

**Assembly Bill No. 2996**

\_\_\_\_\_  
Passed the Assembly    September 1, 2002

\_\_\_\_\_  
*Chief Clerk of the Assembly*

\_\_\_\_\_  
Passed the Senate    June 29, 2002

\_\_\_\_\_  
*Secretary of the Senate*

\_\_\_\_\_  
This bill was received by the Governor this \_\_\_\_\_ day of  
\_\_\_\_\_, 2002, at \_\_\_\_\_ o'clock \_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*



## CHAPTER \_\_\_\_\_

An act to amend Section 64000 of the Government Code, to amend Section 7236 of the Revenue and Taxation Code, to amend Sections 188.10, 2401, and 31071 of, and to repeal and add Article 4.8 (commencing with Section 179) of Chapter 1 of Division 1 of, the Streets and Highways Code, and to amend Sections 1656, 1661, 1810, 1810.7, 4604.5, 9552, 9553, 9554, 9554.5, 13106, 14900, 14900.1, 14905, 34602, and 34605 of, and to add Section 14907 to, the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2996, Committee on Budget. Transportation.

(1) Existing law authorizes the California Transportation Commission to allocate federal and state transportation funds to the Department of Transportation for an enforceable commitment to the California Economic Development Financing Authority for implementing the purposes of the Transportation Finance Bank, relative to funding guarantees for loans and other instruments of credit for transportation projects that have a dedicated revenue source and are eligible under a federal demonstration program.

This bill would revise these provisions to instead require the department to act as a lender in administering the Transportation Finance Bank. The bill would require the department to develop guidelines and loan documents for the program and to present them to the commission for adoption. The bill would revise the program to delete the provisions for loan guarantees. The bill would create the Local Transportation Loan Account in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities under these provisions. The bill would require specified funds and interest and penalties to be deposited in the new account. The money in the new account would be continuously appropriated to the department, thereby making an appropriation. The bill would require the department to report to the Legislature annually on the program.

(2) Existing law creates the Seismic Safety Retrofit Account in the State Transportation Fund, and requires each annual proposed



transportation budget to include an amount recommended to be transferred from the State Highway Account to the Seismic Safety Retrofit Account based upon the Department of Transportation's estimate of state funds necessary to fund the seismic retrofit program during the budget year. Under the program, publicly owned state and local bridges throughout the state, including pedestrian and rail transit bridges, are evaluated for seismic structural sufficiency and projects funded from the Seismic Safety Retrofit Account are undertaken to remedy any deficiency.

This bill would repeal these provisions. The bill would transfer any funds remaining in the Seismic Safety Retrofit Account to the State Highway Account effective June 30, 2002, with any outstanding encumbrances to be paid from the State Highway Account. The bill would authorize the department to administer local seismic safety bridge retrofit projects consistent with requirements applicable to other local bridge projects and to allocate State Highway Account funds to those projects to the extent funding is provided through the annual Budget Act.

(3) Existing law creates the Toll Bridge Seismic Retrofit Account in the State Transportation Fund for the purpose of funding seismic retrofit or replacement of state-owned toll bridges, and the money in the account is continuously appropriated to the Department of Transportation for this purpose. Existing law generally requires state agencies seeking to invest funds or to sell or exchange securities to obtain prior approval from the Department of Finance, with certain exceptions.

This bill would authorize the Department of Transportation, in consultation with the Department of Finance and the Office of the State Treasurer, to invest bond or commercial paper proceeds deposited into the account in obligations permitted by the Treasurer, and would require those investments to be included as cash balance for purposes of reporting the condition of the account. The bill would also require notification by the Department of Finance of certain legislative committees prior to the initial issuance of bonds or commercial paper pursuant to these provisions and would enact other related financial provisions relative to the use of interest income and the reserve funds created to support the financing. The bill would prohibit the use of this interest income or of reserve funds to pay project costs in excess of a specified amount, and would prohibit the existence of reserve



funds, other than debt service reserve funds, subsequent to the completion of seismic retrofit projects. The bill would authorize the Department of Finance to establish the accounting and a reporting system used to determine the expenditures, cash needs and the balance of the account.

(4) Under existing law, certain fines and fees collected from motor carriers of property, as defined, are deposited in the Motor Carriers Permit Fund.

This bill would abolish the Motor Carriers Permit Fund effective July 1, 2003, and cause those fines and fees to be deposited in the Motor Vehicle Account in the State Transportation Fund instead. This bill would require any unencumbered balance remaining in the Motor Carriers Permit Fund on June 30, 2003, to be transferred and deposited into the Motor Vehicle Account by the end of that day. This bill would require that any other amounts collected or received as revenues or transfers directed to the Motor Carriers Permit Fund after June 30, 2003, shall also be transferred and deposited into the Motor Vehicle Account.

