

AMENDED IN ASSEMBLY SEPTEMBER 3, 2015

AMENDED IN ASSEMBLY AUGUST 31, 2015

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN ASSEMBLY JULY 16, 2015

AMENDED IN SENATE JUNE 2, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 541**

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**Introduced by Senator Hill**

February 26, 2015

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An act to amend Sections 5102, 5317.5, 5352, 5359, and 5387 of, to add Sections 1046 and 5417.5 to, and to add and repeal Sections 918.1 and 918.2 of, the Public Utilities Code, and to amend Section 14602.9 of the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 541, as amended, Hill. Public Utilities Commission: for-hire transportation carriers: enforcement.

(1) The California Constitution establishes the Public Utilities Commission, with jurisdiction over the transportation of passengers and property by transportation companies, to the extent not preempted by federal law. The Household Goods Carriers Act and the Passenger Charter-party Carriers' Act contain statements of the purposes of those acts and the use of the public highways pursuant to those acts.

This bill would specify activities to be undertaken by the commission to achieve these purposes. The bill would require the commission to

~~assess its capabilities~~ *hire an independent entity for not more than \$250,000 to, in consultation with carrier trade associations for industries under the jurisdiction of the commission, assess the commission's capabilities* to carry out the specified activities and to report to the Legislature no later than January 1, 2017, which report would be required to contain an analysis of current capabilities and deficiencies, and recommendations to overcome any deficiencies identified.

(2) A passenger stage corporation, as defined, which operates between fixed termini or over a regular route, is a common carrier subject to regulation by the commission pursuant to the Public Utilities Act. The Public Utilities Act, with certain exceptions, requires that a passenger stage corporation obtain a certificate of public convenience and necessity from the commission to operate on any public highway in the state and requires it to display an identifying symbol issued by the commission. The Public Utilities Act makes any public utility that violates the Public Utilities Act, or that fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission guilty of a crime and makes it a misdemeanor for a person or corporation to hold out to the public that the person or corporation is in operation as a passenger stage corporation without having a valid certificate issued by the commission. The Public Utilities Act authorizes the commission to impose various fines and penalties for any violation of the act or an order, decision, rule, direction, demand, or requirement of the commission. The Public Utilities Act provides that the Department of the California Highway Patrol (CHP) has the primary responsibility for regulating the safety of operation of passenger stage corporations and requires the commission to cooperate with the CHP to ensure safe operation of these carriers.

A charter-party carrier of passengers, as defined, is subject to the jurisdiction and control of the commission under the Passenger Charter-party Carriers' Act. The Passenger Charter-party Carriers' Act requires a charter-party carrier of passengers to (A) obtain a certificate of public convenience and necessity or a permit issued by the commission, (B) operate within the state on a prearranged basis, as defined, (C) comply with specified vehicle identification requirements, and (D) comply with accident liability protection requirements. The Passenger Charter-party Carriers' Act additionally prohibits a charter-party carrier of passengers from advertising its services, or in any manner representing its services, as being a taxicab or taxi service.

The Passenger Charter-party Carriers' Act makes violation of these requirements a crime. The Passenger Charter-party Carriers' Act authorizes the commission to impose fines and penalties for violations of the act.

This bill would authorize peace officers, as defined, to enforce and assist in the enforcement of criminal violations of the Public Utilities Act, with respect to passenger stage corporations, and the Passenger Charter-party Carriers' Act, with respect to charter-party carriers of passengers. The bill would require the commission to coordinate enforcement of those acts with peace officers through educational outreach and establishing lines of communication so that the commission is notified if an action is commenced so that the commission may take appropriate action to enforce the fine and penalty provisions of the acts. The bill would require the commission to ensure that the Passenger Charter-party Carriers' Act is enforced and obeyed and that violations are promptly prosecuted and that penalty moneys due to the state are recovered and collected. The bill would authorize the Attorney General, a district attorney, or a city attorney to institute and prosecute actions or proceedings for the violation of the Passenger Charter-party Carriers' Act.

(3) The Passenger Charter-party Carriers' Act authorizes a CHP officer to impound a bus of a charter-party carrier of passengers for 30 days if the officer determines that (A) the driver was operating the bus when the carrier did not have a permit or certificate issued by the commission or the carrier's permit or certificate was suspended, or (B) the driver was operating the bus without having a current and valid driver's license of the proper class, a passenger vehicle endorsement, or the required certificate. A provision of the Vehicle Code also authorizes a CHP officer to impound a bus of a charter-party carrier of passengers for 30 days if the officer makes any of the determinations described above.

This bill would authorize a peace officer, as defined, to impound a bus or limousine, as defined, of a charter-party carrier of passengers, except as specified, for 30 days in those circumstances. The bill would revise the Vehicle Code to authorize a peace officer, identically defined, to impound a bus or limousine of a charter-party carrier of passengers, except as specified, for 30 days in those circumstances and authorize a peace officer to impound a bus or limousine belonging to a passenger stage corporation for 30 days if the officer determines (A) the driver was operating the bus or limousine when the passenger stage corporation

did not have a required certificate of public convenience and necessity issued by the commission, (B) the driver was operating the bus or limousine when the operating rights or certificate of public convenience and necessity of a passenger stage corporation was suspended, canceled, or revoked, or (C) the driver was operating the bus or limousine without having a current and valid driver's license of the proper class.

