

AMENDED IN SENATE APRIL 27, 2016

AMENDED IN SENATE APRIL 12, 2016

AMENDED IN SENATE MARCH 17, 2016

AMENDED IN SENATE FEBRUARY 12, 2016

SENATE BILL

No. 812

Introduced by Senator Hill

(Principal coauthors: Assembly Members Chiu and Ting)

January 4, 2016

An act to amend Sections 1033.7, 5373.1, and 5378.5 of, and to add Sections ~~1033.6~~ 1033.6, 4003, and 5374.4 to, the Public Utilities Code, and to amend Sections 612, 34501, 34505, 34505.1, and 34513 of, and to add Section 34505.2 to, the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 812, as amended, Hill. Charter-party carriers of ~~passengers and passengers:~~ passenger stage ~~corporations:~~ corporations: *private carriers of passengers.*

(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 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 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 *private carriers of passengers*, passenger stage ~~corporations~~ *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 operated by private carriers of passengers* and 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 *private carrier of passengers*, passenger stage ~~corporation~~ *corporation*, or charter-party carrier of passengers affected by the recall to ensure that the *registrant*, certificate ~~holder~~ *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 *private carriers of passengers*, passenger stage ~~corporations~~ *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 (1) for failure to
30 maintain any vehicle used in transportation for compensation in a
31 safe operating condition or to comply with the Vehicle Code or
32 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 (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 receiving
37 an unsatisfactory compliance rating in three consecutive terminal
38 inspections as specified in subdivision (c) of Section 34505.1 of

1 the Vehicle Code, the commission shall, pending a hearing in the
2 matter pursuant to subdivision (d), suspend the corporation's
3 certificate. The department's written recommendation shall
4 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. 3. Section 4003 is added to the Public Utilities Code, to*
22 *read:*

23 *4003. (a) The commission shall monitor the recall notifications*
24 *of the National Highway Traffic Safety Administration (NHTSA)*
25 *relative to buses operated by private carriers of passengers in this*
26 *state and shall subscribe to NHTSA's electronic mail notification*
27 *system.*

28 *(b) (1) Upon determining that a bus of a private carrier of*
29 *passengers is the subject of a safety recall by NHTSA that involves*
30 *parts or accessories necessary for the safe operation of the vehicle,*
31 *the commission shall immediately contact any private carrier of*
32 *passengers affected by the recall to ensure that the registrant is*
33 *aware of the recall and has a plan in place to correct the defect.*

34 *(2) As used in this section, "parts or accessories necessary for*
35 *the safe operation of the vehicle" has the same meaning as*
36 *described in Part 393 of Title 49 of the Code of Federal*
37 *Regulations.*

38 *(c) The commission may issue an out-of-service order for any*
39 *vehicle affected by the recall if the recall involves parts or*
40 *accessories necessary for the safe operation of the vehicle, which*

1 *order shall remain in effect until the recall repair of the vehicle is*
2 *completed.*

3 ~~SEC. 3.~~

4 *SEC. 4.* Section 5373.1 of the Public Utilities Code is amended
5 to read:

6 5373.1. (a) Each application for a charter-party carrier of
7 passengers certificate or permit shall be accompanied by a filing
8 fee as follows:

9 (1) Class A certificates (new): one thousand five hundred dollars
10 (\$1,500).

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

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

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

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

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

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

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

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

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

36 (d) The commission shall deposit the fees collected pursuant to
37 subdivisions (b) and (c) in the Motor Vehicle Account in the State
38 Transportation Fund to cover the costs of the inspections conducted
39 by the department as specified in subdivisions (b) and (c). The
40 revenues from the fees shall not be used to supplant other sources

1 of funding for, or otherwise support, any other inspection program
2 conducted by the department.

3 ~~SEC. 4.~~

4 *SEC. 5.* Section 5374.4 is added to the Public Utilities Code,
5 to read:

6 5374.4. (a) The commission shall monitor the recall
7 notifications of the National Highway Traffic Safety
8 Administration (NHTSA) relative to buses, limousines, and
9 modified limousines operated by charter-party carriers of
10 passengers in this state and shall subscribe to NHTSA’s electronic
11 mail notification system.