(5) Existing law requires the Department of Motor Vehicles to publish and distribute copies of the California Vehicle Code, and other specified laws, to specified government entities and to public secondary schools who request a copy, at no cost. Existing law requires the department to provide a copy upon request to any other person at a cost not to exceed \$3.

This bill instead would require the department to distribute the copies at a charge sufficient to pay the entire cost of publishing and distribution.

(6) Existing law establishes fees for original and renewal registration of vehicles, and weight fees for commercial vehicles, to be collected by the Department of Motor Vehicles. Existing law also establishes various penalty fees for late registration of vehicles.

This bill would revise the provisions relating to late fees, to be applied on or after January 1, 2003, and would appropriate \$3,693,000 from the funds collected from the registration, but not specified penalty fees to the Department of Motor Vehicles for purposes of implementing certain provisions of this act.

(7) Existing law authorizes the Department of Motor Vehicles to permit inspection of, or sell, or both, information from its records concerning the registration of any vehicle or information



from the files of drivers' licenses, with specified limitations, at a charge sufficient to pay the actual cost to the department for providing the inspection or sale of the information, with the charge to be determined by the director of the department.

This bill would revise these provisions to be consistent with other related provisions that allow the department to sell copies of its records at a charge sufficient to pay at least the actual cost to the department.

(8) Existing law authorizes the Department of Motor Vehicles to allow access to the department's database, with specified limitations, by special permit for the purpose of obtaining vehicle registration information for commercial use. Existing law provides that the director of the department must charge fees for the direct-access service permits, and must charge fees sufficient to pay at least the entire actual cost to the department for any information copied from the files.

This bill would expand the authorization of the director to permit access to the department's database for any information rather than merely vehicle registration information, as provided. This bill would also provide that the director must charge fees sufficient to pay at least the actual cost to the department for any information copied from the files, as specified.

(9) Existing law requires the Department of Motor Vehicles to notify a person by certified mail, return receipt requested, when the department suspends or revokes the person's privilege to operate a motor vehicle. Existing law also provides a conclusive presumption that a person has knowledge of the suspension or revocation if notice is sent pursuant to these provisions.

This bill would instead, require the department to send the notice by first-class mail, and would provide that the presumption of notice is rebuttable, and that the presumption affects the burden of proof. The bill would make other technical and conforming changes to these provisions.

(10) Existing law provides for the payment of a \$12 fee in conjunction with an application for an original driver's license, as specified.

This bill, on or after July 1, 2003, would require the payment of an additional \$5 for any person who fails to successfully complete the driving skill test on the first attempt, for each additional driving skill test administered under that application.



(11) Existing law provides for the payment of a \$15 fee in conjunction with an application for a renewal of a driver's license, as specified.

This bill, in addition, on or after July 1, 2003, would require the payment of an additional \$5 for any person who fails to successfully complete the driving skill test on the first attempt, for each additional driving skill test administered under that application.

(12) Existing law requires the payment of a \$100 fee for administrative costs before a driver's license may be issued, reissued, or returned to a person, where the person's privilege to operate a motor vehicle was suspended or revoked by the department for specified reasons.

This bill would increase that fee to \$125.

(13) Existing law provides that persons subject to a hearing for suspension or revocation of their driver's license for specified reasons may request a departmental review of the decision taken pursuant to the hearing.

This bill would impose an administrative fee of \$120 to pay for the costs of the departmental review.

(14) The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 64000 of the Government Code is amended to read:

64000. (a) The California Transportation Commission may allocate available federal and state transportation funds to the Department of Transportation, consistent with all applicable state and federal laws governing the use of those funds, to implement the purposes of, and to operate and manage, the Transportation Finance Bank as provided in accordance with the provisions of Section 350 of Public Law 104-59 and Section 1511 of Public Law 105-178 using only funds made available to the department through the annual budget act.

(b) The department shall act as a lender in administering the Transportation Finance Bank and in entering into enforceable commitments to implement, operate, and manage the program



created by this section to achieve the purposes of the Transportation Finance Bank.

(c) The department shall develop, and may amend as necessary, the guidelines and loan documents for the program, which shall be presented to the commission for adoption.

(d) An allocation of funds by the commission to meet capital and interest obligations created by the Transportation Finance Bank as those obligations become due shall be construed as an expenditure of those funds in the county or counties where the project is located. In the event of default on the loan, an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be deducted from the STIP county share of the affected county or counties pursuant to Sections 14524 and 14525 and an amount equivalent to the remaining loan balance plus all accrued interest and penalties shall be transferred from the State Highway Account to the Transportation Finance Bank. Interest shall continue to accrue up to the date that the fund transfer is actually made.

