.

35 Sec. 6. Section 325.5, Code 1985, is amended to read as

1 follows:

2 325.5 RATES.

3 All charges made by any a motor carrier of property for any
4 a service rendered or to be rendered in the public
5 transportation of passengers-or property, or in connection
6 therewith with transportation of property, shall be just,
7 reasonable and nondiscriminating. and every unjust,
8 unreasonable, or discriminating charge for such the service or
9 any-part-thereof is prohibited and declared unlawful.

10 Sec. 7. Section 325.6, Code 1985, is amended by striking
11 the section and inserting the following:

12 325.6 CERTIFICATE OF CONVENIENCE AND NECESSITY AND REGULAR
13 ROUTE PASSENGER CERTIFICATE.

14 1. It is unlawful for a motor carrier of property to
15 transport property for compensation over a regular route or
16 between fixed termini from any point or place in the state to
17 another place in the state irrespective of the route or
18 highways traversed, including the crossing of any state line
19 of the state, and irrespective of the ticket or bill of lading
20 issued and used for the transportation, without first having
21 obtained from the board a certificate declaring that public
22 convenience and necessity require the operation.

23 2. Except as provided in subsection 3, it is unlawful for
24 a charter carrier to transport passengers by motor buses for
25 compensation from any point or place in the state to another
26 place in the state irrespective of the route or highway
27 traversed, without first having obtained from the authority a
28 certificate declaring that public convenience and necessity
29 require the operation.

30 3. It is unlawful for a regular route motor carrier of
31 passengers to transport passengers for compensation upon the
32 highways of this state in intrastate commerce without first
33 having obtained from the authority a regular route passenger
34 certificate. The authority shall issue a regular route
35 passenger certificate without hearing, if the authority finds

1 that the applicant is fit, willing and able.

2 In determining whether a regular route motor carrier of
3 passengers is fit, willing and able, the authority shall only
4 consider the applicant's safety record, and the applicant's
5 ability to comply with section 325.26.

6 A regular route passenger certificate authorizing the
7 transportation of passengers includes the authority to
8 transport newspapers, baggage of passengers, express packages
9 or mail in the same motor vehicle with passengers or in a
10 separate motor vehicle.

11 A regular route motor carrier of passengers holding a
12 regular route passenger certificate may at any time commence
13 scheduled service over any regular route from any point or
14 place in the state to another place in the state irrespective
15 of the route or highway traversed and may at any time
16 discontinue any part of its regular route service.

17 A regular route motor carrier of passengers granted a
18 certificate prior to the effective date of this section which
19 authorized motor carrier of passenger operations may continue
20 to provide motor carrier of passenger service with all the
21 rights and privileges granted by a regular route passenger
22 certificate issued under this section.

23 A regular route motor carrier of passengers shall not
24 operate as a charter carrier in this state unless it possesses
25 a certificate of convenience and necessity to engage in the
26 business of a charter carrier. However, a regular route motor
27 carrier of passengers granted a certificate prior to the
28 effective date of this section which authorized charter opera-
29 tions may continue to provide charter service with all the
30 rights and privileges granted by a charter certificate.

31 An Iowa urban transit system as defined in section 324.57,
32 subsection 9, may operate within the metropolitan area which
33 it serves and between its service area and another city which
34 is located not more than ten miles from its service area
35 without obtaining a regular route passenger certificate if the

1 other city is not served by another carrier operating under a
2 regular route passenger certificate.

3 4. The authority may allow the provision of temporary
4 service by a motor carrier of property for which there is an
5 immediate and urgent need to a point or points requested by
6 the application for a permanent certificate of public
7 convenience and necessity upon investigation and a finding
8 that the point or points do not have carrier service capable
9 of meeting the need. The grant of temporary authority shall
10 not become effective until the applicant has complied with
11 sections 325.26, 325.28 and 325.35 and the rules of the board.
12 Unless the temporary authority is suspended or revoked for
13 good cause, it shall be valid for the time specified by the
14 board but not more than an aggregate of one hundred eighty
15 days.

16 The grant of temporary authority creates no presumption
17 that the corresponding application for a permanent certificate
18 will be granted.