(4) A household goods carrier, as defined, which transports household goods and personal effects over any public highway in the state for compensation, is subject to regulation by the commission pursuant to the Household Goods Carriers Act. The Household Goods Carriers Act requires that a household goods carrier obtain a permit from the commission to transport household goods entirely within the state and obtain a valid operating authority issued by the Federal Motor Carrier Safety Administration to transport household goods and personal effects from this state to another or from another state to this state. The Household Goods Carriers Act additionally requires a household goods carrier to comply with specified vehicle identification requirements and comply with accident liability protection requirements. The Household Goods Carriers Act makes a violation of the requirements of the act a misdemeanor, authorizes the commission to impose fines and penalties for violations of the act, and requires the commission to ensure that the act is enforced and obeyed, that violations are promptly prosecuted and that penalty moneys due to the state are recovered and collected.

This bill would authorize peace officers, as defined, to enforce and assist in the enforcement of criminal violations of the Household Goods Carriers Act. The bill would require the commission to coordinate enforcement of the Household Goods Carriers Act with peace officers through educational outreach and establishing lines of communication so that peace officers can notify the commission if an action is commenced so that the commission may take appropriate action to enforce the fine and penalty provisions of the Household Goods Carriers Act.

*(5) This bill would incorporate additional changes in Section 5387 of the Public Utilities Code proposed by SB 697 that would become operative only if SB 697 and this bill are both chaptered and become effective on or before January 1, 2016, and this bill is chaptered last.*

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. (a) The Transportation Enforcement Branch of  
2 the Safety and Enforcement Division of the state’s Public Utilities  
3 Commission has regulatory oversight of various for-hire  
4 transportation carriers, including limousines, airport shuttles,  
5 charter buses, and moving companies. The Transportation  
6 Enforcement Branch administers licensing, enforces state law, and  
7 manages consumer complaints to ensure the reliable and safe  
8 transport of passengers and goods within the state.

9 (b) The California State Auditor’s Report 2013-130 concluded  
10 that the Transportation Enforcement Branch does not adequately  
11 ensure that passenger carriers operate safely. Among the numerous  
12 problems cited by the California State Auditor are that the branch  
13 does not have formal policies for dealing with complaints against  
14 carriers, it does not resolve complaints in a timely manner, it does  
15 not have adequate investigatory techniques, and it fails to properly  
16 account for fees paid by carriers. In addition, the California State  
17 Auditor concluded that without major improvements to its  
18 management processes, the branch has little ability to resolve its  
19 deficiencies.

20 (c) While the commission is undertaking an internal process to  
21 implement the California State Auditor’s recommendations, it is  
22 in the public interest for the Legislature to further ensure that the  
23 Transportation Enforcement Branch improves its performance to  
24 ensure passenger safety.

25 SEC. 2. Section 918.1 is added to the Public Utilities Code, to  
26 read:

27 918.1. (a) The commission shall ~~assess its capabilities~~ *hire an*  
28 *independent entity for not more than two hundred fifty thousand*  
29 *dollars (\$250,000) to, in consultation with carrier trade*  
30 *associations for industries under the jurisdiction of the commission,*  
31 *assess the commission’s capabilities to carry out the activities*  
32 *specified in subdivision (b) of Section 5102 and shall report to the*  
33 *Legislature no later than January 1, 2017. The report shall contain*  
34 *an analysis of current capabilities and deficiencies, and*  
35 *recommendations to overcome any deficiencies identified.*

36 (b) The report shall be submitted in compliance with Section  
37 9795 of the Government Code.

1 (c) Pursuant to Section 10231.5 of the Government Code, this  
2 section shall remain in effect only until January 1, 2021, and as of  
3 that date is repealed, unless a later enacted statute, that is enacted  
4 before January 1, 2021, deletes or extends that date.

5 SEC. 3. Section 918.2 is added to the Public Utilities Code, to  
6 read:

7 918.2. (a) The commission shall ~~assess its capabilities~~ *hire an*  
8 *independent entity for not more than two hundred fifty thousand*  
9 *dollars (\$250,000) to, in consultation with carrier trade*  
10 *associations for industries under the jurisdiction of the commission,*  
11 *assess the commission's capabilities* to carry out the activities  
12 specified in subdivision (b) of Section 5352 and shall report to the  
13 Legislature no later than January 1, 2017. The report shall contain  
14 an analysis of current capabilities and deficiencies, and  
15 recommendations to overcome any deficiencies identified.

16 (b) The report shall be submitted in compliance with Section  
17 9795 of the Government Code.

18 (c) Pursuant to Section 10231.5 of the Government Code, this  
19 section shall remain in effect only until January 1, 2021, and as of  
20 that date is repealed, unless a later enacted statute, that is enacted  
21 before January 1, 2021, deletes or extends that date.

22 (d) The commission may combine the information required to  
23 be reported by this section with the report prepared pursuant to  
24 Section 918.1.

25 SEC. 4. Section 1046 is added to the Public Utilities Code, to  
26 read:

27 1046. (a) For purposes of this section, the following terms  
28 have the following meanings:

29 (1) "Bus" means a vehicle designed, used, or maintained for  
30 carrying more than 10 persons, including the driver, which is used  
31 to transport persons for compensation or profit.