(e) An eligible entity requesting loan funds under this section shall first receive approval of the project from the applicable regional transportation planning agency or county transportation commission where the project is located prior to the execution of a loan agreement with the department and the receipt of any funding.

(f) Only projects that have a dedicated revenue source and are eligible for assistance under Section 1511 of Public Law 105-178 are entitled to funding under this section.

(g) The Local Transportation Loan Account is hereby created in the State Highway Account in the State Transportation Fund for the management of funds for loans to local entities pursuant to this section. All funds for transportation loans in the Federal Trust Fund are hereby transferred to the Local Transportation Loan Account. The department shall deposit in the Local Transportation Loan Account all money received by the department from repayments of and interest and penalties on existing and future transportation loans from the Transportation Finance Bank. Interest on money in the Local Transportation Loan Account shall be credited to that account as it accrues.

(h) Notwithstanding Section 13340, the money in the Local Transportation Loan Account is continuously appropriated to the



department without regard to fiscal years for purposes of loans to eligible projects as defined by Section 1511 of Public Law 105-178.

(i) On or before March 1 of each year in which the loan program authorized by this section is effective, the department shall report, to the fiscal committees and the policy committees of the Legislature that consider transportation issues, on its activities in administering that program. The report shall include, but not be limited to, the total amount of loans issued by the department pursuant to this section, a description of the projects funded by those loans, the identification of all recipients of those loans, and any loans that the department intends to make in the subsequent fiscal year pursuant to this section.

SEC. 2. Section 7236 of the Revenue and Taxation Code is amended to read:

7236. (a) All funds collected by the Department of Motor Vehicles pursuant to Section 7232 shall be deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund. The following fees shall be paid to the department:

(1) For-hire motor carriers of property shall pay, according to the following schedule, fees indicated as safety fee and uniform business license tax fee, based on the size of their motor vehicle fleet.

(2) Private carriers of property with a fleet size of 10 or less motor vehicles shall pay a fee of thirty-five dollars (\$35). Private carriers of property with a fleet size of 11 or more motor vehicles shall pay, according to the following schedule, fees indicated as safety fee, based on the size of their motor vehicle fleet. Any carrier that does not pay a uniform business license tax fee shall not operate as a for-hire motor carrier.

(3) A seasonal permit may be issued to a motor carrier of property upon payment of fees indicated as safety fee and one-twelfth of the fee indicated as uniform business license tax fee, rounded to the next dollar, for each month the permit is valid. The original seasonal permit shall be valid for a period of not less than six months, and may be renewed upon payment of a five dollar (\$5) fee, and one-twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.



Fleet Size—Commercial Motor Vehicles Fee	Safety Fee	Uniform Business License Tax
1	\$60	\$60
2–4	\$75	\$125
5–10	\$200	\$275
11–20	\$240	\$470
21–35	\$325	\$650
36–50	\$430	\$880
51–100	\$535	\$1,075
101–200	\$635	\$1,300
201–500	\$730	\$1,510
501–1,000	\$830	\$1,715
1,001–2,000	\$930	\$1,900
2,001–over	\$1,030	\$2,000

Notwithstanding the above fee schedule, motor carriers of property with 10 or fewer trucks shall not pay fees higher than they would have paid under the fee structure in place as of January 1, 1996. Notwithstanding Section 34606 of the Vehicle Code, fees for these carriers shall not be subject to increase by the Department of Motor Vehicles.

(b) The Department of Motor Vehicles shall transfer funds deposited in the Motor Vehicle Account in the State Transportation Fund as follows:

(1) Funds derived from Uniform Business License Tax Fees shall be transferred to the General Fund.

(2) Funds derived from Safety Fees shall remain in the Motor Vehicle Account in the State Transportation Fund and shall be available for appropriation by the Legislature to cover costs incurred by the Department of Motor Vehicles and the Department of the California Highway Patrol in regulating motor carriers of property pursuant to Division 14.85 (commencing with Section 34600) of the Vehicle Code.

(c) It is the intent of the Legislature that the fee schedule established in subdivision (a) shall not discriminate against small fleet or individual vehicle operators or result in a disproportionate share of those fees being assigned to small fleet or individual vehicle operators.



SEC. 3. Article 4.8 (commencing with Section 179) of Chapter 1 of Division 1 of the Streets and Highways Code is repealed.

