

AMENDED IN SENATE APRIL 12, 2016

AMENDED IN SENATE MARCH 17, 2016

AMENDED IN SENATE FEBRUARY 12, 2016

**SENATE BILL**

**No. 812**

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**Introduced by Senator Hill**

(Principal coauthors: Assembly Members Chiu and Ting)

January 4, 2016

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An act to amend ~~Section 5373.4~~ *Sections 1033.7, 5373.1, and 5378.5* of, and to add Sections 1033.6 and 5374.4 to, the Public Utilities Code, and to amend Sections 612, 34501, 34505, 34505.1, and 34513 of, and to add ~~Sections~~ *Section 34505.2 and 34505.3* to, the Vehicle Code, relating to ~~vehicles~~: *transportation*.

LEGISLATIVE COUNSEL'S DIGEST

SB 812, as amended, Hill. 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.

Existing law also requires the Department of the California Highway Patrol, at least once every 13 months, to inspect every maintenance facility or terminal of any person who at any time operates any bus. Existing law requires that if the bus operation includes more than 100 buses, the inspection shall be without prior notice. *Existing law requires the Public Utilities Commission, pending a hearing in the matter, to suspend the operating certificate of a charter-party carrier of passengers or a passenger stage corporation upon receipt of a written recommendation from the department for, among other things, failure to maintain any vehicle used in transportation for compensation in a safe operating condition. Existing law also requires, among other things, upon a determination by the department that a tour bus or modified limousine carrier has failed to maintain any vehicle used in transportation for compensation in a safe operating condition such that the failure presents an imminent danger to public safety, that the department shall recommend to the commission that the carrier's operating authority be suspended, denied, or revoked, or to the United States Department of Transportation that appropriate administrative action be taken against the carrier's interstate operating authority, whichever is appropriate.*

This bill would *require the department, if a tour bus or modified limousine carrier has received an unsatisfactory compliance rating for a 3 consecutive terminal inspections, as specified, to recommend to the commission that the carrier's operating authority be suspended, denied, or revoked, or to the United States Department of Transportation that appropriate administrative action be taken against the carrier's interstate operating authority, whichever is appropriate. The bill would also require the commission to suspend an operating certificate of a charter-party carrier of passengers or a passenger stage corporation in those circumstances. The bill would additionally authorize the department to inspect a maintenance facility or terminal that receives 2 or more successive satisfactory ratings once every 26 months. The bill would also require the department to inspect a maintenance facility or terminal that receives an unsatisfactory rating every 6 months until the operator achieves a satisfactory rating, unless the satisfactory rating is the result of a reinspection, as specified.*

This bill would require the Department of the California Highway Patrol, by regulation, to develop and adopt bus terminal inspection fees that are scaled and 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 provide that an operating carrier may not be charged more than \$6,500 in fees. 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, beginning no later than January 1, 2018, to ensure that the performance-based program targets companies that are noncompliant, have a history of noncompliance with safety laws or regulations, or have received unsatisfactory ratings and to prioritize those companies for unannounced surprise inspections. The bill would also require no fewer than 10% of the total number of tour bus carrier inspections conducted by the department to be unannounced surprise inspections. The bill would require the department to conduct a followup inspection 30 days after an operator receives an unsatisfactory rating.

This bill would require a charter-party carrier of passengers or a passenger stage ~~corporation~~, *corporation that has received an unsatisfactory rating and is currently being inspected every 6 months*, prior to operating a newly acquired tour bus that is more than 2 years old, 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 require, beginning January 1, 2018, a charter-party carrier of passengers or a passenger stage corporation operating tour~~

~~buses that applies for renewal of the registration of its vehicles to provide proof of its most recent bus terminal inspection with a satisfactory rating by the department.~~

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) Existing law provides for the regulation of passenger stage corporations and charter-party carriers of passengers by the Public Utilities Commission.