32 (2) "Limousine" means any sedan or sport utility vehicle, of  
33 either standard or extended length, with a seating capacity of not  
34 more than 10 passengers including the driver, used in the  
35 transportation of passengers for hire on a prearranged basis within  
36 this state, and includes a modified limousine as defined in Section  
37 1042.1.

38 (3) "Peace officer" means a person who is designated as a peace  
39 officer pursuant to Chapter 4.5 (commencing with Section 830)  
40 of Title 3 of Part 2 of the Penal Code.

1 (b) A peace officer may, with respect to a passenger stage  
2 corporation, enforce and assist in the enforcement of Sections 2110  
3 and 2112, resulting from a violation of Section 1031, 1041, or  
4 1045, or more than one of those sections. A peace officer may  
5 additionally enforce and assist in the enforcement of Sections  
6 1034.5 and 2119. In any case in which an arrest authorized by this  
7 subdivision is made for an offense declared to be a misdemeanor,  
8 and the person arrested does not demand to be taken before a  
9 magistrate, the arresting peace officer may, instead of taking such  
10 person before a magistrate, follow the procedure prescribed by  
11 Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2  
12 of the Penal Code. The provisions of that chapter shall thereafter  
13 apply with reference to any proceeding based upon the issuance  
14 of a citation pursuant to this authority.

15 (c) A peace officer may impound a bus or limousine operated  
16 by a passenger stage corporation pursuant to Section 14602.9 of  
17 the Vehicle Code if the peace officer determines that any of the  
18 following violations occurred while the driver was operating the  
19 vehicle:

20 (1) The driver was operating the bus or limousine when the  
21 passenger stage corporation did not have a certificate of public  
22 convenience and necessity issued by the commission as required  
23 pursuant to this article.

24 (2) The driver was operating the bus or limousine when the  
25 operating rights or certificate of public convenience and necessity  
26 of a passenger stage corporation was suspended, canceled, or  
27 revoked pursuant to Section 1033.5, 1033.7, or 1045.

28 (3) The driver was operating the bus or limousine without having  
29 a current and valid driver's license of the proper class.

30 (d) The commission shall coordinate enforcement of this section  
31 with those peace officers likely to be involved in enforcing this  
32 section, including undertaking both of the following:

33 (1) Educational outreach to promote awareness among those  
34 peace officers about the requirements of Sections 1031, 1034.5,  
35 1041, 1045, 2110, 2112, and 2119.

36 (2) Establishing lines of communication so that the commission  
37 is notified if an action is commenced to enforce the requirements  
38 of those sections specified in subdivision (b), so that the  
39 commission may take appropriate action to enforce the fine and  
40 penalty provisions of Chapter 11 (commencing with Section 2100).

1 (e) The Legislature finds and declares that this section is  
2 intended to facilitate and enhance the commission’s performance  
3 of its functions pursuant to Section 2101 and not diminish the  
4 commission’s authority or responsibility pursuant to that section.

5 (f) This section does not authorize the impoundment of privately  
6 owned personal vehicles that are not common carriers nor the  
7 impoundment of vehicles used in transportation for compensation  
8 by charter-party carriers of passengers that are not required to carry  
9 individual permits.

10 SEC. 5. Section 5102 of the Public Utilities Code is amended  
11 to read:

12 5102. (a) The use of the public highways for the transportation  
13 of used household goods and personal effects for compensation is  
14 a business affected with a public interest. It is the purpose of this  
15 chapter to preserve for the public the full benefit and use of public  
16 highways consistent with the needs of commerce without  
17 unnecessary congestion or wear and tear upon those highways; to  
18 secure to the people just, reasonable, and nondiscriminatory rates  
19 for transportation by carriers operating upon the highways; to  
20 secure full and unrestricted flow of traffic by motor carriers over  
21 the highways that will adequately meet reasonable public demands  
22 by providing for the regulation of rates of all carriers so that  
23 adequate and dependable service by all necessary carriers shall be  
24 maintained and the full use of the highways preserved to the public;  
25 and to promote fair dealing and ethical conduct in the rendition of  
26 services involving or incident to the transportation of household  
27 goods and personal effects.

28 (b) To achieve the purposes of subdivision (a) the commission  
29 shall do all of the following:

30 (1) Prioritize the timely processing of applications and hold  
31 “application workshops” for potential applicants around the state.

32 (2) Enable electronic filing of applications, reports, and fee  
33 payments.

34 (3) Dedicate staff to answering telephone calls, mailings, and  
35 electronic inquiries from carriers.

36 (4) Prioritize the timely processing of consumer complaints.

37 (5) Implement electronic case tracking of complaints and their  
38 disposition.

39 (6) Implement a process for appropriate and timely enforcement  
40 against illegally operating carriers, including by performing



1 staff-driven investigations and performing enforcement through  
2 sting operations and other forms of presence in the field.

3 (7) Maintain relationships with, and implement outreach and  
4 education programs to, local law enforcement, district attorneys,  
5 and airports, and coordinate with law enforcement agencies  
6 pursuant to subdivision (d) of Section 1046, subdivision (d) of  
7 Section 5317.5, and subdivision (d) of Section 5417.5.

