

**Introduced by Senator Hill**

(Principal coauthors: Assembly Members Chiu and Ting)

January 4, 2016

---

---

An act to amend Section 5373.1 of the Public Utilities Code, and to amend Sections 612, 34505, 34505.1, and 34513 of, and to add Section 34505.2 to, the Vehicle Code, relating to tour buses.

## LEGISLATIVE COUNSEL'S DIGEST

SB 812, as introduced, Hill. Tour bus inspection fees: charter-party carriers of passengers and passenger stage corporations.

(1) Existing law defines a tour bus to include any bus operated by or for a charter-party carrier of passengers or a passenger stage corporation, with a bus in this respect defined to mean any vehicle designed, used, or maintained for carrying more than 10 persons, including the driver. Existing law provides for the Department of the California Highway Patrol to regulate the safe operation of various classes of vehicles, including tour buses. Existing law requires charter-party carriers of passengers, upon initial application and annually thereafter, to pay tour bus terminal inspection fees of \$15 per tour bus, up to a maximum of \$6,500, to offset the costs of inspections of the Department of the California Highway Patrol, and requires the Public Utilities Commission to collect these fees and to deposit fee revenues in the Motor Vehicle Account. Existing law does not impose similar fees on passenger stage corporations. A violation of various statutes and regulations governing tour buses and operators of tour buses is a crime.

This bill would require the Department of the California Highway Patrol, by regulation, to develop and adopt bus terminal inspection fees applicable to charter-party carriers of passengers and passenger stage

corporations that operate one or more tour buses, to replace existing fees, in an amount sufficient to offset the costs to administer the inspection program for these companies, as specified. The bill would require the fees to be collected by the Public Utilities Commission in the case of charter-party carriers of passengers or as otherwise required by the regulations. The bill would make other conforming changes.

This bill would require the Department of the California Highway Patrol, by regulation, to modify its existing tour bus terminal inspection program to ensure that the program is performance-based, with parameters to evaluate and target on-site inspections tour of buses operated by or for charter-party carriers of passengers and passenger stage corporations. The bill would require the tour bus terminal inspection program to prioritize newly acquired tour buses operated by charter-party carriers of passengers and passenger stage corporations, as well as affected companies that are noncompliant or have a history of noncompliance with safety laws or regulations. The bill would also require no fewer than 25% of the total number of tour bus carrier inspections conducted by the department to be unannounced surprise inspections.

This bill would require a charter-party carrier of passengers or a passenger stage corporation, prior to operating a newly acquired tour bus, to first schedule an inspection of the tour bus with, and obtain a satisfactory rating for the tour bus from, the department. The bill would also require the Department of the California Highway Patrol, upon determining that the condition of a tour bus is such that it has multiple safety violations of a nature that operation of the tour bus could constitute an imminent danger to public safety, to immediately order the tour bus out of service, and would prohibit operation of the tour bus until all of the safety violations have been corrected and the department has verified the correction of the safety violations upon a subsequent inspection of the tour bus. By changing the definition of existing crimes and creating new crimes, the bill would impose a state-mandated local program.

This bill would also require the Department of the California Highway Patrol to conduct a comprehensive review of the statutes and regulations governing tour buses, as well as buses generally, with the objective of identifying opportunities for simplification, consolidation, avoidance of duplication, and consistent use of terminology, as specified. The bill would require a report containing the department's recommendations for proposed statutory changes to be submitted to the policy committees

of both houses of the Legislature with responsibility for transportation matters by January 1, 2018.

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

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

Vote: 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 5373.1 of the Public Utilities Code is  
2 amended to read:

3 5373.1. (a) Each application for a charter-party carrier of  
4 passengers certificate or permit shall be accompanied by a filing  
5 fee as follows:

6 (1) Class A certificates (new): one thousand five hundred dollars  
7 (\$1,500).

8 (2) Class A certificates (renewal): one hundred dollars (\$100).

