

**Introduced by Senator Hill**February 25, 2015

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An act to amend Sections 116.870 and 116.880 of the Code of Civil Procedure, and to amend Sections 1656.2, 12517.1, 13369, 16000, 16000.1, 16075, 16251, 16377, 16430, and 16434 of the Vehicle Code, relating to motor vehicles.

## LEGISLATIVE COUNSEL'S DIGEST

SB 438, as introduced, Hill. Motor vehicles: reportable property damage.

Existing law requires the driver of every motor vehicle who is involved in an accident that results in damage to the property of any one person in excess of \$750, or in bodily injury, or in the death of a person, to report the accident to the Department of Motor Vehicles within 10 days after the accident, as specified. Under existing law that threshold amount of damages also serves as a condition, among others, for (1) the suspension of a judgment debtor's driving privileges, as an aid in the enforcement of small claims or civil money judgments arising out of those accidents; and (2) the suspension or revocation of specified endorsements or certificates.

This bill would increase the minimum property damage that is required to be reported to \$1,000. This bill would make conforming changes to those related provisions described above.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 116.870 of the Code of Civil Procedure  
2 is amended to read:

3 116.870. Sections 16250 to 16381, inclusive, of the Vehicle  
4 Code, regarding the suspension of the judgment debtor's privilege  
5 to operate a motor vehicle for failing to satisfy a judgment, apply  
6 if the judgment (1) was for damage to property in excess of ~~seven~~  
7 ~~hundred fifty dollars (\$750)~~ *one thousand dollars (\$1,000)*, or for  
8 bodily injury to, or death of, a person in any amount, and (2)  
9 resulted from the operation of a motor vehicle upon a California  
10 highway by the defendant, or by any other person for whose  
11 conduct the defendant was liable, unless the liability resulted from  
12 the defendant's signing the application of a minor for a driver's  
13 license.

14 SEC. 2. Section 116.880 of the Code of Civil Procedure is  
15 amended to read:

16 116.880. (a) If the judgment (1) was for ~~seven hundred fifty~~  
17 ~~dollars (\$750)~~ *one thousand dollars (\$1,000)* or less, (2) resulted  
18 from a motor vehicle accident occurring on a California highway  
19 caused by the defendant's operation of a motor vehicle, and (3)  
20 has remained unsatisfied for more than 90 days after the judgment  
21 became final, the judgment creditor may file with the Department  
22 of Motor Vehicles a notice requesting a suspension of the judgment  
23 debtor's privilege to operate a motor vehicle.

24 (b) The notice shall state that the judgment has not been  
25 satisfied, and shall be accompanied by (1) a fee set by the  
26 department, (2) the judgment of the court determining that the  
27 judgment resulted from a motor vehicle accident occurring on a  
28 California highway caused by the judgment debtor's operation of  
29 a motor vehicle, and (3) a declaration that the judgment has not  
30 been satisfied. The fee shall be used by the department to finance  
31 the costs of administering this section and ~~may~~ *shall* not exceed  
32 the department's actual costs.

33 (c) Upon receipt of a notice, the department shall attempt to  
34 notify the judgment debtor by telephone, if possible, otherwise by  
35 certified mail, that the judgment debtor's privilege to operate a  
36 motor vehicle will be suspended for a period of 90 days, beginning  
37 20 days after receipt of notice by the department from the judgment

1 creditor, unless satisfactory proof, as provided in subdivision (e),  
2 is provided to the department before that date.

3 (d) At the time the notice is filed, the department shall give the  
4 judgment creditor a copy of the notice that ~~shall indicate~~ *indicates*  
5 the filing fee paid by the judgment creditor, and ~~shall include~~  
6 *includes* a space to be signed by the judgment creditor  
7 acknowledging payment of the judgment by the judgment debtor.  
8 The judgment creditor shall mail or deliver a signed copy of the  
9 acknowledgment to the judgment debtor once the judgment is  
10 satisfied.

11 (e) The department shall terminate the suspension, or the  
12 suspension proceedings, upon the occurrence of one or more of  
13 the following:

14 (1) Receipt of proof that the judgment has been satisfied, either  
15 (A) by a copy of the notice required by this section signed by the  
16 judgment creditor acknowledging satisfaction of the judgment, or  
17 (B) by a declaration of the judgment debtor stating that the  
18 judgment has been satisfied.

19 (2) Receipt of proof that the judgment debtor is complying with  
20 a court-ordered payment schedule.