SEC. 4. Article 4.8 (commencing with Section 179) is added to Chapter 1 of Division 1 of the Streets and Highways Code, to read:

Article 4.8. Local Bridge Seismic Safety Retrofit

179. Effective June 30, 2002, all funds in the Seismic Safety Retrofit Account in the State Transportation Fund are transferred to the State Highway Account in the State Transportation Fund. Any outstanding encumbrances as of June 30, 2002, in the Seismic Safety Retrofit Account shall be paid from the State Highway Account.

179.1. The department may administer projects for local bridge seismic safety retrofits consistent with the requirements of Chapter 9 (commencing with Section 2400) of Division 3.

179.2. The department may allocate State Highway Account funds in lieu of the local matching requirements of subdivision (b) of Section 2413 to the extent funding for this purpose is included in the annual Budget Act.

179.3. For purposes of this article:

(a) "Bridge" includes a publicly owned pedestrian bridge and a publicly owned rail transit bridge.

(b) "Retrofit" includes both the structural modification of an existing bridge and the replacement of an existing bridge by a newly constructed bridge meeting seismic safety requirements.

SEC. 5. Section 188.10 of the Streets and Highways Code, as added by Section 4 of Chapter 327 of the Statutes of 1997, is amended to read:

188.10. (a) The Toll Bridge Seismic Retrofit Account is hereby created in the State Transportation Fund. The money in the account is hereby appropriated, without regard to fiscal years, to the department for the purpose of funding seismic retrofit or replacement of the bridges listed in Section 188.5. Notwithstanding Section 11012 of the Government Code, the department, in consultation with the Department of Finance and the Office of the State Treasurer, may authorize the investment of bond proceeds or commercial paper proceeds deposited into the



account in obligations permitted by the Treasurer. Those invested amounts may be held by a trustee who is either the Treasurer or who is selected by the Treasurer. Authorized investments made pursuant to this section shall be included as cash balance for purposes of reporting the condition of the account in the Governor's proposed budget or pursuant to the reporting requirement contained in subdivision (b) of Section 14556.9 of the Government Code.

(b) The Department of Finance shall provide notification to the Joint Legislative Budget Committee and to the transportation policy committee in each house in the form of a financing plan or pro forma at least 60 days prior to the initial issuance of any commercial paper or the issuance of any bonds for purposes of the toll bridge seismic retrofit program. The financing plan or pro forma shall include all of the following components:

(1) The amount and form of the debt issuance or issuances, the term of the issuance or issuances, repayment and security provisions, the amount and structure of any reserve funds, and all other details of the proposed financing.

(2) All necessary information with respect to the sources and uses of funds to construct the projects identified in the toll bridge seismic retrofit program and the timing of expenditures by each fund source by fiscal year.

(3) An assessment of funding available for the Bay Area Toll Authority for authorized projects as a result of the financing.

(c) No interest income earned as a result of investments made pursuant to subdivision (a), or from reserve funds created to support the financing, shall be used to pay project costs that are in excess of four billion six hundred thirty-seven million dollars (\$4,637,000,000). No reserve funds, other than a required debt service reserve fund, shall be in place subsequent to the completion of the seismic retrofit projects.

(d) Notwithstanding any other provision of law, the Department of Finance may establish the accounting and reporting system used to determine the expenditures, cash needs, and balance of the account.

SEC. 6. Section 2401 of the Streets and Highways Code is amended to read:

2401. By the Federal-Aid Highway Act of 1970, Congress has enacted Section 144 of Title 23 of the United States Code, and has



authorized appropriations thereby for expenditures under the Special Bridge Replacement Program to replace or reconstruct bridges when the state and the federal government determine that the bridge is of significant importance and is unsafe because of structural deficiencies, including seismic deficiencies, or physical deterioration, or functional obsolescence. The purpose of this chapter is to implement this program in this state. The boards of supervisors, city councils, the department, and the commission may do all things necessary and proper in their respective jurisdictions to secure the federal funds under the program for county highways, city streets, and state highways in accordance with the intent of the federal act and this chapter.

SEC. 7. Section 31071 of the Streets and Highways Code is amended to read:

31071. (a) The department may enter into financing agreements with the bank for the purpose of borrowing funds to finance or refinance the seismic retrofit project costs identified in paragraph (4) of subdivision (a) of Section 188.5. The bank may issue bonds for this purpose, pursuant to the authority granted to it under Chapter 5 (commencing with Section 63070) of Chapter 2 of Division 1 of Title 6.7 of the Government Code, and deposit the proceeds from the bonds into the account. The amount of borrowing may be increased to fund necessary reserves, capitalized interest, interim bonds, including, but not limited to, commercial paper, costs of issuance, and administrative, financial legal and incidental services related to the bonds. The department shall pursue the most cost-effective and efficient financing plan for the bridge work identified in paragraph (4) of subdivision (a) of Section 188.5.