19 5. A motor carrier providing primarily passenger service
20 for elderly, handicapped and other transportation
21 disadvantaged persons is exempt from the certification
22 requirements of this section if it satisfies each of the fol-
23 lowing requirements:

24 a. The motor carrier is not a corporation organized for
25 profit under the laws of Iowa or any other state or the motor
26 carrier is a governmental organization.

27 b. The motor carrier received operating funds from
28 federal, state or local government sources.

29 c. The motor carrier does not duplicate a transportation
30 service provided by a motor carrier issued a regular route
31 passenger certificate.

32 6. A person operating a motor vehicle in a car pool or van
33 pool is exempt from this chapter.

34 7. Except for a person operating a car pool or van pool,
35 each motor carrier exempt from requirement for a certificate

1 under this section shall obtain a nontransferable permit from
2 the department. Such carriers shall comply with all safety,
3 insurance and other rules of the department pertaining to a
4 publicly funded transit system.

5 Sec. 8. Section 325.7, Code 1985, is amended to read as
6 follows:

7 325.7 WHEN CERTIFICATE TO BE ISSUED TO MOTOR CARRIER OF
8 PROPERTY OR CHARTER CARRIER.

9 ~~Before-a~~ A certificate shall not be issued to a motor
10 carrier of property or a charter carrier, until the authority
11 ~~shall,~~ after a public hearing, ~~make~~ makes a finding that the
12 service proposed to be rendered will promote the public
13 convenience and necessity. ~~If such~~ the finding ~~be is~~ made, ~~it~~
14 the authority shall be-its-duty-to issue a certificate.

15 The authority may issue a certificate to a motor carrier of
16 property or a charter carrier, without holding a public
17 hearing, if the service proposed will promote the public
18 convenience and necessity and the service would not be
19 provided if the expense of a public hearing was placed upon
20 the applicant.

21 If a certificate is to be issued to a motor carrier of
22 property or a charter carrier without a public hearing, the
23 authority shall publish notice of its action, at its own
24 expense, in the same manner as provided in section 325.13.
25 Written objections to the issuance of a certificate without
26 holding a hearing may be filed within ten days of the last
27 publication of notice. If no objections are filed within ten
28 days of the last publication of ~~the~~ notice, the authority may
29 ~~proceed-to~~ issue the certificate in the manner provided in
30 section 325.18.

31 Sec. 9. Section 325.8, Code 1985, is amended to read as
32 follows:

33 325.8 FINANCIAL ABILITY OF APPLICANT.

34 ~~No~~ A certificate of convenience and necessity or a regular
35 route passenger certificate shall not be issued until the

1 applicant has made a satisfactory showing as to the
2 applicant's financial ability to carry out the terms and
3 conditions imposed.

4 Sec. 10. Section 325.9, Code 1985, is amended to read as
5 follows:

6 325.9 CONDITIONS.

7 When the a certificate is granted to a motor carrier of
8 property or a charter carrier, the authority may attach to the
9 exercise of the rights ~~therein~~ conferred by the certificate
10 such terms and conditions as in its judgment the public
11 convenience and necessity ~~may require, which shall include the~~
12 ~~right and duty to transport newspapers.~~

13 Sec. 11. Section 325.12, Code 1985, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 7. An applicant for a regular route
16 passenger certificate, in lieu of the information required by
17 subsections 3 and 4, shall indicate that statewide regular
18 route passenger authority is being sought.

19 Sec. 12. Section 325.13, Code 1985, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 6. This section does not apply to regular
22 route motor carriers of passengers.

23 Sec. 13. Section 325.18, Code 1985, is amended to read as
24 follows:

25 325.18 GRANTING APPLICATION.

26 It may grant the application in whole or in part upon such
27 ~~terms, conditions, and restrictions and with such~~
28 modifications as to schedule and route as ~~may seem to it just~~
29 and proper. However, there shall be no condition or
30 restriction as to schedules or routes imposed on a regular
31 route passenger certificate, and all regular route passenger
32 certificates shall grant statewide regular route passenger
33 authority. The actual operation ~~of such motor vehicles or~~
34 ~~vehicle~~ shall not begin without a written statement of
35 approval from the department to the effect that the applicant

1 has complied with the safety provisions have-been-complied
2 with.