21 (3) Proof that the judgment debtor had insurance covering the  
22 accident sufficient to satisfy the judgment.

23 (4) A deposit with the department of the amount of the  
24 unsatisfied judgment, if the judgment debtor presents proof,  
25 satisfactory to the department, of inability to locate the judgment  
26 creditor.

27 (5) At the end of 90 days.

28 (f) ~~When~~ *If* the suspension has been terminated under  
29 subdivision (e), the action is final and ~~may~~ *shall* not be reinstated.  
30 ~~Whenever~~ *If* the suspension is terminated, Section 14904 of the  
31 Vehicle Code shall apply. Money deposited with the department  
32 under this section shall be handled in the same manner as money  
33 deposited under subdivision (d) of Section 16377 of the Vehicle  
34 Code.

35 (g) A public agency is not liable for an injury caused by the  
36 suspension, termination of suspension, or the failure to suspend a  
37 person's privilege to operate a motor vehicle as authorized by this  
38 section.

39 SEC. 3. Section 1656.2 of the Vehicle Code is amended to  
40 read:

1 1656.2. The department shall prepare and publish a printed  
 2 summary describing the penalties for noncompliance with Sections  
 3 16000 and 16028, which shall be included with each motor vehicle  
 4 registration, registration renewal, and transfer of registration and  
 5 with each driver’s license and license renewal. The printed  
 6 summary may contain, but is not limited to, the following wording:

7  
 8 “IMPORTANT FACTS ABOUT ENFORCEMENT OF  
 9 CALIFORNIA’S COMPULSORY FINANCIAL  
 10 RESPONSIBILITY LAW  
 11

12 California law requires every driver to carry written evidence  
 13 of valid automobile liability insurance, ~~a thirty-five thousand~~  
 14 ~~dollar (\$35,000)~~ \$35,000 bond, ~~a thirty-five thousand dollar~~  
 15 ~~(\$35,000)~~ \$35,000 cash deposit, or a certificate of self-insurance  
 16 that has been issued by the Department of Motor Vehicles.

17 You must provide evidence of financial responsibility when you  
 18 renew the registration of a motor vehicle, and after you are cited  
 19 by a peace officer for a traffic violation or are involved in any  
 20 traffic accident. The law requires that you provide the officer  
 21 with the name and address of your insurer and the policy  
 22 identification number. Your insurer will provide written evidence  
 23 of this number. Failure to provide evidence of your financial  
 24 responsibility can result in fines of up to ~~five hundred dollars~~  
 25 ~~(\$500)~~ \$500 and loss of your driver’s license. Falsification of  
 26 evidence can result in fines of up to ~~seven hundred fifty dollars~~  
 27 ~~(\$750)~~ \$750 or 30 days in jail, or both, in addition to a one-year  
 28 suspension of driving privileges.

29 Under existing California law, if you are involved in an  
 30 accident that results in damages of over ~~seven hundred fifty~~  
 31 ~~dollars (\$750)~~ \$1,000 to the property of any person or in any  
 32 injury or fatality, you must file a report of the accident with the  
 33 Department of Motor Vehicles within 10 days of the accident.  
 34 If you fail to file a report or fail to provide evidence of financial  
 35 responsibility on the report, your driving privilege will be  
 36 suspended for up to four years. Your suspension notice will  
 37 notify you of the department’s action and of your right to a  
 38 hearing. Your suspension notice will also inform you that if you  
 39 request a hearing, it must be conducted within 30 days of your

1 written request, and that a decision is to be rendered within 15  
2 days of the conclusion of the hearing.”

3 SEC. 4. Section 12517.1 of the Vehicle Code is amended to  
4 read:

5 12517.1. (a) A “schoolbus accident” means any of the  
6 following:

7 (1) A motor vehicle accident resulting in property damage in  
8 excess of ~~seven hundred fifty dollars (\$750)~~ *one thousand dollars*  
9 *(\$1,000)*, or personal injury, on public or private property, and  
10 involving a schoolbus, youth bus, school pupil activity bus, or  
11 general public paratransit vehicle transporting a pupil.

12 (2) A collision between a vehicle and a pupil or a schoolbus  
13 driver while the pupil or driver is crossing the highway when the  
14 schoolbus flashing red signal lamps are required to be operated  
15 pursuant to Section 22112 or when the schoolbus is stopped for  
16 the purpose of loading or unloading pupils.

