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TITLE 49--TRANSPORTATION

SUBTITLE VI--MOTOR VEHICLE AND DRIVER PROGRAMS

PART B--COMMERCIAL

CHAPTER 311--COMMERCIAL MOTOR VEHICLE SAFETY

SUBCHAPTER III--SAFETY REGULATION

Sec. 31138. Minimum financial responsibility for transporting

passengers

(a) General Requirement.--The Secretary of Transportation shall

prescribe regulations to require minimum levels of financial

responsibility sufficient to satisfy liability amounts established by

the Secretary covering public liability and property damage for the

transportation of passengers for compensation by motor vehicle in the

United States between a place in a State and--

(1) a place in another State;

(2) another place in the same State through a place outside of

that State; or

(3) a place outside the United States.

(b) Minimum Amounts.--The level of financial responsibility

established under subsection (a) of this section for a motor vehicle

with a seating capacity of--

(1) at least 16 passengers shall be at least $5,000,000; and

(2) not more than 15 passengers shall be at least $1,500,000.

(c) Evidence of Financial Responsibility.--(1) Subject to paragraph

(2) of this subsection, financial responsibility may be established by

evidence of one or a combination of the following if acceptable to the

Secretary of Transportation:

(A) insurance, including high self-retention.

(B) a guarantee.

(C) a surety bond issued by a bonding company authorized to do

business in the United States.

(2) A person domiciled in a country contiguous to the United States

and providing transportation to which a minimum level of financial

responsibility under this section applies shall have evidence of

financial responsibility in the motor vehicle when the person is

providing the transportation. If evidence of financial responsibility is

not in the vehicle, the Secretary of Transportation and the Secretary of

the Treasury shall deny entry of the vehicle into the United States.

(3) A motor carrier may obtain the required amount of financial

responsibility from more than one source provided the cumulative amount

is equal to the minimum requirements of this section.

(d) Civil Penalty.--(1) If, after notice and an opportunity for a

hearing, the Secretary of Transportation finds that a person (except an

employee acting without knowledge) has knowingly violated this section

or a regulation prescribed under this section, the person is liable to

the United States Government for a civil penalty of not more than

$10,000 for each violation. A separate violation occurs for each day the

violation continues.

(2) The Secretary of Transportation shall impose the penalty by

written notice. In determining the amount of the penalty, the Secretary

shall consider--

(A) the nature, circumstances, extent, and gravity of the

violation;

(B) with respect to the violator, the degree of culpability, any

history of prior violations, the ability to pay, and any effect on

the ability to continue doing business; and

(C) other matters that justice requires.

(3) The Secretary of Transportation may compromise the penalty

before referring the matter to the Attorney General for collection.

(4) The Attorney General shall bring a civil action in an

appropriate district court of the United States to collect a penalty

referred to the Attorney General for collection under this subsection.

(5) The amount of the penalty may be deducted from amounts the

Government owes the person. An amount collected under this section shall

be deposited in the Treasury as miscellaneous receipts.

(e) Nonapplication.--This section does not apply to a motor

vehicle--

(1) transporting only school children and teachers to or from

school;

(2) providing taxicab service (as defined in section 13102);

(3) carrying not more than 15 individuals in a single, daily

round trip to and from work; or

(4) providing transportation service within a transit service

area under an agreement with a Federal, State, or local government

funded, in whole or in part, with a grant under section 5307, 5310,

or 5311, including transportation designed and carried out to meet

the special needs of elderly individuals and individuals with

disabilities; except that, in any case in which the transit service

area is located in more than 1 State, the minimum level of financial

responsibility for such motor vehicle will be at least the highest

level required for any of such States.

(Pub. L. 103-272, Sec. 1(e), July 5, 1994, 108 Stat. 1005; Pub. L. 104-

88, title I, Sec. 104(c), (d), Dec. 29, 1995, 109 Stat. 919; Pub. L.

107-298, Sec. 3(b)(2), Nov. 26, 2002, 116 Stat. 2343.)

Historical and Revision Notes

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Revised Section Source (U.S. Code) Source (Statutes at Large)

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31138(a).............................. 49:10927 (note). Sept. 20, 1982, Pub. L. 97-261, Sec.

18(a), 96 Stat. 1121.

31138(b).............................. 49:10927 (note). Sept. 20, 1982, Pub. L. 97-261, Sec.

18(b), (c), 96 Stat. 1121.

31138(c).............................. 49:10927 (note). Sept. 20, 1982, Pub. L. 97-261, Sec.

18(d), 96 Stat. 1121; Oct. 30, 1984,

Pub. L. 98-554, Sec. 224, 98 Stat.

2847.

31138(d).............................. 49:10927 (note). Sept. 20, 1982, Pub. L. 97-261, Sec.

18(e), 96 Stat. 1122.

31138(e).............................. 49:10927 (note). Sept. 20, 1982, Pub. L. 97-261, Sec.

18(f), (g), 96 Stat. 1122.

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In subsection (b), before clause (1), the text of section 18(b)(1)

(words beginning with ``except'') and (2) (words beginning with

``except'') and (c) of the Bus Regulatory Reform Act of 1982 (Public Law

97-261, 96 Stat. 1121) is omitted as expired. The word ``minimal'' is

omitted as surplus.

In subsection (c)(1), the words ``The Secretary shall establish, by

regulation, methods and procedures to assure compliance with this

section'' are omitted as surplus.

In subsection (d)(4), the words ``The Attorney General shall bring a

civil action . . . to collect a penalty referred to the Attorney General

for collection under this subsection'' are substituted for ``Such civil

penalty may be recovered in an action brought by the Attorney General on

behalf of the United States'' for consistency in the revised title.

In subsection (d)(5), the words ``when finally determined (or agreed

upon in compromise)'' are omitted as surplus.

In subsection (e), before clause (1), the text of section 18(g) of

the Bus Regulatory Reform Act of 1982 (Public Law 97-261, 96 Stat. 1122)

is omitted as unnecessary because of the restatement.

Amendments

2002--Subsec. (e)(2). Pub. L. 107-298 amended par. (2) generally.

Prior to amendment, par. (2) read as follows: ``providing taxicab

service, having a seating capacity of not more than 6 passengers, and

not being operated on a regular route or between specified places;''.

1995--Subsec. (c)(3). Pub. L. 104-88, Sec. 104(c), added par. (3).

Subsec. (e)(4). Pub. L. 104-88, Sec. 104(d), added par. (4).

Effective Date of 1995 Amendment

Amendment by Pub. L. 104-88 effective Jan. 1, 1996, see section 2 of

Pub. L. 104-88, set out as an Effective Date note under section 701 of

this title.

Section Referred to in Other Sections

This section is referred to in sections 507, 521, 526, 10927, 13101,

13902, 13906, 14501, 31102 of this title.