

AMENDED IN SENATE MAY 31, 2016
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, 4003, and 5374.4 to, of~~ 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: passenger stage 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~~ *require* the department to inspect a maintenance facility or terminal that receives 2 or more successive satisfactory ratings *at least once every 26 months. months instead of at least once every 13 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.

~~(2) Existing law provides for the regulation of private carriers of passengers, 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 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, or charter-party carrier of passengers affected by the recall to ensure that the registrant, 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 private carriers of passengers, 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)~~

~~(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 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.~~

1 ~~(b) (1) Upon determining that a bus, limousine, or modified~~
2 ~~limousine of a passenger stage corporation is the subject of a safety~~
3 ~~recall by NHTSA that involves parts or accessories necessary for~~
4 ~~the safe operation of the vehicle, the commission shall immediately~~
5 ~~contact any passenger stage corporation affected by the recall to~~
6 ~~ensure that the certificate holder or permittee is aware of the recall~~
7 ~~and has a plan in place to correct the defect.~~

8 ~~(2) As used in this section, “parts or accessories necessary for~~
9 ~~the safe operation of the vehicle” has the same meaning as~~
10 ~~described in Part 393 of Title 49 of the Code of Federal~~
11 ~~Regulations.~~

12 ~~(e) The commission may issue an out-of-service order for any~~
13 ~~vehicle affected by the recall if the recall involves parts or~~
14 ~~accessories necessary for the safe operation of the vehicle, which~~
15 ~~order shall remain in effect until the recall repair of the vehicle is~~
16 ~~completed.~~

17 ~~SEC. 2.~~

18 *SECTION 1.* Section 1033.7 of the Public Utilities Code is
19 amended to read:

20 1033.7. (a) Upon receipt of a written recommendation from
21 the Department of the California Highway Patrol that the certificate
22 of a passenger stage corporation be suspended (1) for failure to
23 maintain any vehicle used in transportation for compensation in a
24 safe operating condition or to comply with the Vehicle Code or
25 with regulations contained in Title 13 of the California Code of
26 Regulations relative to motor carrier safety, if that failure is either
27 a consistent failure or presents an imminent danger to public safety,
28 (2) for failure to enroll all drivers in the pull notice system as
29 required by Section 1808.1 of the Vehicle Code, or (3) for receiving
30 an unsatisfactory compliance rating in three consecutive terminal
31 inspections as specified in subdivision (c) of Section 34505.1 of
32 the Vehicle Code, the commission shall, pending a hearing in the
33 matter pursuant to subdivision (d), suspend the corporation’s
34 certificate. The department’s written recommendation shall
35 specifically indicate compliance with subdivision (c).

36 (b) A corporation whose certificate is suspended pursuant to
37 subdivision (a) may obtain a reinspection of its terminal and
38 vehicles by the department, by submitting a written request for
39 reinstatement to the commission and paying a reinstatement fee
40 of one hundred twenty-five dollars (\$125). The commission shall

1 deposit all reinstatement fees collected pursuant to this subdivision
2 in the Public Utilities Commission Transportation Reimbursement
3 Account. The commission shall forward a request for reinspection
4 to the department which shall perform a reinspection within a
5 reasonable time. The commission shall reinstate a corporation's
6 certificate suspended under subdivision (a) promptly upon receipt
7 of a written recommendation from the department that the
8 corporation's safety compliance has improved to the satisfaction
9 of the department, unless the certificate is suspended for another
10 reason or has been revoked.

11 (c) Before transmitting a recommendation pursuant to
12 subdivision (a) to the commission, the Department of the California
13 Highway Patrol shall notify the passenger stage corporation in
14 writing of all of the following:

15 (1) That the department has determined that the corporation's
16 safety record is unsatisfactory, furnishing a copy of any
17 documentation or summary of any other evidence supporting the
18 determination.

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

21 (3) That the corporation may request a review of the
22 determination by the department within five days of its receipt of
23 the notice required under this subdivision. If a review pursuant to
24 this paragraph is requested by the corporation, the department shall
25 conduct and evaluate that review prior to transmitting any
26 notification to the commission pursuant to subdivision (a).