9 (3) Class B certificates (new): one thousand dollars (\$1,000).

10 (4) Class B certificates (renewal): one hundred dollars (\$100).

11 (5) Class C certificates (new): one thousand dollars (\$1,000).

12 (6) Class C certificates (renewal): one hundred dollars (\$100).

13 (7) Permits (new): one thousand dollars (\$1,000).

14 (8) Permits (renewal): one hundred dollars (\$100).

15 (b) The commission shall also require each application to be  
16 accompanied by a fee to offset the cost of the charter-party carrier  
17 bus terminal inspections conducted by the Department of the  
18 California Highway Patrol. The fee shall be fifteen dollars (\$15)  
19 per tour bus, as defined in Section 612 of the Vehicle Code, or a  
20 maximum of six thousand five hundred dollars (\$6,500) for each  
21 operating ~~carrier~~ carrier, until the effective date of the new fee  
22 structure established by the Department of the California Highway  
23 Patrol pursuant to subdivision (b) of Section 34513 of the Vehicle  
24 Code.

25 (c) The commission shall require each charter-party carrier that  
26 operates tour buses, as defined in Section 612 of the Vehicle Code,  
27 to undergo an annual bus terminal inspection conducted by the  
28 Department of the California Highway Patrol and to pay an annual

1 fee of fifteen dollars (\$15) per tour bus, or a maximum of six  
2 thousand five hundred dollars (\$6,500), to offset the cost of the  
3 ~~inspections.~~ *inspections, until the effective date of the new fee*  
4 *structure established by the Department of the California Highway*  
5 *Patrol pursuant to subdivision (b) of Section 34513 of the Vehicle*  
6 *Code.*

7 (d) The commission shall deposit the fees collected pursuant to  
8 subdivisions (b) and (c) in the Motor Vehicle Account in the State  
9 Transportation Fund to cover the costs of the inspections conducted  
10 by the department as specified in subdivisions (b) and (c). *The*  
11 *revenues from the fees shall not be used to supplant other sources*  
12 *of funding for, or otherwise support, any other inspection program*  
13 *conducted by the department.*

14 SEC. 2. Section 612 of the Vehicle Code is amended to read:

15 612. “Tour bus” means a ~~bus~~ *vehicle designed, used, or*  
16 *maintained for carrying more than 10 persons, including the driver,*  
17 *which is operated by or for a charter-party carrier of passengers,*  
18 *as defined in Section 5360 of the Public Utilities Code, or a*  
19 *passenger stage corporation, as defined in Section 226 of the Public*  
20 *Utilities Code.*

21 SEC. 3. Section 34505 of the Vehicle Code is amended to read:

22 34505. (a) Tour bus operators shall, in addition to the  
23 systematic inspection, maintenance, and lubrication services  
24 required of all motor carriers, require each tour bus to be inspected  
25 at least every 45 days, or more often if necessary to ensure safe  
26 operation. This inspection shall include, but not be limited to, all  
27 of the following:

- 28 (1) Brake adjustment.
- 29 (2) Brake system components and leaks.
- 30 (3) Steering and suspension systems.
- 31 (4) Tires and wheels.

32 (b) A tour bus shall not be used to transport passengers until all  
33 defects listed during the inspection conducted pursuant to  
34 subdivision (a) have been corrected and attested to by the signature  
35 of the operator’s authorized representative.

36 (c) Records of inspections conducted pursuant to subdivision  
37 (a) shall be kept at the operator’s maintenance facility or terminal  
38 where the tour bus is regularly garaged. The records shall be  
39 retained by the operator for one year, and shall be made available  
40 for inspection upon request by any authorized employee of the

1 department. Each record shall include, but not be limited to, all of  
2 the following:

3 (1) Identification of the vehicle, including make, model, license  
4 number, or other means of positive identification.

5 (2) Date and nature of each inspection and any repair performed.

6 (3) Signature of operator's authorized representative attesting  
7 to the inspection and to the completion of all required repairs.