This bill would require the commission to monitor the recall notifications of the National Highway Traffic Safety Administration (NHTSA) relative to buses, limousines, and modified limousines operated by passenger stage corporations and charter-party carriers of passengers. The bill would require the commission, upon determining that a bus, limousine, or modified limousine is the subject of a safety recall by NHTSA that involves parts or accessories necessary for the safe operation of the vehicle, as defined, to contact any passenger stage corporation or charter-party carrier of passengers affected by the recall to ensure that the certificate holder or permittee is aware of it and has a plan in place to correct the defect. The bill would authorize the commission to issue an out-of-service order for any vehicle affected by the recall until the recall repair is completed. Because a violation of provisions governing passenger stage corporations and charter-party carriers of passengers is a crime, this bill would impose a state-mandated local program by creating new crimes.

(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.

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 1033.6 is added to the Public Utilities  
2 Code, to read:

3 1033.6. (a) The commission shall monitor the recall  
4 notifications of the National Highway Traffic Safety  
5 Administration (NHTSA) relative to buses, limousines, and  
6 modified limousines operated by passenger stage corporations in  
7 this state and shall subscribe to NHTSA's electronic mail  
8 notification system.

9 (b) (1) Upon determining that a bus, limousine, or modified  
10 limousine of a passenger stage corporation is the subject of a safety  
11 recall by NHTSA that involves parts or accessories necessary for  
12 the safe operation of the vehicle, the commission shall immediately  
13 contact any passenger stage corporation affected by the recall to  
14 ensure that the certificate holder or permittee is aware of the recall  
15 and has a plan in place to correct the defect.

16 (2) As used in this section, "parts or accessories necessary for  
17 the safe operation of the vehicle" has the same meaning as  
18 described in Part 393 of Title 49 of the Code of Federal  
19 Regulations.

20 (c) The commission may issue an out-of-service order for any  
21 vehicle affected by the recall if the recall involves parts or  
22 accessories necessary for the safe operation of the vehicle, which  
23 order shall remain in effect until the recall repair of the vehicle is  
24 completed.

25 *SEC. 2. Section 1033.7 of the Public Utilities Code is amended*  
26 *to read:*

27 1033.7. (a) Upon receipt of a written recommendation from  
28 the Department of the California Highway Patrol that the certificate  
29 of a passenger stage corporation be suspended ~~either~~ (1) for failure  
30 to maintain any vehicle used in transportation for compensation  
31 in a safe operating condition or to comply with the Vehicle Code  
32 or with regulations contained in Title 13 of the California Code of  
33 Regulations relative to motor carrier safety, if that failure is either  
34 a consistent failure or presents an imminent danger to public safety,  
35 ~~or~~ (2) for failure to enroll all drivers in the pull notice system as  
36 required by Section 1808.1 of the Vehicle Code, *or (3) for*  
37 *receiving an unsatisfactory compliance rating in three consecutive*  
38 *terminal inspections as specified in subdivision (c) of Section*

1 34505.1 of the *Vehicle Code*, the commission shall, pending a  
2 hearing in the matter pursuant to subdivision (d), suspend the  
3 corporation's certificate. The department's written recommendation  
4 shall specifically indicate compliance with subdivision (c).

5 (b) A corporation whose certificate is suspended pursuant to  
6 subdivision (a) may obtain a reinspection of its terminal and  
7 vehicles by the department, by submitting a written request for  
8 reinstatement to the commission and paying a reinstatement fee  
9 of one hundred twenty-five dollars (\$125). The commission shall  
10 deposit all reinstatement fees collected pursuant to this subdivision  
11 in the Public Utilities Commission Transportation Reimbursement  
12 Account. The commission shall forward a request for reinspection  
13 to the department which shall perform a reinspection within a  
14 reasonable time. The commission shall reinstate a corporation's  
15 certificate suspended under subdivision (a) promptly upon receipt  
16 of a written recommendation from the department that the  
17 corporation's safety compliance has improved to the satisfaction  
18 of the department, unless the certificate is suspended for another  
19 reason or has been revoked.

20 (c) Before transmitting a recommendation pursuant to  
21 subdivision (a) to the commission, the Department of the California  
22 Highway Patrol shall notify the passenger stage corporation in  
23 writing of all of the following:

24 (1) That the department has determined that the corporation's  
25 safety record is unsatisfactory, furnishing a copy of any  
26 documentation or summary of any other evidence supporting the  
27 determination.

28 (2) That the determination may result in a suspension or  
29 revocation of the corporation's certificate by the commission.

