

AMENDED IN SENATE APRIL 14, 2016
AMENDED IN SENATE SEPTEMBER 4, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 650

Introduced by Assembly Member Perea Low

February 24, 2015

An act to amend Sections 19607.2 and 19607.3 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately. An act to amend Section 85 of the Code of Civil Procedure, to repeal Sections 53075.5, 53075.6, 53075.61, 53075.7, 53075.8, and 53075.9 of the Government Code, to amend Section 830.7 of the Penal Code, to amend Sections 5353, 5411.5, 5412.2, 5413.5, and 120269 of, and to add Chapter 8.5 (commencing with Section 5451) to Division 2 of, the Public Utilities Code, and to amend Sections 1808.1, 12523.6, 16500, 21100, 21100.4, and 27908 of the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 650, as amended, Perea Low. ~~Horse racing: thoroughbred racing: northern zone: auxiliary offsite stabling, training, and vanning. Public Utilities Commission: regulation of taxicabs.~~

Existing law provides for regulation of various types of passenger carriers by the Public Utilities Commission, including passenger stage corporations and charter-party carriers of passengers. Existing law, among other transportation services, provides for regulation of limousines and transportation network companies by the commission as charter-party carriers of passengers. Existing law requires every

city and county to adopt an ordinance to regulate taxicab service within its jurisdiction, and exempts taxicab service from commission regulation.

This bill would enact the Taxicab Transportation Services Act and provide for the regulation of taxicab transportation services by the commission as a matter of statewide concern. The bill would provide for issuance of permits by the commission to taxicab carriers authorizing carriers to operate in one or more of 7 designated regions in the state. The bill would require drivers of taxicabs to obtain a taxi driver permit from the commission, and would specify the requirements that an applicant must meet. The bill would enact various provisions relating to insurance, vehicle inspections, monitoring of taxicab drivers, and other matters. The bill would exempt fares or fees charged by taxicab carriers from commission regulation, but would authorize the commission to require the disclosure of fares and fees, as specified. The bill would prohibit entities from providing taxicab transportation services without the required permit, and would provide for the commission to investigate and take action against unlicensed activity. The bill would repeal provisions providing for city and county regulation of taxicab services, but would authorize airports to continue to regulate the provision of taxicab transportation services to and from airports. The bill would require cities and counties that license taxicab services as of December 31, 2016, to forward to the commission licensure information for each licensee, as specified, and would thereby impose a state-mandated local program. The bill also would make conforming changes to other related provisions.

A violation of the Taxicab Transportation Services Act would be a crime and in certain cases would also be subject to a civil penalty. The bill would also require applications for taxicab carrier permits to be verified under oath, and would require certain statements by taxicab carriers relative to workers' compensation to be submitted to the commission under penalty of perjury. The bill would thereby impose a state-mandated local program by creating new crimes.

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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains

costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~(1) The Horse Racing Law requires, when satellite wagering is conducted on thoroughbred races at associations or fairs in the northern zone, that an amount not to exceed 1.25% of the total amount handled by all of those satellite wagering facilities be deducted from the funds otherwise allocated for distribution as commissions, purses, and owners' premiums and instead distributed to an organization formed and operated by thoroughbred racing associations, fairs conducting thoroughbred racing, and the organization representing thoroughbred horsemen, to administer a fund to provide reimbursement for offsite stabling at California Horse Racing Board-approved auxiliary training facilities for additional stalls beyond the number of usable stalls the association or fair is required to make available and maintain, and for the vanning of starters from these additional stalls on racing days for thoroughbred horses.~~

~~This bill would increase the amount that is required to be deducted to an amount not to exceed 2% and would provide that this amount, if adjusted by the board, may be a different percentage of the handle for different associations and fairs but only if all the associations and fairs agree to the differing percentages. The bill would establish an auxiliary offsite stabling and training facility and vanning program for thoroughbred races in the northern zone. The bill would revise and recast the provisions governing the organization formed and operated to administer the fund to include, among other things, a 50-50 percentage allocation of specified voting interests on the board of the organization; the use of funds to pay the organization's expenses and compensate the provider of a board-approved auxiliary facility for offsite stabling and training of thoroughbred horses in the northern zone, and the requirement that the organization submit its proposed financial and operational plans for the upcoming calendar year to the board for review no later than November 1 of the preceding year.~~

~~The bill would also require that the funds be used to cover all or part of the cost of vanning thoroughbred horses in the northern zone from a board-approved auxiliary offsite stabling and training facility and would authorize the organization to enter into multiyear contracts for auxiliary facilities in the northern zone subject to specified conditions. The bill would authorize the organization to use the funds to pay back commissions, purses, and owners' premiums to the extent that the deductions made exceed in any year the amount of the funds necessary~~

~~to achieve the objectives of the organization. The bill would also authorize a thoroughbred racing association or fair in the northern zone to opt out of the auxiliary offsite stabling and training facility and vanning program, as specified. The bill would provide that the board shall reserve the right to adjudicate any disputes that arise regarding costs, or other matters, relating to the furnishing of offsite stabling, training, or vanning, as specified.~~

~~(2) By expanding the provisions of the Horse Racing Law, a violation of which is a crime, the bill would create new crimes and would thereby impose a state-mandated local program.~~

~~(3) 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.~~

~~(4) This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 85 of the Code of Civil Procedure is
2 amended to read:

3 85. An action or special proceeding shall be treated as a limited
4 civil case if all of the following conditions are satisfied, and,
5 notwithstanding any statute that classifies an action or special
6 proceeding as a limited civil case, an action or special proceeding
7 shall not be treated as a limited civil case unless all of the following
8 conditions are satisfied:

9 (a) The amount in controversy does not exceed twenty-five
10 thousand dollars (\$25,000). As used in this section, “amount in
11 controversy” means the amount of the demand, or the recovery
12 sought, or the value of the property, or the amount of the lien, that
13 is in controversy in the action, exclusive of attorneys’ fees, interest,
14 and costs.

15 (b) The relief sought is a type that may be granted in a limited
16 civil case.

17 (c) The relief sought, whether in the complaint, a
18 cross-complaint, or otherwise, is exclusively of a type described

1 in one or more statutes that classify an action or special proceeding
2 as a limited civil case or that provide that an action or special
3 proceeding is within the original jurisdiction of the municipal
4 court, including, but not limited to, the following provisions:

- 5 (1) Section 798.61 or 798.88 of the Civil Code.
- 6 (2) Section 1719 of the Civil Code.
- 7 (3) Section 3342.5 of the Civil Code.
- 8 (4) Section 86.
- 9 (5) Section 86.1.
- 10 (6) Section 1710.20.
- 11 (7) Section 7581 of the Food and Agricultural Code.
- 12 (8) Section 12647 of the Food and Agricultural Code.
- 13 (9) Section 27601 of the Food and Agricultural Code.
- 14 (10) Section 31503 of the Food and Agricultural Code.
- 15 (11) Section 31621 of the Food and Agricultural Code.
- 16 (12) Section 52514 of the Food and Agricultural Code.
- 17 (13) Section 53564 of the Food and Agricultural Code.
- 18 (14) Section 53069.4 of the Government Code.
- 19 (15) Section ~~53075.6~~ 5411.5 of the ~~Government~~ *Public Utilities*
20 *Code*.
- 21 (16) Section ~~53075.6~~ 5460.12 of the ~~Government~~ *Public*
22 *Utilities Code*.
- 23 ~~(17) Section 5411.5 of the Public Utilities Code.~~
- 24 ~~(18)~~
- 25 (17) Section 9872.1 of the Vehicle Code.
- 26 ~~(19)~~
- 27 (18) Section 10751 of the Vehicle Code.
- 28 ~~(20)~~
- 29 (19) Section 14607.6 of the Vehicle Code.
- 30 ~~(21)~~
- 31 (20) Section 40230 of the Vehicle Code.
- 32 ~~(22)~~
- 33 (21) Section 40256 of the Vehicle Code.

34 *SEC. 2. Section 53075.5 of the Government Code is repealed.*

35 ~~53075.5. (a) Notwithstanding Chapter 8 (commencing with~~
36 ~~Section 5351) of Division 2 of the Public Utilities Code, every~~
37 ~~city or county shall protect the public health, safety, and welfare~~
38 ~~by adopting an ordinance or resolution in regard to taxicab~~
39 ~~transportation service rendered in vehicles designed for carrying~~

1 not more than eight persons, excluding the driver, which is operated
2 within the jurisdiction of the city or county.

3 (b) Each city or county shall provide for, but is not limited to
4 providing for, the following:

5 (1) A policy for entry into the business of providing taxicab
6 transportation service. The policy shall include, but need not be
7 limited to, all of the following provisions:

8 (A) Employment, or an offer of employment, as a taxicab driver
9 in the jurisdiction, including compliance with all of the
10 requirements of the program adopted pursuant to paragraph (3),
11 shall be a condition of issuance of a driver's permit.

12 (B) The driver's permit shall become void upon termination of
13 employment.

14 (C) The driver's permit shall state the name of the employer.

15 (D) The employer shall notify the city or county upon
16 termination of employment.

17 (E) The driver shall return the permit to the city or county upon
18 termination of employment.

19 (2) The establishment or registration of rates for the provision
20 of taxicab transportation service.

21 (3) (A) A mandatory controlled substance and alcohol testing
22 certification program. The program shall include, but need not be
23 limited to, all of the following requirements:

24 (i) Drivers shall test negative for each of the controlled
25 substances specified in Part 40 (commencing with Section 40.1)
26 of Title 49 of the Code of Federal Regulations, before employment.
27 Drivers shall test negative for these controlled substances and for
28 alcohol as a condition of permit renewal or, if no periodic permit
29 renewals are required, at such other times as the city or county
30 shall designate. As used in this section, a negative test for alcohol
31 means an alcohol screening test showing a breath alcohol
32 concentration of less than 0.02 percent.

33 (ii) Procedures shall be substantially as in Part 40 (commencing
34 with Section 40.1) of Title 49 of the Code of Federal Regulations,
35 except that the driver shall show a valid California driver's license
36 at the time and place of testing, and except as provided otherwise
37 in this section. Requirements for rehabilitation and for
38 return-to-duty and followup testing and other requirements, except
39 as provided otherwise in this section, shall be substantially as in

1 Part 382 (commencing with Section 382.101) of Title 49 of the
2 Code of Federal Regulations:

3 ~~(iii) A test in one jurisdiction shall be accepted as meeting the~~
4 ~~same requirement in any other jurisdiction. Any negative test result~~
5 ~~shall be accepted for one year as meeting a requirement for periodic~~
6 ~~permit renewal testing or any other periodic testing in that~~
7 ~~jurisdiction or any other jurisdiction, if the driver has not tested~~
8 ~~positive subsequent to a negative result. However, an earlier~~
9 ~~negative result shall not be accepted as meeting the~~
10 ~~pre-employment testing requirement for any subsequent~~
11 ~~employment, or any testing requirements under the program other~~
12 ~~than periodic testing.~~

13 ~~(iv) In the case of a self-employed independent driver, the test~~
14 ~~results shall be reported directly to the city or county, which shall~~
15 ~~notify the taxicab leasing company of record, if any, of positive~~
16 ~~results. In all other cases, the results shall be reported directly to~~
17 ~~the employing transportation operator, who may be required to~~
18 ~~notify the city or county of positive results.~~

19 ~~(v) All test results are confidential and shall not be released~~
20 ~~without the consent of the driver, except as authorized or required~~
21 ~~by law.~~

22 ~~(vi) Self-employed independent drivers shall be responsible for~~
23 ~~compliance with, and shall pay all costs of, this program with~~
24 ~~regard to themselves. Employing transportation operators shall be~~
25 ~~responsible for compliance with, and shall pay all costs of, this~~
26 ~~program with respect to their employees and potential employees,~~
27 ~~except that an operator may require employees who test positive~~
28 ~~to pay the costs of rehabilitation and of return-to-duty and followup~~
29 ~~testing.~~

30 ~~(vii) Upon the request of a driver applying for a permit, the city~~
31 ~~or county shall give the driver a list of the consortia certified~~
32 ~~pursuant to Part 382 (commencing with Section 382.101) of Title~~
33 ~~49 of the Code of Federal Regulations that the city or county knows~~
34 ~~offer tests in or near the jurisdiction.~~

35 ~~(B) No evidence derived from a positive test result pursuant to~~
36 ~~the program shall be admissible in a criminal prosecution~~
37 ~~concerning unlawful possession, sale or distribution of controlled~~
38 ~~substances.~~

39 ~~(e) Each city or county may levy service charges, fees, or~~
40 ~~assessments in an amount sufficient to pay for the costs of carrying~~

1 out an ordinance or resolution adopted in regard to taxicab
2 transportation services pursuant to this section.

3 (d) Nothing in this section prohibits a city or county from
4 adopting additional requirements for a taxicab to operate in its
5 jurisdiction.

6 (e) For purposes of this section, “employment” includes
7 self-employment as an independent driver.

8 *SEC. 3. Section 53075.6 of the Government Code is repealed.*

9 ~~53075.6. Whenever a peace officer or public officer or~~
10 ~~employee, when authorized by ordinance and as defined in Section~~
11 ~~836.5 of the Penal Code, arrests any person for operating as a~~
12 ~~taxicab without a valid taxicab certificate, license, or permit~~
13 ~~required by any ordinance, and the offense occurred at a public~~
14 ~~airport, within 100 feet of a public airport, or within two miles of~~
15 ~~the international border between the United States and Mexico,~~
16 ~~the officer or employee may impound and retain possession of any~~
17 ~~vehicle used in a violation of the ordinance.~~

18 ~~If the vehicle is seized from a person who is not the owner of~~
19 ~~the vehicle, the impounding authority shall immediately give notice~~
20 ~~to the owner by first-class mail.~~

21 ~~The vehicle shall immediately be returned to the owner without~~
22 ~~cost to the owner if the infraction or violation is not prosecuted or~~
23 ~~is dismissed, the owner is found not guilty of the offense, or it is~~
24 ~~determined that the vehicle was used in violation of the ordinance~~
25 ~~without the knowledge and consent of the owner. Otherwise, the~~
26 ~~vehicle shall be returned to the owner upon payment of any fine~~
27 ~~ordered by the court. After the expiration of six weeks from the~~
28 ~~final disposition of the criminal case, the impounding authority~~
29 ~~may deal with the vehicle as lost or abandoned property under~~
30 ~~Section 1411 of the Penal Code.~~

31 ~~At any time, a person may make a motion in superior court for~~
32 ~~the immediate return of a vehicle on the ground that there was no~~
33 ~~probable cause to seize it or that there is some other good cause,~~
34 ~~as determined by the court, for the return of the vehicle. A~~
35 ~~proceeding under this paragraph is a limited civil case.~~

36 ~~No officer or employee, however, shall impound any vehicle~~
37 ~~owned or operated by a nonprofit organization exempt from~~
38 ~~taxation pursuant to Section 501(c)(3) of the Internal Revenue~~
39 ~~Code which serves youth or senior citizens and provides~~
40 ~~transportation incidental to its programs or services.~~

1 *SEC. 4. Section 53075.61 of the Government Code is repealed.*

2 ~~53075.61.— A transportation inspector, authorized by a local~~
3 ~~government to cite any person for operating as a taxicab without~~
4 ~~a valid taxicab certificate, license, or permit required by any~~
5 ~~ordinance, may impound and retain possession of any vehicle used~~
6 ~~in a violation of the ordinance.~~

7 ~~If the vehicle is seized from a person who is not the owner of~~
8 ~~the vehicle, the impounding authority shall immediately give notice~~
9 ~~to the owner by first-class mail.~~