3 Sec. 14. Section 325.25, Code 1985, is amended by adding
4 the following new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. A regular route passenger
6 certificate shall not be sold, transferred, leased, or
7 assigned without the approval of the authority. The authority
8 shall approve the sale, transfer, lease or assignment if the
9 person obtaining or seeking to obtain ownership or control of
10 a certificate is found to be fit, willing and able to perform
11 the service proposed. In determining the fitness of the
12 person seeking transfer of the certificate, the authority
13 shall consider only the person's safety record and ability to
14 comply with section 325.26.

15 Sec. 15. Section 325.26, subsection 1, Code 1985, is
16 amended to read as follows:

17 1. Passenger motor carriers.

18 a. To cover the assured's legal liability as a motor
19 carrier operating a motor vehicle with a seating capacity of
20 sixteen persons or less for bodily injury or death resulting
21 therefrom as a result of any one accident or other cause,
22 twenty-five thousand dollars for any recovery by one person
23 and subject to ~~said~~ the limit for one person, one hundred
24 fifty thousand dollars for more than one person.

25 b. To cover the assured's legal liability as a motor
26 carrier operating a motor vehicle with a seating capacity of
27 sixteen persons or less for damage to or destruction of any
28 property other than that of or in charge of the assured, as a
29 result of any one accident or other cause, ten thousand
30 dollars.

31 c. To cover the assured's legal liability as a motor
32 carrier operating a motor vehicle with a seating capacity of
33 sixteen persons or less for loss of or damage to property of
34 passengers as a result of any one accident or any other cause,
35 one thousand dollars.

1 d. Unless the authority determines, after an investigation
2 and hearing, and adopts rules based on that determination,
3 that lesser levels of financial responsibility will protect
4 the public interest, a regular route motor carrier of
5 passengers and a charter carrier operating a motor vehicle
6 with a seating capacity of sixteen or more persons shall have
7 the minimum levels of financial responsibility established
8 under 49 U.S.C. § 10927(a)(1).

9 d e. Any A common carrier of passengers coming under the
10 provisions-of this chapter, furnishing satisfactory proofs as
11 to the authority-of-such carrier's solvency and financial
12 ability to cover the assured's legal liability as provided for
13 herein in this chapter and make payments to such persons as
14 may-be entitled thereto as a result of such that legal
15 liability, or when-such-common-carrier-deposits depositing
16 with the authority, surety satisfactory to it as to guarantee
17 for such payments, such-common-carrier-will-be is relieved of
18 the provisions of this section requiring liability insurance,
19 surety bond or certificate of insurance; but such-common
20 carrier shall, from time to time, furnish such additional
21 proof of solvency and financial ability to pay as may-be
22 required by the authority.

23 Sec. 16. Section 327C.2, Code 1985, is amended to read as
24 follows:

25 327C.2 GENERAL JURISDICTION OF TRANSPORTATION DEPARTMENT.

26 The department shall-have has general supervision of all
27 railroads in the state, express companies, car companies,
28 freight and freight-line companies, motor carriers, and any
29 common carrier engaged in the transportation of passengers or
30 freight. However, the provisions of this chapter regarding
31 the supervision of carriers do not apply to regular route
32 motor carriers of passengers or charter carriers, as defined
33 under section 325.1.

34 Sec. 17. Section 327D.1, Code 1985, is amended to read as
35 follows:

1 327D.1 APPLICABILITY OF CHAPTER.

2 This chapter ~~shall apply~~ applies to intrastate
3 transportation by for hire common carriers of persons and
4 property. However, this chapter does not apply to regular
5 route motor carriers of passengers or charter carriers, as
6 defined under section 325.1.

7 EXPLANATION

8 This bill exempts regular route motor carriers of passen-
9 gers and charter carriers from regulation under chapters 327C
10 and 327D. The bill limits the rate regulation of motor
11 carriers by the state department of transportation under
12 chapter 325 to motor carriers of property.