30 (3) That the corporation may request a review of the  
31 determination by the department within five days of its receipt of  
32 the notice required under this subdivision. If a review pursuant to  
33 this paragraph is requested by the corporation, the department shall  
34 conduct and evaluate that review prior to transmitting any  
35 notification to the commission pursuant to subdivision (a).

36 (d) Whenever the commission suspends the certificate of any  
37 passenger stage corporation pursuant to subdivision (a), the  
38 commission shall furnish the corporation written notice of the  
39 suspension and shall hold a hearing within a reasonable time, not  
40 to exceed 21 days, after a written request therefor is filed with the

1 commission, with a copy thereof furnished to the Department of  
2 the California Highway Patrol. At the hearing, the corporation  
3 shall show cause why the suspension should not be continued. At  
4 the conclusion of the hearing, the commission may, in addition to  
5 any other applicable penalty provided in this part, terminate the  
6 suspension, continue the suspension in effect, or revoke the  
7 certificate. The commission may revoke the certificate of any  
8 passenger stage corporation suspended pursuant to subdivision (a)  
9 at any time 90 days or more after its suspension if the commission  
10 has not received a written recommendation for reinstatement from  
11 the department and the corporation has not filed a written request  
12 for a hearing with the commission.

13 (e) If the commission, after a hearing, finds that a passenger  
14 stage corporation has continued to operate as such after its  
15 certificate has been suspended pursuant to subdivision (a), the  
16 commission shall do one of the following:

17 (1) Revoke the certificate of the corporation.

18 (2) Impose upon the holder of the certificate a civil penalty of  
19 not less than one thousand dollars (\$1,000) nor more than five  
20 thousand dollars (\$5,000) for each day of unlawful operations.

21 ~~SEC. 2.~~

22 *SEC. 3.* Section 5373.1 of the Public Utilities Code is amended  
23 to read:

24 5373.1. (a) Each application for a charter-party carrier of  
25 passengers certificate or permit shall be accompanied by a filing  
26 fee as follows:

27 (1) Class A certificates (new): one thousand five hundred dollars  
28 (\$1,500).

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

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

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

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

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

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

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

36 (b) The commission shall also require each application to be  
37 accompanied by a fee to offset the cost of the charter-party carrier  
38 bus terminal inspections conducted by the Department of the  
39 California Highway Patrol. The fee shall be fifteen dollars (\$15)  
40 per tour bus, as defined in Section 612 of the Vehicle Code, or a

1 maximum of six thousand five hundred dollars (\$6,500) for each  
2 operating carrier, until the effective date of the new fee structure  
3 established by the Department of the California Highway Patrol  
4 pursuant to subdivision (b) of Section 34513 of the Vehicle Code.

5 (c) The commission shall require each charter-party carrier that  
6 operates tour buses, as defined in Section 612 of the Vehicle Code,  
7 to undergo an annual bus terminal inspection conducted by the  
8 Department of the California Highway Patrol and to pay an annual  
9 fee of fifteen dollars (\$15) per tour bus, or a maximum of six  
10 thousand five hundred dollars (\$6,500), to offset the cost of the  
11 inspections, until the effective date of the new fee structure  
12 established by the Department of the California Highway Patrol  
13 pursuant to subdivision (b) of Section 34513 of the Vehicle Code.

14 (d) The commission shall deposit the fees collected pursuant to  
15 subdivisions (b) and (c) in the Motor Vehicle Account in the State  
16 Transportation Fund to cover the costs of the inspections conducted  
17 by the department as specified in subdivisions (b) and (c). The  
18 revenues from the fees shall not be used to supplant other sources  
19 of funding for, or otherwise support, any other inspection program  
20 conducted by the department.

21 ~~SEC. 3.~~

22 *SEC. 4.* Section 5374.4 is added to the Public Utilities Code,  
23 to read:

24 5374.4. (a) The commission shall monitor the recall  
25 notifications of the National Highway Traffic Safety  
26 Administration (NHTSA) relative to buses, limousines, and  
27 modified limousines operated by charter-party carriers of  
28 passengers in this state and shall subscribe to NHTSA's electronic  
29 mail notification system.