10 ~~The vehicle shall immediately be returned to the owner without~~
11 ~~cost to the owner if the infraction or violation is not prosecuted or~~
12 ~~is dismissed, the owner is found not guilty of the offense, or it is~~
13 ~~determined that the vehicle was used in violation of the ordinance~~
14 ~~without the knowledge and consent of the owner. Otherwise, the~~
15 ~~vehicle shall be returned to the owner upon payment of any fine~~
16 ~~ordered by the court. After the expiration of six weeks from the~~
17 ~~final disposition of the criminal case, the impounding authority~~
18 ~~may deal with the vehicle as lost or abandoned property under~~
19 ~~Section 1411 of the Penal Code.~~

20 ~~At any time, a person may make a motion in superior court for~~
21 ~~the immediate return of a vehicle on the ground that there was no~~
22 ~~probable cause to seize it or that there is some other good cause,~~
23 ~~as determined by the court, for the return of the vehicle. A~~
24 ~~proceeding under this paragraph is a limited civil case.~~

25 ~~No officer or employee, however, shall impound any vehicle~~
26 ~~owned or operated by a nonprofit organization exempt from~~
27 ~~taxation pursuant to Section 501(c)(3) of the Internal Revenue~~
28 ~~Code which serves youth or senior citizens and provides~~
29 ~~transportation incidental to its programs or services.~~

30 *SEC. 5. Section 53075.7 of the Government Code is repealed.*

31 ~~53075.7.— (a) Upon receipt of a complaint containing sufficient~~
32 ~~information to warrant conducting an investigation, the local~~
33 ~~agency shall investigate any business that advertises or operates~~
34 ~~taxicab transportation service for hire. The local agency shall, by~~
35 ~~ordinance, resolution, or other appropriate procedure, adopt criteria~~
36 ~~that establishes the type of information, if contained in a complaint,~~
37 ~~that is sufficient to warrant an investigation. Pursuant to this~~
38 ~~investigation, the local agency shall do all of the following:~~

1 ~~(1) Determine which businesses, if any, are required to have in~~
2 ~~effect a valid taxicab certificate, license, or permit as required by~~
3 ~~ordinance, but do not have that valid authority to operate.~~

4 ~~(2) Inform any business not having valid authority to operate~~
5 ~~that it is in violation of law.~~

6 ~~(3) Within 60 days of informing the business pursuant to~~
7 ~~paragraph (2), institute civil or criminal proceedings, or both,~~
8 ~~pursuant to the governing municipal code or other authority of~~
9 ~~jurisdiction.~~

10 ~~(b) For purposes of this section:~~

11 ~~(1) “Advertises” means any action described in subdivision (b)~~
12 ~~of Section 53075.9.~~

13 ~~(2) “Local agency” means the local entity responsible for the~~
14 ~~regulation, including, but not limited to, the certification, licensing,~~
15 ~~or permitting of, and enforcement of rules, regulations, or~~
16 ~~ordinances governing, taxicabs within the local jurisdiction.~~

17 ~~SEC. 6. Section 53075.8 of the Government Code is repealed.~~

18 ~~53075.8. (a) The Legislature finds and declares that advertising~~
19 ~~and use of telephone service is essential for a taxicab transportation~~
20 ~~service to obtain business and conduct intrastate passenger~~
21 ~~transportation services. Unlawful advertisements by taxicabs~~
22 ~~operating without a valid taxicab certificate, license, or permit~~
23 ~~required by any ordinance has resulted in properly certificated,~~
24 ~~licensed, and permitted taxicab operators competing with these~~
25 ~~taxicabs operating without a proper taxicab certificate, license, or~~
26 ~~permit using unfair business practices. Taxicabs operating without~~
27 ~~a proper taxicab certificate, license, or permit have also exposed~~
28 ~~passengers to unscrupulous persons who portray themselves as~~
29 ~~lawful operators. Many of these taxicabs operating without a proper~~
30 ~~taxicab certificate, license, or permit have been found to have also~~
31 ~~been operating without insurance, or in an unsafe manner, thereby~~
32 ~~placing their passengers at risk.~~

33 ~~(b) (1) The Legislature further finds and declares that the~~
34 ~~termination of telephone service utilized by taxicabs operating~~
35 ~~without proper authority is essential to ensure the public safety~~
36 ~~and welfare. Therefore, local agencies should take enforcement~~
37 ~~action, as specified in this section, to disconnect telephone service~~
38 ~~of unauthorized taxicab operators who unlawfully advertise~~
39 ~~passenger transportation services in yellow page directories and~~
40 ~~other publications. The enforcement actions provided for by this~~

1 section are consistent with the decision of the California Supreme
2 Court in *Goldin v. Public Utilities Commission* (1979) 23 Cal. 3d
3 638.

4 ~~(2) For purposes of this section, a telephone corporation or~~
5 ~~telegraph corporation, or a corporation that holds a controlling~~
6 ~~interest in the telephone or telegraph corporation, or any business~~
7 ~~that is a subsidiary or affiliate of the telephone or telegraph~~
8 ~~corporation, that has the name and address of the subscriber to a~~
9 ~~telephone number being used by a unauthorized taxicab operator~~
10 ~~shall provide the local agency, or an authorized officer or employee~~
11 ~~of the local agency, upon demand, and the order of a magistrate,~~
12 ~~access to this information. A magistrate may only issue an order~~
13 ~~for the purposes of this subdivision, if the magistrate has made the~~
14 ~~findings required by paragraph (2) of subdivision (f).~~

15 ~~(e) (1) In addition to any other remedies that may be available~~
16 ~~by law, if a local agency determines that a taxicab transportation~~
17 ~~service has operated within the local agency's jurisdiction in~~
18 ~~violation of the local agency's ordinance adopted under Section~~
19 ~~53075.5, the local agency may notify the taxicab operator that the~~
20 ~~local agency intends to seek termination of the operator's telephone~~
21 ~~service. The notice shall be sent by certified mail to the operator~~
22 ~~at the operator's last known mailing address. If the local agency~~
23 ~~is unable to determine the operator's mailing address, the local~~
24 ~~agency shall post the notice for at least 10 calendar days.~~

25 ~~(2) The notice shall contain sufficient information to identify~~
26 ~~the taxicab transportation service, to inform the taxicab operator~~
27 ~~of the alleged violations of the local agency's ordinance, and the~~
28 ~~procedures for protesting the allegations contained in the notice.~~

29 ~~(d) The taxicab operator, within 10 calendar days of the date of~~
30 ~~the notice, may contest the allegations contained in the notice by~~
31 ~~filing a written protest with the local agency. The local agency~~
32 ~~shall schedule a hearing on the protest within 21 calendar days of~~
33 ~~receiving the protest.~~

34 ~~(e) The governing body of the local agency, or any person or~~
35 ~~persons as may be designated by the governing body, shall hear~~
36 ~~the protest. The local agency shall have both the burden of~~
37 ~~providing that the use made, or to be made, of the telephone service~~
38 ~~is to hold out to the public to perform, or to assist in performing,~~
39 ~~services as a taxicab transportation service, and that the telephone~~
40 ~~service is being, or is to be, used as an instrumentality, directly or~~

1 indirectly, to violate, or assist in violating, the local agency's
2 applicable ordinance. The taxicab operator, or his or her designated
3 representative, shall be allowed to present evidence to answer or
4 refute any allegations presented to the hearing body by the local
5 agency. The hearing body may continue the hearing from time to
6 time. Within 10 calendar days of the close of the hearing, the
7 hearing body shall issue a written decision to uphold or reject, in
8 whole or in part, the allegations contained in the notice. If the
9 hearing body upholds the allegations in whole or in part, the written
10 decision shall state either that the allegations are sufficient to justify
11 seeking termination of the taxicab operator's telephone service,
12 or that the allegations are not sufficient.

13 (f) (1) If the local agency does not receive a timely protest, or,
14 after a protest hearing held pursuant to subdivision (d), the hearing
15 body has determined that the allegations are sufficient to justify
16 seeking termination of the telephone operator's telephone service,
17 the local agency may seek termination of the taxicab operator's
18 telephone service as provided in this section.

19 (2) A telephone or telegraph corporation shall refuse telephone
20 service to a new subscriber and shall disconnect telephone service
21 of an existing subscriber only after it is shown that other available
22 enforcement remedies of the local agency have failed to terminate
23 unlawful activities detrimental to the public welfare and safety,
24 and upon receipt from any authorized officer or employee of the
25 local agency of a writing, signed by a magistrate, as defined by
26 Sections 807 and 808 of the Penal Code, finding that probable
27 cause exists to believe that the subscriber is advertising or holding
28 out to the public to perform taxicab transportation services in
29 violation of the local agency's applicable ordinance, or that the
30 telephone service otherwise is being used or is to be used as an
31 instrumentality, directly or indirectly, to violate or assist in
32 violation of the laws requiring a taxicab operator to have valid
33 operating authority. Included in the writing of the magistrate shall
34 be a finding that there is probable cause to believe that the subject
35 telephone facilities have been, or are to be, used in the commission
36 or facilitation of holding out to the public to perform taxicab
37 transportation services in violation of the local agency's applicable
38 ordinance.

39 (g) The telephone or telegraph corporation, immediately upon
40 refusal or disconnection of service in accordance with paragraph

1 ~~(2) of subdivision (f), shall notify the subscriber in writing that the~~
2 ~~refusal or disconnection of telephone service has been made~~
3 ~~pursuant to a request of a local agency and the writing of a~~
4 ~~magistrate, and shall include a copy of this section, a copy of the~~
5 ~~writing of the magistrate, and a statement that the customer of the~~
6 ~~subscriber may request information from the local agency~~
7 ~~concerning any provision of this section and the manner in which~~
8 ~~a complaint may be filed.~~

9 ~~(h) The provisions of this section are an implied term of every~~
10 ~~contract for telephone service and a part of any application for~~
11 ~~telephone service. Applicants for, and subscribers and customers~~
12 ~~of, telephone service, have, as a matter of law, consented to the~~
13 ~~provisions of this section as a consideration for the furnishing of~~
14 ~~the telephone service.~~

15 ~~(i) As used in this section, the terms “person,” “customer,” and~~
16 ~~“subscriber” include the subscriber to telephone service, any person~~
17 ~~using the telephone service of a subscriber, an applicant for~~
18 ~~telephone service, a corporation, a limited liability company, a~~
19 ~~partnership, an association, and includes their lessees and assigns.~~

20 ~~(j) As used in this section, the following terms have the~~
21 ~~following meanings:~~

22 ~~(1) “Authorized officer or employee of the local agency”~~
23 ~~includes any employee of the local agency designated by the local~~
24 ~~agency’s governing body.~~

25 ~~(2) “Local agency” has the same meaning as specified in~~
26 ~~subdivision (b) of Section 53075.7.~~

27 ~~(3) “Telegraph corporation” has the same meaning as specified~~
28 ~~in Section 236 of the Public Utilities Code.~~

29 ~~(4) “Telephone corporation” has the same meaning as specified~~
30 ~~in Section 234 of the Public Utilities Code.~~

31 *SEC. 7. Section 53075.9 of the Government Code is repealed.*

32 ~~53075.9. (a) Every taxicab transportation service shall include~~
33 ~~the number of its certificate, license, or permit in every written or~~
34 ~~oral advertisement of the services it offers.~~

35 ~~(b) For purposes of this subdivision, “advertisement” includes,~~
36 ~~but is not limited to, the issuance of any card, sign, or device to~~
37 ~~any person, the causing, permitting, or allowing the placement of~~
38 ~~any sign or marking on or in any building or structure, or in any~~
39 ~~media form, including newspaper, magazine, radiowave, satellite~~

1 signal, or any electronic transmission, or in any directory soliciting
2 taxicab transportation services subject to this chapter.

3 ~~(e) Whenever the local agency, after a hearing, finds that any~~
4 ~~person or corporation is operating as a taxicab transportation~~
5 ~~service without a valid certificate, license, or permit or fails to~~
6 ~~include in any written or oral advertisement the number required~~
7 ~~by subdivision (a), the local agency may impose a fine of not more~~
8 ~~than five thousand dollars (\$5,000) for each violation. The local~~
9 ~~agency may assess the person or corporation an amount sufficient~~
10 ~~to cover the reasonable expense of investigation incurred by the~~
11 ~~local agency. The local agency may assess interest on any fine or~~
12 ~~assessment imposed, to commence on the day the payment of the~~
13 ~~fine or assessment becomes delinquent. All fines, assessments,~~
14 ~~and interest collected shall be deposited at least once each month~~
15 ~~in a fund established for the purpose of enforcing this section.~~

16 ~~(d) For purposes of this section, "local agency" has the same~~
17 ~~meaning as specified in subdivision (b) of Section 53075.7.~~

18 *SEC. 8. Section 830.7 of the Penal Code is amended to read:*

19 830.7. The following persons are not peace officers but may
20 exercise the powers of arrest of a peace officer as specified in
21 Section 836 during the course and within the scope of their
22 employment, if they successfully complete a course in the exercise
23 of those powers pursuant to Section 832:

24 (a) Persons designated by a cemetery authority pursuant to
25 Section 8325 of the Health and Safety Code.

26 (b) Persons regularly employed as security officers for
27 independent institutions of higher education, recognized under
28 subdivision (b) of Section 66010 of the Education Code, if the
29 institution has concluded a memorandum of understanding,
30 permitting the exercise of that authority, with the sheriff or the
31 chief of police within whose jurisdiction the institution lies.

32 (c) Persons regularly employed as security officers for health
33 facilities, as defined in Section 1250 of the Health and Safety Code,
34 that are owned and operated by cities, counties, and cities and
35 counties, if the facility has concluded a memorandum of
36 understanding, permitting the exercise of that authority, with the
37 sheriff or the chief of police within whose jurisdiction the facility
38 lies.

39 (d) Employees or classes of employees of the California
40 Department of Forestry and Fire Protection designated by the

1 Director of Forestry and Fire Protection, provided that the primary
2 duty of the employee shall be the enforcement of the law as that
3 duty is set forth in Section 4156 of the Public Resources Code.

4 (e) Persons regularly employed as inspectors, supervisors, or
5 security officers for transit districts, as defined in Section 99213
6 of the Public Utilities Code, if the district has concluded a
7 memorandum of understanding permitting the exercise of that
8 authority, with, as applicable, the sheriff, the chief of police, or
9 the Department of the California Highway Patrol within whose
10 jurisdiction the district lies. For the purposes of this subdivision,
11 the exercise of peace officer authority may include the authority
12 to remove a vehicle from a railroad right-of-way as set forth in
13 Section 22656 of the Vehicle Code.

14 (f) Nonpeace officers regularly employed as county parole
15 officers pursuant to Section 3089.

16 (g) Persons appointed by the Executive Director of the California
17 Science Center pursuant to Section 4108 of the Food and
18 Agricultural Code.

19 ~~(h) Persons regularly employed as investigators by the
20 Department of Transportation for the City of Los Angeles and
21 designated by local ordinance as public officers, to the extent
22 necessary to enforce laws related to public transportation, and
23 authorized by a memorandum of understanding with the chief of
24 police, permitting the exercise of that authority. For the purposes
25 of this subdivision, "investigator" means an employee defined in
26 Section 53075.61 of the Government Code authorized by local
27 ordinance to enforce laws related to public transportation.
28 Transportation investigators authorized by this section shall not
29 be deemed "peace officers" for purposes of Sections 241 and 243.~~

30 (i)

31 (h) Persons regularly employed by any department of the City
32 of Los Angeles who are designated as security officers and
33 authorized by local ordinance to enforce laws related to the
34 preservation of peace in or about the properties owned, controlled,
35 operated, or administered by any department of the City of Los
36 Angeles and authorized by a memorandum of understanding with
37 the Chief of Police of the City of Los Angeles permitting the
38 exercise of that authority. Security officers authorized pursuant to
39 this subdivision shall not be deemed peace officers for purposes
40 of Sections 241 and 243.