12 (b) (1) Upon determining that a bus, limousine, or modified
13 limousine of a charter-party carrier of passengers is the subject of
14 a safety recall by NHTSA that involves parts or accessories
15 necessary for the safe operation of the vehicle, the commission
16 shall immediately contact any charter-party carrier of passengers
17 affected by the recall to ensure that the certificate holder or
18 permittee is aware of the recall and has a plan in place to correct
19 the defect.

20 (2) As used in this section, “parts or accessories necessary for
21 the safe operation of the vehicle” has the same meaning as
22 described in Part 393 of Title 49 of the Code of Federal
23 Regulations.

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

29 ~~SEC. 5.~~

30 *SEC. 6.* Section 5378.5 of the Public Utilities Code is amended
31 to read:

32 5378.5. (a) Upon receipt of a written recommendation from
33 the Department of the California Highway Patrol that the certificate
34 or permit of a charter-party carrier be suspended (1) for failure to
35 maintain any vehicle used in transportation for compensation in a
36 safe operating condition or to comply with the Vehicle Code or
37 with regulations contained in Title 13 of the California Code of
38 Regulations relative to motor carrier safety if that failure is either
39 a consistent failure or presents an imminent danger to public safety,
40 (2) for failure to enroll all drivers in the pull notice system as

1 required by Section 1808.1 of the Vehicle Code, or (3) for receiving
2 an unsatisfactory compliance rating in three consecutive terminal
3 inspections as specified in subdivision (c) of Section 34505.1 of
4 the Vehicle Code, the commission shall, pending a hearing in the
5 matter pursuant to subdivision (d), suspend the carrier's certificate
6 or permit. The written recommendation shall specifically indicate
7 compliance with subdivision (c).

8 (b) A carrier whose certificate or permit is suspended pursuant
9 to subdivision (a) may obtain a reinspection of its terminal and
10 vehicles by the department, by submitting a written request for
11 reinstatement to the commission and paying a reinstatement fee
12 of one thousand dollars (\$1,000). The commission shall deposit
13 all reinstatement fees collected pursuant to this subdivision in the
14 Public Utilities Commission Transportation Reimbursement
15 Account. The commission shall then forward a request for
16 reinspection to the department which shall then perform a
17 reinspection within a reasonable time. The commission shall
18 reinstate a carrier's certificate or permit suspended under
19 subdivision (a) promptly upon receipt of a written recommendation
20 from the department that the carrier's safety compliance has
21 improved to the satisfaction of the department, unless the certificate
22 or permit is suspended for another reason, or has been revoked.

23 (c) Before transmitting a recommendation pursuant to
24 subdivision (a) to the commission, the Department of the California
25 Highway Patrol shall notify the charter-party carrier in writing of
26 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 suspension or
31 revocation of the carrier's certificate or permit by the commission.

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

38 (d) Whenever the commission suspends the certificate or permit
39 of any charter-party carrier pursuant to subdivision (a), the
40 commission shall furnish the carrier written notice of the

1 suspension and shall hold a hearing within a reasonable time, not
2 to exceed 21 days, after a written request therefor is filed with the
3 commission, with a copy thereof furnished to the Department of
4 the California Highway Patrol. At the hearing, the carrier shall
5 show cause why the suspension should not be continued. At the
6 conclusion of the hearing, the commission may, in addition to any
7 other penalty provided in this chapter, terminate the suspension,
8 continue the suspension in effect, or revoke the certificate or
9 permit. The commission may revoke the certificate or permit of
10 any carrier suspended pursuant to subdivision (a) at any time 90
11 days or more after its suspension if the commission has not
12 received a written recommendation for reinstatement from the
13 department and the carrier has not filed a written request for a
14 hearing with the commission.

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

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

20 (2) Impose upon the holder of the certificate or permit a civil
21 penalty of not less than one thousand five hundred dollars (\$1,500)
22 nor more than seven thousand five hundred dollars (\$7,500) for
23 each day of unlawful operations.

24 ~~SEC. 6.~~

25 *SEC. 7.* Section 612 of the Vehicle Code is amended to read:

26 612. "Tour bus" means a vehicle designed, used, or maintained
27 for carrying more than 10 persons, including the driver, which is
28 operated by or for a charter-party carrier of passengers, as defined
29 in Section 5360 of the Public Utilities Code, or a passenger stage
30 corporation, as defined in Section 226 of the Public Utilities Code.

