

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 2503** Session of  
1988

INTRODUCED BY SAURMAN, MARKOSEK, FOX, HAYDEN, NAHILL, CHADWICK,  
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MAY 25, 1988

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, MAY 25, 1988

AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, requiring passenger brokers to furnish  
3 security insuring financial responsibility in carrying out  
4 contracts and agreements.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Sections 2501 and 2505 of Title 66 of the  
8 Pennsylvania Consolidated Statutes are amended to read:

9 § 2501. Declaration of policy and definitions.

10 (a) Declaration of policy.--It is hereby declared to be the  
11 policy of the General Assembly to regulate in this part the  
12 service of common carriers by motor vehicle and forwarders in  
13 such manner as to recognize and preserve the inherent advantages  
14 of, and foster sound economic conditions in such service, and  
15 among such carriers and forwarders in the public interest; to  
16 promote safe, adequate, economical, and efficient service by  
17 common carriers by motor vehicle and forwarders, and just and  
18 reasonable rates therefor, without unjust discrimination, and

1 unfair or destructive practices; to improve the relations  
2 between, and coordinate the service and regulation of, common  
3 carriers by motor vehicle, forwarders, and other carriers; to  
4 develop and preserve a safe highway transportation system  
5 properly adapted to the needs of the commerce of this  
6 Commonwealth and insure its availability between all points of  
7 production and markets of this Commonwealth. It is hereby found  
8 as a fact, after due investigation and deliberation, that the  
9 service of common carriers by motor vehicle, forwarders,  
10 contract carriers by motor vehicle, and brokers, including the  
11 procurement and provision of motor vehicles and other facilities  
12 for the safe transportation of passengers or property over the  
13 highways, are so closely interwoven and interdependent, and so  
14 directly affect each other, that in order effectively to  
15 regulate such common carriers by motor vehicle and forwarders,  
16 and to provide a proper and safe highway transportation system  
17 in the public interest, it is necessary to regulate the service  
18 of such contract carriers by motor vehicle and brokers,  
19 including the procurement and provision of motor vehicles and  
20 other facilities for the safe transportation of passengers or  
21 property over the highways, in the manner set forth in this  
22 chapter. It is also found as a fact, after due investigation and  
23 deliberation, that it is necessary to protect the traveling  
24 public from fraud by requiring all passenger brokers operating  
25 in this Commonwealth to furnish security to insure the  
26 transportation of passengers by motor vehicle, air, water or  
27 rail in accordance with contracts, agreements and arrangements  
28 therefor.

29 (b) Definitions.--The following words and phrases when used  
30 in this part shall have, unless the context clearly indicates

1 otherwise, the meanings given to them in this subsection:

2 "Broker." [Any person or corporation not included in the  
3 term "motor carrier" and not a bona fide employee or agent of  
4 any such carrier, or group of such carriers, who or which, as  
5 principal or agent, sells or offers for sale any transportation  
6 by a motor carrier, or the furnishing, providing, or procuring  
7 of facilities therefor, or negotiates for, or holds out by  
8 solicitation, advertisement, or otherwise, as one who sells,  
9 provides, furnishes, contracts, or arranges for such  
10 transportation, or the furnishing, providing, or procuring of  
11 facilities therefor, other than as a motor carrier directly or  
12 jointly, or by arrangement with another motor carrier, and who  
13 does not assume custody as a carrier.] Any person or corporation  
14 that is an intrastate property broker or an intrastate passenger  
15 broker. The term does not include any person or corporation that  
16 is an interstate and foreign passenger broker except as  
17 otherwise expressly provided in this part.

18 "Contract carrier by motor vehicle."

19 (1) The term "contract carrier by motor vehicle"  
20 includes any person or corporation who or which provides or  
21 furnishes transportation of passengers or property, or both,  
22 or any class of passengers or property, between points within  
23 this Commonwealth by motor vehicle for compensation, whether  
24 or not the owner or operator of such motor vehicle, or who or  
25 which provides or furnishes, with or without drivers, any  
26 motor vehicle for such transportation, or for use in such  
27 transportation, other than as a common carrier by motor  
28 vehicle.

29 (2) The term "contract carrier by motor vehicle" does  
30 not include:

1           (i) A lessor under a lease given on a bona fide sale  
2 of a motor vehicle where the lessor retains or assumes no  
3 responsibility for maintenance, supervision or control of  
4 the motor vehicle so sold.

5           (ii) Any bona fide agricultural cooperative  
6 association transporting property exclusively for the  
7 members of such association on a nonprofit basis, or any  
8 independent contractor hauling exclusively for such  
9 association.

10          (iii) Any owner or operator of a farm transporting  
11 agricultural products from or farm supplies to such farm,  
12 or any independent contractor hauling agricultural  
13 products or farm supplies, exclusively, for one or more  
14 owners or operators of farms.

15          (iv) Transportation of school children for school  
16 purposes or to and from school sponsored extra curricular  
17 activities whether as participants or spectators,  
18 together with chaperons who might accompany them as  
19 designated by the board of school districts not exceeding  
20 five in number, or between their homes and Sunday school  
21 in any motor vehicle owned by the school district,  
22 private school or parochial school, or the transportation  
23 of school children between their homes and school or to  
24 and from school sponsored extra curricular or educational  
25 activities whether as participants or spectators,  
26 together with chaperons who might accompany them as  
27 designated by the board of school directors not exceeding  
28 five in number, if the person performing the extra  
29 curricular transportation has a contract for the  
30 transportation of school children between their homes and

1 school, with the private or parochial school, with the  
2 school district or jointure in which the school is  
3 located, or with a school district that is a member of a  
4 jointure in which the school is located if the jointure  
5 has no contracts with other persons for the  
6 transportation of students between their homes and  
7 school, and if the person maintains a copy of all  
8 contracts in the vehicle at all times, or children  
9 between their homes and Sunday school in any motor  
10 vehicle operated under contract with the school district,  
11 private school or parochial school.

