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DOT REGULATION OF MOVING COMPANIES

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You asked why the state Department of Transportation (DOT) regulates moving companies.

SUMMARY

It appears that the legislature assigned moving company regulation to DOT in 1989 as part of a larger effort to consolidate trucking regulation within that department. Until that year, such regulation was under the purview of the Department of Public Utility Control (DPUC). The transfer of economic regulatory authority at the state level occurred as part of the general deregulation of the trucking industry during that time.

The immediate impetus for the change appears in a 1988 letter from a representative of the state motor transport industry to the Senate chairman of the Transportation Committee. The trucking industry representative asked for the chairman's support of an amendment transferring economic regulation of the motor carriers to DOT from DPUC as part of a bill imposing a \$10 per vehicle fee on in-state motor carriers.

LEGISLATIVE HISTORY

Background

The transfer of economic regulatory authority at the state level occurred as part of the general deregulation of the trucking industry during that time. The industry had been regulated on the federal level by the Interstate Commerce Commission since 1935. The federal Motor Carrier Regulatory Reform and Modernization Act, signed into law in 1980, greatly reduced the ICC's role over the trucking industry. (The ICC itself was abolished in 1995.)

The transfer of responsibility of for-hire motor carriers from DPUC to DOT also further consolidated in DOT transportation businesses that had been traditionally regulated by DPUC. For example, the legislature had transferred the regulation of buses and taxis from DPUC to DOT in 1979 (PA 79-610).

PA 88-249

The DOT has regulated moving companies since July 1, 1989, when it assumed that responsibility from DPUC. PA 88-249 (originating as SB 329) transferred this authority to DOT. The statutes regulating the industry are now codified as [CGS §§ 13b-387](#) through [415](#) (chapter 245c).

The transfer of regulatory authority was proposed during the 1988 legislative session in an amendment (LCO # 3374) to SB 329. SB 329 required in-state motor carriers to register for the state motor carrier road tax and pay the \$10 per vehicle fee for the tax decal that indicated registration. Motor carriers whose vehicles were registered in Connecticut had previously been exempt from these provisions.

SB 329 was drafted to address a U.S. Supreme Court decision (*American Trucking Ass'n., Inc. v. Scheiner*, 107 S. Ct. 2829 (1987)) which held that a Pennsylvania law exempting trucks registered in that state from a registration fee charged out-of-state trucks violated the U.S. Constitution's Commerce Clause. As a result of the Supreme Court decision, Connecticut Attorney General Lieberman advised Speaker Stolberg, in an April 26, 1988 formal opinion (#88-013), that the Connecticut decal fee, imposed only on out-of state trucks, was unconstitutional.

SB 329 was drafted to remedy the problem by requiring all motor carriers, including those with vehicles registered in Connecticut, to pay the \$10 decal fee. Department of Revenue Services commissioner Timothy Bannon stated in testimony submitted to the Transportation Committee that “treating all carriers uniformly should avoid future problems... [DRS] feels this proposal would withstand judicial challenge.”

Michael J. Riley, president of the Motor Transport Association of Connecticut, referred to the impact of SB 329 on Connecticut truckers in an April 19, 1988 letter to Senator Owens, co-chairman of the Transportation Committee. Riley noted that Connecticut motor carriers subject to the road tax would pay about \$600,000 in decal fees.

“We have not opposed the imposition of this fee because we understand the state’s predicament,” he wrote. But Riley asked Owens to support an amendment transferring the economic regulation of the state trucking industry from DPUC to DOT.

“Since we are the source of this unexpected windfall to the state, we feel justified in suggesting that some of this money should be used to accomplish something which should have been done years ago,” Riley wrote.

Riley listed several benefits of such a transfer, including:

- improved regulation of the trucking industry,
- consolidating economic regulation of for-hire carriers within the same agency,
- providing that the cost of regulating the trucking industry would be paid by that industry through imposition of the decal fee,
- allowing DOT to bring other trucking functions into one bureau,
- reducing the number of agencies overseeing the trucking industry, and
- providing for better enforcement of laws concerning motor carrier operations in Connecticut.

We have attached copies of Riley's letter and the attorney general's opinion.

Senator Owens introduced the amendment on April 19, 1988. The Senate adopted it on a voice vote without discussion and passed the underlying bill on consent on April 20, 1988.

After amending SB 329 to change the effective date of the motor carrier road tax provisions, the House on April 28, 1988 unanimously approved the bill as amended by the Senate. The Senate passed the bill in concurrence with the House on May 2, 1988.

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