1 (j)
 2 (i) Illegal dumping enforcement officers or code enforcement
 3 officers, to the extent necessary to enforce laws related to illegal
 4 waste dumping or littering, and authorized by a memorandum of
 5 understanding with, as applicable, the sheriff or chief of police
 6 within whose jurisdiction the person is employed, permitting the
 7 exercise of that authority. An “illegal dumping enforcement officer
 8 or code enforcement officer” is defined, for purposes of this
 9 section, as a person employed full time, part time, or as a volunteer
 10 after completing training prescribed by law, by a city, county, or
 11 city and county, whose duties include illegal dumping enforcement
 12 and who is designated by local ordinance as a public officer. An
 13 illegal dumping enforcement officer or code enforcement officer
 14 may also be a person who is not regularly employed by a city,
 15 county, or city and county, but who has met all training
 16 requirements and is directly supervised by a regularly employed
 17 illegal dumping enforcement officer or code enforcement officer
 18 conducting illegal dumping enforcement. This person shall not
 19 have the power of arrest or access to summary criminal history
 20 information pursuant to this section. No person may be appointed
 21 as an illegal dumping enforcement officer or code enforcement
 22 officer if that person is disqualified pursuant to the criteria set forth
 23 in Section 1029 of the Government Code. Persons regularly
 24 employed by a city, county, or city and county designated pursuant
 25 to this subdivision may be furnished state summary criminal history
 26 information upon a showing of compelling need pursuant to
 27 subdivision (c) of Section 11105.

28 *SEC. 9. Section 5353 of the Public Utilities Code is amended*
 29 *to read:*

30 5353. This chapter does not apply to any of the following:

31 (a) Transportation service rendered wholly within the corporate
 32 limits of a single city or city and county and licensed or regulated
 33 by ordinance.

34 (b) Transportation of school pupils conducted by or under
 35 contract with the governing board of any school district entered
 36 into pursuant to the Education Code.

37 (c) Common carrier transportation services between fixed
 38 termini or over a regular route that are subject to authorization
 39 pursuant to Article 2 (commencing with Section 1031) of Chapter
 40 5 of Part 1 of Division 1.

1 (d) Transportation services occasionally afforded for farm
2 employees moving to and from farms on which employed when
3 the transportation is performed by the employer in an owned or
4 leased vehicle, or by a nonprofit agricultural cooperative
5 association organized and acting within the scope of its powers
6 under Chapter 1 (commencing with Section 54001) of Division
7 20 of the Food and Agricultural Code, and without any requirement
8 for the payment of compensation therefor by the employees.

9 (e) Transportation service rendered by a publicly owned transit
10 system.

11 (f) Passenger vehicles carrying passengers on a noncommercial
12 enterprise basis.

13 ~~(g) Taxicab transportation service licensed and regulated by a~~
14 ~~city or county, by ordinance or resolution, rendered in vehicles~~
15 ~~designed for carrying not more than eight persons excluding the~~
16 ~~driver. services subject to regulation pursuant to Chapter 8.5~~
17 ~~(commencing with Section 5451).~~

18 (h) Transportation of persons between home and work locations
19 or of persons having a common work-related trip purpose in a
20 vehicle having a seating capacity of 15 passengers or less, including
21 the driver, which are used for the purpose of ridesharing, as defined
22 in Section 522 of the Vehicle Code, when the ridesharing is
23 incidental to another purpose of the driver. This exemption also
24 applies to a vehicle having a seating capacity of more than 15
25 passengers if the driver files with the commission evidence of
26 liability insurance protection in the same amount and in the same
27 manner as required for a passenger stage corporation, and the
28 vehicle undergoes and passes an annual safety inspection by the
29 Department of the California Highway Patrol. The insurance filing
30 shall be accompanied by a one-time filing fee of seventy-five
31 dollars (\$75). This exemption does not apply if the primary purpose
32 for the transportation of those persons is to make a profit. "Profit,"
33 as used in this subdivision, does not include the recovery of the
34 actual costs incurred in owning and operating a vanpool vehicle,
35 as defined in Section 668 of the Vehicle Code.

36 (i) Vehicles used exclusively to provide medical transportation,
37 including vehicles employed to transport developmentally disabled
38 persons for regional centers established pursuant to Chapter 5
39 (commencing with Section 4620) of Division 4.5 of the Welfare
40 and Institutions Code.

1 (j) Transportation services rendered solely within the Lake
2 Tahoe Basin, comprising that area included within the Tahoe
3 Regional Planning Compact as set forth in Section 66801 of the
4 Government Code, when the operator of the services has obtained
5 any permit required from the Tahoe Basin Transportation Authority
6 or the City of South Lake Tahoe, or both.

7 (k) Subject to Section 34507.6 of the Vehicle Code,
8 transportation service provided by the operator of an automobile
9 rental business in vehicles owned or leased by that operator,
10 without charge other than as may be included in the automobile
11 rental charges, to carry its customers to or from its office or facility
12 where rental vehicles are furnished or returned after the rental
13 period.

14 (l) Subject to Section 34507.6 of the Vehicle Code,
15 transportation service provided by the operator of a hotel, motel,
16 or other place of temporary lodging in vehicles owned or leased
17 by that operator, without charge other than as may be included in
18 the charges for lodging, between the lodging facility and an air,
19 rail, water, or bus passenger terminal or between the lodging
20 facility and any place of entertainment or commercial attraction,
21 including, but not limited to, facilities providing snow skiing.
22 Nothing in this subdivision authorizes the operator of a hotel,
23 motel, or other place of temporary lodging to provide any round
24 trip sightseeing service without a permit, as required by subdivision
25 (c) of Section 5384.

26 (m) (1) Transportation of hot air balloon ride passengers in a
27 balloon chase vehicle from the balloon landing site back to the
28 original takeoff site, provided that the balloon ride was conducted
29 by a balloonist who meets all of the following conditions:

30 (A) Does not fly more than a total of 30 passenger rides for
31 compensation annually.

32 (B) Does not provide any preflight ground transportation
33 services in their vehicles.

34 (C) In providing return transportation to the launch site from
35 landing does not drive more than 300 miles annually.

36 (D) Files with the commission an exemption declaration and
37 proof of vehicle insurance, as prescribed by the commission,
38 certifying that the operator qualifies for the exemption and will
39 maintain minimum insurance on each vehicle of one hundred
40 thousand dollars (\$100,000) for injury or death of one person, three

1 hundred thousand dollars (\$300,000) for injury or death of two or
2 more persons and one hundred thousand dollars (\$100,000) for
3 damage to property.

4 (2) Nothing in this subdivision authorizes the operator of a
5 commercial balloon operation to provide any round trip sightseeing
6 service without a permit, as required by subdivision (c) of Section
7 5384.

8 (n) (1) Transportation services incidental to operation of a youth
9 camp that are provided by either a nonprofit organization that
10 qualifies for tax exemption under Section 501(c)(3) of the Internal
11 Revenue Code or an organization that operates an organized camp,
12 as defined in Section 18897 of the Health and Safety Code, serving
13 youth 18 years of age or younger.

14 (2) Any transportation service described in paragraph (1) shall
15 comply with all of the following requirements:

16 (A) Register as a private carrier with the commission pursuant
17 to Section 4005.

18 (B) Participate in a pull notice system for employers of drivers
19 as prescribed in Section 1808.1 of the Vehicle Code.

20 (C) Ensure compliance with the annual bus terminal inspection
21 required by subdivision (c) of Section 34501 of the Vehicle Code.

22 (D) Obtain the following minimum amounts of general liability
23 insurance coverage for vehicles that are used to transport youth:

24 (i) A minimum of five hundred thousand dollars (\$500,000)
25 general liability insurance coverage for passenger vehicles designed
26 to carry up to eight passengers. For organized camps, as defined
27 in Section 18897 of the Health and Safety Code, an additional two
28 hundred fifty thousand dollars (\$250,000) general umbrella policy
29 that covers vehicles.

30 (ii) A minimum of one million dollars (\$1,000,000) general
31 liability insurance coverage for vehicles designed to carry up to
32 15 passengers. For organized camps, as defined in Section 18897
33 of the Health and Safety Code, an additional five hundred thousand
34 dollars (\$500,000) general umbrella policy that covers vehicles.

35 (iii) A minimum of one million five hundred thousand dollars
36 (\$1,500,000) general liability insurance coverage for vehicles
37 designed to carry more than 15 passengers, and an additional three
38 million five hundred thousand dollars (\$3,500,000) general
39 umbrella liability insurance policy that covers vehicles.

1 *SEC. 10. Section 5411.5 of the Public Utilities Code is amended*
2 *to read:*

3 5411.5. (a) Whenever a peace officer, as defined in Chapter
4 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal
5 Code, arrests a person for operation of a charter-party carrier of
6 passengers without a valid certificate or permit, the peace officer
7 may impound and retain possession of the vehicle.

8 (b) Whenever a peace officer, as defined in Chapter 4.5
9 (commencing with Section 830) of Title 3 of Part 2 of the Penal
10 Code, arrests a person for operating a charter-party carrier of
11 passengers as a taxicab in violation of ~~an ordinance or resolution~~
12 ~~of a city, county, or city and county, Chapter 8.5 (commencing~~
13 ~~with Section 5451),~~ the peace officer may impound and retain
14 possession of the vehicle.

15 (c) If the vehicle is seized from a person who is not the owner
16 of the vehicle, the impounding authority shall immediately give
17 notice to the owner by first-class mail.

18 (d) The vehicle shall immediately be returned to the owner if
19 the infraction or violation is not prosecuted or is dismissed, the
20 owner is found not guilty of the offense, or it is determined that
21 the vehicle was used in violation of Section 5411 without the
22 knowledge and consent of the owner. The vehicle shall be returned
23 to the owner upon payment of any fine ordered by the court. If the
24 vehicle is seized due to a violation of a person other than the owner
25 of the vehicle, the vehicle shall be returned to the owner after all
26 impoundment fees are paid. After the expiration of six weeks from
27 the final disposition of the criminal case, unless the owner is in
28 the process of making payments to the court, the impounding
29 authority may deal with the vehicle as lost or abandoned property
30 under Section 1411 of the Penal Code.

31 (e) At any time, a person may make a motion in superior court
32 for the immediate return of the vehicle on the ground that there
33 was no probable cause to seize it or that there is some other good
34 cause, as determined by the court, for the return of the vehicle. A
35 proceeding under this section is a limited civil case.

36 (f) No peace officer, however, may impound any vehicle owned
37 or operated by a nonprofit organization exempt from taxation
38 pursuant to Section 501(c)(3) of the Internal Revenue Code which
39 serves youth or senior citizens and provides transportation
40 incidental to its programs or services or a rented motor vehicle

1 that is being operated by a hired driver of a charter-party carrier
2 of passengers that is providing hired driver service.

3 *SEC. 11. Section 5412.2 of the Public Utilities Code is amended*
4 *to read:*

5 5412.2. (a) When a person is convicted of the offense of
6 operating a taxicab without a valid ~~certificate or permit~~, *permit*
7 *required pursuant to Chapter 8.5 (commencing with Section 5451)*,
8 in addition to any other penalties provided by law, if the court
9 determines the operator has the ability to pay, the court shall
10 impose a mandatory fine not exceeding two thousand five hundred
11 dollars (\$2,500) for a first conviction or five thousand dollars
12 (\$5,000) for a subsequent conviction.

13 (b) When a person is convicted of the offense of operating a
14 charter-party carrier of passengers without a valid certificate or
15 permit, in addition to any other penalties provided by law, if the
16 court determines the operator has the ability to pay, the court shall
17 impose a mandatory fine not exceeding ten thousand dollars
18 (\$10,000) for a first conviction or twenty-five thousand dollars
19 (\$25,000) for a subsequent conviction.

20 (c) As used in this section, “taxicab” ~~means a passenger vehicle~~
21 ~~designed for carrying not more than eight persons, excluding~~ *shall*
22 ~~have the driver, and used to carry passengers for hire. meaning as~~
23 ~~defined in subdivision (d) of Section 5451.4.~~ “Taxicab” shall not
24 include a charter-party carrier of passengers within the meaning
25 of this chapter.

26 *SEC. 12. Section 5413.5 of the Public Utilities Code is amended*
27 *to read:*

28 5413.5. (a) Whenever the commission, after hearing, finds
29 that any person or corporation is operating as a charter-party carrier
30 of passengers, including a charter-party carrier operating a
31 limousine, without a valid certificate or permit, or fails to include
32 in any written or oral advertisement the number of the certificate
33 or permit required by Section 5386, the commission may impose
34 a fine of not more than seven thousand five hundred dollars
35 (\$7,500) for each violation. The commission may assess the person
36 or corporation an amount sufficient to cover the reasonable expense
37 of investigation incurred by the commission. The commission may
38 assess interest on any fine or assessment imposed, to commence
39 on the day the payment of the fine or assessment becomes

1 delinquent. All fines, assessments, and interest collected shall be
2 deposited at least once each month in the General Fund.

3 (b) Whenever the commission, after hearing, finds that any
4 person or corporation is operating a charter-party carrier of
5 passengers as a taxicab without a valid ~~certificate or permit in~~
6 ~~violation of an ordinance or resolution of a city, county, or city~~
7 ~~and county~~, Chapter 8.5 (commencing with Section 5451), the
8 commission may impose a fine of not more than five thousand
9 dollars (\$5,000) for each violation. The commission may assess
10 the person or corporation an amount sufficient to cover the
11 reasonable expense of investigation incurred by the commission.
12 The commission may assess interest on any fine or assessment
13 imposed, to commence on the day the payment of the fine or
14 assessment becomes delinquent. All fines, assessments, and interest
15 collected shall be deposited at least once each month in the General
16 Fund.

17 *SEC. 13. Chapter 8.5 (commencing with Section 5451) is added*
18 *to Division 2 of the Public Utilities Code, to read:*

19

20 *CHAPTER 8.5. TAXICAB TRANSPORTATION SERVICES ACT*

21

22 *Article 1. General Provisions and Definitions*

23

24 *5451. This chapter shall be known, and may be cited, as the*
25 *Taxicab Transportation Services Act.*

26 *5451.2. Notwithstanding any other provision of law, this*
27 *chapter shall apply to taxicab transportation services provided*
28 *throughout the state. The commission shall regulate taxicab*
29 *transportation services and enforce the requirements of this*
30 *chapter, and may adopt regulations to further the objectives of*
31 *this chapter. The Legislature finds and declares that uniform*
32 *regulation of taxicab transportation services throughout the state*
33 *constitutes a matter of statewide concern.*

34 *5451.4. For the purposes of this chapter, the following terms*
35 *have the following meanings:*

36 (a) *“Entity” includes a corporation, company, association, joint*
37 *stock association, firm, partnership, individual, or any other form*
38 *of business organization.*

39 (b) *“Public highway” includes every public street, road, or*
40 *highway in this state.*

1 (c) “Motor vehicle” means a vehicle used on public highways
2 that is self-propelled.

3 (d) “Taxicab” means a passenger motor vehicle designed for
4 carrying not more than eight passengers, excluding the driver,
5 and used to carry passengers for hire as part of taxicab
6 transportation services.

7 (e) “Taxicab carrier” means an entity that is a permitted
8 provider of taxicab transportation services to passengers under
9 this chapter.

10 (f) “Taxicab driver” means an individual who is a permitted
11 driver of a taxicab under this chapter.

12 (g) “Taxicab transportation services” means the provision of
13 transportation services for compensation using motor vehicles
14 designed for carrying not more than eight passengers, excluding
15 the driver, but excludes transportation services provided by a
16 charter-party carrier of passengers regulated by Chapter 8
17 (commencing with Section 5351).

18 (h) With respect to a motor vehicle used in taxicab
19 transportation services by a taxicab carrier, “owner” means the
20 entity that is registered with the Department of Motor Vehicles as
21 the owner of the motor vehicle, or that has a legal right to
22 possession of the motor vehicle pursuant to a lease or rental
23 agreement.

24 (i) “Region” means one of the regions identified pursuant to
25 Section 5451.6.