27 (d) Whenever the commission suspends the certificate of any
28 passenger stage corporation pursuant to subdivision (a), the
29 commission shall furnish the corporation written notice of the
30 suspension and shall hold a hearing within a reasonable time, not
31 to exceed 21 days, after a written request therefor is filed with the
32 commission, with a copy thereof furnished to the Department of
33 the California Highway Patrol. At the hearing, the corporation
34 shall show cause why the suspension should not be continued. At
35 the conclusion of the hearing, the commission may, in addition to
36 any other applicable penalty provided in this part, terminate the
37 suspension, continue the suspension in effect, or revoke the
38 certificate. The commission may revoke the certificate of any
39 passenger stage corporation suspended pursuant to subdivision (a)
40 at any time 90 days or more after its suspension if the commission

1 has not received a written recommendation for reinstatement from
2 the department and the corporation has not filed a written request
3 for a hearing with the commission.

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

8 (1) Revoke the certificate of the corporation.

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

12 ~~SEC. 3. Section 4003 is added to the Public Utilities Code, to~~
13 ~~read:~~

14 ~~4003. (a) The commission shall monitor the recall notifications~~
15 ~~of the National Highway Traffic Safety Administration (NHTSA)~~
16 ~~relative to buses operated by private carriers of passengers in this~~
17 ~~state and shall subscribe to NHTSA's electronic mail notification~~
18 ~~system.~~

19 ~~(b) (1) Upon determining that a bus of a private carrier of~~
20 ~~passengers is the subject of a safety recall by NHTSA that involves~~
21 ~~parts or accessories necessary for the safe operation of the vehicle,~~
22 ~~the commission shall immediately contact any private carrier of~~
23 ~~passengers affected by the recall to ensure that the registrant is~~
24 ~~aware of the recall and has a plan in place to correct the defect.~~

25 ~~(2) As used in this section, "parts or accessories necessary for~~
26 ~~the safe operation of the vehicle" has the same meaning as~~
27 ~~described in Part 393 of Title 49 of the Code of Federal~~
28 ~~Regulations.~~

29 ~~(c) The commission may issue an out-of-service order for any~~
30 ~~vehicle affected by the recall if the recall involves parts or~~
31 ~~accessories necessary for the safe operation of the vehicle, which~~
32 ~~order shall remain in effect until the recall repair of the vehicle is~~
33 ~~completed.~~

34 ~~SEC. 4.~~

35 ~~SEC. 2. Section 5373.1 of the Public Utilities Code is amended~~
36 ~~to read:~~

37 ~~5373.1. (a) Each application for a charter-party carrier of~~
38 ~~passengers certificate or permit shall be accompanied by a filing~~
39 ~~fee as follows:~~

- 1 (1) Class A certificates (new): one thousand five hundred dollars
- 2 (\$1,500).
- 3 (2) Class A certificates (renewal): one hundred dollars (\$100).
- 4 (3) Class B certificates (new): one thousand dollars (\$1,000).
- 5 (4) Class B certificates (renewal): one hundred dollars (\$100).
- 6 (5) Class C certificates (new): one thousand dollars (\$1,000).
- 7 (6) Class C certificates (renewal): one hundred dollars (\$100).
- 8 (7) Permits (new): one thousand dollars (\$1,000).
- 9 (8) Permits (renewal): one hundred dollars (\$100).

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

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

28 (d) The commission shall deposit the fees collected pursuant to
 29 subdivisions (b) and (c) in the Motor Vehicle Account in the State
 30 Transportation Fund to cover the costs of the inspections conducted
 31 by the department as specified in subdivisions (b) and (c). The
 32 revenues from the fees shall not be used to supplant other sources
 33 of funding for, or otherwise support, any other inspection program
 34 conducted by the department.