13 However, under the bill it is unlawful for a charter car-
14 rier to engage in the business of transporting passengers by
15 motor bus without first having obtained from the transporta-
16 tion regulation authority a certificate of public convenience
17 and necessity. It is also unlawful for a regular route motor
18 carrier of passengers to transport passengers for compensation
19 upon the highways of the state in intrastate commerce without
20 having obtained a certificate from the transportation regula-
21 tion authority upon a finding that the carrier is fit, willing
22 and able.

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HOUSE AMENDMENT TO
SENATE FILE 505

S-5559

1 Amend Senate File 505 as passed by the Senate as
2 follows:
3 1. Page 4, by striking lines 9 and 10 and
4 inserting the following: "or mail in the same motor
5 vehicle with passengers."

S-5559 Filed April 3, 1986 REC'D FROM THE HOUSE

Senate concurred 4/11/86 (p. 1204)

SENATE FILE 505

S-5639

1 Amend the House amendment, S-5559, to Senate File
2 505 as passed by the Senate as follows:
3 1. Page 1, by inserting after line 5 the
4 following:
5 "____. Page 10, by inserting after line 6 the
6 following:
7 "Sec. 777. Section 328.21, Code 1985, is amended
8 by adding the following new subsection immediately
9 following subsection 4 and renumbering succeeding
10 subsections:
11 NEW SUBSECTION. 5. The registration fee for a
12 helicopter owned and operated by a nonprofit hospital
13 located in Iowa is thirty-five dollars.
14 Sec. ____ . Section 777 of this Act applies to
15 aircraft registrations made on or after the effective
16 date of this Act."
17 ____ . Title page, line 1, by inserting after the
18 word "to" the words "vehicle law by establishing a
19 registration fee for helicopters owned and operated by
20 nonprofit hospitals and by providing provisions
21 relating to".
22 ____ . Renumber sections and correct internal
23 references as necessary."

S-5639 Filed April 8, 1986

BY WELLS

W/D 4/11/86 (p. 1203)

S-5674

1 Amend the House amendment, S-5559, to Senate File
2 505 as passed by the Senate as follows:
3 1. Page 1, by inserting after line 5 the
4 following:
5 "____. Page 10, by inserting after line 6 the
6 following:
7 "Sec. 777. Section 328.21, Code 1985, is amended
8 by adding the following new subsection immediately
9 following subsection 4 and renumbering succeeding
10 subsections:
11 NEW SUBSECTION. 5. The registration fee for a
12 helicopter owned and operated by a nonprofit hospital
13 located in Iowa is one thousand dollars.
14 Sec. _____. Section 777 of this Act applies to
15 aircraft registrations made on or after the effective
16 date of this Act."
17 _____. Title page, line 1, by inserting after the
18 word "to" the words "vehicle law by establishing a
19 registration fee for helicopters owned and operated by
20 nonprofit hospitals and by providing provisions
21 relating to".
22 _____. Renumber sections and correct internal
23 references as necessary."

S-5674 Filed April 10, 1986

BY WELLS

Filed not germane 4/11/86 (p. 1204)

SENATE FILE 505

S-5676

1 Amend amendment S-5674 to the House amendment
2 S-5559, to Senate File 505 as passed by the Senate as
3 follows:
4 1. Page 1, line 12, by inserting after the word
5 "helicopter" the words "or aircraft".
6 2. Page 1, line 19, by inserting after the word
7 "helicopters" the words "or aircraft".

S-5676 Filed April 10, 1986

BY DRAKE

11/12 4/11/86 (p. 1204)

SENATE FILE 505

AN ACT

RELATING TO THE REGULATION OF MOTOR CARRIERS AND MAKING PENALTIES APPLICABLE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 325.1, subsections 8 and 9, Code 1985, are amended to read as follows:

8. ~~The term "carpool"~~ "Car pool" means transportation of a group of at least two riders in a vehicle having a seating capacity for not more than eight passengers between a rider's ~~or the owner-operator's, owner's, or operator's~~ residence or other designated location and a rider's ~~or the owner-operator's, owner's, or operator's~~ place of employment or other common destination of the group, when the vehicle is driven by one of the members of the group.