12 (v) Any person or corporation who or which uses, or  
13 furnishes for use, dump trucks for the transportation of  
14 ashes, rubbish, excavated or road construction materials.

15 (vi) Transportation of voting machines to and from  
16 polling places by any person or corporation for or on  
17 behalf of any political subdivision of this Commonwealth  
18 for use in any primary, general or special election.

19 (vii) Transportation of pulpwood, chemical wood, saw  
20 logs or veneer logs from woodlots.

21 (viii) Transportation by towing of wrecked or  
22 disabled motor vehicles.

23 (ix) Any person or corporation who or which  
24 furnishes transportation for any injured, ill or dead  
25 person.

26 "Interstate and foreign passenger broker." Any person or  
27 corporation not an interstate or foreign carrier of passengers  
28 by motor vehicle, air, water or rail, and not a bona fide  
29 employee or agent of any such carrier, or group of such  
30 carriers, who or which, as principal or agent, sells or offers

1 for sale in Pennsylvania any interstate or foreign  
2 transportation of passengers by such carrier, or the furnishing,  
3 providing or procuring of facilities therefor, or negotiates in  
4 Pennsylvania for, or holds out in Pennsylvania by solicitation,  
5 advertisement or otherwise, as one who sells, provides,  
6 furnishes, contracts or arranges for such transportation, or the  
7 furnishing, providing or procuring of facilities therefor, other  
8 than as a carrier directly or jointly, or by arrangement with  
9 another carrier, and who receives partial or full payment in  
10 advance for such passenger transportation.

11 "Intrastate passenger broker." Any person or corporation not  
12 included in the term "common carrier" or the term "contract  
13 carrier" by motor vehicle, and not a bona fide employee or agent  
14 of any such carrier, or group of such carriers, who or which, as  
15 principal or agent, sells or offers for sale any transportation  
16 of passengers by such carrier, or the furnishing, providing or  
17 procuring of facilities therefor, or negotiates for, or holds  
18 out by solicitation, advertisement or otherwise, as one who  
19 sells, provides, furnishes, contracts or arranges for such  
20 transportation, or the furnishing, providing or procuring of  
21 facilities therefor, other than as such a carrier directly or  
22 jointly, or by arrangement with another such carrier.

23 "Intrastate property broker." Any person or corporation not  
24 included in the term "motor carrier" and not a bona fide  
25 employee or agent of any such carrier, or group of such  
26 carriers, who or which, as principal or agent, sells or offers  
27 for sale any transportation of property by a motor carrier, or  
28 the furnishing, providing or procuring of facilities therefor,  
29 or negotiates for, or holds out by solicitation, advertisement  
30 or otherwise, as one who sells, provides, furnishes, contracts

1 or arranges for such transportation, or the furnishing,  
2 providing or procuring of facilities therefor, other than as a  
3 motor carrier directly or jointly, or by arrangement with  
4 another motor carrier, and who does not assume custody as a  
5 carrier.

6 § 2505. Licenses and financial responsibility required of  
7 brokers.

8 (a) General rule.--No person or corporation shall engage in  
9 the business of [a] an intrastate property broker or an  
10 intrastate passenger broker in this Commonwealth unless such  
11 person holds a brokerage license issued by the commission. No  
12 such person or corporation, by virtue of a brokerage license,  
13 shall render service as a [motor] common carrier or as a  
14 contract carrier by motor vehicle unless he holds a certificate  
15 of public convenience or permit, as the case may be. It shall be  
16 unlawful for any broker to employ any [motor] common carrier or  
17 any contract carrier by motor vehicle who or which is not the  
18 lawful holder of an effective certificate of public convenience  
19 or permit.

20 (b) License application and issuance.--Every application for  
21 a brokerage license shall be made to the commission in writing,  
22 be verified by oath or affirmation, and shall be in such form  
23 and contain such information as the commission may, by its  
24 regulations, require. A brokerage license shall be issued to any  
25 qualified applicant therefor, authorizing the whole or any part  
26 of the service covered by the application, if it is found that  
27 the applicant is fit, willing and able properly to perform the  
28 service proposed and to conform to the provisions of this part  
29 and the lawful orders and regulations of the commission  
30 thereunder, and that the proposed service, to the extent

1 authorized by the license, will be consistent with the public  
2 interest and the policy declared in section 2501 (relating to  
3 declaration of policy and definitions); otherwise such  
4 application shall be denied.

5 (c) Regulation and bond.--The commission shall prescribe  
6 reasonable regulations to be observed by any intrastate  
7 passenger broker or intrastate property broker for the  
8 protection of passengers or property transported [by motor  
9 vehicle, and no brokerage license shall be issued or remain in  
10 force unless the holder thereof]. No person or corporation shall  
11 operate in Pennsylvania as an intrastate passenger broker, an  
12 intrastate property broker or an interstate and foreign  
13 passenger broker unless such person shall have furnished a bond  
14 or other security approved by the commission, in such form and  
15 amount as will insure the financial responsibility of the broker  
16 and the transportation of passengers or property in accordance  
17 with contracts, agreements or arrangements therefor.

18 (d) Transferability of permits and licenses.--Any permit or  
19 brokerage license issued under this chapter may be transferred  
20 pursuant to such regulations as the commission may prescribe.

21 Section 2. This act shall take effect in 60 days.