31 ~~SEC. 7.~~

32 *SEC. 8.* Section 34501 of the Vehicle Code is amended to read:

33 34501. (a) (1) The department shall adopt reasonable rules
34 and regulations that, in the judgment of the department, are
35 designed to promote the safe operation of vehicles described in
36 Section 34500, regarding, but not limited to, controlled substances
37 and alcohol testing of drivers by motor carriers, hours of service
38 of drivers, equipment, fuel containers, fueling operations,
39 inspection, maintenance, recordkeeping, accident reports, and
40 drawbridges. The rules and regulations shall not, however, be

1 applicable to schoolbuses, which shall be subject to rules and
2 regulations adopted pursuant to Section 34501.5.

3 The rules and regulations shall exempt local law enforcement
4 agencies, within a single county, engaged in the transportation of
5 inmates or prisoners when those agencies maintain other motor
6 vehicle operations records which furnish hours of service
7 information on drivers which are in substantial compliance with
8 the rules and regulations. This exemption does not apply to any
9 local law enforcement agency engaged in the transportation of
10 inmates or prisoners outside the county in which the agency is
11 located, if that agency would otherwise be required, by existing
12 law, to maintain driving logs.

13 (2) The department may adopt rules and regulations relating to
14 commercial vehicle safety inspection and out-of-service criteria.
15 In adopting the rules and regulations, the commissioner may
16 consider the commercial vehicle safety inspection and
17 out-of-service criteria adopted by organizations such as the
18 Commercial Vehicle Safety Alliance, other intergovernmental
19 safety group, or the United States Department of Transportation.
20 The commissioner may provide departmental representatives to
21 that alliance or other organization for the purpose of promoting
22 the continued improvement and refinement of compatible
23 nationwide commercial vehicle safety inspection and out-of-service
24 criteria.

25 (3) The commissioner shall appoint a committee of 15 members,
26 consisting of representatives of industry subject to the regulations
27 to be adopted pursuant to this section, to act in an advisory capacity
28 to the department, and the department shall cooperate and confer
29 with the advisory committee so appointed. The commissioner shall
30 appoint a separate committee to advise the department on rules
31 and regulations concerning wheelchair lifts for installation and use
32 on buses, consisting of persons who use the wheelchair lifts,
33 representatives of transit districts, representatives of designers or
34 manufacturers of wheelchairs and wheelchair lifts, and
35 representatives of the Department of Transportation.

36 (4) The department may inspect any vehicles in maintenance
37 facilities or terminals, as well as any records relating to the dispatch
38 of vehicles or drivers, and the pay of drivers, to ensure compliance
39 with this code and regulations adopted pursuant to this section.

1 (b) The department, using the definitions adopted pursuant to
2 Section 2402.7, shall adopt regulations for the transportation of
3 hazardous materials in this state, except the transportation of
4 materials which are subject to other provisions of this code, that
5 the department determines are reasonably necessary to ensure the
6 safety of persons and property using the highways. The regulations
7 may include provisions governing the filling, marking, packing,
8 labeling, and assembly of, and containers that may be used for,
9 hazardous materials shipments, and the manner by which the
10 shipper attests that the shipments are correctly identified and in
11 proper condition for transport.

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

17 (2) A maintenance facility or terminal that receives two or more
18 successive satisfactory ratings may be inspected once every 26
19 months unless the satisfactory rating is the result of a reinspection
20 required pursuant to paragraph (2) of subdivision (c) of Section
21 34513.

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

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

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

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

35 ~~SEC. 8.~~

36 *SEC. 9.* Section 34505 of the Vehicle Code is amended to read:

37 34505. (a) Tour bus operators shall, in addition to the
38 systematic inspection, maintenance, and lubrication services
39 required of all motor carriers, require each tour bus to be inspected
40 at least every 45 days, or more often if necessary to ensure safe

1 operation. This inspection shall include, but not be limited to, all
2 of the following:

- 3 (1) Brake adjustment.
- 4 (2) Brake system components and leaks.
- 5 (3) Steering and suspension systems.
- 6 (4) Tires and wheels.

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

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

- 18 (1) Identification of the vehicle, including make, model, license
19 number, or other means of positive identification.
- 20 (2) Date and nature of each inspection and any repair performed.
- 21 (3) Signature of operator's authorized representative attesting
22 to the inspection and to the completion of all required repairs.
- 23 (4) Company vehicle number.