17 (3) Injury of a pupil inside a vehicle described in paragraph (1)  
18 as a result of acceleration, deceleration, or other movement of the  
19 vehicle.

20 (b) The Department of the California Highway Patrol shall  
21 investigate all schoolbus accidents, except that accidents involving  
22 only property damage and occurring entirely on private property  
23 shall be investigated only if they involve a violation of this code.

24 SEC. 5. Section 13369 of the Vehicle Code is amended to read:

25 13369. (a) This section applies to the following endorsements  
26 and certificates:

27 (1) Passenger transportation vehicle.

28 (2) Hazardous materials.

29 (3) Schoolbus.

30 (4) School pupil activity bus.

31 (5) Youth bus.

32 (6) General public paratransit vehicle.

33 (7) Farm labor vehicle.

34 (8) Vehicle used for the transportation of developmentally  
35 disabled persons.

36 (b) The department shall refuse to issue or renew, or shall  
37 revoke, the certificate or endorsement of ~~any~~ *a* person who meets  
38 the following conditions:

39 (1) Within three years, has committed any violation that results  
40 in a conviction assigned a violation point count of two or more,

1 as defined in Sections 12810 and 12810.5. The department ~~may~~  
2 *shall* not refuse to issue or renew, nor may it revoke, a person's  
3 hazardous materials or passenger transportation vehicle  
4 endorsement if the violation leading to the conviction occurred in  
5 the person's private vehicle and not in a commercial motor vehicle,  
6 as defined in Section 15210.

7 (2) Within three years, has had his or her driving privilege  
8 suspended, revoked, or on probation for any reason involving  
9 unsafe operation of a motor vehicle. The department ~~may~~ *shall*  
10 not refuse to issue or renew, nor may it revoke, a person's  
11 passenger transportation vehicle endorsement if the person's  
12 driving privilege has, within three years, been placed on probation  
13 only for ~~any~~ a reason involving unsafe operation of a motor vehicle.

14 (3) Notwithstanding paragraphs (1) and (2), does not meet the  
15 qualifications for issuance of a hazardous materials endorsement  
16 set forth in Parts 383, 384, and 1572 of Title 49 of the Code of  
17 Federal Regulations.

18 (c) The department may refuse to issue or renew, or may suspend  
19 or revoke, the certificate or endorsement of ~~any~~ a person who  
20 meets any of the following conditions:

21 (1) Within 12 months, has been involved as a driver in three  
22 accidents in which the driver caused or contributed to the causes  
23 of the accidents.

24 (2) Within 24 months, as a driver, caused or contributed to the  
25 cause of an accident resulting in a fatality or serious injury or  
26 serious property damage in excess of ~~seven hundred fifty dollars~~  
27 *(\$750) one thousand dollars (\$1,000)*.

28 (3) Has violated any provision of this code, or any rule or  
29 regulation pertaining to the safe operation of a vehicle for which  
30 the certificate or endorsement was issued.

31 (4) Has violated any restriction of the certificate, endorsement,  
32 or commercial driver's license.

33 (5) Has knowingly made a false statement or failed to disclose  
34 a material fact on an application for a certificate or endorsement.

35 (6) Has been determined by the department to be a negligent or  
36 incompetent operator.

37 (7) Has demonstrated irrational behavior to the extent that a  
38 reasonable and prudent person would have reasonable cause to  
39 believe that the applicant's ability to perform the duties of a driver  
40 may be impaired.

1 (8) Excessively or habitually uses, or is addicted to, alcoholic  
2 beverages, narcotics, or dangerous drugs.

3 (9) Does not meet the minimum medical standards established  
4 or approved by the department.

5 (d) The department may cancel the certificate or endorsement  
6 of any driver who meets any of the following conditions:

7 (1) Does not have a valid driver's license of the appropriate  
8 class.

9 (2) Has requested cancellation of the certificate or endorsement.

10 (3) Has failed to meet any of the requirements for issuance or  
11 retention of the certificate or endorsement, including, but not  
12 limited to, payment of the proper fee, submission of an acceptable  
13 medical report and fingerprint cards, and compliance with  
14 prescribed training requirements.

15 (4) Has had his or her driving privilege suspended or revoked  
16 for a cause involving other than the safe operation of a motor  
17 vehicle.

18 (e) (1) The department shall refuse to issue or renew, or shall  
19 suspend or revoke, the passenger vehicle endorsement of a person  
20 who violates subdivision (b) of Section 5387 of the Public Utilities  
21 Code.