35 ~~SEC. 5. Section 5374.4 is added to the Public Utilities Code,~~
 36 ~~to read:~~

37 ~~5374.4. (a) The commission shall monitor the recall~~
 38 ~~notifications of the National Highway Traffic Safety~~
 39 ~~Administration (NHTSA) relative to buses, limousines, and~~
 40 ~~modified limousines operated by charter-party carriers of~~

1 passengers in this state and shall subscribe to NHTSA’s electronic
2 mail notification system.

3 ~~(b) (1) Upon determining that a bus, limousine, or modified~~
4 ~~limousine of a charter-party carrier of passengers is the subject of~~
5 ~~a safety recall by NHTSA that involves parts or accessories~~
6 ~~necessary for the safe operation of the vehicle, the commission~~
7 ~~shall immediately contact any charter-party carrier of passengers~~
8 ~~affected by the recall to ensure that the certificate holder or~~
9 ~~permittee is aware of the recall and has a plan in place to correct~~
10 ~~the defect.~~

11 ~~(2) As used in this section, “parts or accessories necessary for~~
12 ~~the safe operation of the vehicle” has the same meaning as~~
13 ~~described in Part 393 of Title 49 of the Code of Federal~~
14 ~~Regulations.~~

15 ~~(e) The commission may issue an out-of-service order for any~~
16 ~~vehicle affected by the recall if the recall, involves parts or~~
17 ~~accessories necessary for the safe operation of the vehicle, which~~
18 ~~order shall remain in effect until the recall repair of the vehicle is~~
19 ~~completed.~~

20 ~~SEC. 6:~~

21 ~~SEC. 3.~~ Section 5378.5 of the Public Utilities Code is amended
22 to read:

23 5378.5. (a) Upon receipt of a written recommendation from
24 the Department of the California Highway Patrol that the certificate
25 or permit of a charter-party carrier be suspended (1) for failure to
26 maintain any vehicle used in transportation for compensation in a
27 safe operating condition or to comply with the Vehicle Code or
28 with regulations contained in Title 13 of the California Code of
29 Regulations relative to motor carrier safety if that failure is either
30 a consistent failure or presents an imminent danger to public safety,
31 (2) for failure to enroll all drivers in the pull notice system as
32 required by Section 1808.1 of the Vehicle Code, or (3) for receiving
33 an unsatisfactory compliance rating in three consecutive terminal
34 inspections as specified in subdivision (c) of Section 34505.1 of
35 the Vehicle Code, the commission shall, pending a hearing in the
36 matter pursuant to subdivision (d), suspend the carrier’s certificate
37 or permit. The written recommendation shall specifically indicate
38 compliance with subdivision (c).

39 (b) A carrier whose certificate or permit is suspended pursuant
40 to subdivision (a) may obtain a reinspection of its terminal and

1 vehicles by the department, by submitting a written request for
2 reinstatement to the commission and paying a reinstatement fee
3 of one thousand dollars (\$1,000). The commission shall deposit
4 all reinstatement fees collected pursuant to this subdivision in the
5 Public Utilities Commission Transportation Reimbursement
6 Account. The commission shall then forward a request for
7 reinspection to the department which shall then perform a
8 reinspection within a reasonable time. The commission shall
9 reinstate a carrier's certificate or permit suspended under
10 subdivision (a) promptly upon receipt of a written recommendation
11 from the department that the carrier's safety compliance has
12 improved to the satisfaction of the department, unless the certificate
13 or permit is suspended for another reason, or has been revoked.

14 (c) Before transmitting a recommendation pursuant to
15 subdivision (a) to the commission, the Department of the California
16 Highway Patrol shall notify the charter-party carrier in writing of
17 all of the following:

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

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

23 (3) That the carrier may request a review of the determination
24 by the department within five days of its receipt of the notice
25 required under this subdivision. If a review pursuant to this
26 paragraph is requested by the carrier, the department shall conduct
27 and evaluate that review prior to transmitting any notification to
28 the commission pursuant to subdivision (a).

