Leasing

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A. Leasing Equipment With or Without a Driver to an Authorized Carrier

1. When a person who is not authorized by this division, leases equipment with or without a driver to an authorized carrier or if an authorized carrier leases equipment to another authorized carrier, the lease must be reduced to writing with at least two executed copies. One copy must be retained by the lessee (the person to whom property is leased) and the other must accompany the driver of the leased vehicle.

When the vehicle is leased (except if subleased as explained below), the lessee is considered the operator of the vehicle. The lease should state that the leased equipment is to be operated solely by the lessee during the term of the lease and that the lessee maintains control over the operation of the equipment including licensing, markings, insurance, drivers' qualifications, drivers' hours of service and all related items, to the same extent as if the lessee was the actual owner of the vehicle.

The lessee must accept responsibility to the public for any injury caused in the operation of leased equipment during the term of the lease, display appropriate vehicle markings and shall maintain and operate the leased equipment in accordance with all state requirements. Upon termination of the lease, lessee markings and copies of all leases must be removed from all vehicles.

B. Leasing Equipment to Shippers, Receivers, Passenger, Chartering Groups or Other Person Not Authorized by the Division.

1. If a person who is not authorized by this division to engage in intrastate transportation, leases equipment and driver to a shipper, receiver, passenger or chartering group, the intrastate transportation is presumed to be private carriage if:
   a) The lessee accepts full control and responsibility over the operation of the equipment and drivers;
   b) The lease includes all required items as listed in A above; and
   c) The period for which the lease applies must be (30) consecutive days or more.

The resulting operation will not be presumed to be private if the lease does not meet these requirements.

2. An authorized motor carrier shall not lease vehicles with or without a driver to shippers or receivers of property nor to passengers or chartering groups.

C. Subleasing Equipment With or Without a Driver to Another Authorized Carrier

An authorized motor carrier shall not sublease a leased vehicle with or without a driver unless the lease expressly authorizes the lessee motor carrier to sublease the vehicle to another authorized motor carrier. When a vehicle is subleased, the new lessee is exclusively responsible for the complete operations of the vehicle and it cannot be further subleased.

D. Leasing of Authority

A motor carrier cannot lease an operating authority, unless approved by the division.

For more detailed information concerning leasing, refer to 7 CSR 265-10.040.