22 (2) A person found to be in violation of subdivision (b) of  
23 Section 5387 of the Public Utilities Code shall be ineligible for a  
24 passenger vehicle endorsement that would permit him or her to  
25 drive a bus of any kind, including, but not limited to, a bus,  
26 schoolbus, youth bus, school pupil activity bus, trailer bus, or a  
27 transit bus, with passengers, for a period of five years.

28 (f) (1) Reapplication following refusal or revocation under  
29 subdivision (b) or (c) may be made after a period of not less than  
30 one year from the effective date of denial or revocation, except in  
31 cases where a longer period of suspension or revocation is required  
32 by law.

33 (2) Reapplication following cancellation under subdivision (d)  
34 may be made at any time without prejudice.

35 SEC. 6. Section 16000 of the Vehicle Code is amended to read:

36 16000. (a) The driver of a motor vehicle who is in any manner  
37 involved in an accident originating from the operation of the motor  
38 vehicle on a street or highway, or is involved in a reportable  
39 off-highway accident, as defined in Section 16000.1, that has  
40 resulted in damage to the property of any one person in excess of

1 ~~seven hundred fifty dollars (\$750)~~ *one thousand dollars (\$1,000)*,  
2 or in bodily injury, or in the death of any person shall report the  
3 accident, within 10 days after the accident, either personally or  
4 through an insurance agent, broker, or legal representative, on a  
5 form approved by the department, to the office of the department  
6 at Sacramento, subject to this chapter. The driver shall identify on  
7 the form, by name and current residence address, if available, any  
8 person involved in the accident complaining of bodily injury.

9 (b) A report is not required under subdivision (a) if the motor  
10 vehicle involved in the accident was owned or leased by, or under  
11 the direction of, the United States, this state, another state, or a  
12 local agency.

13 (c) If none of the parties involved in an accident has reported  
14 the accident to the department under this section within one year  
15 following the date of the accident, the department is not required  
16 to file a report on the accident and the driver's license suspension  
17 requirements of Section 16004 or 16070 do not apply.

18 SEC. 7. Section 16000.1 of the Vehicle Code is amended to  
19 read:

20 16000.1. (a) For purposes of this division, a "reportable  
21 off-highway accident" means an accident ~~which~~ *that* includes all  
22 of the following:

- 23 (1) Occurs off the street or highway.
- 24 (2) Involves a vehicle that is subject to registration under this  
25 code.
- 26 (3) Results in damages to the property of any one person in  
27 excess of ~~seven hundred fifty dollars (\$750)~~ *one thousand dollars*  
28 *(\$1,000)*, or in bodily injury or in the death of any person.

29 (b) A "reportable off-highway accident" does not include any  
30 accident ~~which~~ *that* occurs off-highway in which damage occurs  
31 only to the property of the driver or owner of the motor vehicle  
32 and no bodily injury or death of a person occurs.

33 SEC. 8. Section 16075 of the Vehicle Code is amended to read:

34 16075. (a) The suspension provisions of this article shall not  
35 apply to a driver or owner until 30 days after the department sends  
36 to the driver or owner notice of its intent to suspend his or her  
37 driving privilege, pursuant to subdivision (b) of Section 16070,  
38 and advises the driver or owner of his or her right to a hearing as  
39 ~~hereinafter~~ provided *in this section*.

1 (b) If the driver or owner receiving the notice of intent to  
2 suspend wishes to have a hearing, the request for a hearing shall  
3 be made in writing to the department within 10 days of the receipt  
4 of the notice. Failure to respond to a notice of intent within 10  
5 days of receipt of the notice is a waiver of the person’s right to a  
6 hearing.

7 (c) If the driver or owner makes a timely request for a hearing,  
8 the department shall hold the hearing before the effective date of  
9 the suspension to determine the applicability of this chapter to the  
10 driver or owner, including a determination of whether:

11 (1) The accident has resulted in property damage in excess of  
12 ~~seven hundred fifty dollars (\$750)~~ *one thousand dollars (\$1,000)*,  
13 or bodily injury, or death.

14 (2) The driver or owner has established financial responsibility,  
15 as provided in Article 3 (commencing with Section 16050), was  
16 in effect at the time of the accident.