8 (8) Meet with carrier trade associations at least annually.

9 (9) Implement a consolidated case tracking system that integrates  
10 each of the transportation program core functions and data  
11 collection, administrative compliance details, complaints, and  
12 investigations.

13 SEC. 6. Section 5317.5 of the Public Utilities Code is amended  
14 to read:

15 5317.5. (a) The commission shall ensure that this chapter is  
16 enforced and obeyed, and that violations thereof are promptly  
17 prosecuted and that penalty moneys due to the state are recovered  
18 and collected, and to this end it may sue in the name of the people  
19 of the State of California. Upon the request of the commission,  
20 the Attorney General or the district attorney of the proper county  
21 or city and county may aid in any investigation, hearing, or trial  
22 had under this chapter.

23 (b) For purposes of this section, “peace officer” means a person  
24 designated as a peace officer pursuant to Chapter 4.5 (commencing  
25 with Section 830) of Title 3 of Part 2 of the Penal Code.

26 (c) A peace officer may enforce and assist in the enforcement  
27 of Sections 5311 and 5312, resulting from a violation of Section  
28 5132, 5133, 5140, or 5286, or more than one of those sections. A  
29 peace officer may additionally enforce and assist in the enforcement  
30 of Sections 5311.3 and 5314.5. In any case in which an arrest  
31 authorized by this subdivision is made for an offense declared to  
32 be a misdemeanor, and the person arrested does not demand to be  
33 taken before a magistrate, the arresting peace officer may, instead  
34 of taking such person before a magistrate, follow the procedure  
35 prescribed by Chapter 5C (commencing with Section 853.5) of  
36 Title 3 of Part 2 of the Penal Code. The provisions of that chapter  
37 shall thereafter apply with reference to any proceeding based upon  
38 the issuance of a citation pursuant to this authority.

1 (d) The commission shall coordinate enforcement of this section  
2 with those peace officers likely to be involved in enforcing this  
3 section, including undertaking both of the following:

4 (1) Educational outreach to promote awareness among those  
5 peace officers about the requirements of Sections 5132, 5133,  
6 5140, 5286, 5311, 5311.3, 5312, and 5314.5.

7 (2) Establishing lines of communication so that the commission  
8 is notified if an action is commenced to enforce the requirements  
9 of those sections specified in subdivision (c), so that the  
10 commission may take appropriate action to enforce the fine and  
11 penalty provisions of this article.

12 (e) The Attorney General, a district attorney of the proper county  
13 or city and county, or a city attorney may institute and prosecute  
14 actions or proceedings for the violation of any law committed in  
15 connection with, or arising from, a transaction involving the  
16 transportation of household goods and personal effects.

17 SEC. 7. Section 5352 of the Public Utilities Code is amended  
18 to read:

19 5352. (a) The use of the public highways for the transportation  
20 of passengers for compensation is a business affected with a public  
21 interest. It is the purpose of this chapter to preserve for the public  
22 full benefit and use of public highways consistent with the needs  
23 of commerce without unnecessary congestion or wear and tear  
24 upon the highways; to secure to the people adequate and  
25 dependable transportation by carriers operating upon the highways;  
26 to secure full and unrestricted flow of traffic by motor carriers  
27 over the highways which will adequately meet reasonable public  
28 demands by providing for the regulation of all transportation  
29 agencies with respect to accident indemnity so that adequate and  
30 dependable service by all necessary transportation agencies shall  
31 be maintained and the full use of the highways preserved to the  
32 public; and to promote carrier and public safety through its safety  
33 enforcement regulations.

34 (b) To achieve the purposes of subdivision (a) the commission  
35 shall do all of the following:

36 (1) Prioritize the timely processing of applications and hold  
37 “application workshops” for potential applicants around the state.

38 (2) Enable electronic filing of applications, reports, and fee  
39 payments.

1 (3) Dedicate staff to answering telephone calls, mailings, and  
2 electronic inquiries from carriers.

3 (4) Prioritize the timely processing of consumer complaints.

4 (5) Implement electronic case tracking of complaints and their  
5 disposition.

6 (6) Implement a process for appropriate and timely enforcement  
7 against illegally operating carriers, including by performing  
8 staff-driven investigations and performing enforcement through  
9 sting operations and other forms of presence in the field.

10 (7) Maintain relationships with, and implement outreach and  
11 education programs to, local law enforcement, district attorneys,  
12 and airports, and coordinate with law enforcement agencies  
13 pursuant to subdivision (d) of Section 1046, subdivision (d) of  
14 Section 5317.5, and subdivision (d) of Section 5417.5.

15 (8) Meet with carrier trade associations at least annually.

16 (9) Implement a consolidated case tracking system that integrates  
17 each of the transportation program core functions and data  
18 collection, administrative compliance details, complaints, and  
19 investigations.

20 SEC. 8. Section 5359 of the Public Utilities Code is amended  
21 to read:

22 5359. (a) “Motor vehicle” means a vehicle which is  
23 self-propelled.

24 (b) “Bus” means a vehicle designed, used, or maintained for  
25 carrying more than 10 persons, including the driver, which is used  
26 to transport persons for compensation or profit.