(b) To the extent provided in the governing documents, each of the bonds issued under this section shall be payable from, and secured by, all or a portion of the toll surcharge revenue in the account and the assets in that account.

(c) Prior to the issuance of bonds payable from the toll surcharge, the bank shall confirm that bonds issued under Chapter 4.3 (commencing with Section 30950) shall not be impaired solely by action taken under this section, as evidenced by confirmation of the then existing ratings on these bonds, by the rating agencies then rating the bonds.



(d) The department shall transmit the final finance plan to the fiscal and policy committees of the Legislature that consider transportation issues.

SEC. 8. Section 1656 of the Vehicle Code is amended to read:

1656. (a) The department shall publish the complete text of the California Vehicle Code together with other laws relating to the use of highways or the operation of motor vehicles once every two years. The department, upon written request of any state or local governmental officer or agency, any federal agency, any public secondary school in this state, or any other person, shall distribute the California Vehicle Code at a charge sufficient to pay the entire cost of publishing and distributing the code. With regard to public secondary schools, the quantities shall be sufficient to provide one copy for each driver training and education instructor and one copy for each public secondary school library. In determining the amount of the charge, a fraction of a dollar shall be disregarded, unless it exceeds fifty cents (\$0.50), in which case it shall be treated as one full dollar (\$1). The receipts from the sale of such publications shall be deposited in the Motor Vehicle Account, with the intent to reimburse the department for the entire cost to print and distribute the Vehicle Code.

(b) The department shall publish a synopsis or summary of the laws regulating the operation of vehicles and the use of the highways and may deliver a copy thereof without charge with each original vehicle registration and with each original driver's license. The department shall publish such number of copies of the synopsis or summary in the Spanish language as the director determines are needed to meet the demand for such copies. The department shall furnish both English and Spanish copies to its field offices and to law enforcement agencies for general distribution and, when it does so, shall furnish the copies without charge.

SEC. 9. Section 1661 of the Vehicle Code is amended to read:

1661. (a) Except for vehicles registered pursuant to Article 5 (commencing with Section 9700) of Chapter 6 of Division 3, the department shall notify the registered owner of each vehicle of the date that the registration renewal fees of the vehicle are due, at least 60 days prior to that due date. The fact that the required notice was mailed shall be indicated by a notation in the department's records.



(b) The department shall include in any final notice of delinquent registration provided to the registered owner of a vehicle whose registration has not been properly renewed as required under this code, information relating to the potential removal and impoundment of that vehicle under subdivision (o) of Section 22651.

SEC. 10. Section 1810 of the Vehicle Code is amended to read:

1810. (a) Except as provided in Sections 1806.5, 1808.2, 1808.4, 1808.5, 1808.7, 1808.8, and paragraph (2) of subdivision (a) of Section 12800.5, the department may permit inspection of, or sell, or both, information from its records concerning the registration of any vehicle or information from the files of drivers' licenses at a charge sufficient to pay at least the actual cost to the department for providing the inspection or sale of the information, including, but not limited to, costs incurred by the department in carrying out subdivision (b), with the charge for the information to be determined by the director. This section does not apply to statistical information of the type previously compiled and distributed by the department.

(b) (1) With respect to the inspection or sale of information concerning the registration of any vehicle or of information from the files of drivers' licenses, the department shall, by regulation, establish administrative procedures under which any person making a request for that information shall be required to identify himself or herself and state the reason for making the request. The procedures shall provide for the verification of the name and address of the person making a request for the information, and the department may require the person to produce that information as it determines is necessary to ensure that the name and address of the person is the true name and address. The procedures may provide for a 10-day delay in the release of the requested information. The procedures shall also provide for notification to the person to whom the information primarily relates, as to what information was provided and to whom it was provided. The department shall, by regulation, establish a reasonable period of time for which a record of all the foregoing shall be maintained.

(2) The procedures required by this subdivision do not apply to any governmental entity, any person who has applied for and has



been issued a requester code by the department, or any court of competent jurisdiction.

(c) With respect to the inspection or sale of information from the files of drivers' licenses, the department may require both the full name of the driver and either the driver's license number or date of birth as identifying points of the record, except that the department may disclose a record without two identifying points if the department determines that the public interest in disclosure outweighs the public interest in personal privacy.

(d) With respect to the inspection or sale of information from the files of drivers' licenses, certificates of ownership, and registration cards, the department shall not, for a fee or otherwise, allow copying by the public.

SEC. 11. Section 1810.7 of the Vehicle Code is amended to read:

1810.7. (a) Except as provided in Sections 1806.5, 1808.2, 1808.4, 1808.5, 1808.7, and 1808.21, the department may, by special permit, authorize any person to access the department's electronic database, as provided for in this section, for the purpose of obtaining information for commercial use.