30 (b) (1) Upon determining that a bus, limousine, or modified  
31 limousine of a charter-party carrier of passengers is the subject of  
32 a safety recall by NHTSA that involves parts or accessories  
33 necessary for the safe operation of the vehicle, the commission  
34 shall immediately contact any charter-party carrier of passengers  
35 affected by the recall to ensure that the certificate holder or  
36 permittee is aware of the recall and has a plan in place to correct  
37 the defect.

38 (2) As used in this section, "parts or accessories necessary for  
39 the safe operation of the vehicle" has the same meaning as

1 described in Part 393 of Title 49 of the Code of Federal  
2 Regulations.

3 (c) The commission may issue an out-of-service order for any  
4 vehicle affected by the recall if the recall, involves parts or  
5 accessories necessary for the safe operation of the vehicle, which  
6 order shall remain in effect until the recall repair of the vehicle is  
7 completed.

8 *SEC. 5. Section 5378.5 of the Public Utilities Code is amended*  
9 *to read:*

10 5378.5. (a) Upon receipt of a written recommendation from  
11 the Department of the California Highway Patrol that the certificate  
12 or permit of a charter-party carrier be suspended—~~either~~ (1) for  
13 failure to maintain any vehicle used in transportation for  
14 compensation in a safe operating condition or to comply with the  
15 Vehicle Code or with regulations contained in Title 13 of the  
16 California Code of Regulations relative to motor carrier safety if  
17 that failure is either a consistent failure or presents an imminent  
18 danger to public safety, ~~or~~ (2) for failure to enroll all drivers in the  
19 pull notice system as required by Section 1808.1 of the Vehicle  
20 Code, *or (3) for receiving an unsatisfactory compliance rating in*  
21 *three consecutive terminal inspections as specified in subdivision*  
22 *(c) of Section 34505.1 of the Vehicle Code, the commission shall,*  
23 *pending a hearing in the matter pursuant to subdivision (d), suspend*  
24 *the carrier's certificate or permit. The written recommendation*  
25 *shall specifically indicate compliance with subdivision (c).*

26 (b) A carrier whose certificate or permit is suspended pursuant  
27 to subdivision (a) may obtain a reinspection of its terminal and  
28 vehicles by the department, by submitting a written request for  
29 reinstatement to the commission and paying a reinstatement fee  
30 of one thousand dollars (\$1,000). The commission shall deposit  
31 all reinstatement fees collected pursuant to this subdivision in the  
32 Public Utilities Commission Transportation Reimbursement  
33 Account. The commission shall then forward a request for  
34 reinspection to the department which shall then perform a  
35 reinspection within a reasonable time. The commission shall  
36 reinstate a carrier's certificate or permit suspended under  
37 subdivision (a) promptly upon receipt of a written recommendation  
38 from the department that the carrier's safety compliance has  
39 improved to the satisfaction of the department, unless the certificate  
40 or permit is suspended for another reason, or has been revoked.

1 (c) Before transmitting a recommendation pursuant to  
2 subdivision (a) to the commission, the Department of the California  
3 Highway Patrol shall notify the charter-party carrier in writing of  
4 all of the following:

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

8 (2) That the determination may result in suspension or  
9 revocation of the carrier's certificate or permit by the commission.

10 (3) That the carrier may request a review of the determination  
11 by the department within five days of its receipt of the notice  
12 required under this subdivision. If a review pursuant to this  
13 paragraph is requested by the carrier, the department shall conduct  
14 and evaluate that review prior to transmitting any notification to  
15 the commission pursuant to subdivision (a).

16 (d) Whenever the commission suspends the certificate or permit  
17 of any charter-party carrier pursuant to subdivision (a), the  
18 commission shall furnish the carrier written notice of the  
19 suspension and shall hold a hearing within a reasonable time, not  
20 to exceed 21 days, after a written request therefor is filed with the  
21 commission, with a copy thereof furnished to the Department of  
22 the California Highway Patrol. At the hearing, the carrier shall  
23 show cause why the suspension should not be continued. At the  
24 conclusion of the hearing, the commission may, in addition to any  
25 other penalty provided in this chapter, terminate the suspension,  
26 continue the suspension in effect, or revoke the certificate or  
27 permit. The commission may revoke the certificate or permit of  
28 any carrier suspended pursuant to subdivision (a) at any time 90  
29 days or more after its suspension if the commission has not  
30 received a written recommendation for reinstatement from the  
31 department and the carrier has not filed a written request for a  
32 hearing with the commission.