24 (d) Prior to operating a newly acquired tour bus that is more
25 than two years old, a charter-party carrier of passengers or a
26 passenger stage corporation that has received an unsatisfactory
27 rating and is being inspected every six months pursuant to
28 paragraph (3) of subdivision (c) of Section 34501, shall first
29 schedule an inspection of the tour bus with, and obtain a
30 satisfactory rating for the tour bus from, the department. This
31 requirement shall not apply to a charter-party carrier of passengers
32 or a passenger stage corporation that has received two or more
33 successive satisfactory ratings and is being inspected pursuant to
34 the inspection schedule authorized under paragraph (2) of
35 subdivision (c) of Section 34501.

36 ~~SEC. 9.~~

37 *SEC. 10.* Section 34505.1 of the Vehicle Code is amended to
38 read:

39 34505.1. (a) Upon determining that a tour bus carrier or
40 modified limousine carrier has either (1) failed to maintain any

1 vehicle used in transportation for compensation in a safe operating
2 condition or to comply with the Vehicle Code or with regulations
3 contained in Title 13 of the California Code of Regulations relative
4 to motor carrier safety, and, in the department’s opinion, that failure
5 presents an imminent danger to public safety or constitutes such
6 a consistent failure as to justify a recommendation to the Public
7 Utilities Commission or the United States Department of
8 Transportation or (2) failed to enroll all drivers in the pull notice
9 system as required by Section 1808.1, the department shall
10 recommend to the Public Utilities Commission that the carrier’s
11 operating authority be suspended, denied, or revoked, or to the
12 United States Department of Transportation that appropriate
13 administrative action be taken against the carrier’s interstate
14 operating authority, whichever is appropriate.

15 (b) For purposes of this section, two consecutive unsatisfactory
16 compliance ratings for an inspected terminal assigned because the
17 tour bus carrier or modified limousine carrier failed to comply
18 with the periodic report requirements of Section 1808.1 or the
19 cancellation of the carrier’s enrollment by the Department of Motor
20 Vehicles for nonpayment of required fees may be determined by
21 the department to be a consistent failure. However, when
22 recommending denial of an application for new or renewal
23 authority, the department need not conclude that the carrier’s failure
24 presents an imminent danger to public safety or that it constitutes
25 a consistent failure. The department need only conclude that the
26 carrier’s compliance with the safety-related matters described in
27 paragraph (1) of subdivision (a) is sufficiently unsatisfactory to
28 justify a recommendation for denial.

29 (c) If a tour bus or modified limousine carrier has either (1)
30 received an unsatisfactory compliance rating for a regular terminal
31 inspection and the next two consecutive follow-up terminal
32 inspections or (2) received an unsatisfactory compliance rating for
33 three consecutive regular terminal inspections irrespective of
34 receiving satisfactory ratings on the follow-up inspections
35 associated with the first two terminal inspections, the department
36 shall recommend to the Public Utilities Commission that the
37 carrier’s operating authority be suspended, denied, or revoked, or
38 to the United States Department of Transportation that appropriate
39 administrative action be taken against the carrier’s interstate
40 operating authority, whichever is appropriate.

1 (d) Before transmitting a recommendation pursuant to this
2 section, the department shall notify the carrier in writing of all of
3 the following:

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

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

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

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

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

30 ~~SEC. 10.~~

31 *SEC. 11.* Section 34505.2 is added to the Vehicle Code, to
32 read:

33 34505.2. (a) (1) The department shall conduct unannounced
34 surprise inspections of charter-party carriers of passengers and
35 passenger stage corporations operating one or more tour buses in
36 addition to regularly scheduled inspections.

37 (2) The department shall prioritize unannounced surprise
38 inspections of companies that are noncompliant, have a history of
39 noncompliance with safety laws or regulations, or that have
40 received unsatisfactory ratings.

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

4 ~~SEC. 11.~~

5 *SEC. 12.* Section 34513 of the Vehicle Code is amended to
6 read:

7 34513. (a) The department shall adopt rules and regulations
8 relating to the equipment, maintenance, and operation of tour buses.

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

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

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

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

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

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

39 (2) If a carrier receives an unsatisfactory rating, the department
40 shall conduct a followup inspection no later than 30 days after the

1 initial inspection during which an unsatisfactory rating was deemed
2 appropriate.

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

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

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.