(b) The department may limit the number of permits issued under this section, and may restrict, or establish priority for, access to its files as the department deems necessary to avoid disruption of its normal operations, or as the department deems is in the best interest of the public.

(c) The department may establish minimum volume levels, audit and security standards, and technological requirements, or any terms and conditions it deems necessary for the permits.

(d) As a condition of issuing a permit pursuant to this section, the department shall require each direct-access permittee to file a performance bond or other financial security acceptable to the department, in an amount the department deems appropriate.

(e) The department shall charge fees for direct-access service permits, and shall charge fees pursuant to Section 1810 for any information copied from the files.

(f) The department shall ensure that information provided pursuant to this section includes only the public portions of records.

(g) The director shall, on and after January 1, 1992, report every three years to the Legislature on the implementation of this



section. The report shall include the number and location of direct-access permittees, the volume and nature of direct-access inquiries, procedures the department has taken to ensure the security of its files, and the costs and revenues associated with the project.

(h) The department shall establish procedures to ensure confidentiality of any records of residence addresses and mailing addresses as required by Sections 1808.21, 1808.22, 1808.45, 1808.46, and 1810.2.

SEC. 12. Section 4604.5 of the Vehicle Code is amended to read:

4604.5. (a) (1) If the vehicle has not been operated, moved, or left standing upon any highway subsequent to the expiration of the vehicle's registration, the certification specified in Section 4604 or 4604.2 may be filed after the expiration of the registration of a vehicle, but not later than 90 days after the expiration date, subject to the payment of the filing fee specified in Section 4604 and the penalty specified in paragraph (2).

(2) A penalty shall be collected on any certification specified in Section 4604 or 4604.2 filed later than midnight of the date of expiration of registration. The penalty shall be computed as provided in Sections 9406 and 9559 and after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period of more than 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including 90 days, the penalty is 60 percent of the fee.

(3) This subdivision applies to the renewal of registration for vehicles with expiration dates on or before December 31, 2002.

(b) The certification specified in Sections 4604 and 4604.2 may be filed no more than 90 days after the expiration of the registration of a vehicle if the vehicle has not been operated, moved, or left standing upon any highway subsequent to the expiration of the vehicle's registration. A penalty shall be collected on any certification specified in Section 4604 or 4604.2 filed later than midnight of the date of expiration of registration. After 90 days, the vehicle must be registered pursuant to Section 4601. A



certification filed pursuant to this subdivision is subject to the payment of the filing fee specified in Section 4604 and the payment of the penalties specified in paragraphs (1), (2), and (3) of this subdivision.

(1) The penalty for late payment of the registration fee provided in Section 9250 is as follows:

(A) For a delinquency period of 10 days or less, the penalty is ten dollars (\$10).

(B) For a delinquency period of more than 10 days, to and including 30 days, the penalty is fifteen dollars (\$15).

(C) For a delinquency period of more than 30 days, to and including 90 days, the penalty is thirty dollars (\$30).

(2) The penalty on the weight fee and the vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including 90 days, the penalty is 60 percent of the fee.

(3) Weight fees not reported and not paid within 20 days, as required by Section 9406, shall be assessed a penalty on the difference in the weight fee, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including 90 days, the penalty is 60 percent of the fee.

(c) This section shall apply to registration renewals that expire on or after January 1, 2003.

SEC. 13. Section 9552 of the Vehicle Code is amended to read:

9552. (a) Whenever any vehicle is operated upon any highway of this state without the fees first having been paid as required by this code, and those fees have not been paid within 20



days of its first operation, those fees are delinquent, except as provided in subdivision (b).

(b) Fees are delinquent whenever application for renewal of registration, or any application for renewal of special license plates, is made after midnight of the expiration date of the registration or special plates, or 60 days after the date the registered owner is notified by the department pursuant to Section 1661, whichever is later.

(c) Whenever any person has received as transferee a properly endorsed certificate of ownership and the transfer fee has not been paid as required by this code within 10 days, the fee is delinquent.

(d) Whenever any person becomes an automobile dismantler, dealer, manufacturer, manufacturer branch, distributor, distributor branch, or transporter without first having paid the license and special plate fees as required by this code, the fees are delinquent.

SEC. 14. Section 9553 of the Vehicle Code is amended to read:

9553. (a) A penalty shall be added upon any delinquent application as provided in Section 9552, except as provided in Section 4604 or 9706, or in subdivision (b).

(b) When renewal fee penalties have not accrued with respect to a vehicle and the vehicle is transferred, the transferee has 20 days from the date of the transfer to pay the registration fees which become due without payment of penalties or to file a certification pursuant to subdivision (a) of Section 4604 if the vehicle will not be operated, moved, or left standing upon any highway during the subsequent registration year, except as provided in subdivision (c).