33 (e) If the commission, after a hearing, finds that a charter-party  
34 carrier has continued to operate as such a carrier after its certificate  
35 or permit has been suspended pursuant to subdivision (a), the  
36 commission shall do one of the following:

37 (1) Revoke the operating certificate or permit of the carrier.

38 (2) Impose upon the holder of the certificate or permit a civil  
39 penalty of not less than one thousand five hundred dollars (\$1,500)

1 nor more than seven thousand five hundred dollars (\$7,500) for  
2 each day of unlawful operations.

3 ~~SEC. 4.~~

4 *SEC. 6.* Section 612 of the Vehicle Code is amended to read:

5 612. “Tour bus” means a vehicle designed, used, or maintained  
6 for carrying more than 10 persons, including the driver, which is  
7 operated by or for a charter-party carrier of passengers, as defined  
8 in Section 5360 of the Public Utilities Code, or a passenger stage  
9 corporation, as defined in Section 226 of the Public Utilities Code.

10 ~~SEC. 5.~~

11 *SEC. 7.* Section 34501 of the Vehicle Code is amended to read:

12 34501. (a) (1) The department shall adopt reasonable rules  
13 and regulations that, in the judgment of the department, are  
14 designed to promote the safe operation of vehicles described in  
15 Section 34500, regarding, but not limited to, controlled substances  
16 and alcohol testing of drivers by motor carriers, hours of service  
17 of drivers, equipment, fuel containers, fueling operations,  
18 inspection, maintenance, recordkeeping, accident reports, and  
19 drawbridges. The rules and regulations shall not, however, be  
20 applicable to schoolbuses, which shall be subject to rules and  
21 regulations adopted pursuant to Section 34501.5.

22 The rules and regulations shall exempt local law enforcement  
23 agencies, within a single county, engaged in the transportation of  
24 inmates or prisoners when those agencies maintain other motor  
25 vehicle operations records which furnish hours of service  
26 information on drivers which are in substantial compliance with  
27 the rules and regulations. This exemption does not apply to any  
28 local law enforcement agency engaged in the transportation of  
29 inmates or prisoners outside the county in which the agency is  
30 located, if that agency would otherwise be required, by existing  
31 law, to maintain driving logs.

32 (2) The department may adopt rules and regulations relating to  
33 commercial vehicle safety inspection and out-of-service criteria.  
34 In adopting the rules and regulations, the commissioner may  
35 consider the commercial vehicle safety inspection and  
36 out-of-service criteria adopted by organizations such as the  
37 Commercial Vehicle Safety Alliance, other intergovernmental  
38 safety group, or the United States Department of Transportation.  
39 The commissioner may provide departmental representatives to  
40 that alliance or other organization for the purpose of promoting

1 the continued improvement and refinement of compatible  
2 nationwide commercial vehicle safety inspection and out-of-service  
3 criteria.

4 (3) The commissioner shall appoint a committee of 15 members,  
5 consisting of representatives of industry subject to the regulations  
6 to be adopted pursuant to this section, to act in an advisory capacity  
7 to the department, and the department shall cooperate and confer  
8 with the advisory committee so appointed. The commissioner shall  
9 appoint a separate committee to advise the department on rules  
10 and regulations concerning wheelchair lifts for installation and use  
11 on buses, consisting of persons who use the wheelchair lifts,  
12 representatives of transit districts, representatives of designers or  
13 manufacturers of wheelchairs and wheelchair lifts, and  
14 representatives of the Department of Transportation.

15 (4) The department may inspect any vehicles in maintenance  
16 facilities or terminals, as well as any records relating to the dispatch  
17 of vehicles or drivers, and the pay of drivers, to ~~assure~~ *ensure*  
18 compliance with this code and regulations adopted pursuant to this  
19 section.