29 (d) Whenever the commission suspends the certificate or permit
30 of any charter-party carrier pursuant to subdivision (a), the
31 commission shall furnish the carrier written notice of the
32 suspension and shall hold a hearing within a reasonable time, not
33 to exceed 21 days, after a written request therefor is filed with the
34 commission, with a copy thereof furnished to the Department of
35 the California Highway Patrol. At the hearing, the carrier shall
36 show cause why the suspension should not be continued. At the
37 conclusion of the hearing, the commission may, in addition to any
38 other penalty provided in this chapter, terminate the suspension,
39 continue the suspension in effect, or revoke the certificate or
40 permit. The commission may revoke the certificate or permit of

1 any carrier suspended pursuant to subdivision (a) at any time 90
2 days or more after its suspension if the commission has not
3 received a written recommendation for reinstatement from the
4 department and the carrier has not filed a written request for a
5 hearing with the commission.

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

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

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

15 ~~SEC. 7.~~

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

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

22 ~~SEC. 8.~~

23 *SEC. 5.* Section 34501 of the Vehicle Code is amended to read:

24 34501. (a) (1) The department shall adopt reasonable rules
25 and regulations that, in the judgment of the department, are
26 designed to promote the safe operation of vehicles described in
27 Section 34500, regarding, but not limited to, controlled substances
28 and alcohol testing of drivers by motor carriers, hours of service
29 of drivers, equipment, fuel containers, fueling operations,
30 inspection, maintenance, recordkeeping, accident reports, and
31 drawbridges. The rules and regulations shall not, however, be
32 applicable to schoolbuses, which shall be subject to rules and
33 regulations adopted pursuant to Section 34501.5.

34 The rules and regulations shall exempt local law enforcement
35 agencies, within a single county, engaged in the transportation of
36 inmates or prisoners when those agencies maintain other motor
37 vehicle operations records which furnish hours of service
38 information on drivers which are in substantial compliance with
39 the rules and regulations. This exemption does not apply to any
40 local law enforcement agency engaged in the transportation of

1 inmates or prisoners outside the county in which the agency is
2 located, if that agency would otherwise be required, by existing
3 law, to maintain driving logs.

4 (2) The department may adopt rules and regulations relating to
5 commercial vehicle safety inspection and out-of-service criteria.
6 In adopting the rules and regulations, the commissioner may
7 consider the commercial vehicle safety inspection and
8 out-of-service criteria adopted by organizations such as the
9 Commercial Vehicle Safety Alliance, other intergovernmental
10 safety group, or the United States Department of Transportation.
11 The commissioner may provide departmental representatives to
12 that alliance or other organization for the purpose of promoting
13 the continued improvement and refinement of compatible
14 nationwide commercial vehicle safety inspection and out-of-service
15 criteria.

16 (3) The commissioner shall appoint a committee of 15 members,
17 consisting of representatives of industry subject to the regulations
18 to be adopted pursuant to this section, to act in an advisory capacity
19 to the department, and the department shall cooperate and confer
20 with the advisory committee so appointed. The commissioner shall
21 appoint a separate committee to advise the department on rules
22 and regulations concerning wheelchair lifts for installation and use
23 on buses, consisting of persons who use the wheelchair lifts,
24 representatives of transit districts, representatives of designers or
25 manufacturers of wheelchairs and wheelchair lifts, and
26 representatives of the Department of Transportation.

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

31 (b) The department, using the definitions adopted pursuant to
32 Section 2402.7, shall adopt regulations for the transportation of
33 hazardous materials in this state, except the transportation of
34 materials which are subject to other provisions of this code, that
35 the department determines are reasonably necessary to ensure the
36 safety of persons and property using the highways. The regulations
37 may include provisions governing the filling, marking, packing,
38 labeling, and assembly of, and containers that may be used for,
39 hazardous materials shipments, and the manner by which the

1 shipper attests that the shipments are correctly identified and in
2 proper condition for transport.

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

8 (2) A maintenance facility or terminal that receives two or more
9 successive satisfactory ratings ~~may~~ shall be inspected *at least* once
10 every 26 months unless the satisfactory rating is the result of a
11 reinspection required pursuant to paragraph (2) of subdivision (c)
12 of Section 34513.