26 5451.6. The commission shall issue permits pursuant to this
27 chapter authorizing taxicab carriers to operate in one or more of
28 the following regions:

29 (a) Region 1 shall include the Counties of Del Norte, Siskiyou,
30 Modoc, Humboldt, Trinity, Shasta, Lassen, Mendocino, Tehama,
31 Plumas, Glenn, Butte, Lake, Colusa, Yuba, Sierra, Nevada, Yolo,
32 Sutter, Placer, Sacramento, and El Dorado.

33 (b) Region 2 shall include the Counties of Sonoma, Napa, Marin,
34 Solano, Contra Costa, San Mateo, Alameda, and Santa Clara.

35 (c) Region 3 shall include the City and County of San Francisco.

36 (d) Region 4 shall include the Counties of San Joaquin, Amador,
37 Alpine, Stanislaus, Calaveras, Tuolumne, Mono, Merced,
38 Mariposa, San Benito, Madera, Fresno, Inyo, Kings, Tulare, and
39 Kern.

1 (e) Region 5 shall include the Counties of Santa Cruz, Monterey,
2 San Luis Obispo, Santa Barbara, and Ventura.

3 (f) Region 6 shall include the Counties of Los Angeles, San
4 Bernardino, Orange, and Riverside.

5 (g) Region 7 shall include the Counties of San Diego and
6 Imperial.

7

8 Article 2. Authorization to Operate as a Taxicab Carrier

9

10 5452. An entity shall not engage in taxicab transportation
11 services without first having obtained a taxicab carrier permit
12 issued by the commission pursuant to this chapter.

13 5452.2. The commission shall issue permits to entities to
14 operate taxicab transportation services as a taxicab carrier if
15 otherwise qualified under this chapter. Each permit shall specify
16 the region of the state in which the taxicab carrier is authorized
17 to operate. Nothing in this chapter shall preclude a taxicab carrier
18 from holding permits to operate in multiple regions.

19 5452.4. A taxicab carrier holding a permit for a region shall
20 not be restricted as to point of origin or destination within that
21 region.

22 5452.6. A taxicab carrier shall include the number of its permit
23 in every written, oral, or electronic advertisement of the services
24 it offers and shall comply with the signing requirements of Section
25 27908 of the Vehicle Code. For the purposes of this section,
26 “advertisement” includes, but is not limited to, the issuance of
27 any card, sign, or device to any person, the causing, permitting,
28 or allowing of the placement of any sign or marking on or in any
29 building or structure, or in any media form, including newspaper,
30 magazine, radiowave, satellite signal, or any electronic
31 transmission, or in any directory soliciting taxicab transportation
32 services subject to this chapter.

33 5452.8. (a) Applications for taxicab carrier permits shall be
34 in writing and verified under oath, and shall be in the form and
35 contain the information required by the commission.

36 (b) An application for a taxicab carrier permit shall be
37 accompanied by a filing fee as follows:

38 (1) Permits (new): ____ dollars (\$____).

39 (2) Permits (renewal): ____ dollars (\$____).

1 5452.10. (a) (1) Before a permit is issued or renewed, the
2 commission shall require the applicant to establish reasonable
3 fitness and financial responsibility to initiate and conduct or
4 continue to conduct the proposed or existing taxicab transportation
5 services. The commission shall not issue or renew a permit
6 pursuant to this chapter unless the applicant meets all of the
7 following requirements:

8 (A) It is financially and organizationally capable of conducting
9 an operation that complies with the rules and regulations of the
10 Department of the California Highway Patrol relating to the safe
11 operation of vehicles on the public highways.

12 (B) It is committed to observing the hours of service regulations
13 of state and, where applicable, federal law for all taxicab drivers,
14 whether employees or contractors.

15 (C) It has an inspection program in effect for its motor vehicles
16 used to provide taxicab transportation services that conforms to
17 Article 8 (commencing with Section 5458).

18 (D) It participates in the pull notice program pursuant to Section
19 1808.1 of the Vehicle Code to regularly check the driving records
20 of all taxicab drivers, whether employees or contractors.

21 (E) It has a safety education and training program in effect for
22 all taxicab drivers, whether employees or contractors.

23 (F) It will maintain its motor vehicles used in taxicab
24 transportation services in a safe operating condition and in
25 compliance with the Vehicle Code and with regulations contained
26 in Title 13 of the California Code of Regulations relative to motor
27 vehicle safety.

28 (G) It has provided to the commission an address of an office
29 or terminal where documents supporting the factual matters
30 specified in the showing required by this subdivision may be
31 inspected by the commission or the Department of the California
32 Highway Patrol.

33 (H) It provides for a mandatory controlled substance and
34 alcohol testing certification program pursuant to Section 5457.22.

35 (2) With respect to subparagraphs (B) and (F) of paragraph
36 (1), the commission may base a finding on a certification by the
37 commission that an applicant has filed, with the commission, a
38 sworn declaration of ability to comply and intent to comply.

1 (b) In addition to the requirements in subdivision (a), taxicab
2 carriers shall meet all other state and, where applicable, federal
3 regulations as prescribed.

4 5452.12. (a) Every taxicab carrier shall furnish to the
5 commission a list, prepared under oath, of all motor vehicles used
6 by the carrier in taxicab transportation services during the period
7 since the last inspection. The commission shall furnish a copy of
8 the list to the taxicab carrier's insurer, if the taxicab carrier's
9 accident liability protection is provided by a policy of insurance.

10 (b) If the taxicab carrier's insurer informs the commission that
11 the carrier has failed to obtain insurance coverage for any vehicle
12 reported on the list, the commission may, in addition to any other
13 penalty provided in this chapter, for a first occurrence, suspend
14 the carrier's permit or impose a fine, or both, and, for a second
15 or subsequent occurrence, suspend or revoke the permit or impose
16 a fine, or both.

17 5452.14. The commission may, with or without hearing, issue
18 a permit under this chapter. If the commission finds that the
19 applicant possesses satisfactory fitness and financial responsibility
20 to initiate and conduct the proposed taxicab transportation
21 services, and will faithfully comply with the rules and regulations
22 adopted by the commission with respect thereto, it shall issue the
23 permit.

24 5452.16. A permit, or renewal thereof, is effective for three
25 years, unless suspended or revoked by the commission.

26 5452.18. No permit issued pursuant to this chapter, or rights
27 to conduct any of the services authorized by the permit, shall be
28 sold, leased, or assigned, or otherwise transferred or encumbered,
29 unless authorized by the commission. A filing fee of _____ dollars
30 (\$_____) shall accompany all applications for that authorization.

31

32

Article 3. Enforcement

33

34 5453. Upon receipt of a complaint containing sufficient
35 information to warrant conducting an investigation, the commission
36 shall investigate any entity that advertises or holds itself out as
37 providing services that may be reasonably considered to be taxicab
38 transportation services but that does not have a permit required
39 by this chapter. The commission, in a rulemaking or other
40 appropriate procedure, shall adopt criteria that establish the type

1 of information, if contained in a complaint, that is sufficient to
2 warrant an investigation. Pursuant to this investigation, the
3 commission shall do all of the following:

4 (a) Determine which entities, if any, are required to obtain a
5 taxicab carrier permit pursuant to Article 2 (commencing with
6 Section 5452) but that do not have the required permit.

7 (b) Inform any entity identified in subdivision (a) that the failure
8 to obtain a permit is in violation of the law.

9 (c) Within 60 days of informing the entity pursuant to subdivision
10 (b), institute civil or criminal proceedings, or both, if the entity
11 continues to be in noncompliance with this chapter.

12 5453.2. The commission shall not issue, renew, or authorize
13 the transfer of a taxicab carrier permit under this chapter to any
14 entity against whom a final judgment has been entered and whose
15 name has been transmitted to the commission pursuant to Section
16 3716.4 of the Labor Code, unless that judgment has been satisfied
17 or has been discharged in accordance with the bankruptcy laws
18 of the United States.

19 5453.4. (a) The commission may cancel, suspend, or revoke
20 a taxicab carrier permit issued pursuant to this chapter upon any
21 of the following grounds:

22 (1) The violation by the permitholder of any of the provisions
23 of this chapter, or of the terms of a permit issued under this
24 chapter.

25 (2) The violation by the permitholder of any order, decision,
26 rule, regulation, direction, demand, or requirement of the
27 commission pursuant to this chapter.

28 (3) The conviction of a taxicab carrier of any misdemeanor
29 under this chapter while holding a taxicab carrier permit issued
30 by the commission or the conviction of the carrier or its officers
31 of a felony while holding a permit issued by the commission, limited
32 to robbery, burglary, larceny, fraud, or intentional dishonesty for
33 personal gain.

34 (4) The rendition of a judgment against the taxicab carrier for
35 any penalty imposed under this chapter.

36 (5) The failure of a taxicab carrier to pay any fee imposed on
37 the carrier within the time required by the commission.

38 (6) On request of the taxicab carrier.

39 (7) The failure of a taxicab carrier to operate and perform
40 reasonable service. That failure may include repeated violations

1 of the Vehicle Code or of regulations contained in Title 13 of the
2 California Code of Regulations relative to motor vehicle safety by
3 employees of the taxicab carrier that support an inference of unsafe
4 operation or willful neglect of the public safety by the carrier.

5 (8) Consistent failure of the taxicab carrier to maintain its
6 vehicles in a safe operating condition pursuant to Article 8
7 (commencing with Section 5458) and in compliance with the
8 Vehicle Code and with regulations contained in Title 13 of the
9 California Code of Regulations relative to motor vehicle safety,
10 as shown by the records of the commission, the Department of
11 Motor Vehicles, the Department of the California Highway Patrol,
12 or the carrier.

13 (9) Failure of a taxicab carrier, or of any of its employees, to
14 follow any order, decision, rule, regulation, direction, demand,
15 ordinance, or other requirement established by the governing body
16 of an airport, including solicitation practices, providing the
17 requirements are consistent with subdivision (b) of Section 5459.

18 (b) The commission may levy a civil penalty of up to seven
19 thousand five hundred dollars (\$7,500) upon a taxicab carrier for
20 any of the violations specified in subdivision (a), as an alternative
21 to canceling, revoking, or suspending the carrier's permit. The
22 commission may also levy interest upon the civil penalty, which
23 shall be calculated as of the date on which the civil penalty is
24 unpaid and delinquent. The commission shall deposit at least
25 monthly all civil penalties and interest collected pursuant to this
26 section into the General Fund.

27 5453.6. (a) A taxicab carrier shall have and shall make
28 available for inspection by the commission, upon request, one of
29 the following:

30 (1) A certificate of workers' compensation coverage for its
31 employees issued by an admitted insurer.

32 (2) A certification of consent to self-insure issued by the Director
33 of Industrial Relations.

34 (3) A statement under penalty of perjury, stating that, in its
35 operations as a taxicab carrier, it does not employ any person in
36 any manner so as to become subject to the workers' compensation
37 laws of this state.

38 (b) The workers' compensation coverage certified to under
39 paragraph (1) of subdivision (a) shall be in the form of a policy

1 *that remains effective until canceled. Cancellation of the policy*
2 *shall require 30 days' advance notice.*

3 *(c) If, after filing the statement described in paragraph (3) of*
4 *subdivision (a), the carrier becomes subject to the workers'*
5 *compensation laws of this state, the carrier shall promptly notify*
6 *the commission that the carrier is withdrawing its statement under*
7 *paragraph (3) of subdivision (a), and shall simultaneously file the*
8 *certificate described in either paragraph (1) or (2) of subdivision*
9 *(a).*

10 *5453.8. The commission may, on a complaint alleging that an*
11 *entity is operating taxicab transportation services without a valid*
12 *taxicab carrier permit in violation of this chapter, or on its own*
13 *motion without a complaint, with or without notice of a hearing,*
14 *order the entity so operating to cease and desist from that*
15 *operation until the commission makes and files its decision in the*
16 *matter or until further order of the commission.*

17
18 *Article 4. Trade Dress*
19

20 *5454. A taxicab carrier shall not operate a motor vehicle on*
21 *a public highway unless there is displayed on the vehicle a*
22 *distinctive identifying symbol in the form prescribed by the*
23 *commission. The identifying symbol shall not be displayed on any*
24 *vehicle until a permit under this chapter has been issued to the*
25 *carrier.*

26 *5454.2. The commission shall assign both trade name and*
27 *trade dress within each region for taxicab transportation services.*
28 *In doing so, the commission shall take into account taxicab carriers*
29 *operating within each region on December 31, 2016, and shall*
30 *minimize public confusion to consumers of taxicab transportation*
31 *services in awarding trade name and trade dress in each region.*
32 *The commission may assign the same or similar trade name and*
33 *trade dress in different regions of the state in a manner that*
34 *minimizes public confusion to consumers of taxicab transportation*
35 *services.*

36 *5454.4. A taxicab carrier shall remove all markings required*
37 *by the commission from a motor vehicle when the motor vehicle*
38 *is permanently withdrawn from service as a taxicab.*

39 *5454.6. The commission shall award initial trade name and*
40 *trade dress in each region as soon as practicable on or after*

1 *January 1, 2017. In doing so, the commission shall consider all*
2 *of the following:*

3 *(a) Historic trade name and trade dress granted to licensees by*
4 *cities, counties, cities and counties, or any subdivision thereof as*
5 *submitted to the commission pursuant to Section 5454.8.*

6 *(b) The geographic service boundaries of the provision of*
7 *taxicab services before January 1, 2017.*

8 *(c) The cost to taxicab carriers of changing trade name or trade*
9 *dress in accordance with the commission’s order.*

10 *5454.8. Any city, county, or city and county, or any subdivision*
11 *thereof, that regulates or oversees the licensure of taxicab*
12 *transportation services within its jurisdiction on December 31,*
13 *2016, shall forward to the commission licensure information for*
14 *each taxicab transportation service licensee within its jurisdiction.*
15 *The information shall include, but need not be limited to, the*
16 *following:*

17 *(a) The name of the licensee, including the approved “doing*
18 *business as” name granted to a licensee.*

19 *(b) Information related to trade dress or exterior markings*
20 *granted to each licensee within the jurisdiction.*

21 *(c) The geographical boundaries, if any, granted to a licensee*
22 *in the provision of taxicab transportation services.*

23 *(d) Any other information the commission may require to carry*
24 *out the purposes of this chapter.*

25 *5454.10. The commission may adopt an alternate process for*
26 *awarding trade name and trade dress within each region*
27 *subsequent to the initial award outlined in Section 5454.2, provided*
28 *that the alternate process shall seek to minimize public confusion*
29 *to consumers of taxicab transportation services in each region.*

30

31

Article 5. Insurance

32

33 *5455. The commission, in granting a permit to a taxicab carrier*
34 *pursuant to this chapter, shall require the taxicab carrier to*
35 *procure, and to continue in effect during the life of the permit,*
36 *protection against liability imposed by law upon the taxicab carrier*
37 *for the payment of damages for personal bodily injuries, including*
38 *death resulting therefrom, protection against a total liability of*
39 *the taxicab carrier on account of bodily injuries to, or death of,*
40 *more than one person as a result of any one accident, and*

1 protection against damage or destruction of property. The
2 maximum requirements for these assurances of protection against
3 liability shall be no more than fifty thousand dollars (\$50,000) for
4 death and personal injury per person, one hundred thousand
5 dollars (\$100,000) for death and personal injury per incident, and
6 thirty thousand dollars (\$30,000) for property damage.

7 5455.2. The protection required under Section 5455 shall be
8 evidenced by the deposit of any of the following with the
9 commission covering each motor vehicle used or to be used under
10 the permit applied for:

11 (a) A policy of insurance, issued by a company licensed to write
12 insurance in this state, or by nonadmitted insurers subject to
13 Section 1763 of the Insurance Code, if the policies meet the rules
14 promulgated therefor by the commission.

15 (b) A bond of a surety company licensed to write surety bonds
16 in this state.

17 (c) Evidence of the qualification of the taxicab carrier as a
18 self-insurer as may be authorized by the commission.

19 5455.4. No entity holding a valid taxicab carrier permit issued
20 by the commission pursuant to this chapter shall be required by a
21 city, county, city and county, or any other local agency to provide
22 insurance in a manner different from that required by this article.