9. ~~The term "vanpool"~~ "Van pool" means transportation of a group of riders in a vehicle having a seating capacity for not less than eight passengers and not more than fifteen passengers between a rider's ~~or the owner-operator's, owner's, or operator's~~ residence or other designated location and a rider's ~~or the owner-operator's, owner's, or operator's~~ place of employment or other common destination of the group, when the vehicle is driven by one of the members of the group.

Sec. 2. Section 325.1, Code 1985, is amended by adding the following new subsections:

NEW SUBSECTION. 11. "Motor carrier of property" means a person which holds itself out to the general public as engaging in this state in the transportation of property by

motor vehicle for compensation, whether over regular or irregular routes, except that a motor carrier of property does not include a motor carrier of passengers engaged in the transportation of baggage or express incidental to its passenger service.

NEW SUBSECTION. 12. "Regular route motor carrier of passengers" means a person which holds itself out to the general public as engaging in this state in the transportation of passengers by motor vehicle for compensation over regular routes by scheduled service.

Sec. 3. Section 325.2, subsections 1 through 5, Code 1985, are amended to read as follows:

1. Fix or approve the rates, fares, charges, classifications, and rules pertaining thereto, of each motor carrier of property.

2. Regulate and supervise the accounts, schedules, and service of each motor carrier of property.

3. Prescribe a uniform system and classification of accounts to be used, which among other things shall provide for the setting up of adequate depreciation charges, and after ~~such the~~ the accounting system ~~shall have~~ has been promulgated adopted, motor carriers of property shall use no other.

4. Require the filing of annual and other reports by motor carriers of property.

5. Supervise and regulate motor carriers of property in all other matters affecting the relationship between ~~such the~~ carriers and the traveling and shipping public.

Sec. 4. Section 325.3, Code 1985, is amended to read as follows:

325.3 GENERAL POWERS.

The authority may ~~by general order or otherwise prescribe~~ adopt rules and regulations applicable to motor carriers of property. The department may ~~prescribe~~ adopt and enforce safety regulations in the operation of all types of motor carriers and require a periodic inspection of the equipment of every motor carrier from the standpoint of enforcement of safety regulations, and the equipment is at all times subject

to inspection by properly authorized representatives of the department.

Sec. 5. Section 325.4, Code 1985, is amended to read as follows:

325.4 STATUTES APPLICABLE.

All control, power, and authority over railroads and railroad companies now vested in the authority, insofar as the same is applicable, are hereby specifically extended to include motor carriers of property.

Sec. 6. Section 325.5, Code 1985, is amended to read as follows:

325.5 RATES.

All charges made by any a motor carrier of property for any a service rendered or to be rendered in the public transportation of passengers or property, or in connection therewith with transportation of property, shall be just, reasonable and nondiscriminating, and every unjust, unreasonable, or discriminating charge for such the service or any-part-thereof is prohibited and declared unlawful.

Sec. 7. Section 325.6, Code 1985, is amended by striking the section and inserting the following:

325.6 CERTIFICATE OF CONVENIENCE AND NECESSITY AND REGULAR ROUTE PASSENGER CERTIFICATE.

1. It is unlawful for a motor carrier of property to transport property for compensation over a regular route or between fixed termini from any point or place in the state to another place in the state irrespective of the route or highways traversed, including the crossing of any state line of the state, and irrespective of the ticket or bill of lading issued and used for the transportation, without first having obtained from the board a certificate declaring that public convenience and necessity require the operation.

2. Except as provided in subsection 3, it is unlawful for a charter carrier to transport passengers by motor buses for compensation from any point or place in the state to another place in the state irrespective of the route or highway traversed, without first having obtained from the authority a

certificate declaring that public convenience and necessity require the operation.

3. It is unlawful for a regular route motor carrier of passengers to transport passengers for compensation upon the highways of this state in intrastate commerce without first having obtained from the authority a regular route passenger certificate. The authority shall issue a regular route passenger certificate without hearing, if the authority finds that the applicant is fit, willing and able.

In determining whether a regular route motor carrier of passengers is fit, willing and able, the authority shall only consider the applicant's safety record, and the applicant's ability to comply with section 325.26.

A regular route passenger certificate authorizing the transportation of passengers includes the authority to transport newspapers, baggage of passengers, express packages or mail in the same motor vehicle with passengers.