(c) (1) A dealer or lessor-retailer submitting an application for registration or transfer of a used vehicle shall have 30 days from the date of sale to submit the fees, without the penalty that otherwise would be required under subdivision (a).

(2) This subdivision does not apply to penalties due or accrued prior to the date of sale by the dealer or lessor-retailer.

(d) A penalty shall be added if the fees specified in Section 9255 are not paid within 20 days after they become delinquent.

(e) In addition to the imposition of monetary fines or fees as specified in this section, delinquent registration may result in impoundment of the vehicle pursuant to Section 22651.

SEC. 15. Section 9554 of the Vehicle Code is amended to read:



9554. (a) (1) The penalty shall be computed as provided in Sections 9406 and 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is ten dollars (\$10) and applies only to the last transfer.

(2) A penalty shall be added on any application for renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due. The penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period of more than 10 days to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) This subdivision applies to the renewal of registration for vehicles with expiration dates on or before December 31, 2002.

(b) Penalties specified in paragraphs (1), (2), and (3) of this subdivision shall be computed as provided in Section 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is ten dollars (\$10) and applies only to the last transfer. A penalty shall be added on any application for a renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due.

(1) (A) For a delinquency period of 10 days or less, the penalty is ten dollars (\$10).

(B) For a delinquency period of more than 10 days, to and including 30 days, the penalty is fifteen dollars (\$15).

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is thirty dollars (\$30).

(D) For a delinquency period of more than one year, to and including two years, the penalty is fifty dollars (\$50).

(E) For a delinquency period of more than two years, the penalty is one hundred dollars (\$100).



(2) The penalty on the weight fee and the vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together as follows:

(A) For a delinquency period or 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) Weight fees not reported and not paid within 20 days, as required by Section 9406, shall be assessed a penalty on the difference in the weight fee, as follows:

(A) For a delinquency period or 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(4) This subdivision applies to the renewal of registration for vehicles with expiration dates on or after January 1, 2003.

SEC. 16. Section 9554.5 of the Vehicle Code is amended to read:

9554.5. (a) A penalty shall be added on any application for original registration made later than midnight of the date of expiration or on or after the date penalties become due. The penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(1) For a delinquency period of one year or less, the penalty is 40 percent of the fee.



(2) For a delinquency period of more than one year to and including two years, the penalty is 80 percent of the fee.

(3) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(4) This subdivision applies to applications for an original registration where the date for which fees are due is on or before December 31, 2002.

(b) The penalties specified in paragraphs (1) and (2) shall be added to any delinquent application for original registration made on or after the date penalties become due.

(1) The penalty for the registration fee provided in Section 9250 is as follows:

(A) For a delinquency period of one year or less, the penalty is thirty dollars (\$30).

(B) For a delinquency period of more than one year, to and including two years, the penalty is fifty dollars (\$50).

(C) For a delinquency period of more than two years, the penalty is one hundred dollars (\$100).

(2) The penalty on the weight fee and vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together, as follows:

(A) For a delinquency period of one year or less, the penalty is 40 percent of the fee.

(B) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(C) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) This subdivision shall apply to original registrations where the date the fee is due is on or after January 1, 2003.

SEC. 17. Section 13106 of the Vehicle Code is amended to read:

13106. (a) When the privilege of a person to operate a motor vehicle is suspended or revoked, the department shall notify the person by first-class mail, of the action taken and of the effective date thereof, except for those persons personally given notice by the department or a court, by a peace officer pursuant to Section 13388 or 13382, or otherwise pursuant to this code. It shall be a rebuttable presumption, affecting the burden of proof, that a



person has knowledge of the suspension or revocation if notice has been sent by first-class mail by the department pursuant to this section to the most recent address reported to the department pursuant to Section 12800 or 14600, or any more recent address on file if reported by the person, a court, or a law enforcement agency, and the notice has not been returned to the department as undeliverable or unclaimed. It is the responsibility of every holder of a driver's license to report changes of address to the department pursuant to Section 14600.

(b) The department may utilize alternative methods for determining the whereabouts of a driver, whose driving privilege has been suspended or revoked under this code, for the purpose of providing the driver with notice of suspension or revocation. Alternative methods may include, but are not limited to, cooperating with other state agencies that maintain more current address information than the department's driver's license files.

SEC. 18. Section 14900 of the Vehicle Code is amended to read:

14900. (a) Upon application for an original class C or M driver's license, there shall be paid to the department a fee of twelve dollars (\$12) for a license that will expire on the fourth birthday of the applicant following the date of the application. The payment of the fee entitles the person paying the fee to apply for a driver's license and to take three examinations within a period of 12 months from the date of the application or during the period that an instruction permit is valid, as provided in Section 12509.