27 (c) “Limousine” means any sedan or sport utility vehicle, of  
28 either standard or extended length, with a seating capacity of not  
29 more than 10 passengers including the driver, used in the  
30 transportation of passengers for hire on a prearranged basis within  
31 this state, and includes a modified limousine as defined in  
32 subdivision (d) of Section 1042.

33 SEC. 9. Section 5387 of the Public Utilities Code is amended  
34 to read:

35 5387. (a) It is unlawful for the owner of a charter-party carrier  
36 of passengers to permit the operation of a vehicle upon a public  
37 highway for compensation without (1) having obtained from the  
38 commission a certificate or permit pursuant to this chapter, (2)  
39 having complied with the vehicle identification requirements of

1 Section 5385 or 5385.5, and (3) having complied with the accident  
2 liability protection requirements of Section 5391.

3 (b) A person who drives a bus for a charter-party carrier without  
4 having a current and valid driver's license of the proper class, a  
5 passenger vehicle endorsement, or the required certificate shall be  
6 suspended from driving a bus of any kind, including, but not  
7 limited to, a bus, schoolbus, school pupil activity bus, or transit  
8 bus, with passengers for a period of five years pursuant to Section  
9 13369 of the Vehicle Code.

10 (c) (1) A charter-party carrier shall have its authority to operate  
11 as a charter-party carrier permanently revoked by the commission  
12 or be permanently barred from receiving a permit or certificate  
13 from the commission if it commits any of the following acts:

14 (A) Operates a bus without having been issued a permit or  
15 certificate from the commission.

16 (B) Operates a bus with a permit that was suspended by the  
17 commission pursuant to Section 5378.5.

18 (C) Commits three or more liability insurance violations within  
19 a two-year period for which it has been cited.

20 (D) Operates a bus with a permit that was suspended by the  
21 commission during a period that the charter-party carrier's liability  
22 insurance lapsed for which it has been cited.

23 (E) Knowingly employs a busdriver who does not have a current  
24 and valid driver's license of the proper class, a passenger vehicle  
25 endorsement, or the required certificate to drive a bus.

26 (F) Has one or more buses improperly registered with the  
27 Department of Motor Vehicles.

28 (2) The commission shall not issue a new permit or certificate  
29 to operate as a charter-party carrier if any officer, director, or owner  
30 of that charter-party carrier was an officer, director, or owner of  
31 a charter-party carrier that had its authority to operate as a  
32 charter-party carrier permanently revoked by the commission or  
33 that was permanently barred from receiving a permit or certificate  
34 from the commission pursuant to this subdivision.

35 (d) A peace officer, as designated pursuant to Chapter 4.5  
36 (commencing with Section 830) of Title 3 of Part 2 of the Penal  
37 Code, may impound a bus or limousine of a charter-party carrier  
38 of passengers for 30 days pursuant to Section 14602.9 of the  
39 Vehicle Code if the peace officer determines that any of the

1 following violations occurred while the driver was operating the  
2 bus or limousine of the charter-party carrier:

3 (1) The driver was operating the bus or limousine of a  
4 charter-party carrier of passengers when the charter-party carrier  
5 of passengers did not have a permit or certificate issued by the  
6 commission.

7 (2) The driver was operating the bus or limousine of a  
8 charter-party carrier of passengers when the charter-party carrier  
9 of passengers was operating with a suspended permit or certificate  
10 from the commission.

11 (3) The driver was operating the bus or limousine of a  
12 charter-party carrier of passengers without having a current and  
13 valid driver's license of the proper class, a passenger vehicle  
14 endorsement, or the required certificate.

15 (e) This section does not authorize the impoundment of privately  
16 owned personal vehicles that are not common carriers nor the  
17 impoundment of vehicles used in transportation for compensation  
18 by charter-party carriers of passengers that are not required to carry  
19 individual permits.

20 *SEC. 9.5. Section 5387 of the Public Utilities Code is amended*  
21 *to read:*

22 5387. (a) It is unlawful for the owner of a charter-party carrier  
23 of passengers to permit the operation of a vehicle upon a public  
24 highway for compensation without (1) having obtained from the  
25 commission a certificate or permit pursuant to this chapter, (2)  
26 having complied with the vehicle identification requirements of  
27 ~~Section 5385 or 5385.5~~, 5385, and (3) having complied with the  
28 accident liability protection requirements of Section 5391.

29 (b) A person who drives a bus for a charter-party carrier without  
30 having a current and valid driver's license of the proper class, a  
31 passenger vehicle endorsement, or the required certificate shall be  
32 suspended from driving a bus of any kind, including, but not  
33 limited to, a bus, schoolbus, school pupil activity bus, or transit  
34 bus, with passengers for a period of five years pursuant to Section  
35 13369 of the Vehicle Code.

36 (c) (1) A charter-party carrier shall have its authority to operate  
37 as a charter-party carrier permanently revoked by the commission  
38 or be permanently barred from receiving a permit or certificate  
39 from the commission if it commits any of the following acts:

1 (A) Operates a bus without having been issued a permit or  
2 certificate from the commission.

3 (B) Operates a bus with a permit that was suspended by the  
4 commission pursuant to Section 5378.5.

5 (C) Commits three or more liability insurance violations within  
6 a two-year period for which it has been cited.