A regular route motor carrier of passengers holding a regular route passenger certificate may at any time commence scheduled service over any regular route from any point or place in the state to another place in the state irrespective of the route or highway traversed and may at any time discontinue any part of its regular route service.

A regular route motor carrier of passengers granted a certificate prior to the effective date of this section which authorized motor carrier of passenger operations may continue to provide motor carrier of passenger service with all the rights and privileges granted by a regular route passenger certificate issued under this section.

A regular route motor carrier of passengers shall not operate as a charter carrier in this state unless it possesses a certificate of convenience and necessity to engage in the business of a charter carrier. However, a regular route motor carrier of passengers granted a certificate prior to the effective date of this section which authorized charter operations may continue to provide charter service with all the rights and privileges granted by a charter certificate.

An Iowa urban transit system as defined in section 324.57, subsection 9, may operate within the metropolitan area which it serves and between its service area and another city which is located not more than ten miles from its service area without obtaining a regular route passenger certificate if the other city is not served by another carrier operating under a regular route passenger certificate.

4. The authority may allow the provision of temporary service by a motor carrier of property for which there is an immediate and urgent need to a point or points requested by the application for a permanent certificate of public convenience and necessity upon investigation and a finding that the point or points do not have carrier service capable of meeting the need. The grant of temporary authority shall not become effective until the applicant has complied with sections 325.26, 325.28 and 325.35 and the rules of the board. Unless the temporary authority is suspended or revoked for good cause, it shall be valid for the time specified by the board but not more than an aggregate of one hundred eighty days.

The grant of temporary authority creates no presumption that the corresponding application for a permanent certificate will be granted.

5. A motor carrier providing primarily passenger service for elderly, handicapped and other transportation disadvantaged persons is exempt from the certification requirements of this section if it satisfies each of the following requirements:

- a. The motor carrier is not a corporation organized for profit under the laws of Iowa or any other state or the motor carrier is a governmental organization.
- b. The motor carrier received operating funds from federal, state or local government sources.
- c. The motor carrier does not duplicate a transportation service provided by a motor carrier issued a regular route passenger certificate.

6. A person operating a motor vehicle in a car pool or van pool is exempt from this chapter.

7. Except for a person operating a car pool or van pool, each motor carrier exempt from requirement for a certificate under this section shall obtain a nontransferable permit from the department. Such carriers shall comply with all safety, insurance and other rules of the department pertaining to a publicly funded transit system.

Sec. 8. Section 325.7, Code 1985, is amended to read as follows:

325.7 WHEN CERTIFICATE TO BE ISSUED TO MOTOR CARRIER OF PROPERTY OR CHARTER CARRIER.

~~Before a~~ A certificate shall ~~not~~ be issued to a motor carrier of property or a charter carrier, ~~until~~ the authority ~~shall~~, after a public hearing, ~~make~~ makes a finding that the service proposed to be rendered will promote the public convenience and necessity. If ~~such~~ the finding be ~~is~~ made, ~~it~~ the authority shall ~~be its duty to~~ issue a certificate.

The authority may issue a certificate to a motor carrier of property or a charter carrier, without holding a public hearing, if the service proposed will promote the public convenience and necessity and the service would not be provided if the expense of a public hearing was placed upon the applicant.

If a certificate is to be issued to a motor carrier of property or a charter carrier without a public hearing, the authority shall publish notice of its action, at its own expense, in the same manner as provided in section 325.13. Written objections to the issuance of a certificate without holding a hearing may be filed within ten days of the last publication of notice. If no objections are filed within ten days of the last publication of the notice, the authority may proceed to issue the certificate in the manner provided in section 325.18.

Sec. 9. Section 325.8, Code 1985, is amended to read as follows:

325.8 FINANCIAL ABILITY OF APPLICANT.

No A certificate of convenience and necessity or a regular route passenger certificate shall not be issued until the applicant has made a satisfactory showing as to the applicant's financial ability to carry out the terms and conditions imposed.