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

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

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

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

26 ~~SEC. 9.~~

27 *SEC. 6.* Section 34505 of the Vehicle Code is amended to read:

28 34505. (a) Tour bus operators shall, in addition to the
29 systematic inspection, maintenance, and lubrication services
30 required of all motor carriers, require each tour bus to be inspected
31 at least every 45 days, or more often if necessary to ensure safe
32 operation. This inspection shall include, but not be limited to, all
33 of the following:

- 34 (1) Brake adjustment.
- 35 (2) Brake system components and leaks.
- 36 (3) Steering and suspension systems.
- 37 (4) Tires and wheels.

38 (b) A tour bus shall not be used to transport passengers until all
39 defects listed during the inspection conducted pursuant to

1 subdivision (a) have been corrected and attested to by the signature
2 of the operator's authorized representative.

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

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

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

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

15 (4) Company vehicle number.

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

28 ~~SEC. 10.~~

29 *SEC. 7.* Section 34505.1 of the Vehicle Code is amended to
30 read:

31 34505.1. (a) Upon determining that a tour bus carrier or
32 modified limousine carrier has either (1) failed to maintain any
33 vehicle used in transportation for compensation in a safe operating
34 condition or to comply with the Vehicle Code or with regulations
35 contained in Title 13 of the California Code of Regulations relative
36 to motor carrier safety, and, in the department's opinion, that failure
37 presents an imminent danger to public safety or constitutes such
38 a consistent failure as to justify a recommendation to the Public
39 Utilities Commission or the United States Department of
40 Transportation or (2) failed to enroll all drivers in the pull notice

1 system as required by Section 1808.1, the department shall
2 recommend to the Public Utilities Commission that the carrier's
3 operating authority be suspended, denied, or revoked, or to the
4 United States Department of Transportation that appropriate
5 administrative action be taken against the carrier's interstate
6 operating authority, whichever is appropriate.

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

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

33 (d) Before transmitting a recommendation pursuant to this
34 section, the department shall notify the carrier in writing of all of
35 the following:

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

39 (2) That the determination may result in a suspension,
40 revocation, or denial of the carrier's operating authority by the

1 Public Utilities Commission or the United States Department of
2 Transportation, as appropriate.

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

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

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

22 ~~SEC. 11.~~

23 *SEC. 8.* Section 34505.2 is added to the Vehicle Code, to read:

24 34505.2. (a) (1) The department shall conduct unannounced
25 surprise inspections of charter-party carriers of passengers and
26 passenger stage corporations operating one or more tour buses in
27 addition to regularly scheduled inspections.

28 (2) The department shall prioritize unannounced surprise
29 inspections of companies that are noncompliant, have a history of
30 noncompliance with safety laws or regulations, or that have
31 received unsatisfactory ratings.

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

35 ~~SEC. 12.~~

36 *SEC. 9.* Section 34513 of the Vehicle Code is amended to read:

37 34513. (a) The department shall adopt rules and regulations
38 relating to the equipment, maintenance, and operation of tour buses.

39 (b) (1) The department shall, by regulation, develop and adopt
40 a fee structure for bus terminal inspections of charter-party carriers

1 of passengers and passenger stage corporations, to be paid by
2 charter-party carriers of passengers and passenger stage
3 corporations that operate one or more tour buses. The fees shall
4 be scaled and based upon the number of buses operated by or for
5 a company and shall be collected upon initial application and
6 annually thereafter by the Public Utilities Commission pursuant
7 to Section 5373.1 for carriers subject to that section, or as otherwise
8 provided in regulations. The fees shall be in an amount sufficient
9 to offset the costs to administer the inspection program as it
10 pertains to charter-party carriers of passengers and passenger stage
11 corporations, and revenues from the fees shall be deposited in the
12 Motor Vehicle Account in the State Transportation Fund.

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

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

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

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

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

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

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

37 ~~SEC. 13.~~

38 *SEC. 10.* No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

O