7 (D) Operates a bus with a permit that was suspended by the  
8 commission during a period that the charter-party carrier's liability  
9 insurance lapsed for which it has been cited.

10 (E) Knowingly employs a busdriver who does not have a current  
11 and valid driver's license of the proper class, a passenger vehicle  
12 endorsement, or the required certificate to drive a bus.

13 (F) Has one or more buses improperly registered with the  
14 Department of Motor Vehicles.

15 (2) The commission shall not issue a new permit or certificate  
16 to operate as a charter-party carrier if any officer, director, or owner  
17 of that charter-party carrier was an officer, director, or owner of  
18 a charter-party carrier that had its authority to operate as a  
19 charter-party carrier permanently revoked by the commission or  
20 that was permanently barred from receiving a permit or certificate  
21 from the commission pursuant to this subdivision.

22 ~~(d) An officer of the Department of the California Highway~~  
23 ~~Patrol—A peace officer, as designated pursuant to Chapter 4.5~~  
24 ~~(commencing with Section 830) of Title 3 of Part 2 of the Penal~~  
25 ~~Code, may impound a bus or limousine of a charter-party carrier~~  
26 ~~of passengers for 30 days pursuant to Section 14602.9 of the~~  
27 ~~Vehicle Code if the peace officer determines that any of the~~  
28 ~~following violations occurred while the busdriver driver was~~  
29 ~~operating the bus or limousine of a the charter-party carrier:~~

30 (1) The driver was operating the bus or limousine of a  
31 charter-party carrier of passengers when the charter-party carrier  
32 of passengers did not have a permit or certificate issued by the  
33 commission.

34 (2) The driver was operating the bus or limousine of a  
35 charter-party carrier of passengers when the charter-party carrier  
36 of passengers was operating the bus with a suspended permit or  
37 certificate from the commission.

38 (3) The driver was operating the bus or limousine of a  
39 charter-party carrier of passengers without having a current and

1 valid driver’s license of the proper class, a passenger vehicle  
2 endorsement, or the required certificate.

3 *(e) This section does not authorize the impoundment of privately*  
4 *owned personal vehicles that are not common carriers nor the*  
5 *impoundment of vehicles used in transportation for compensation*  
6 *by charter-party carriers of passengers that are not required to*  
7 *carry individual permits.*

8 SEC. 10. Section 5417.5 is added to the Public Utilities Code,  
9 to read:

10 5417.5. (a) The commission shall ensure that this chapter is  
11 enforced and obeyed, and that violations thereof are promptly  
12 prosecuted and that penalty moneys due to the state are recovered  
13 and collected, and to this end it may sue in the name of the people  
14 of the State of California. Upon the request of the commission,  
15 the Attorney General or the district attorney of the proper county  
16 or city and county may aid in any investigation, hearing, or trial  
17 under this chapter. The Attorney General, a district attorney of the  
18 proper county or city and county, or a city attorney may institute  
19 and prosecute actions or proceedings for the violation of any law  
20 committed in connection with, or arising from, a transaction  
21 involving a charter-party carrier of passengers.

22 (b) For purposes of this section, “peace officer” means a person  
23 designated as a peace officer pursuant to Chapter 4.5 (commencing  
24 with Section 830) of Title 3 of Part 2 of the Penal Code.

25 (c) A peace officer may enforce and assist in the enforcement  
26 of Sections 5411 and 5412 resulting from a violation of Section  
27 5371, 5379, 5385, 5385.7, or 5387, or more than one of those  
28 sections. A peace officer may additionally enforce and assist in  
29 the enforcement of Sections 5411.3 and 5414.5. In any case in  
30 which an arrest authorized by this subdivision is made for an  
31 offense declared to be a misdemeanor, and the person arrested  
32 does not demand to be taken before a magistrate, the arresting  
33 peace officer may, instead of taking such person before a  
34 magistrate, follow the procedure prescribed by Chapter 5C  
35 (commencing with Section 853.5) of Title 3 of Part 2 of the Penal  
36 Code. The provisions of that chapter shall thereafter apply with  
37 reference to any proceeding based upon the issuance of a citation  
38 pursuant to this authority.

1 (d) The commission shall coordinate enforcement of this section  
2 with those peace officers likely to be involved in enforcing this  
3 section, including undertaking both of the following:

4 (1) Educational outreach to promote awareness among those  
5 peace officers about the requirements of Sections 5371, 5379,  
6 5385, 5385.7, 5387, 5411, 5411.3, 5412, and 5414.5.

7 (2) Establishing lines of communication so that the commission  
8 is notified if an action is commenced to enforce the requirements  
9 of those sections specified in subdivision (c), so that the  
10 commission may take appropriate action to enforce the fine and  
11 penalty provisions of this article.

12 (e) The Attorney General, a district attorney of the proper county  
13 or city and county, or a city attorney may institute and prosecute  
14 actions or proceedings for the violation of any law committed in  
15 connection with, or arising from, a transaction involving the  
16 transportation of passengers by a charter-party carrier of  
17 passengers.

18 SEC. 11. Section 14602.9 of the Vehicle Code is amended to  
19 read:

20 14602.9. (a) For purposes of this section, “peace officer” means  
21 a person designated as a peace officer pursuant to Chapter 4.5  
22 (commencing with Section 830) of Title 3 of Part 2 of the Penal  
23 Code.