20 (b) The department, using the definitions adopted pursuant to  
21 Section 2402.7, shall adopt regulations for the transportation of  
22 hazardous materials in this state, except the transportation of  
23 materials which are subject to other provisions of this code, that  
24 the department determines are reasonably necessary to ensure the  
25 safety of persons and property using the highways. The regulations  
26 may include provisions governing the filling, marking, packing,  
27 labeling, and assembly of, and containers that may be used for,  
28 hazardous materials shipments, and the manner by which the  
29 shipper attests that the shipments are correctly identified and in  
30 proper condition for transport.

31 (c) (1) Except as provided in paragraphs (2) and (3), at least  
32 once every 13 months, the department shall inspect every  
33 maintenance facility or terminal of any person who at any time  
34 operates any bus. If the bus operation includes more than 100  
35 buses, the inspection shall be without prior notice.

36 (2) A maintenance facility or terminal that receives two or more  
37 successive satisfactory ratings may be inspected once every 26  
38 months unless the satisfactory rating is the result of a reinspection  
39 required pursuant to paragraph (2) of subdivision (c) of Section  
40 34513.

1 (3) A maintenance facility or terminal that receives an  
2 unsatisfactory rating shall be inspected every six months until the  
3 operator achieves a satisfactory rating.

4 (d) The commissioner shall adopt and enforce regulations which  
5 will make the public or private users of any bus aware of the  
6 operator's last safety rating.

7 (e) It is unlawful and constitutes a misdemeanor for any person  
8 to operate any bus without the inspection specified in subdivision  
9 (c) having been conducted.

10 (f) The department may adopt regulations restricting or  
11 prohibiting the movement of any vehicle from a maintenance  
12 facility or terminal if the vehicle is found in violation of this code  
13 or regulations adopted pursuant to this section.

14 ~~SEC. 6.~~

15 *SEC. 8.* Section 34505 of the Vehicle Code is amended to read:

16 34505. (a) Tour bus operators shall, in addition to the  
17 systematic inspection, maintenance, and lubrication services  
18 required of all motor carriers, require each tour bus to be inspected  
19 at least every 45 days, or more often if necessary to ensure safe  
20 operation. This inspection shall include, but not be limited to, all  
21 of the following:

- 22 (1) Brake adjustment.
- 23 (2) Brake system components and leaks.
- 24 (3) Steering and suspension systems.
- 25 (4) Tires and wheels.

26 (b) A tour bus shall not be used to transport passengers until all  
27 defects listed during the inspection conducted pursuant to  
28 subdivision (a) have been corrected and attested to by the signature  
29 of the operator's authorized representative.

30 (c) Records of inspections conducted pursuant to subdivision  
31 (a) shall be kept at the operator's maintenance facility or terminal  
32 where the tour bus is regularly garaged. The records shall be  
33 retained by the operator for one year, and shall be made available  
34 for inspection upon request by any authorized employee of the  
35 department. Each record shall include, but not be limited to, all of  
36 the following:

- 37 (1) Identification of the vehicle, including make, model, license  
38 number, or other means of positive identification.
- 39 (2) Date and nature of each inspection and any repair performed.

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

3 (4) Company vehicle number.

4 (d) Prior to operating a newly acquired tour bus that is more  
5 than two years old, a charter-party carrier of passengers or a  
6 passenger stage corporation *that has received an unsatisfactory*  
7 *rating and is being inspected every six months pursuant to*  
8 *paragraph (3) of subdivision (c) of Section 34501*, shall first  
9 schedule an inspection of the tour bus with, and obtain a  
10 satisfactory rating for the tour bus from, the department. *This*  
11 *requirement shall not apply to a charter-party carrier of*  
12 *passengers or a passenger stage corporation that has received*  
13 *two or more successive satisfactory ratings and is being inspected*  
14 *pursuant to the inspection schedule authorized under paragraph*  
15 *(2) of subdivision (c) of Section 34501.*

16 ~~SEC. 7.~~

17 *SEC. 9.* Section 34505.1 of the Vehicle Code is amended to  
18 read:

19 34505.1. (a) Upon determining that a tour bus carrier or  
20 modified limousine carrier has either (1) failed to maintain any  
21 vehicle used in transportation for compensation in a safe operating  
22 condition or to comply with the Vehicle Code or with regulations  
23 contained in Title 13 of the California Code of Regulations relative  
24 to motor carrier safety, and, in the department's opinion, that failure  
25 presents an imminent danger to public safety or constitutes such  
26 a consistent failure as to justify a recommendation to the Public  
27 Utilities Commission or the United States Department of  
28 Transportation or (2) failed to enroll all drivers in the pull notice  
29 system as required by Section 1808.1, the department shall  
30 recommend to the Public Utilities Commission that the carrier's  
31 operating authority be suspended, denied, or revoked, or to the  
32 United States Department of Transportation that appropriate  
33 administrative action be taken against the carrier's interstate  
34 operating authority, whichever is appropriate. ~~For~~

35 (b) ~~For purposes of this subdivision, section,~~ two consecutive  
36 unsatisfactory compliance ratings for an inspected terminal  
37 assigned because the tour bus carrier or modified limousine carrier  
38 failed to comply with the periodic report requirements of Section  
39 1808.1 or the cancellation of the carrier's enrollment by the  
40 Department of Motor Vehicles for nonpayment of required fees

1 may be determined by the department to be a consistent failure.  
2 However, when recommending denial of an application for new  
3 or renewal authority, the department need not conclude that the  
4 carrier's failure presents an imminent danger to public safety or  
5 that it constitutes a consistent failure. The department need only  
6 conclude that the carrier's compliance with the safety-related  
7 matters described in paragraph (1) of subdivision (a) is sufficiently  
8 unsatisfactory to justify a recommendation for denial. ~~The~~  
9 ~~department shall retain a record, by carrier, of every~~  
10 ~~recommendation made pursuant to this section.~~

11 *(c) If a tour bus or modified limousine carrier has either (1)*  
12 *received an unsatisfactory compliance rating for a regular terminal*  
13 *inspection and the next two consecutive follow-up terminal*  
14 *inspections or (2) received an unsatisfactory compliance rating*  
15 *for three consecutive regular terminal inspections irrespective of*  
16 *receiving satisfactory ratings on the follow-up inspections*  
17 *associated with the first two terminal inspections, the department*  
18 *shall recommend to the Public Utilities Commission that the*  
19 *carrier's operating authority be suspended, denied, or revoked,*  
20 *or to the United States Department of Transportation that*  
21 *appropriate administrative action be taken against the carrier's*  
22 *interstate operating authority, whichever is appropriate.*

23 ~~(b)~~  
24 *(d) Before transmitting a recommendation pursuant to*  
25 ~~subdivision (a), this section,~~ the department shall notify the carrier  
26 in writing of all of the following:

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

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

34 (3) That the carrier may request a review of the determination  
35 by the department within five days of its receipt of the notice  
36 required under this subdivision. If a review is requested by the  
37 carrier, the department shall conduct and evaluate that review prior  
38 to transmitting any notification pursuant to ~~subdivision (a).~~ *this*  
39 *section.*

40 (e)

1 (e) Notwithstanding anything to the contrary in subdivision (a)  
 2 (a), (b), or (b); (c), upon determining during a terminal inspection  
 3 or at any other time that the condition of a tour bus is such that it  
 4 has multiple safety violations of a nature that operation of the tour  
 5 bus could constitute an imminent danger to public safety, the  
 6 department shall immediately order the tour bus out of service.  
 7 The tour bus shall not be subsequently operated with passengers  
 8 until all of the safety violations have been corrected and the  
 9 department has verified the correction of the safety violations upon  
 10 a subsequent inspection by the department of the tour bus, which  
 11 shall occur within five business days of the submission of a  
 12 reinspection request from the tour bus carrier to the department.

13 (f) *The department shall retain a record, by carrier, of every*  
 14 *recommendation made pursuant to this section.*

15 ~~SEC. 8.~~

16 *SEC. 10.* Section 34505.2 is added to the Vehicle Code, to  
 17 read:

18 34505.2. (a) (1) The department shall conduct unannounced  
 19 surprise inspections of charter-party carriers of passengers and  
 20 passenger stage corporations operating one or more tour buses in  
 21 addition to regularly scheduled inspections.