Sec. 10. Section 325.9, Code 1985, is amended to read as follows:

325.9 CONDITIONS.

When the a certificate is granted to a motor carrier of property or a charter carrier, the authority may attach to the exercise of the rights therein conferred by the certificate such terms and conditions as in its judgment the public convenience and necessity may require, ~~which shall include the right and duty to transport newspapers.~~

Sec. 11. Section 325.12, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 7. An applicant for a regular route passenger certificate, in lieu of the information required by subsections 3 and 4, shall indicate that statewide regular route passenger authority is being sought.

Sec. 12. Section 325.13, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 5. This section does not apply to regular route motor carriers of passengers.

Sec. 13. Section 325.18, Code 1985, is amended to read as follows:

325.18 GRANTING APPLICATION.

It may grant the application in whole or in part upon such ~~terms, conditions, and restrictions~~ and with such modifications as to schedule and route as may seem to it just and proper. However, there shall be no condition or restriction as to schedules or routes imposed on a regular route passenger certificate, and all regular route passenger certificates shall grant statewide regular route passenger authority. The actual operation of ~~such motor vehicles or~~ vehicles shall not begin without a written statement of approval from the department to the effect that the applicant

~~has complied with the safety provisions have been complied with.~~

Sec. 14. Section 325.25, Code 1985, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A regular route passenger certificate shall not be sold, transferred, leased, or assigned without the approval of the authority. The authority shall approve the sale, transfer, lease or assignment if the person obtaining or seeking to obtain ownership or control of a certificate is found to be fit, willing and able to perform the service proposed. In determining the fitness of the person seeking transfer of the certificate, the authority shall consider only the person's safety record and ability to comply with section 325.26.

Sec. 15. Section 325.26, subsection 1, Code 1985, is amended to read as follows:

1. Passenger motor carriers.

a. To cover the assured's legal liability as a motor carrier operating a motor vehicle with a seating capacity of sixteen persons or less for bodily injury or death resulting therefrom as a result of any one accident or other cause, twenty-five thousand dollars for any recovery by one person and subject to said the limit for one person, one hundred fifty thousand dollars for more than one person.

b. To cover the assured's legal liability as a motor carrier operating a motor vehicle with a seating capacity of sixteen persons or less for damage to or destruction of any property other than that of or in charge of the assured, as a result of any one accident or other cause, ten thousand dollars.

c. To cover the assured's legal liability as a motor carrier operating a motor vehicle with a seating capacity of sixteen persons or less for loss of or damage to property of passengers as a result of any one accident or any other cause, one thousand dollars.

d. Unless the authority determines, after an investigation and hearing, and adopts rules based on that determination,

that lesser levels of financial responsibility will protect the public interest, a regular route motor carrier of passengers and a charter carrier operating a motor vehicle with a seating capacity of sixteen or more persons shall have the minimum levels of financial responsibility established under 49 U.S.C. § 10927(a)(1).

d e. Any A common carrier of passengers coming under the provisions of this chapter, furnishing satisfactory proofs as to the authority of such carrier's solvency and financial ability to cover the assured's legal liability as provided for herein in this chapter and make payments to such persons as may be entitled thereto as a result of such that legal liability, or when such common carrier deposits depositing with the authority, surety satisfactory to it as to guarantee for such payments, such common carrier will be is relieved of the provisions of this section requiring liability insurance, surety bond or certificate of insurance; but such common carrier shall, from time to time, furnish such additional proof of solvency and financial ability to pay as may be required by the authority.

Sec. 16. Section 327C.2, Code 1985, is amended to read as follows:

327C.2 GENERAL JURISDICTION OF TRANSPORTATION DEPARTMENT.

The department shall have has general supervision of all railroads in the state, express companies, car companies, freight and freight-line companies, motor carriers, and any common carrier engaged in the transportation of passengers or freight. However, the provisions of this chapter regarding the supervision of carriers do not apply to regular route motor carriers of passengers or charter carriers, as defined under section 325.1.

Sec. 17. Section 327D.1, Code 1985, is amended to read as follows:

327D.1 APPLICABILITY OF CHAPTER.

This chapter shall apply applies to intrastate transportation by for hire common carriers of persons and property. However, this chapter does not apply to regular

route motor carriers of passengers or charter carriers, as defined under section 325.1.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 505, Seventy-first General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved *May 1*, 1986

TERRY E. BRANSTAD
Governor

S.F. 505