24 (b) A peace officer may impound a bus or limousine of a  
25 charter-party carrier for 30 days if the officer determines that any  
26 of the following violations occurred while the driver was operating  
27 the bus or limousine of the charter-party carrier:

28 (1) The driver was operating the bus or limousine of a  
29 charter-party carrier when the charter-party carrier did not have a  
30 permit or certificate issued by the Public Utilities Commission,  
31 pursuant to Section 5375 of the Public Utilities Code.

32 (2) The driver was operating the bus or limousine of a  
33 charter-party carrier when the charter-party carrier was operating  
34 with a suspended permit or certificate from the Public Utilities  
35 Commission.

36 (3) The driver was operating the bus or limousine of a  
37 charter-party carrier without having a current and valid driver’s  
38 license of the proper class, a passenger vehicle endorsement, or  
39 the required certificate.



1 (c) A peace officer may impound a bus or limousine belonging  
2 to a passenger stage corporation for 30 days if the officer  
3 determines any of the following violations occurred while the  
4 driver was operating the bus or limousine:

5 (1) The driver was operating the bus or limousine when the  
6 passenger stage corporation did not have a certificate of public  
7 convenience and necessity issued by the Public Utilities  
8 Commission as required pursuant to Article 2 (commencing with  
9 Section 1031) of Chapter 5 of Part 1 of Division 1 of the Public  
10 Utilities Code.

11 (2) The driver was operating the bus or limousine when the  
12 operating rights or certificate of public convenience and necessity  
13 of a passenger stage corporation was suspended, canceled, or  
14 revoked pursuant to Section 1033.5, 1033.7, or 1045 of the Public  
15 Utilities Code.

16 (3) The driver was operating the bus or limousine without having  
17 a current and valid driver's license of the proper class.

18 (d) Within two working days after impoundment, the  
19 impounding agency shall send a notice by certified mail, return  
20 receipt requested, to the legal owner of the vehicle, at the address  
21 obtained from the department, informing the owner that the vehicle  
22 has been impounded. Failure to notify the legal owner within two  
23 working days shall prohibit the impounding agency from charging  
24 for more than 15 day's impoundment when the legal owner  
25 redeems the impounded vehicle. The impounding agency shall  
26 maintain a published telephone number that provides information  
27 24 hours a day regarding the impoundment of vehicles and the  
28 rights of a registered owner to request a hearing.

29 (e) The registered and legal owner of a vehicle that is removed  
30 and seized under subdivision (b) or (c) or his or her agent shall be  
31 provided the opportunity for a storage hearing to determine the  
32 validity of, or consider any mitigating circumstances attendant to,  
33 the storage, in accordance with Section 22852.

34 (f) (1) The impounding agency shall release the vehicle to the  
35 registered owner or his or her agent prior to the end of the  
36 impoundment period under any of the following circumstances:

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

38 (B) When the vehicle is subject to bailment and is driven by an  
39 unlicensed employee of a business establishment, including a  
40 parking service or repair garage.

1 (C) When, for a charter-party carrier of passengers, the driver  
2 of the vehicle is not the sole registered owner of the vehicle and  
3 the vehicle is being released to another registered owner of the  
4 vehicle who agrees not to allow the driver to use the vehicle until  
5 after the end of the impoundment period and the charter-party  
6 carrier has been issued a valid permit from the Public Utilities  
7 Commission, pursuant to Section 5375 of the Public Utilities Code.

8 (D) When, for a passenger stage corporation, the driver of the  
9 vehicle is not the sole registered owner of the vehicle and the  
10 vehicle is being released to another registered owner of the vehicle  
11 who agrees not to allow the driver to use the vehicle until after the  
12 end of the impoundment period and the passenger stage corporation  
13 has been issued a valid certificate of public convenience and  
14 necessity by the Public Utilities Commission, pursuant to Article  
15 2 (commencing with Section 1031) of Chapter 5 of Part 1 of  
16 Division 1 of the Public Utilities Code.

17 (2) A vehicle shall not be released pursuant to this subdivision  
18 without presentation of the registered owner's or agent's currently  
19 valid driver's license to operate the vehicle and proof of current  
20 vehicle registration, or upon order of a court.

21 (g) The registered owner or his or her agent is responsible for  
22 all towing and storage charges related to the impoundment, and  
23 any administrative charges authorized under Section 22850.5.

24 (h) A vehicle removed and seized under subdivision (b) or (c)  
25 shall be released to the legal owner of the vehicle or the legal  
26 owner's agent prior to the end of the impoundment period if all of  
27 the following conditions are met:

28 (1) The legal owner is a motor vehicle dealer, bank, credit union,  
29 acceptance corporation, or other licensed financial institution  
30 legally operating in this state, or is another person who is not the  
31 registered owner and holds a security interest in the vehicle.

32 (2) The legal owner or the legal owner's agent pays all towing  
33 and storage fees related to the seizure of the vehicle. A lien sale  
34 processing fee shall not be charged to the legal owner who redeems  
35 the vehicle prior to the 10th day of impoundment. The impounding  
36 authority or any person having possession of the vehicle shall not  
37 collect from the legal owner of the type specified in paragraph (1),  
38 or the legal owner's agent, any administrative charges imposed  
39 pursuant to Section 22850.5 unless the legal owner voluntarily  
40 requested a poststorage hearing.