(b) In addition to the application fee specified in subdivision (a), a person who fails to successfully complete the driving skill test on the first attempt shall be required to pay an additional fee of five dollars (\$5) for each additional driving skill test administered under that application.

(c) The fee specified in subdivision (b) shall be collected in conjunction with any application submitted on or after July 1, 2003.

SEC. 19. Section 14900.1 of the Vehicle Code is amended to read:

14900.1. (a) Except as provided in Sections 15250.6 and 15255.1, upon application for the renewal of a driver's license or for a license to operate a different class of vehicle, there shall be paid to the department a fee of fifteen dollars (\$15) for a license



that will expire on the fifth birthday of the applicant following the date of the application. The payment of the fee entitles the person paying the fee to apply for a driver's license and to take three examinations within a period of 12 months from the date of the application or during the period that an instruction permit is valid, as provided in Section 12509.

(b) In addition to the application fee specified in subdivision (a), a person who fails to successfully complete the driving skill test on the first attempt shall be required to pay an additional fee of five dollars (\$5) for each additional driving skill test administered under that application.

(c) The fee specified in subdivision (b) shall be collected in conjunction with any application submitted on or after July 1, 2003.

SEC. 20. Section 14905 of the Vehicle Code is amended to read:

14905. (a) Notwithstanding any other provision of this code, in lieu of the fees in Section 14904, before a driver's license may be issued, reissued, or returned to a person after suspension or revocation of the person's privilege to operate a motor vehicle pursuant to Section 13353 or 13353.2, there shall be paid to the department a fee in an amount of one hundred twenty-five dollars (\$125) to pay the costs of the administration of the administrative suspension and revocation programs for persons who refuse or fail to complete chemical testing, as provided in Section 13353, or who drive with an excessive amount of alcohol in their blood, as provided in Section 13353.2, any costs of the Department of the California Highway Patrol related to the payment of compensation for overtime for attending any administrative hearings pursuant to Article 3 (commencing with Section 14100) of Chapter 3 and Section 13382, and any reimbursement for costs mandated by the state pursuant to subdivisions (f) and (g) of Section 23612.

(b) This section does not apply to a suspension or revocation that is set aside by the department or a court.

SEC. 21. Section 14907 is added to the Vehicle Code, to read:

14907. In addition to the fees required pursuant to Section 14904, there shall be paid to the department a fee of one hundred twenty dollars (\$120) to pay the costs of a departmental review when requested pursuant to Section 14105.5, following a hearing conducted pursuant to Section 13353 or 13353.2. The fee



authorized under this section shall be collected in conjunction with any request for a departmental review received on or after January 1, 2003.

SEC. 22. Section 34602 of the Vehicle Code is amended to read:

34602. As used in this division, “fund” means the Motor Vehicle Account in the State Transportation Fund.

SEC. 23. Section 34605 of the Vehicle Code is amended to read:

34605. (a) The department may contract with the Office of Administrative Hearings to administer proceedings and impose fines for failure to comply with Division 14.8 (commencing with Section 34500), or this division, or regulations adopted pursuant to this code.

(b) The department and the California Highway Patrol may also contract with the Public Utilities Commission to administer this division in a manner described by the contract, or if permitted by the Department of Motor Vehicles, in a manner as existed on January 1, 1996. This temporary authority shall be terminated on December 31, 1997.

(c) All fees collected under this contract shall be deposited in the Motor Vehicle Account in the State Transportation Fund.

SEC. 24. The unencumbered balance remaining in the Motor Carriers Permit Fund on June 30, 2003, shall be transferred and deposited into the Motor Vehicle Account in the State Transportation Fund by the end of June 30, 2003. Any other amounts collected or received as revenues or transfers directed to the Motor Carriers Permit Fund after June 30, 2003, shall also be transferred and deposited into the Motor Vehicle Account in the State Transportation Fund.

SEC. 25. The sum of three million six hundred ninety-three thousand dollars (\$3,693,000) is hereby appropriated from the Motor Vehicle Account to the Department of Motor Vehicles for purposes of implementing Sections 2 and 8 to 23, inclusive, of this act.

SEC. 26. Sections 2, 22, and 23 shall become operative on July 1, 2003.

SEC. 27. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety



within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enact various changes to transportation laws that are necessary to fully implement the Budget Act of 2002 in a timely manner, it is necessary that this act take effect immediately.



Approved \_\_\_\_\_, 2002

\_\_\_\_\_  
*Governor*