23 5455.6. The insurance requirements specified in this article
24 shall only be applicable to motor vehicles while providing taxicab
25 transportation services. When not providing those services, the
26 insurance requirements for those vehicles shall be the minimum
27 amounts otherwise applicable to motor vehicles not providing
28 taxicab transportation services.

29 5455.8. With the consent of the commission, a copy of an
30 insurance policy, certified by the company issuing it to be a true
31 copy of the original policy, or a photocopy thereof, or an electronic
32 copy thereof, or an abstract of the provisions of the policy, or a
33 certificate of insurance issued by the company issuing the policy,
34 may be filed with the commission in lieu of the original or a
35 duplicate or counterpart of the policy.

36
37 Article 6. Pricing and GPS Metering

38
39 5456. The commission shall not regulate either of the following
40 with respect to provision of taxicab transportation services:

1 (a) Fares or fees charged by taxicab carriers, including, but
 2 not limited to, meter rates, gate fees, or any other charge to the
 3 consumer related to the hiring of a taxicab.

4 (b) The type of device used by taxicab carriers to calculate
 5 fares, including the use of global positioning system metering as
 6 a form of calculating fares.

7 5456.2. The commission may adopt rules requiring taxicab
 8 carriers to disclose fares, fees, and other pricing structures for
 9 taxicab transportation services. Any rules shall allow a taxicab
 10 carrier to disclose fares, fees, or other pricing structures on its
 11 Internet Web site or cellular telephone application.

12
 13 Article 7. Taxicab Drivers
 14

15 5457. An individual shall not be a driver providing taxicab
 16 transportation service without first obtaining a taxicab driver
 17 permit from the commission pursuant to this article.

18 5457.2. A taxicab driver permit issued pursuant to this article
 19 shall be valid in any region in this state.

20 5457.4. The commission shall issue a taxicab driver permit to
 21 an applicant if the applicant meets all of the following
 22 requirements:

23 (a) The applicant submits to the commission a written
 24 application for a taxicab driver permit.

25 (b) The applicant pays a taxicab driver permit fee as determined
 26 by the commission.

27 (c) The applicant is a minimum of 18 years of age.

28 (d) The applicant possesses a current class C California driver's
 29 license.

30 (e) The applicant is not afflicted with either a physical or mental
 31 incapacity that would preclude the individual from safely operating
 32 a taxicab and performing the duties normally associated with the
 33 profession.

34 (f) The applicant passes a written exam as prescribed by the
 35 commission.

36 (g) The applicant passes a background check through the
 37 Department of Justice's live scan system.

38 5457.6. An applicant may be required to submit a medical
 39 report and obtain a valid medical certificate if the application, or
 40 observation by the commission, indicates a physical or mental

1 *affliction. In that situation, the applicant may be granted a*
2 *temporary taxicab driver permit for 30 days pending receipt of a*
3 *valid medical certificate. Upon submittal of the valid medical*
4 *certificate and its acceptance by the commission, a regular taxicab*
5 *driver permit shall be issued to the applicant.*

6 *5457.8. An applicant shall be denied a taxicab driver permit*
7 *if any portion of the application is found to be falsified. If the*
8 *falsification is deemed to be willful and intentional, the applicant*
9 *shall not be allowed to reapply for a taxicab driver permit for a*
10 *one-year period from the time the falsification is first discovered.*
11 *Should a repeat offense of falsification occur, the applicant shall*
12 *not be allowed to reapply for a taxicab driver permit for a*
13 *seven-year period from the time the additional falsification is*
14 *discovered.*

15 *5457.10. An applicant who has willfully and intentionally*
16 *attempted to cheat in the taxicab driver permit exam process shall*
17 *be immediately disqualified from the exam. First-time offenders*
18 *shall be ineligible to retake the exam for a 180-day period. Repeat*
19 *offenders shall be ineligible to retake the exam for a seven-year*
20 *period. Test misconduct shall include, but not be limited to, using*
21 *notes or other materials that have been prohibited, looking at other*
22 *applicant test papers, talking to other applicants during the exam,*
23 *failing to stop as requested at the end of the exam period, or in*
24 *any way coercing others for exam information.*

25 *5457.12. While providing taxicab transportation services, a*
26 *taxicab driver shall have in his or her immediate possession, and*
27 *shall present, upon request, to a law enforcement officer, a*
28 *representative of the commission, or a customer, both of the*
29 *following:*

30 *(a) A valid California driver's license.*

31 *(b) A valid taxicab driver permit issued by the commission.*

32 *5457.14. A holder of a taxicab driver permit shall not drive a*
33 *taxicab while his or her driver's license is expired, suspended, or*
34 *revoked.*

35 *5457.16. A taxicab driver shall properly display his or her*
36 *valid taxicab driver permit in the taxicab in a manner as prescribed*
37 *by the commission.*

38 *5457.18. A taxicab driver shall not do any of the following:*

39 *(a) Knowingly allow another individual to use his or her taxicab*
40 *driver permit.*

1 **(b) Duplicate a taxicab driver permit.**

2 **(c) Use another person's taxicab driver permit.**

3 **(d) Apply for, or possess, more than one taxicab driver permit**
4 **issued by the commission.**

5 5457.20. **A holder of a taxicab driver permit that becomes**
6 **invalid shall destroy the permit.**

7 5457.22. **(a) A taxicab carrier shall do all of the following:**

8 **(1) Participate in a pull-notice system pursuant to Section**
9 **1808.1 of the Vehicle Code to regularly check the driving records**
10 **of all taxicab drivers employed or contracted by the carrier.**

11 **(2) Provide for a mandatory controlled substance and alcohol**
12 **testing certification program for taxicab drivers employed or**
13 **contracted by the carrier, as required by the commission. The**
14 **program shall not be more strict than the program adopted by the**
15 **commission pursuant to Section 1032.1 for transportation network**
16 **company drivers.**

17 **(b) Taxicab drivers hired or contracted by a taxicab carrier on**
18 **or after January 1, 2017, shall be subject to mandatory drug and**
19 **alcohol testing prior to employment or contracting. Drivers hired**
20 **or contracted by a taxicab carrier before January 1, 2017, shall**
21 **complete a drug and alcohol test before January 1, 2018.**

22 5457.24. **(a) A taxicab carrier shall not employ, or contract**
23 **with, any of the following persons as a taxicab driver:**

24 **(1) A person convicted, during the preceding seven years, of**
25 **any offense relating to the use, sale, possession, or transportation**
26 **of narcotics, controlled substances, or addictive or dangerous**
27 **drugs, or of any act involving force, violence, threat or intimidation**
28 **against persons, or of any sexual offense, or of any act involving**
29 **moral turpitude, including fraud or intentional dishonesty for**
30 **personal gain, or of any felony offense, or of any offense involving**
31 **the possession of a firearm or dangerous weapon, or of any offense**
32 **involving the solicitation or agreement to engage in or engagement**
33 **in any act of prostitution, or of any act of resisting, delaying, or**
34 **obstructing a peace officer, public officer, or emergency medical**
35 **technician, or of theft in either degree. For the purposes of this**
36 **paragraph, a subsequent change of plea or vacation of verdict and**
37 **dismissal of charges pursuant to Section 1203.4 of the Penal Code**
38 **does not release the applicant from the penalties and disabilities**
39 **resulting from the offense of which he or she has been convicted.**

1 (2) A person required to register as a sex offender under Section
2 290 of the Penal Code or a person convicted of a felony involving
3 any type of sexual offense; the manufacture, possession for sale,
4 transportation, or distribution of narcotics, controlled substances,
5 or addictive or dangerous drugs; force, violence, threat, or
6 intimidation against persons; kidnaping; forgery, fraud, larceny,
7 extortion, burglary, robbery, or theft; credit card fraud; possession
8 of a firearm or dangerous weapon; resisting or obstructing a peace
9 officer, public officer, or emergency medical technician; or use of
10 a vehicle for hire in the commission of a felony.

11 (3) A person convicted of any violation of Section 20001, 20003,
12 20004, 23104, or 23153 of the Vehicle Code.

13 (b) For purposes of subdivision (a), out-of-state convictions for
14 equivalent violations shall be given the same effect as in-state
15 convictions.

16

17 *Article 8. Vehicle Inspection*

18

19 5458. Upon initial placement into service and annually
20 thereafter, a taxicab carrier shall inspect each of its motor vehicles
21 used for taxicab transportation services, or have each vehicle
22 inspected at a facility licensed by the Bureau of Automotive Repair,
23 and shall maintain complete documentation of each inspection.
24 The inspection shall cover all of the following components, and
25 each component shall, at a minimum, be in satisfactory condition
26 before a vehicle may be used in providing taxicab transportation
27 services:

- 28 (a) Foot brakes.
- 29 (b) Emergency brakes.
- 30 (c) Steering mechanism.
- 31 (d) Windshield.
- 32 (e) Rear window and other glass.
- 33 (f) Windshield wipers.
- 34 (g) Headlights.
- 35 (h) Tail lights.
- 36 (i) Turn indicator lights.
- 37 (j) Stop lights.
- 38 (k) Front seat adjustment mechanism.
- 39 (l) Doors, including opening, closing, and locking.
- 40 (m) Horn.

- 1 (n) *Speedometer.*
- 2 (o) *Bumpers.*
- 3 (p) *Muffler and exhaust system.*
- 4 (q) *Tires.*
- 5 (r) *Interior and exterior rear view mirrors.*
- 6 (s) *Safety belts for the driver and passengers.*

7
8 *Article 9. Local Agencies and Airports*
9

10 5459. (a) *Except as otherwise specifically provided in this*
11 *article, and notwithstanding any other provision of law, this*
12 *chapter constitutes the exclusive regulation of taxicab carriers,*
13 *taxicab drivers, and taxicab transportation services in this state*
14 *and preempts all other regulation. In that regard, a local agency*
15 *may not require a license, or impose a tax or fee, for the conduct*
16 *of taxicab transportation services subject to regulation under this*
17 *chapter.*

18 (b) *Nothing in this chapter shall be construed to prevent a local*
19 *agency from designating taxicab stands on public highways under*
20 *its jurisdiction pursuant to Section 21112 of the Vehicle Code for*
21 *use by taxicabs, or from designating other locations for taxicabs*
22 *to stop pursuant to Section 22500 of the Vehicle Code.*

23 (c) *Nothing in this chapter shall be construed to prevent the*
24 *governing body of an airport from adopting and enforcing*
25 *reasonable and nondiscriminatory local airport rules, regulations,*
26 *and ordinances pertaining to access, use of highways, parking,*
27 *traffic control, passenger transfers and occupancy, passenger*
28 *solicitation practices, and the use of buildings and facilities, that*
29 *are applicable to taxicab carriers operating on airport property.*
30 *In that regard, the governing body of an airport may require a*
31 *taxicab carrier to obtain an airport permit in order to operate*
32 *taxicab transportation services to or from the airport. However,*
33 *the governing body of an airport may not impose a fee on taxicab*
34 *carriers that is based on the gross receipts of the carrier, and may*
35 *not impose vehicle safety, vehicle licensing, or insurance*
36 *requirements on taxicab carriers that are more burdensome than*
37 *those imposed by this chapter or by commission regulation*
38 *pursuant to this chapter.*

39 (d) *Nothing in this chapter shall be construed to prohibit any*
40 *agreement entered into between a taxicab carrier and the*

1 governing board of an airport pursuant to Article 4.5 (commencing
2 with Section 21690.5) of Chapter 4 of Part 1 of Division 9.

3

4

Article 10. Violations

5

6

5460. Every taxicab carrier and every officer, director, agent,
7 employee, or contractor of any taxicab carrier who violates or
8 fails to comply with, or who procures, aids, or abets any violation
9 of, any provision of this chapter, or who fails to obey, observe, or
10 comply with any order, decision, rule, regulation, direction,
11 demand, or requirement of the commission, or with any permit
12 issued under this chapter, or who procures, aids, or abets any
13 taxicab carrier in its failure to comply with the order, decision,
14 rule, regulation, direction, demand, requirement, or permit, is
15 guilty of a misdemeanor and is punishable by a fine of not less
16 than one thousand dollars (\$1,000) and not more than five
17 thousand dollars (\$5,000) or by imprisonment in a county jail for
18 not more than three months, or by both that fine and imprisonment.

19

5460.2. Every person other than a taxicab carrier who
20 knowingly and willfully, either individually, or acting as an officer,
21 agent, or employee of a person other than a taxicab carrier, who
22 violates any provision of this chapter, or who fails to obey, observe,
23 or comply with any order, decision, rule, regulation, direction,
24 demand, or requirement of the commission, or who procures, aids,
25 or abets any taxicab carrier in its violation of this chapter, or in
26 its failure to obey, observe, or comply with any order, decision,
27 rule, regulation, direction, demand, or requirement, is guilty of a
28 misdemeanor and is punishable by a fine of not less than one
29 thousand dollars (\$1,000) and not more than five thousand dollars
30 (\$5,000) or by imprisonment in a county jail for not more than
31 three months, or by both that fine and imprisonment.

32

5460.4. Every taxicab carrier and every officer, director, agent,
33 employee, or contractor of any taxicab carrier who violates or
34 fails to comply with, or who procures, aids, or abets any violation
35 by any taxicab carrier of, any provision of this chapter, or who
36 fails to obey, observe, or comply with any order, decision, rule,
37 regulation, direction, demand, or requirement of the commission,
38 or with any permit issued under this chapter, or who procures,
39 aids, or abets any taxicab carrier in its failure to comply with the
40 order, decision, rule, regulation, direction, demand, requirement,

1 *or permit, is subject to a civil penalty of not more than two*
2 *thousand dollars (\$2,000) for each offense.*

3 *5460.6. Every person other than a taxicab carrier who*
4 *knowingly and willfully, either individually, or acting as an officer,*
5 *agent, or employee of a person other than a taxicab carrier, who*
6 *violates any provision of this chapter, or who fails to obey, observe,*
7 *or comply with any order, decision, rule, regulation, direction,*
8 *demand, or requirement of the commission, or who procures, aids,*
9 *or abets any taxicab carrier in its violation of this chapter, or in*
10 *its failure to obey, observe, or comply with any order, decision,*
11 *rule, regulation, direction, demand, or requirement, is subject to*
12 *a civil penalty of not more than two thousand dollars (\$2,000) for*
13 *each offense.*

14 *5460.8. Every person who drives a taxicab in conjunction with*
15 *providing taxicab transportation services subject to regulation*
16 *under this chapter and who does not possess a valid taxicab driver*
17 *permit is guilty of a misdemeanor and is punishable by a fine of*
18 *not less than _____ dollars (\$_____) and not more than _____ dollars*
19 *(\$_____) or by imprisonment in a county jail for not more than*
20 *_____ months, or by both that fine and imprisonment.*

21 *5460.10. Every violation of this chapter or of any order,*
22 *decision, rule, regulation, direction, demand, or requirement of*
23 *the commission by any person is a separate and distinct offense*
24 *and, in case of a continuing violation, each day's continuance*
25 *thereof is a separate and distinct offense.*

26 *5460.12. (a) Whenever a peace officer, as defined in Chapter*
27 *4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal*
28 *Code, arrests a person for the operation of a taxicab without a*
29 *valid permit, the peace officer may impound and retain possession*
30 *of the vehicle.*

31 *(b) If the vehicle is seized from a person who is not the owner*
32 *of the vehicle, the impounding authority shall immediately give*
33 *notice to the owner by first-class mail.*

34 *(c) The vehicle shall immediately be returned to the owner if*
35 *the violation is not prosecuted or is dismissed, the owner is found*
36 *not guilty of the offense, or it is determined that the vehicle was*
37 *used in violation of Section 5460.8 without the knowledge and*
38 *consent of the owner. The vehicle shall be returned to the owner*
39 *upon payment of any fine ordered by the court. If the vehicle is*
40 *seized due to a violation of a person other than the owner of the*

1 vehicle, the vehicle shall be returned to the owner after all
2 impoundment fees are paid. After the expiration of six weeks from
3 the final disposition of the criminal case, unless the owner is in
4 the process of making payments to the court, the impounding
5 authority may deal with the vehicle as lost or abandoned property
6 under Section 1411 of the Penal Code.