1 (3) (A) The legal owner or the legal owner’s agent presents  
2 either lawful foreclosure documents or an affidavit of repossession  
3 for the vehicle, and a security agreement or title showing proof of  
4 legal ownership for the vehicle. All presented documents may be  
5 originals, photocopies, or facsimile copies, or may be transmitted  
6 electronically. The impounding agency shall not require a  
7 document to be notarized. The impounding agency may require  
8 the agent of the legal owner to produce a photocopy or facsimile  
9 copy of its repossession agency license or registration issued  
10 pursuant to Chapter 11 (commencing with Section 7500) of  
11 Division 3 of the Business and Professions Code, or to demonstrate,  
12 to the satisfaction of the impounding agency, that the agent is  
13 exempt from licensure pursuant to Section 7500.2 or 7500.3 of the  
14 Business and Professions Code.

15 (B) Administrative costs authorized under subdivision (a) of  
16 Section 22850.5 shall not be charged to the legal owner of the type  
17 specified in paragraph (1), who redeems the vehicle unless the  
18 legal owner voluntarily requests a poststorage hearing. A city,  
19 county, or state agency shall not require a legal owner or a legal  
20 owner’s agent to request a poststorage hearing as a requirement  
21 for release of the vehicle to the legal owner or the legal owner’s  
22 agent. The impounding agency shall not require any documents  
23 other than those specified in this paragraph. The impounding  
24 agency shall not require any documents to be notarized.

25 (C) As used in this paragraph, “foreclosure documents” means  
26 an “assignment” as that term is defined in subdivision (b) of  
27 Section 7500.1 of the Business and Professions Code.

28 (i) (1) A legal owner or the legal owner’s agent who obtains  
29 release of the vehicle pursuant to subdivision (h) may not release  
30 the vehicle to the registered owner of the vehicle or any agents of  
31 the registered owner, unless the registered owner is a rental car  
32 agency, until after the termination of the impoundment period.

33 (2) The legal owner or the legal owner’s agent shall not  
34 relinquish the vehicle to the registered owner until the registered  
35 owner or that owner’s agent presents his or her valid driver’s  
36 license or valid temporary driver’s license to the legal owner or  
37 the legal owner’s agent. The legal owner or the legal owner’s agent  
38 shall make every reasonable effort to ensure that the license  
39 presented is valid.

1 (3) Prior to relinquishing the vehicle, the legal owner may  
2 require the registered owner to pay all towing and storage charges  
3 related to the impoundment and any administrative charges  
4 authorized under Section 22850.5 that were incurred by the legal  
5 owner in connection with obtaining custody of the vehicle.

6 (j) (1) A vehicle removed and seized under subdivision (b) or  
7 (c) shall be released to a rental agency prior to the end of the  
8 impoundment period if the agency is either the legal owner or  
9 registered owner of the vehicle and the agency pays all towing and  
10 storage fees related to the seizure of the vehicle.

11 (2) The owner of a rental vehicle that was seized under this  
12 section may continue to rent the vehicle upon recovery of the  
13 vehicle. However, the rental agency shall not rent another vehicle  
14 to the driver of the vehicle that was seized until the impoundment  
15 period has expired.

16 (3) The rental agency may require the person to whom the  
17 vehicle was rented to pay all towing and storage charges related  
18 to the impoundment and any administrative charges authorized  
19 under Section 22850.5 that were incurred by the rental agency in  
20 connection with obtaining custody of the vehicle.

21 (k) Notwithstanding any other provision of this section, the  
22 registered owner, and not the legal owner, shall remain responsible  
23 for any towing and storage charges related to the impoundment,  
24 any administrative charges authorized under Section 22850.5, and  
25 any parking fines, penalties, and administrative fees incurred by  
26 the registered owner.

27 (l) The impounding agency is not liable to the registered owner  
28 for the improper release of the vehicle to the legal owner or the  
29 legal owner's agent provided the release complies with this section.

30 (m) This section does not authorize the impoundment of  
31 privately owned personal vehicles that are not common carriers  
32 nor the impoundment of vehicles used in transportation for  
33 compensation by charter-party carriers that are not required to  
34 carry individual permits.

35 (n) For the purposes of this section, a "charter-party carrier"  
36 means a charter-party carrier of passengers as defined by Section  
37 5360 of the Public Utilities Code.

38 (o) For purposes of this section, a "passenger stage corporation"  
39 means a passenger stage corporation as defined by Section 226 of  
40 the Public Utilities Code.

1     *SEC. 12. Section 9.5 of this bill incorporates amendments to*  
2     *Section 5387 of the Public Utilities Code proposed by both this*  
3     *bill and Senate Bill 697. It shall only become operative if (1) both*  
4     *bills are enacted and become effective on or before January 1,*  
5     *2016, (2) each bill amends Section 5387 of the Public Utilities*  
6     *Code, and (3) this bill is enacted after Senate Bill 697, in which*  
7     *case Section 9 of this bill shall not become operative.*

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