22 (2) The department shall prioritize unannounced surprise  
 23 inspections of companies that are noncompliant, have a history of  
 24 noncompliance with safety laws or regulations, or that have  
 25 received unsatisfactory ratings.

26 (b) Each fiscal year, no fewer than 10 percent of the total number  
 27 of tour bus carrier inspections conducted by the department shall  
 28 be unannounced surprise inspections.

29 ~~SEC. 9.~~ Section 34505.3 is added to the Vehicle Code, to read:

30 ~~34505.3. (a) Beginning January 1, 2018, a charter-party carrier~~  
 31 ~~of passengers or a passenger stage corporation operating tour buses~~  
 32 ~~that applies for renewal of the registration of its vehicles shall~~  
 33 ~~provide proof of its most recent bus terminal inspection with a~~  
 34 ~~satisfactory rating by the department.~~

35 ~~(b) The Department of Motor Vehicles shall not approve a~~  
 36 ~~registration renewal under subdivision (a) if proof of inspection~~  
 37 ~~with a satisfactory rating is not provided by the charter-party carrier~~  
 38 ~~of passengers or the passenger stage corporation.~~

1 ~~SEC. 10.~~

2 *SEC. 11.* Section 34513 of the Vehicle Code is amended to  
3 read:

4 34513. (a) The department shall adopt rules and regulations  
5 relating to the equipment, maintenance, and operation of tour buses.

6 (b) (1) The department shall, by regulation, develop and adopt  
7 a fee structure for bus terminal inspections of charter-party carriers  
8 of passengers and passenger stage corporations, to be paid by  
9 charter-party carriers of passengers and passenger stage  
10 corporations that operate one or more tour buses. The fees shall  
11 be scaled and based upon the number of buses operated by or for  
12 a company and shall be collected upon initial application and  
13 annually thereafter by the Public Utilities Commission pursuant  
14 to Section 5373.1 for carriers subject to that section, or as otherwise  
15 provided in regulations. The fees shall be in an amount sufficient  
16 to offset the costs to administer the inspection program as it  
17 pertains to charter-party carriers of passengers and passenger stage  
18 corporations, and revenues from the fees shall be deposited in the  
19 Motor Vehicle Account in the State Transportation Fund.

20 (2) The revenues from the fees shall not be used to supplant  
21 other sources of funding for, or otherwise support, any other  
22 inspection program conducted by the department.

23 (3) When developing the regulations, the department shall  
24 consider measures that increase efficiencies to limit the financial  
25 impact to charter-party carriers of passengers and passenger stage  
26 corporations subject to the fees.

27 (4) The department shall adopt the regulations in consultation  
28 with appropriate interested parties.

29 (5) In no instance shall an operating carrier be charged more  
30 than ~~\$6,500.~~ *six thousand five hundred dollars (\$6,500).*

31 (c) (1) No later than January 1, 2018, the department shall, by  
32 regulation, modify its existing tour bus terminal inspection program  
33 to ensure that the performance-based program targets companies  
34 that are noncompliant, have a history of noncompliance with safety  
35 laws or regulations, or that have received unsatisfactory ratings.

36 (2) If a carrier receives an unsatisfactory rating, the department  
37 shall conduct a followup inspection no later than 30 days after the  
38 initial inspection during which an unsatisfactory rating was deemed  
39 appropriate.

1 (3) It is the intent of the Legislature that, to the greatest extent  
 2 possible, the bus inspection program shall strive to inspect as many  
 3 tour buses operated by or for charter-party carriers of passengers  
 4 and passenger stage corporations as possible.

5 ~~SEC. 11.~~

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

20 ~~SEC. 12.~~

21 *SEC. 13.* No reimbursement is required by this act pursuant to  
 22 Section 6 of Article XIII B of the California Constitution because  
 23 the only costs that may be incurred by a local agency or school  
 24 district will be incurred because this act creates a new crime or  
 25 infraction, eliminates a crime or infraction, or changes the penalty  
 26 for a crime or infraction, within the meaning of Section 17556 of  
 27 the Government Code, or changes the definition of a crime within  
 28 the meaning of Section 6 of Article XIII B of the California  
 29 Constitution.