7 (d) At any time, a person may make a motion in superior court
8 for the immediate return of the vehicle on the ground that there
9 was no probable cause to seize it or that there is some other good
10 cause, as determined by the court, for the return of the vehicle. A
11 proceeding under this section is a limited civil case.

12 5460.14. When a person is convicted of the offense of operating
13 a taxicab without a valid permit, in addition to any other penalties
14 provided by law, if the court determines the person has the ability
15 to pay, the court shall impose a mandatory fine not exceeding two
16 thousand five hundred dollars (\$2,500) for a first conviction or
17 five thousand dollars (\$5,000) for a subsequent conviction.

18 5460.16. Whenever the commission, after hearing, finds that
19 any entity is operating as a taxicab carrier without a valid permit
20 in violation of this chapter, the commission may impose a fine of
21 not more than five thousand dollars (\$5,000) for each violation.
22 The commission may assess the entity an amount sufficient to cover
23 the reasonable expense of investigation incurred by the
24 commission. The commission may assess interest on any fine or
25 assessment imposed, to commence on the day the payment of the
26 fine or assessment becomes delinquent. All fines, assessments, and
27 interest collected shall be deposited at least once each month in
28 the General Fund.

29 SEC. 14. Section 120269 of the Public Utilities Code is
30 amended to read:

31 120269. (a) If the board licenses or regulates any transportation
32 service, pursuant to Section 120266, or any passenger jitney
33 service, pursuant to Section 120267, and the licensed or regulated
34 service employs, or contracts with, any driver who (1) is not
35 required to be tested for controlled substances and alcohol pursuant
36 to Part 382 (commencing with Section 382.101) of Title 49 of the
37 Code of Federal Regulations, ~~paragraph (3) of subdivision (b) of~~
38 ~~Section 53075.5 of the Government Code, Section 1032.1 1032.1~~
39 ~~or 5457.22 of this code, or Section 34520 of the Vehicle Code,~~
40 and (2) is not exempted under Section 34520 of the Vehicle Code,

1 the board shall adopt, by ordinance or resolution, a mandatory
2 controlled substance and alcohol testing certification program for
3 those drivers.

4 (b) The program adopted pursuant to subdivision (a) shall meet
5 substantially the requirements set forth in paragraph (3) of
6 subdivision (b) of Section 53075.5 of the Government ~~Code~~. *Code*,
7 as that paragraph read on December 31, 2016.

8 (c) Evidence derived from a positive test result collected
9 pursuant to the program adopted under subdivision (a) shall not
10 be admissible in a criminal prosecution concerning unlawful
11 possession, sale, or distribution of controlled substances.

12 *SEC. 15. Section 1808.1 of the Vehicle Code is amended to*
13 *read:*

14 1808.1. (a) The prospective employer of a driver who drives
15 a vehicle specified in subdivision (k) shall obtain a report showing
16 the driver's current public record as recorded by the department.
17 For purposes of this subdivision, a report is current if it was issued
18 less than 30 days prior to the date the employer employs the driver.
19 The report shall be reviewed, signed, and dated by the employer
20 and maintained at the employer's place of business until receipt
21 of the pull-notice system report pursuant to subdivisions (b) and
22 (c). These reports shall be presented upon request to an authorized
23 representative of the Department of the California Highway Patrol
24 during regular business hours.

25 (b) The employer of a driver who drives a vehicle specified in
26 subdivision (k) shall participate in a pull-notice system, which is
27 a process for the purpose of providing the employer with a report
28 showing the driver's current public record as recorded by the
29 department, and any subsequent convictions, failures to appear,
30 accidents, driver's license suspensions, driver's license revocations,
31 or any other actions taken against the driving privilege or
32 certificate, added to the driver's record while the employer's
33 notification request remains valid and uncanceled. As used in this
34 section, participation in the pull-notice system means obtaining a
35 requester code and enrolling all employed drivers who drive a
36 vehicle specified in subdivision (k) under that requester code.

37 (c) The employer of a driver of a vehicle specified in subdivision
38 (k) shall, additionally, obtain a periodic report from the department
39 at least every 12 months. The employer shall verify that each
40 employee's driver's license has not been suspended or revoked,

1 the employee's traffic violation point count, and whether the
2 employee has been convicted of a violation of Section 23152 or
3 23153. The report shall be signed and dated by the employer and
4 maintained at the employer's principal place of business. The
5 report shall be presented upon demand to an authorized
6 representative of the Department of the California Highway Patrol
7 during regular business hours.

8 (d) Upon the termination of a driver's employment, the employer
9 shall notify the department to discontinue the driver's enrollment
10 in the pull-notice system.

11 (e) For the purposes of the pull-notice system and periodic report
12 process required by subdivisions (b) and (c), an owner, other than
13 an owner-operator as defined in Section 34624, and an employer
14 who drives a vehicle described in subdivision (k) shall be enrolled
15 as if he or she were an employee. A family member and a volunteer
16 driver who drives a vehicle described in subdivision (k) shall also
17 be enrolled as if he or she were an employee.

18 (f) An employer who, after receiving a driving record pursuant
19 to this section, employs or continues to employ as a driver a person
20 against whom a disqualifying action has been taken regarding his
21 or her driving privilege or required driver's certificate, is guilty of
22 a public offense, and upon conviction thereof, shall be punished
23 by confinement in a county jail for not more than six months, by
24 a fine of not more than one thousand dollars (\$1,000), or by both
25 that confinement and fine.

26 (g) As part of its inspection of bus maintenance facilities and
27 terminals required at least once every 13 months pursuant to
28 subdivision (c) of Section 34501, the Department of the California
29 Highway Patrol shall determine whether each transit operator, as
30 defined in Section 99210 of the Public Utilities Code, is then in
31 compliance with this section and Section 12804.6, and shall certify
32 each operator found to be in compliance. Funds shall not be
33 allocated pursuant to Chapter 4 (commencing with Section 99200)
34 of Part 11 of Division 10 of the Public Utilities Code to a transit
35 operator that the Department of the California Highway Patrol has
36 not certified pursuant to this section.

37 (h) (1) A request to participate in the pull-notice system
38 established by this section shall be accompanied by a fee
39 determined by the department to be sufficient to defray the entire
40 actual cost to the department for the notification service. For the

1 receipt of subsequent reports, the employer shall also be charged
2 a fee established by the department pursuant to Section 1811. An
3 employer who qualifies pursuant to Section 1812 shall be exempt
4 from any fee required pursuant to this section. Failure to pay the
5 fee shall result in automatic cancellation of the employer's
6 participation in the notification services.

7 (2) A regularly organized fire department, having official
8 recognition of the city, county, city and county, or district in which
9 the department is located, shall participate in the pull-notice
10 program and shall not be subject to the fee established pursuant
11 to this subdivision.

12 (3) The Board of Pilot Commissioners for Monterey Bay and
13 the Bays of San Francisco, San Pablo, and Suisun, and its port
14 agent shall participate in the pull-notice system established by this
15 section, subject to Section 1178.5 of the Harbors and Navigation
16 Code, and shall not be subject to the fees established pursuant to
17 this subdivision.

18 (i) The department, as soon as feasible, may establish an
19 automatic procedure to provide the periodic reports to an employer
20 by mail or via an electronic delivery method, as required by
21 subdivision (c), on a regular basis without the need for individual
22 requests.

23 (j) (1) The employer of a driver who is employed as a casual
24 driver is not required to enter that driver's name in the pull-notice
25 system, as otherwise required by subdivision (a). However, the
26 employer of a casual driver shall be in possession of a report of
27 the driver's current public record as recorded by the department,
28 prior to allowing a casual driver to drive a vehicle specified in
29 subdivision (k). A report is current if it was issued less than six
30 months prior to the date the employer employs the driver.

31 (2) For the purposes of this subdivision, a driver is employed
32 as a casual driver when the employer has employed the driver less
33 than 30 days during the preceding six months. "Casual driver"
34 does not include a driver who operates a vehicle that requires a
35 passenger transportation endorsement.

36 (k) This section applies to a vehicle for the operation of which
37 the driver is required to have a class A or class B driver's license,
38 a class C license with any endorsement issued pursuant to Section
39 15278, a class C license issued pursuant to Section 12814.7, or a
40 certificate issued pursuant to Section 12517, 12519, 12520, 12523,

1 12523.5, or 12527, or a passenger vehicle having a seating capacity
2 of not more than 10 persons, including the driver, operated for
3 compensation by a charter-party carrier of passengers or passenger
4 stage corporation pursuant to a certificate of public convenience
5 and necessity or a permit issued by the Public Utilities
6 ~~Commission~~. *Commission, or a taxicab as defined in subdivision*
7 *(d) of Section 545.14 of the Public Utilities Code.*

8 (l) This section shall not be construed to change the definition
9 of “employer,” “employee,” or “independent contractor” for any
10 purpose.

11 (m) A motor carrier who contracts with a person to drive a
12 vehicle described in subdivision (k) that is owned by, or leased to,
13 that motor carrier, shall be subject to subdivisions (a), (b), (c), (d),
14 (f), (j), (k), and (l) and the employer obligations in those
15 subdivisions.

16 ~~(n) Reports issued pursuant to this section, but only those for a~~
17 ~~driver of a taxicab engaged in transportation services as described~~
18 ~~in subdivision (a) of Section 53075.5 of the Government Code,~~
19 ~~shall be presented upon request, during regular business hours, to~~
20 ~~an authorized representative of the administrative agency~~
21 ~~responsible for issuing permits to taxicab transportation services~~
22 ~~pursuant to Section 53075.5 of the Government Code.~~

23 *SEC. 16. Section 12523.6 of the Vehicle Code is amended to*
24 *read:*

25 12523.6. (a) (1) On and after March 1, 1998, no person who
26 is employed primarily as a driver of a motor vehicle that is used
27 for the transportation of persons with developmental disabilities,
28 as defined in subdivision (a) of Section 4512 of the Welfare and
29 Institutions Code, shall operate that motor vehicle unless that
30 person has in his or her possession a valid driver’s license of the
31 appropriate class and a valid special driver certificate issued by
32 the department.

33 (2) This subdivision only applies to a person who is employed
34 by a business, a nonprofit organization, or a state or local public
35 agency.

36 (b) The special driver certificate shall be issued only to an
37 applicant who has cleared a criminal history background check by
38 the Department of Justice and, if applicable, by the Federal Bureau
39 of Investigation.

1 (1) In order to determine the applicant's suitability as the driver
2 of a vehicle used for the transportation of persons with
3 developmental disabilities, the Department of the California
4 Highway Patrol shall require the applicant to furnish to that
5 department, on a form provided or approved by that department
6 for submission to the Department of Justice, a full set of
7 fingerprints sufficient to enable a criminal background
8 investigation.

9 (2) Except as provided in paragraph (3), an applicant shall
10 furnish to the Department of the California Highway Patrol
11 evidence of having resided in this state for seven consecutive years
12 immediately prior to the date of application for the certificate.

13 (3) If an applicant is unable to furnish the evidence required
14 under paragraph (2), the Department of the California Highway
15 Patrol shall require the applicant to furnish an additional full set
16 of fingerprints. That department shall submit those fingerprint
17 cards to the Department of Justice. The Department of Justice
18 shall, in turn, submit the additional full set of fingerprints required
19 under this paragraph to the Federal Bureau of Investigation for a
20 national criminal history record check.

21 (4) Applicant fingerprint forms shall be processed and returned
22 to the area office of the Department of the California Highway
23 Patrol from which they originated not later than 15 working days
24 from the date on which the fingerprint forms were received by the
25 Department of Justice, unless circumstances, other than the
26 administrative duties of the Department of Justice, warrant further
27 investigation. Upon implementation of an electronic fingerprinting
28 system with terminals located statewide and managed by the
29 Department of Justice, the Department of Justice shall ascertain
30 the information required pursuant to this subdivision within three
31 working days.

32 (5) The applicant shall pay, in addition to the fees authorized
33 in Section 2427, a fee of twenty-five dollars (\$25) for an original
34 certificate and twelve dollars (\$12) for the renewal of that
35 certificate to the Department of the California Highway Patrol.

36 (c) A certificate issued under this section shall not be deemed
37 a certification to operate a particular vehicle that otherwise requires
38 a driver's license or endorsement for a particular class under this
39 code.

1 (d) On or after March 1, 1998, no person who operates a
2 business or a nonprofit organization or agency shall employ a
3 person who is employed primarily as a driver of a motor vehicle
4 for hire that is used for the transportation of persons with
5 developmental disabilities unless the employed person operates
6 the motor vehicle in compliance with subdivision (a).

7 (e) Nothing in this section precludes an employer of persons
8 who are occasionally used as drivers of motor vehicles for the
9 transportation of persons with developmental disabilities from
10 requiring those persons, as a condition of employment, to obtain
11 a special driver certificate pursuant to this section or precludes any
12 volunteer driver from applying for a special driver certificate.

13 (f) As used in this section, a person is employed primarily as
14 driver if that person performs at least 50 percent of his or her time
15 worked including, but not limited to, time spent assisting persons
16 onto and out of the vehicle, or at least 20 hours a week, whichever
17 is less, as a compensated driver of a motor vehicle for hire for the
18 transportation of persons with developmental disabilities.

19 (g) This section does not apply to any person who has
20 successfully completed a background investigation prescribed by
21 law, including, but not limited to, health care transport vehicle
22 operators, or to the operator of a taxicab regulated pursuant to
23 *Chapter 8.5 (commencing with Section 21100. 5451) of Division*
24 *2 of the Public Utilities Code*. This section does not apply to a
25 person who holds a valid certificate, other than a farm labor vehicle
26 driver certificate, issued under Section 12517.4 or 12527. This
27 section does not apply to a driver who provides transportation on
28 a noncommercial basis to persons with developmental disabilities.

29 *SEC. 17. Section 16500 of the Vehicle Code is amended to*
30 *read:*

31 16500. Every owner of a vehicle used in the transportation of
32 passengers for hire, ~~including taxicabs~~, when the operation of the
33 vehicle is not subject to regulation by the Public Utilities
34 Commission, shall maintain, whenever he or she may be engaged
35 in conducting those operations, proof of financial responsibility
36 resulting from the ownership or operation of the vehicle and arising
37 by reason of personal injury to, or death of, any one person, of at
38 least fifteen thousand dollars (\$15,000), and, subject to the limit
39 of fifteen thousand dollars (\$15,000) for each person injured or
40 killed, of at least thirty thousand dollars (\$30,000) for the injury

1 to, or the death of, two or more persons in any one accident, and
 2 for damages to property of at least five thousand dollars (\$5,000)
 3 resulting from any one accident. Proof of financial responsibility
 4 may be maintained by either:

5 (a) Being insured under a motor vehicle liability policy against
 6 that liability.

7 (b) Obtaining a bond of the same kind, and containing the same
 8 provisions, as those bonds specified in Section 16434.

9 (c) By depositing with the department thirty-five thousand
 10 dollars (\$35,000), which amount shall be deposited in a special
 11 deposit account with the Controller for the purpose of this section.

12 (d) Qualifying as a self-insurer under Section 16053.

13 The department shall return the deposit to the person entitled
 14 thereto when he or she is no longer required to maintain proof of
 15 financial responsibility as required by this section or upon his or
 16 her death.

17 *SEC. 18. Section 21100 of the Vehicle Code is amended to*
 18 *read:*

19 21100. Local authorities may adopt rules and regulations by
 20 ordinance or resolution regarding all of the following matters:

21 (a) Regulating or prohibiting processions or assemblages on the
 22 highways.

23 ~~(b) Licensing and regulating the operation of vehicles for hire~~
 24 ~~and drivers of passenger vehicles for hire.~~

25 ~~(c)~~

26 (b) Regulating traffic by means of traffic officers.

