

## Assembly Bill No. 145

### CHAPTER 429

An act to amend Section 34620 of, and to add Section 34510.5 to, the Vehicle Code, relating to vehicles.

[Approved by Governor September 29, 2010. Filed with Secretary of State September 29, 2010.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 145, De León. Motor carriers: construction trucking services.

(1) Existing law requires the Department of Motor Vehicles to regulate the safe operation of specified vehicles, including commercial motor vehicles and trailer and semitrailer commercial vehicle combinations owned and operated by motor carriers. Existing law also requires every motor carrier of property to comply with specified safety, permit, and liability insurance regulations and to pay the fees required by these provisions.

Existing law also prohibits a motor carrier of property from contracting or subcontracting with, or otherwise engaging the services of, another motor carrier of property, until the contracted motor carrier of property provides certification in the manner prescribed by the above provisions, of compliance with safety inspection, certificate, permit, and financial responsibility requirements. A violation of those provisions is a misdemeanor.

This bill would apply this prohibition to a broker of construction trucking services, as defined, and would prohibit that broker from furnishing construction transportation services to any construction project unless it has secured a surety bond of not less than \$15,000 that meets specified requirements. The bill would make a broker of construction trucking services who violates these provisions guilty of a misdemeanor and subject to a fine of up to \$5,000.

The bill would also create a rebuttable presumption in any civil action brought against a broker of construction trucking services by a motor carrier of property in dump truck equipment with whom the broker contracted during any period of time in which the broker did not have a surety bond in violation of the above-described provisions, that the broker failed to pay to the motor carrier the amount due and owing.

By expanding the scope of an existing crime and creating new crimes, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 34510.5 is added to the Vehicle Code, to read:

34510.5. (a) A broker of construction trucking services, as defined in Section 3322 of the Civil Code, shall not furnish construction transportation services to any construction project unless it has secured a surety bond of not less than fifteen thousand dollars (\$15,000) executed by an admitted surety insurer. The surety bond shall ensure the payment of the claims of a contracted motor carrier of property in dump truck equipment if the broker fails to pay the contracted motor carrier within the time period specified in paragraph (1) of subdivision (a) of Section 3322 of the Civil Code.

(b) A broker of construction trucking services who furnishes construction transportation services in violation of this section is guilty of a misdemeanor and subject to a fine of up to five thousand dollars (\$5,000).

(c) In any civil action brought against a broker of construction trucking services by a motor carrier of property in dump truck equipment with whom the broker contracted during any period of time in which the broker did not have a surety bond in violation of this section, the failure to have the bond shall create a rebuttable presumption that the broker failed to pay to the motor carrier the amount due and owing.

(d) For purposes of this section, “a broker of construction trucking services” does not include a facility that meets all the following requirements:

- (1) Arranges for transportation services of its product.
- (2) Primarily handles raw materials to produce a new product.
- (3) Is a rock product operation (such as an “aggregate” operation), a hot mixing asphalt plant, or a concrete, concrete product, or Portland cement product manufacturing facility.
- (4) Does not accept a fee for the arrangement.

SEC. 2. Section 34620 of the Vehicle Code is amended to read:

34620. (a) Except as provided in subdivision (b) and Section 34622, a motor carrier of property shall not operate a commercial motor vehicle on any public highway in this state, unless it has complied with Section 34507.5 and has registered with the department its carrier identification number authorized or assigned thereunder, and holds a valid motor carrier permit issued to that motor carrier by the department. The department shall issue a motor carrier permit upon the carrier’s written request, compliance with Sections 34507.5, 34630, and 34640, and subdivisions (e) and (h) of Section 34501.12 for motor carriers listed in that section, and the payment of the fee required by this chapter.

(b) A person shall not contract with, or otherwise engage the services of, a motor carrier of property, unless that motor carrier holds a valid motor carrier of property permit issued by the department. A motor carrier of property or broker of construction trucking services, as defined in Section 3322 of the Civil Code, shall not contract or subcontract with, or otherwise engage the services of, a motor carrier of property, until the contracted motor carrier of property provides certification in the manner prescribed by this section, of compliance with subdivision (a). This certification shall be

completed by the contracted motor carrier of property and shall include a provision requiring the contracted motor carrier of property to immediately notify the person to whom they are contracted if the contracted motor carrier of property's permit is suspended or revoked. A copy of the contracted motor carrier of property's permit shall accompany the required certificate. The Department of the California Highway Patrol shall, by regulation, prescribe the format for the certificate and may make available an optional specific form for that purpose. The certificate, or a copy thereof, shall be maintained by each involved party for the duration of the contract or period of service plus two years, and shall be presented for inspection at the location designated by each carrier under Section 34501.10, immediately upon the request of an authorized employee of the Department of the California Highway Patrol.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.