8 (4) Company vehicle number.

9 *(d) Prior to operating a newly acquired tour bus, a charter-party*  
10 *carrier of passengers or a passenger stage corporation shall first*  
11 *schedule an inspection of the tour bus with, and obtain a*  
12 *satisfactory rating for the tour bus from, the department.*

13 SEC. 4. Section 34505.1 of the Vehicle Code is amended to  
14 read:

15 34505.1. (a) Upon determining that a tour bus carrier or  
16 modified limousine carrier has either (1) failed to maintain any  
17 vehicle used in transportation for compensation in a safe operating  
18 condition or to comply with the Vehicle Code or with regulations  
19 contained in Title 13 of the California Code of Regulations relative  
20 to motor carrier safety, and, in the department's opinion, that failure  
21 presents an imminent danger to public safety or constitutes such  
22 a consistent failure as to justify a recommendation to the Public  
23 Utilities Commission or the United States Department of  
24 Transportation or (2) failed to enroll all drivers in the pull notice  
25 system as required by Section 1808.1, the department shall  
26 recommend to the Public Utilities Commission that the carrier's  
27 operating authority be suspended, denied, or revoked, or to the  
28 United States Department of Transportation that appropriate  
29 administrative action be taken against the carrier's interstate  
30 operating authority, whichever is appropriate. For purposes of this  
31 subdivision, two consecutive unsatisfactory compliance ratings  
32 for an inspected terminal assigned because the tour bus carrier or  
33 modified limousine carrier failed to comply with the periodic report  
34 requirements of Section 1808.1 or the cancellation of the carrier's  
35 enrollment by the Department of Motor Vehicles for nonpayment  
36 of required fees may be determined by the department to be a  
37 consistent failure. However, when recommending denial of an  
38 application for new or renewal authority, the department need not  
39 conclude that the carrier's failure presents an imminent danger to  
40 public safety or that it constitutes a consistent failure. The

1 department need only conclude that the carrier's compliance with  
2 the safety-related matters described in paragraph (1) of subdivision  
3 (a) is sufficiently unsatisfactory to justify a recommendation for  
4 denial. The department shall retain a record, by carrier, of every  
5 recommendation made pursuant to this section.

6 (b) Before transmitting a recommendation pursuant to  
7 subdivision (a), the department shall notify the carrier in writing  
8 of all of the following:

9 (1) That the department has determined that the carrier's safety  
10 record is unsatisfactory, furnishing a copy of any documentation  
11 or summary of any other evidence supporting the determination.

12 (2) That the determination may result in a suspension,  
13 revocation, or denial of the carrier's operating authority by the  
14 Public Utilities Commission or the United States Department of  
15 Transportation, as appropriate.

16 (3) That the carrier may request a review of the determination  
17 by the department within five days of its receipt of the notice  
18 required under this subdivision. If a review is requested by the  
19 carrier, the department shall conduct and evaluate that review prior  
20 to transmitting any notification pursuant to subdivision (a).

21 (c) *Notwithstanding anything to the contrary in subdivision (a)*  
22 *or (b), upon determining during a terminal inspection or at any*  
23 *other time that the condition of a tour bus is such that it has*  
24 *multiple safety violations of a nature that operation of the tour*  
25 *bus could constitute an imminent danger to public safety, the*  
26 *department shall immediately order the tour bus out of service.*  
27 *The tour bus shall not be subsequently operated with passengers*  
28 *until all of the safety violations have been corrected and the*  
29 *department has verified the correction of the safety violations upon*  
30 *a subsequent inspection by the department of the tour bus, which*  
31 *shall occur within five business days of the submission of a*  
32 *reinspection request from the tour bus carrier to the department.*

33 SEC. 5. Section 34505.2 is added to the Vehicle Code, to read:

34 34505.2. The department shall conduct unannounced surprise  
35 inspections of charter-party carriers of passengers and passenger  
36 stage corporations operating one or more tour buses in addition to  
37 regular scheduled inspections. In each fiscal year, no fewer than  
38 25 percent of the total number of tour bus carrier inspections  
39 conducted by the department shall be unannounced surprise  
40 inspections.