27 ~~(d)~~

28 (c) Regulating traffic by means of official traffic control devices
 29 meeting the requirements of Section 21400.

30 ~~(e)~~

31 (d) (1) Regulating traffic by means of a person given temporary
 32 or permanent appointment for that duty by the local authority when
 33 official traffic control devices are disabled or otherwise inoperable,
 34 at the scenes of accidents or disasters, or at locations as may require
 35 traffic direction for orderly traffic flow.

36 (2) A person shall not be appointed pursuant to this subdivision
 37 unless and until the local authority has submitted to the
 38 commissioner or to the chief law enforcement officer exercising
 39 jurisdiction in the enforcement of traffic laws within the area in
 40 which the person is to perform the duty, for review, a proposed

1 program of instruction for the training of a person for that duty,
2 and unless and until the commissioner or other chief law
3 enforcement officer approves the proposed program. The
4 commissioner or other chief law enforcement officer shall approve
5 a proposed program if he or she reasonably determines that the
6 program will provide sufficient training for persons assigned to
7 perform the duty described in this subdivision.

8 ~~(f)~~

9 (e) Regulating traffic at the site of road or street construction
10 or maintenance by persons authorized for that duty by the local
11 authority.

12 ~~(g)~~

13 (f) (1) Licensing and regulating the operation of tow truck
14 service or tow truck drivers whose principal place of business or
15 employment is within the jurisdiction of the local authority,
16 excepting the operation and operators of any auto dismantlers' tow
17 vehicle licensed under Section 11505 or any tow truck operated
18 by a repossessing agency licensed under Chapter 11 (commencing
19 with Section 7500) of Division 3 of the Business and Professions
20 Code and its registered employees.

21 (2) The Legislature finds that the safety and welfare of the
22 general public is promoted by permitting local authorities to
23 regulate tow truck service companies and operators by requiring
24 licensure, insurance, and proper training in the safe operation of
25 towing equipment, thereby ensuring against towing mistakes that
26 may lead to violent confrontation, stranding motorists in dangerous
27 situations, impeding the expedited vehicle recovery, and wasting
28 state and local law enforcement's limited resources.

29 (3) This subdivision does not limit the authority of a city or city
30 and county pursuant to Section 12111.

31 ~~(h)~~

32 (g) Operation of bicycles, and, as specified in Section 21114.5,
33 electric carts by physically disabled persons, or persons 50 years
34 of age or older, on public sidewalks.

35 ~~(i)~~

36 (h) Providing for the appointment of nonstudent school crossing
37 guards for the protection of persons who are crossing a street or
38 highway in the vicinity of a school or while returning thereafter
39 to a place of safety.

40 ~~(j)~~

1 (i) Regulating the methods of deposit of garbage and refuse in
2 streets and highways for collection by the local authority or by
3 any person authorized by the local authority.

4 ~~(k)~~

5 (j) (1) Regulating cruising.

6 (2) The ordinance or resolution adopted pursuant to this
7 subdivision shall regulate cruising, which is the repetitive driving
8 of a motor vehicle past a traffic control point in traffic that is
9 congested at or near the traffic control point, as determined by the
10 ranking peace officer on duty within the affected area, within a
11 specified time period and after the vehicle operator has been given
12 an adequate written notice that further driving past the control
13 point will be a violation of the ordinance or resolution.

14 (3) A person is not in violation of an ordinance or resolution
15 adopted pursuant to this subdivision unless both of the following
16 apply:

17 (A) That person has been given the written notice on a previous
18 driving trip past the control point and then again passes the control
19 point in that same time interval.

20 (B) The beginning and end of the portion of the street subject
21 to cruising controls are clearly identified by signs that briefly and
22 clearly state the appropriate provisions of this subdivision and the
23 local ordinance or resolution on cruising.

24 ~~(l)~~

25 (k) Regulating or authorizing the removal by peace officers of
26 vehicles unlawfully parked in a fire lane, as described in Section
27 22500.1, on private property. A removal pursuant to this
28 subdivision shall be consistent, to the extent possible, with the
29 procedures for removal and storage set forth in Chapter 10
30 (commencing with Section 22650).

31 ~~(m)~~

32 (l) Regulating mobile billboard advertising displays, as defined
33 in Section 395.5, including the establishment of penalties, which
34 may include, but are not limited to, removal of the mobile billboard
35 advertising display, civil penalties, and misdemeanor criminal
36 penalties, for a violation of the ordinance or resolution. The
37 ordinance or resolution may establish a minimum distance that a
38 mobile billboard advertising display shall be moved after a
39 specified time period.

40 ~~(n)~~

1 (m) Licensing and regulating the operation of pedicabs for hire,
2 as defined in Section 467.5, and operators of pedicabs for hire,
3 including requiring one or more of the following documents:

4 (1) A valid California driver's license.

5 (2) Proof of successful completion of a bicycle safety training
6 course certified by the League of American Bicyclists or an
7 equivalent organization as determined by the local authority.

8 (3) A valid California identification card and proof of successful
9 completion of the written portion of the California driver's license
10 examination administered by the department. The department shall
11 administer, without charging a fee, the original driver's license
12 written examination on traffic laws and signs to a person who
13 states that he or she is, or intends to become, a pedicab operator,
14 and who holds a valid California identification card or has
15 successfully completed an application for a California identification
16 card. If the person achieves a passing score on the examination,
17 the department shall issue a certificate of successful completion
18 of the examination, bearing the person's name and identification
19 card number. The certificate shall not serve in lieu of successful
20 completion of the required examination administered as part of
21 any subsequent application for a driver's license. The department
22 is not required to enter the results of the examination into the
23 computerized record of the person's identification card or otherwise
24 retain a record of the examination or results.

25 ~~(o)~~

26 (n) (1) This section does not authorize a local authority to enact
27 or enforce an ordinance or resolution that establishes a violation
28 if a violation for the same or similar conduct is provided in this
29 code, nor does it authorize a local authority to enact or enforce an
30 ordinance or resolution that assesses a fine, penalty, assessment,
31 or fee for a violation if a fine, penalty, assessment, or fee for a
32 violation involving the same or similar conduct is provided in this
33 code.

34 (2) This section does not preclude a local authority from enacting
35 parking ordinances pursuant to existing authority in Chapter 9
36 (commencing with Section 22500) of Division 11.

37 ~~(p)~~

38 (o) (1) Regulating advertising signs on motor vehicles parked
39 or left standing upon a public street. The ordinance or resolution

1 may establish a minimum distance that the advertising sign shall
 2 be moved after a specified time period.

3 (2) Paragraph (1) does not apply to any of the following:

4 (A) Advertising signs that are permanently affixed to the body
 5 of, an integral part of, or a fixture of a motor vehicle for permanent
 6 decoration, identification, or display and that do not extend beyond
 7 the overall length, width, or height of the vehicle.

8 (B) If the license plate frame is installed in compliance with
 9 Section 5201, paper advertisements issued by a dealer contained
 10 within that license plate frame or any advertisements on that license
 11 plate frame.

12 (3) As used in paragraph (2), “permanently affixed” means any
 13 of the following:

14 (A) Painted directly on the body of a motor vehicle.

15 (B) Applied as a decal on the body of a motor vehicle.

16 (C) Placed in a location on the body of a motor vehicle that was
 17 specifically designed by a vehicle manufacturer as defined in
 18 Section 672 and licensed pursuant to Section 11701, in compliance
 19 with both state and federal law or guidelines, for the express
 20 purpose of containing an advertising sign.

21 *SEC. 19. Section 21100.4 of the Vehicle Code is amended to*
 22 *read:*

23 21100.4. (a) (1) A magistrate presented with the affidavit of
 24 a peace officer ~~or a designated local transportation officer~~
 25 establishing reasonable cause to believe that a vehicle, described
 26 by vehicle type and license number, is being operated as a taxicab
 27 or other passenger vehicle for hire in violation of ~~licensing~~
 28 ~~requirements adopted by a local authority under subdivision (b)~~
 29 ~~of Section 21100 Chapter 8.5 (commencing with Section 5451) of~~
 30 *Division 2 of the Public Utilities Code* shall issue a warrant or
 31 order authorizing the peace officer ~~or designated local~~
 32 ~~transportation officer~~ to immediately seize and cause the removal
 33 of the vehicle. ~~As used in this section, “designated local~~
 34 ~~transportation officer” means any local public officer employed~~
 35 ~~by a local authority to investigate and enforce local taxicab and~~
 36 ~~vehicle for hire laws and regulations.~~

37 (2) The warrant or court order may be entered into a
 38 computerized database.

39 (3) A vehicle so impounded may be impounded for a period not
 40 to exceed 30 days.

1 (4) The impounding agency, within two working days of
2 impoundment, shall send a notice by certified mail, return receipt
3 requested, to the legal owner of the vehicle, at an address obtained
4 from the department, informing the owner that the vehicle has
5 been impounded and providing the owner with a copy of the
6 warrant or court order. Failure to notify the legal owner within
7 two working days shall prohibit the impounding agency from
8 charging for more than 15 days' impoundment when a legal owner
9 redeems the impounded vehicle. The law enforcement agency shall
10 be open to issue a release to the registered owner or legal owner,
11 or the agent of either, whenever the agency is open to serve the
12 public for regular, nonemergency business.

13 (b) (1) An impounding agency shall release a vehicle to the
14 registered owner or his or her agent prior to the end of the
15 impoundment period and without the permission of the magistrate
16 authorizing the vehicle's seizure under any of the following
17 circumstances:

18 (A) When the vehicle is a stolen vehicle.

19 (B) When the vehicle was seized under this section for an
20 offense that does not authorize the seizure of the vehicle.

21 (C) When the vehicle is a rental car.

22 (2) A vehicle may not be released under this subdivision, except
23 upon presentation of the registered owner's or agent's currently
24 valid *license permit* to operate the vehicle under the *licensing*
25 ~~requirements adopted by the local authority under subdivision (b)~~
26 ~~of Section 21100, of Chapter 8.5 (commencing with Section 5451)~~
27 ~~of Division 2 of the Public Utilities Code~~, and proof of current
28 vehicle registration, or upon order of the court.

29 (c) (1) Whenever a vehicle is impounded under this section,
30 the magistrate ordering the storage shall provide the vehicle's
31 registered and legal owners of record, or their agents, with the
32 opportunity for a poststorage hearing to determine the validity of
33 the storage.

34 (2) A notice of the storage shall be mailed or personally
35 delivered to the registered and legal owners within 48 hours after
36 issuance of the warrant or court order, excluding weekends and
37 holidays, by the person or agency executing the warrant or court
38 order, and shall include all of the following information:

39 (A) The name, address, and telephone number of the agency
40 providing the notice.

1 (B) The location of the place of storage and a description of the
2 vehicle, which shall include, if available, the name or make, the
3 manufacturer, the license plate number, and the mileage of the
4 vehicle.

5 (C) A copy of the warrant or court order and the peace officer's
6 affidavit, as described in subdivision (a).

7 (D) A statement that, in order to receive their poststorage
8 hearing, the owners, or their agents, are required to request the
9 hearing from the magistrate issuing the warrant or court order in
10 person, in writing, or by telephone, within 10 days of the date of
11 the notice.

12 (3) The poststorage hearing shall be conducted within two court
13 days after receipt of the request for the hearing.

14 (4) At the hearing, the magistrate may order the vehicle released
15 if he or she finds any of the circumstances described in subdivision
16 (b) or (e) that allow release of a vehicle by the impounding agency.

17 (5) Failure of either the registered or legal owner, or his or her
18 agent, to request, or to attend, a scheduled hearing satisfies the
19 poststorage hearing requirement.

20 (6) The agency employing the peace officer ~~or designated local~~
21 ~~transportation officer~~ who caused the magistrate to issue the
22 warrant or court order shall be responsible for the costs incurred
23 for towing and storage if it is determined in the poststorage hearing
24 that reasonable grounds for the storage are not established.

25 (d) The registered owner or his or her agent is responsible for
26 all towing and storage charges related to the impoundment, and
27 any administrative charges authorized under Section 22850.5.

28 (e) A vehicle removed and seized under subdivision (a) shall
29 be released to the legal owner of the vehicle or the legal owner's
30 agent prior to the end of the impoundment period and without the
31 permission of the magistrate authorizing the seizure of the vehicle
32 if all of the following conditions are met:

33 (1) The legal owner is a motor vehicle dealer, bank, credit union,
34 acceptance corporation, or other licensed financial institution
35 legally operating in this state or is another person, not the registered
36 owner, holding a security interest in the vehicle.

37 (2) (A) The legal owner or the legal owner's agent pays all
38 towing and storage fees related to the seizure of the vehicle. A lien
39 sale processing fee shall not be charged to the legal owner who
40 redeems the vehicle prior to the 15th day of impoundment. Neither

1 the impounding authority nor any person having possession of the
2 vehicle shall collect from the legal owner of the type specified in
3 paragraph (1), or the legal owner's agent, any administrative
4 charges imposed pursuant to Section 22850.5 unless the legal
5 owner voluntarily requested a poststorage hearing.

6 (B) A person operating or in charge of a storage facility where
7 vehicles are stored pursuant to this section shall accept a valid
8 bank credit card or cash for payment of towing, storage, and related
9 fees by a legal or registered owner or the owner's agent claiming
10 the vehicle. A credit card shall be in the name of the person
11 presenting the card. "Credit card" means "credit card" as defined
12 in subdivision (a) of Section 1747.02 of the Civil Code, except,
13 for the purposes of this section, credit card does not include a credit
14 card issued by a retail seller.

15 (C) A person operating or in charge of a storage facility
16 described in subparagraph (B) who violates subparagraph (B) shall
17 be civilly liable to the owner of the vehicle or to the person who
18 tendered the fees for four times the amount of the towing, storage,
19 and related fees, but not to exceed five hundred dollars (\$500).

20 (D) A person operating or in charge of a storage facility
21 described in subparagraph (B) shall have sufficient funds on the
22 premises of the primary storage facility during normal business
23 hours to accommodate, and make change in, a reasonable monetary
24 transaction.

25 (E) Credit charges for towing and storage services shall comply
26 with Section 1748.1 of the Civil Code. Law enforcement agencies
27 may include the costs of providing for payment by credit when
28 making agreements with towing companies on rates.

29 (3) (A) The legal owner or the legal owner's agent presents to
30 the law enforcement agency or impounding agency, or any person
31 acting on behalf of those agencies, a copy of the assignment, as
32 defined in subdivision (b) of Section 7500.1 of the Business and
33 Professions Code; a release from the one responsible governmental
34 agency, only if required by the agency; a government-issued
35 photographic identification card; and any one of the following as
36 determined by the legal owner or the legal owner's agent: a
37 certificate of repossession for the vehicle, a security agreement
38 for the vehicle, or title, whether paper or electronic, showing proof
39 of legal ownership for the vehicle. The law enforcement agency,
40 impounding agency, or any other governmental agency, or any

1 person acting on behalf of those agencies, shall not require the
2 presentation of any other documents.

3 (B) The legal owner or the legal owner's agent presents to the
4 person in possession of the vehicle, or any person acting on behalf
5 of the person in possession, a copy of the assignment, as defined
6 in subdivision (b) of Section 7500.1 of the Business and
7 Professions Code; a release from the one responsible governmental
8 agency, only if required by the agency; a government-issued
9 photographic identification card; and any one of the following as
10 determined by the legal owner or the legal owner's agent: a
11 certificate of repossession for the vehicle, a security agreement
12 for the vehicle, or title, whether paper or electronic, showing proof
13 of legal ownership for the vehicle. The person in possession of the
14 vehicle, or any person acting on behalf of the person in possession,
15 shall not require the presentation of any other documents.