17 (d) A request for a hearing does not stay the suspension of a  
18 person’s driving privilege. However, if the department does not  
19 conduct a hearing and make a determination pursuant thereto within  
20 the time limit provided in subdivision (b) of Section 16070, the  
21 department shall stay the effective date of the order of suspension  
22 pending a determination.

23 (e) The hearing provided for by this section shall be held in the  
24 county of residence of the person requesting the hearing. The  
25 hearing shall be conducted pursuant to Article 3 (commencing  
26 with Section 14100) of Chapter 3 of Division 6.

27 (f) The department shall render its decision within 15 days after  
28 conclusion of the hearing.

29 SEC. 9. Section 16251 of the Vehicle Code is amended to read:

30 16251. As used in this chapter and Chapter 3 (commencing  
31 with Section 16430), “cause of action” means any cause of action  
32 for damage to property in excess of ~~seven hundred fifty dollars~~  
33 ~~(\$750)~~ *one thousand dollars (\$1,000)*, or for damage in any amount  
34 on account of bodily injury to or death of any person resulting  
35 from the operation by the defendant or any other person of any  
36 motor vehicle upon a highway in this state, except a cause of action  
37 based upon statutory liability by reason of signing the application  
38 of a minor for a driver’s license.

39 SEC. 10. Section 16377 of the Vehicle Code is amended to  
40 read:

1 16377. ~~Every~~ *For the purposes of his chapter, every judgment*  
2 ~~shall for the purposes of this chapter be deemed satisfied. be~~  
3 *deemed satisfied if any of the following apply:*

4 (a) ~~When fifteen~~ *Fifteen* thousand dollars (\$15,000) has been  
5 credited, upon any judgment in excess of that amount, or upon all  
6 judgments, collectively, which together total in excess of that  
7 amount, for personal injury to or death of one person as a result  
8 of any one accident.

9 (b) ~~When, subject~~ *Subject* to the limit of fifteen thousand dollars  
10 (\$15,000) as to one person, the sum of thirty thousand dollars  
11 (\$30,000) has been credited, upon any judgment in excess of that  
12 amount, or upon all judgments, collectively, which together total  
13 in excess of that amount, for personal injury to or death of more  
14 than one person as a result of any one accident.

15 (c) ~~When five~~ *Five* thousand dollars (\$5,000) has been credited,  
16 upon any judgment in excess of that amount, or upon all judgments,  
17 collectively, each of which is in excess of ~~seven hundred fifty~~  
18 ~~dollars (\$750)~~ *one thousand dollars (\$1,000)*, and which together  
19 total in excess of five thousand dollars (\$5,000), for damage to  
20 property of others as a result of any one accident.

21 (d) ~~When the~~ *The* judgment debtor or a person designated by  
22 him or her has deposited with the department a sum equal to the  
23 amount of the unsatisfied judgment for which the suspension action  
24 was taken and presents proof, satisfactory to the department, of  
25 inability to locate the judgment creditor.

26 SEC. 11. Section 16430 of the Vehicle Code is amended to  
27 read:

28 16430. ~~Proof~~ *“Proof of financial responsibility responsibility,”*  
29 *when required by this code, means proof of financial responsibility*  
30 *resulting from the ownership or operation of a motor vehicle and*  
31 *arising by reason of personal injury to, or death of, any one person,*  
32 *of at least fifteen thousand dollars (\$15,000), and, subject to the*  
33 *limit of fifteen thousand dollars (\$15,000) for each person injured*  
34 *or killed, of at least thirty thousand dollars (\$30,000) for the injury*  
35 *to, or the death of, two or more persons in any one accident, and*  
36 *for damages to property (in excess of ~~seven hundred fifty dollars~~*  
37 *~~(\$750)) one thousand dollars (\$1,000)), of at least five thousand~~*  
38 *dollars (\$5,000) resulting from any one accident. Proof of financial*  
39 *responsibility may be given in any manner authorized in this*  
40 *chapter.*

1 SEC. 12. Section 16434 of the Vehicle Code is amended to  
2 read:

3 16434. Proof of financial responsibility may be given by a  
4 bond. The bond shall be conditioned for the payment of the amount  
5 specified in Section 16430, and shall provide for the entry of  
6 judgment on motion of the state in favor of any holder of any final  
7 judgment on account of damages to property over ~~seven hundred~~  
8 ~~fifty dollars (\$750)~~ *one thousand dollars (\$1,000)* in amount, or  
9 injury to any person caused by the operation of the person's motor  
10 vehicle.

O