1 SEC. 6. Section 34513 of the Vehicle Code is amended to read:  
2 34513. (a) The department shall adopt rules and regulations  
3 relating to the ~~equipment and maintenance~~ *equipment,*  
4 *maintenance, and operation* of tour buses.

5 (b) *The department shall, by regulation, develop and adopt a*  
6 *fee structure for bus terminal inspections of charter-party carriers*  
7 *of passengers and passenger stage corporation, to be paid by*  
8 *charter-party carriers of passengers and passenger stage*  
9 *corporations that operate one or more tour buses. The fees shall*  
10 *be based upon the number of buses operated by or for a company*  
11 *and shall be collected upon initial application and annually*  
12 *thereafter by the Public Utilities Commission pursuant to Section*  
13 *5373.1 for carriers subject to that section, or as otherwise provided*  
14 *in regulations. The fees shall be in an amount sufficient to offset*  
15 *the costs to administer the inspection program as it pertains to*  
16 *charter-party carriers of passengers and passenger stage*  
17 *corporations, and revenues from the fees shall be deposited in the*  
18 *Motor Vehicle Account in the State Transportation Fund. The*  
19 *revenues from the fees shall not be used to supplant other sources*  
20 *of funding for, or otherwise support, any other inspection program*  
21 *conducted by the department. When developing the regulations,*  
22 *the department shall consider measures that increase efficiencies*  
23 *to limit the financial impact to charter-party carriers of passengers*  
24 *and passenger stage corporations subject to the fees. The*  
25 *department shall adopt the regulations in consultation with*  
26 *appropriate interested parties.*

27 (c) *The department shall, by regulation, modify its existing tour*  
28 *bus terminal inspection program to ensure that the program is*  
29 *performance-based, with parameters to evaluate and target on-site*  
30 *inspections of buses operated by or for charter-party carriers of*  
31 *passengers and passenger stage corporations. The bus terminal*  
32 *inspection program shall prioritize newly-acquired tour buses*  
33 *operated by charter-party carriers of passengers and passenger*  
34 *stage corporations, as well as affected companies that are*  
35 *noncompliant or have a history of noncompliance with safety laws*  
36 *or regulations. It is the intent of the Legislature that, to the greatest*  
37 *extent possible, the bus inspection program shall strive to inspect*  
38 *as many tour buses operated by or for charter-party carriers of*  
39 *passengers and passenger stage corporations as possible.*

1 SEC. 7. The Department of the California Highway Patrol shall  
2 conduct a comprehensive review of the statutes and regulations  
3 governing tour buses, as well as buses generally, with the objective  
4 of identifying opportunities for simplification, consolidation,  
5 avoidance of duplication, and consistent use of terminology. The  
6 review shall be conducted in consultation with the Public Utilities  
7 Commission, the Office of Legislative Counsel, and interested  
8 parties. On or before January 1, 2018, the department shall submit  
9 a report containing its recommendations for proposed statutory  
10 changes to the policy committees of both houses of the Legislature  
11 with responsibility for transportation matters, for potential  
12 inclusion, if appropriate in whole or in part, in a future omnibus  
13 transportation bill. The report shall be submitted pursuant to  
14 Section 9795 of the Government Code.

15 SEC. 8. No reimbursement is required by this act pursuant to  
16 Section 6 of Article XIII B of the California Constitution because  
17 the only costs that may be incurred by a local agency or school  
18 district will be incurred because this act creates a new crime or  
19 infraction, eliminates a crime or infraction, or changes the penalty  
20 for a crime or infraction, within the meaning of Section 17556 of  
21 the Government Code, or changes the definition of a crime within  
22 the meaning of Section 6 of Article XIII B of the California  
23 Constitution.