16 (C) All presented documents may be originals, photocopies, or
17 facsimile copies, or may be transmitted electronically. The law
18 enforcement agency, impounding agency, or any person in
19 possession of the vehicle, or anyone acting on behalf of them, shall
20 not require any documents to be notarized. The law enforcement
21 agency, impounding agency, or any person acting on behalf of
22 those agencies, may require the agent of the legal owner to produce
23 a photocopy or facsimile copy of its repossession agency license
24 or registration issued pursuant to Chapter 11 (commencing with
25 Section 7500) of Division 3 of the Business and Professions Code,
26 or to demonstrate, to the satisfaction of the law enforcement
27 agency, impounding agency, or any person in possession of the
28 vehicle, or anyone acting on behalf of them, that the agent is
29 exempt from licensure pursuant to Section 7500.2 or 7500.3 of the
30 Business and Professions Code.

31 (D) An administrative cost authorized under subdivision (a) of
32 Section 22850.5 shall not be charged to the legal owner of the type
33 specified in paragraph (1) who redeems the vehicle unless the legal
34 owner voluntarily requests a poststorage hearing. A city, county,
35 city and county, or state agency shall not require a legal owner or
36 a legal owner's agent to request a poststorage hearing as a
37 requirement for release of the vehicle to the legal owner or the
38 legal owner's agent. The law enforcement agency, impounding
39 agency, or any other governmental agency, or any person acting
40 on behalf of those agencies, shall not require any documents other

1 than those specified in this paragraph. The law enforcement agency,
2 impounding agency, or other governmental agency, or any person
3 acting on behalf of those agencies, may not require any documents
4 to be notarized. The legal owner or the legal owner's agent shall
5 be given a copy of any documents he or she is required to sign,
6 except for a vehicle evidentiary hold logbook. The law enforcement
7 agency, impounding agency, or any person acting on behalf of
8 those agencies, or any person in possession of the vehicle, may
9 photocopy and retain the copies of any documents presented by
10 the legal owner or legal owner's agent.

11 (4) A failure by a storage facility to comply with any applicable
12 conditions set forth in this subdivision shall not affect the right of
13 the legal owner or the legal owner's agent to retrieve the vehicle,
14 provided all conditions required of the legal owner or legal owner's
15 agent under this subdivision are satisfied.

16 (f) (1) A legal owner or the legal owner's agent that obtains
17 release of the vehicle pursuant to subdivision (e) shall not release
18 the vehicle to the registered owner of the vehicle or the person
19 who was listed as the registered owner when the vehicle was
20 impounded or any agents of the registered owner until the
21 termination of the impoundment period.

22 (2) The legal owner or the legal owner's agent shall not
23 relinquish the vehicle to the registered owner or the person who
24 was listed as the registered owner when the vehicle was impounded
25 until the registered owner or that owner's agent presents his or her
26 valid driver's license or valid temporary driver's license, and an
27 operator's ~~license~~ *permit* that is in compliance with the ~~licensing~~
28 ~~requirements adopted by the local authority under subdivision (b)~~
29 ~~of Section 21100, of Chapter 8.5 (commencing with Section 5451)~~
30 ~~of Division 2 of the Public Utilities Code~~, to the legal owner or the
31 legal owner's agent. The legal owner or the legal owner's agent
32 or the person in possession of the vehicle shall make every
33 reasonable effort to ensure that the ~~licenses~~ *license and permit*
34 presented are valid and possession of the vehicle will not be given
35 to the driver who was involved in the original impoundment
36 proceeding until the expiration of the impoundment period.

37 (3) Prior to relinquishing the vehicle, the legal owner may
38 require the registered owner to pay all towing and storage charges
39 related to the impoundment and the administrative charges

1 authorized under Section 22850.5 that were incurred by the legal
 2 owner in connection with obtaining the custody of the vehicle.

3 (4) Any legal owner who knowingly releases or causes the
 4 release of a vehicle to a registered owner or the person in
 5 possession of the vehicle at the time of the impoundment or any
 6 agent of the registered owner in violation of this subdivision shall
 7 be guilty of a misdemeanor and subject to a civil penalty in the
 8 amount of two thousand dollars (\$2,000).

9 (5) The legal owner, registered owner, or person in possession
 10 of the vehicle shall not change or attempt to change the name of
 11 the legal owner or the registered owner on the records of the
 12 department until the vehicle is released from the impoundment.

13 (g) Notwithstanding any other provision of this section, the
 14 registered owner and not the legal owner shall remain responsible
 15 for any towing and storage charges related to the impoundment
 16 and the administrative charges authorized under Section 22850.5
 17 and any parking fines, penalties, and administrative fees incurred
 18 by the registered owner.

19 (h) The law enforcement agency and the impounding agency,
 20 including any storage facility acting on behalf of the law
 21 enforcement agency or impounding agency, shall comply with this
 22 section and shall not be liable to the registered owner for the
 23 improper release of the vehicle to the legal owner or the legal
 24 owner’s agent if the release complies with this section. The legal
 25 owner shall indemnify and hold harmless a storage facility from
 26 any claims arising out of the release of the vehicle to the legal
 27 owner or the legal owner’s agent and from any damage to the
 28 vehicle after its release, including the reasonable costs associated
 29 with defending any such claims. A law enforcement agency shall
 30 not refuse to issue a release to a legal owner or the agent of a legal
 31 owner on the grounds that it previously issued a release.

32 *SEC. 20. Section 27908 of the Vehicle Code is amended to*
 33 *read:*

34 27908. (a) In every taxicab operated in this state there shall
 35 be a sign of heavy material, not smaller than 6 inches by 4 inches,
 36 or such other size as the ~~agency regulating the operation of the~~
 37 ~~taxicab~~ *Public Utilities Commission* provides for other notices or
 38 signs required to be in every taxicab, securely attached and clearly
 39 displayed in view of the passenger at all times, providing in letters

1 as large as the size of the sign will reasonably allow, all of the
2 following information:

3 (1) The name, address, and telephone number of the ~~agency~~
4 ~~regulating applicable unit of the Public Utilities Commission that~~
5 ~~regulates the operation of the taxicab.~~

6 (2) The name, address, and telephone number of the ~~firm~~
7 ~~licensed or controlled taxicab carrier that has been issued a permit~~
8 ~~to provide taxicab transportation services by the agency regulating~~
9 ~~the operation of the taxicab. Public Utilities Commission.~~

10 ~~(b) In the event more than one local regulatory agency has~~
11 ~~jurisdiction over the operation of the taxicab, the notice required~~
12 ~~by paragraph (1) of subdivision (a) shall provide the name, address,~~
13 ~~and telephone number of the agency having jurisdiction in the area~~
14 ~~where the taxicab operator conducts its greatest volume of business;~~
15 ~~or, if this cannot readily be ascertained, the agency having~~
16 ~~jurisdiction in the area where the taxicab operator maintains its~~
17 ~~offices or primary place of business, provided that the operator~~
18 ~~conducts a substantial volume of business in such area; or, if neither~~
19 ~~of the foregoing provisions apply, any agency having jurisdiction~~
20 ~~of an area where the taxicab operator conducts a substantial volume~~
21 ~~of business.~~

22 (e)

23 (b) As used in this section, “taxicab” means a passenger *motor*
24 vehicle designed for carrying not more than eight persons,
25 excluding the driver, and used to carry passengers for ~~hire.~~ *hire*
26 *as part of taxicab transportation services regulated pursuant to*
27 *Chapter 8.5 (commencing with Section 5451) of Division 2 of the*
28 *Public Utilities Code.* “Taxicab” shall not include a charter-party
29 carrier of passengers within the meaning of the Passenger
30 Charter-party Carriers’ ~~Act, Chapter Act (Chapter 8 (commencing~~
31 ~~with Section 5351) of Division 2 of the Public Utilities Code.~~
32 *Code.)*

33 *SEC. 21. No reimbursement is required by this act pursuant*
34 *to Section 6 of Article XIII B of the California Constitution for*
35 *certain costs that may be incurred by a local agency or school*
36 *district because, in that regard, this act creates a new crime or*
37 *infraction, eliminates a crime or infraction, or changes the penalty*
38 *for a crime or infraction, within the meaning of Section 17556 of*
39 *the Government Code, or changes the definition of a crime within*

1 *the meaning of Section 6 of Article XIII B of the California*
 2 *Constitution.*

3 *However, if the Commission on State Mandates determines that*
 4 *this act contains other costs mandated by the state, reimbursement*
 5 *to local agencies and school districts for those costs shall be made*
 6 *pursuant to Part 7 (commencing with Section 17500) of Division*
 7 *4 of Title 2 of the Government Code.*

8 SECTION 1. Section 19607.2 of the Business and Professions
 9 Code is amended to read:

10 ~~19607.2. Notwithstanding Section 19605.8, when satellite~~
 11 ~~wagering is conducted on thoroughbred races at associations or~~
 12 ~~fairs in the northern zone, an amount not to exceed 2 percent of~~
 13 ~~the total amount handled by all of those satellite wagering facilities,~~
 14 ~~shall be deducted from the funds otherwise allocated for~~
 15 ~~distribution as commissions, purses, and owners' premiums and~~
 16 ~~instead distributed to an organization formed and operated by~~
 17 ~~thoroughbred racing associations, fairs conducting thoroughbred~~
 18 ~~racing, and the organization representing thoroughbred horsemen~~
 19 ~~and horsewomen, for use pursuant to Section 19607.3. A vote of~~
 20 ~~the organization representing thoroughbred horsemen and~~
 21 ~~horsewomen shall constitute 50 percent of all voting interests on~~
 22 ~~the board of the organization formed and operated to administer~~
 23 ~~the fund. The other 50 percent of all voting interests shall be~~
 24 ~~allocated among thoroughbred racing associations and fairs~~
 25 ~~conducting thoroughbred racing in a manner that provides~~
 26 ~~meaningful representation on the governing board of the~~
 27 ~~organization for thoroughbred racing associations and fairs~~
 28 ~~conducting thoroughbred racing, except as provided in subdivision~~
 29 ~~(h) of Section 19607.3.~~

30 SEC. 2. Section 19607.3 of the Business and Professions Code
 31 is amended to read:

32 ~~19607.3. (a) Notwithstanding Section 19535, the funds~~
 33 ~~distributed to the organization formed pursuant to Section 19607.2~~
 34 ~~shall be used to pay the organization's expenses and compensate~~
 35 ~~the provider of a board-approved auxiliary offsite facility for~~
 36 ~~stabling, training, and vanning of thoroughbred horses in the~~
 37 ~~northern zone. The organization administering the auxiliary offsite~~
 38 ~~stabling and training facility and vanning program shall submit its~~
 39 ~~proposed financial and operational plans for the upcoming calendar~~
 40 ~~year to the board for review no later than November 1 of the~~

1 preceding year. Neither the organization administering the auxiliary
2 offsite stabling and training facility and vanning program nor any
3 of the entities forming and operating the organization, except the
4 entity operating the auxiliary offsite stabling and training facility
5 where the injury occurred, shall be liable for any injury to any
6 jockey, exercise person, owner, trainer, or any employee or agent
7 thereof, or any horse occurring at any auxiliary offsite stabling
8 and training facility.

9 (b) ~~The funds shall also be used to cover all or part of the cost~~
10 ~~of vanning thoroughbred horses from a board-approved auxiliary~~
11 ~~offsite stabling and training facility to the track to start in a~~
12 ~~thoroughbred race at a thoroughbred or fair racing meeting in the~~
13 ~~northern zone. The organization shall determine the extent of and~~
14 ~~manner in which compensation will be paid for thoroughbred~~
15 ~~horses that are vanned from the auxiliary facility to the track or~~
16 ~~the fair conducting the thoroughbred or fair racing meeting. Neither~~
17 ~~the organization administering the auxiliary offsite stabling and~~
18 ~~training facility and vanning program nor any of the entities~~
19 ~~forming and operating the organization, except an entity actually~~
20 ~~engaged in vanning horses, is liable for any injury occurring to~~
21 ~~any individual or horse during vanning from an offsite stabling~~
22 ~~and training facility.~~

23 (c) ~~The auxiliary offsite stabling and training facilities and the~~
24 ~~amenities provided for offsite stabling and training purposes shall~~
25 ~~be substantially equivalent in character to those provided by the~~
26 ~~thoroughbred racing association or fair conducting the racing~~
27 ~~meeting.~~

28 (d) ~~In order to ensure the long-term availability of facilities for~~
29 ~~offsite stabling and training, the organization may enter into~~
30 ~~multiyear contracts for auxiliary facilities in the northern zone.~~
31 ~~The organization shall submit to the board for its approval the~~
32 ~~multiyear contracts that it enters into with providers of auxiliary~~
33 ~~facilities for offsite stabling and training. Contracts not disapproved~~
34 ~~by the board within 60 days of submittal to the board shall be~~
35 ~~deemed to have been approved by the board.~~

36 (e) ~~At the request of the board, the organization shall submit a~~
37 ~~report detailing all of its receipts and expenditures over the prior~~
38 ~~two fiscal years and, upon request of any party within the~~
39 ~~organization, those receipts and expenditures shall be audited by~~
40 ~~the board.~~

1 (f) In addition to the uses of the funds described in subdivisions
2 (a) and (b), the organization may use the funds for both of the
3 following:

4 (1) Maintain a reserve fund of up to 10 percent of the total
5 estimated annual vanning and auxiliary offsite stabling and training
6 facility costs. In addition to the reserve fund, if the funds generated
7 for the auxiliary offsite stabling and training facilities and vanning
8 are insufficient to fully cover the expenses incurred, the
9 organization may, in the future, accumulate sufficient funds to
10 fully cover those expenses.

11 (2) Pay back commissions, purses, and owners' premiums to
12 the extent the deductions made pursuant to Section 19607.2 exceed
13 in any year the amount of funds necessary to achieve the objectives
14 of the organization.

15 (g) The amount initially deducted and distributed to the
16 organization pursuant to Section 19607.2 may, at the request of
17 the organization, be adjusted by the board, in its discretion.
18 However, the adjusted amount may not exceed 2 percent of the
19 total amount handled by satellite wagering facilities. The amount
20 deducted and distributed to the organization as adjusted by the
21 board may be a different percentage of the handle for different
22 associations and fairs conducting thoroughbred racing meetings
23 in the northern zone, but only if all the associations and fairs agree
24 to the differing percentages.

25 (h) A thoroughbred racing association or fair in the northern
26 zone that is able to provide the minimum number of stalls required
27 by its racing meeting license without the use of any auxiliary offsite
28 stabling and training facility and vanning program may opt out of
29 that program, in which case the deduction described in Section
30 19607.2 shall not apply during the live racing meeting conducted
31 by the association or fair until such time as the association or fair
32 opts back into the auxiliary offsite stabling and training facility
33 and vanning program. Any thoroughbred racing association or fair
34 in the northern zone that opts out of the auxiliary offsite stabling
35 and training facility and vanning program shall not have any voting
36 interest therein until such time as the association or fair opts back
37 into the program. The organization shall establish reasonable
38 procedures and timelines for the giving of notice to the organization
39 by a thoroughbred racing association or fair that elects to opt out

1 of the auxiliary offsite stabling and training facility and vanning
2 program.

3 (i) The board shall reserve the right to adjudicate any disputes
4 that arise regarding costs, or other matters, relating to the furnishing
5 of offsite stabling, training, or vanning. Notwithstanding any other
6 law, the board shall maintain all powers necessary and proper to
7 ensure that offsite stabling, training, and vanning, as provided for
8 in this article, is conducted in a manner that protects the public
9 and serves the best interests of horse racing.

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

19 SEC. 4. This act is an urgency statute necessary for the
20 immediate preservation of the public peace, health, or safety within
21 the meaning of Article IV of the Constitution and shall go into
22 immediate effect. The facts constituting the necessity are:

23 At current levels, there are insufficient funds to maintain an
24 auxiliary offsite stabling and training facility and vanning program
25 at racing meetings of thoroughbred horses conducted by
26 thoroughbred racing associations or fairs. Therefore, in order to
27 raise sufficient funds before the winter thoroughbred horse racing
28 season begins, it is necessary that this act take effect immediately.