

AMENDED IN ASSEMBLY JUNE 16, 2016  
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 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, fees 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. *Patrol*. 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 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 require the department to inspect a maintenance facility or terminal that receives 2 or more successive satisfactory ratings at least once every 26 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.~~ *rating during a regular terminal inspection. If the satisfactory rating is the result of a reinspection, the bill would require the next regular terminal inspection to be conducted within 6 months.*

~~This bill would require the Department of the California Highway Patrol, by regulation, to develop and adopt bus terminal inspection fees that are sealed 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 *that the fees collected to affect the costs of inspections not be used to supplement other sources of funding or support for any other inspection program conducted by the Department of the California Highway Patrol and would require the department to modify, by regulation,* 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) 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 1033.7 of the Public Utilities Code is  
2 amended to read:

3 1033.7. (a) Upon receipt of a written recommendation from  
4 the Department of the California Highway Patrol that the certificate  
5 of a passenger stage corporation be suspended (1) for failure to  
6 maintain any vehicle used in transportation for compensation in a  
7 safe operating condition or to comply with the Vehicle Code or  
8 with regulations contained in Title 13 of the California Code of  
9 Regulations relative to motor carrier safety, if that failure is either  
10 a consistent failure or presents an imminent danger to public safety,  
11 (2) for failure to enroll all drivers in the pull notice system as  
12 required by Section 1808.1 of the Vehicle Code, or (3) for receiving  
13 an unsatisfactory compliance rating in three consecutive terminal  
14 inspections as specified in subdivision (c) of Section 34505.1 of  
15 the Vehicle Code, the commission shall, pending a hearing in the  
16 matter pursuant to subdivision (d), suspend the corporation's  
17 certificate. The department's written recommendation shall  
18 specifically indicate compliance with subdivision (c).

19 (b) A corporation whose certificate is suspended pursuant to  
20 subdivision (a) may obtain a reinspection of its terminal and  
21 vehicles by the department, by submitting a written request for

1 reinstatement to the commission and paying a reinstatement fee  
2 of one hundred twenty-five dollars (\$125). The commission shall  
3 deposit all reinstatement fees collected pursuant to this subdivision  
4 in the Public Utilities Commission Transportation Reimbursement  
5 Account. The commission shall forward a request for reinspection  
6 to the department which shall perform a reinspection within a  
7 reasonable time. The commission shall reinstate a corporation's  
8 certificate suspended under subdivision (a) promptly upon receipt  
9 of a written recommendation from the department that the  
10 corporation's safety compliance has improved to the satisfaction  
11 of the department, unless the certificate is suspended for another  
12 reason or has been revoked.

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

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

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

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

29 (d) Whenever the commission suspends the certificate of any  
30 passenger stage corporation pursuant to subdivision (a), the  
31 commission shall furnish the corporation 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 corporation  
36 shall show cause why the suspension should not be continued. At  
37 the conclusion of the hearing, the commission may, in addition to  
38 any other applicable penalty provided in this part, terminate the  
39 suspension, continue the suspension in effect, or revoke the  
40 certificate. The commission may revoke the certificate of any

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

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

10 (1) Revoke the certificate of the corporation.

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

14 SEC. 2. Section 5373.1 of the Public Utilities Code is amended  
15 to read:

16 5373.1. (a) Each application for a charter-party carrier of  
17 passengers certificate or permit shall be accompanied by a filing  
18 fee as follows:

19 (1) Class A certificates (new): one thousand five hundred dollars  
20 (\$1,500).

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

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

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

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

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

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

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

28 (b) The commission shall also require each application to be  
29 accompanied by a fee to offset the cost of the charter-party carrier  
30 bus terminal inspections conducted by the Department of the  
31 California Highway Patrol. The fee shall be fifteen dollars (\$15)  
32 per tour bus, as defined in Section 612 of the Vehicle Code, or a  
33 maximum of six thousand five hundred dollars (\$6,500) for each  
34 operating carrier, until the effective date of the new fee structure  
35 established by the Department of the California Highway Patrol  
36 pursuant to subdivision (b) of Section 34513 of the Vehicle Code.  
37 carrier.

38 (c) The commission shall require each charter-party carrier that  
39 operates tour buses, as defined in Section 612 of the Vehicle Code,  
40 to undergo an annual bus terminal inspection conducted by the

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

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

15 SEC. 3. Section 5378.5 of the Public Utilities Code is amended  
16 to read:

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

33 (b) A carrier whose certificate or permit is suspended pursuant  
34 to subdivision (a) may obtain a reinspection of its terminal and  
35 vehicles by the department, by submitting a written request for  
36 reinstatement to the commission and paying a reinstatement fee  
37 of one thousand dollars (\$1,000). The commission shall deposit  
38 all reinstatement fees collected pursuant to this subdivision in the  
39 Public Utilities Commission Transportation Reimbursement  
40 Account. The commission shall then forward a request for

1 reinspection to the department which shall then perform a  
2 reinspection within a reasonable time. The commission shall  
3 reinstate a carrier's certificate or permit suspended under  
4 subdivision (a) promptly upon receipt of a written recommendation  
5 from the department that the carrier's safety compliance has  
6 improved to the satisfaction of the department, unless the certificate  
7 or permit is suspended for another reason, or has been revoked.

8 (c) Before transmitting a recommendation pursuant to  
9 subdivision (a) to the commission, the Department of the California  
10 Highway Patrol shall notify the charter-party carrier in writing of  
11 all of the following:

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

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

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

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



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

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

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

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

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

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

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

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

37 (2) The department may adopt rules and regulations relating to  
38 commercial vehicle safety inspection and out-of-service criteria.  
39 In adopting the rules and regulations, the commissioner may  
40 consider the commercial vehicle safety inspection and

1 out-of-service criteria adopted by organizations such as the  
2 Commercial Vehicle Safety Alliance, other intergovernmental  
3 safety group, or the United States Department of Transportation.  
4 The commissioner may provide departmental representatives to  
5 that alliance or other organization for the purpose of promoting  
6 the continued improvement and refinement of compatible  
7 nationwide commercial vehicle safety inspection and out-of-service  
8 criteria.

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

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

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

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

1 (2) A maintenance facility or terminal that receives two or more  
2 ~~successive consecutive~~ satisfactory ratings shall be inspected at  
3 least once every 26 months unless the satisfactory rating is the  
4 result of a reinspection required pursuant to paragraph (2) of  
5 subdivision (c) of Section 34513.

6 (3) A maintenance facility or terminal that receives an  
7 unsatisfactory rating shall be inspected every six months until the  
8 operator achieves a satisfactory ~~rating~~ *rating during a regular*  
9 *terminal inspection. Following the assignment of a satisfactory*  
10 *rating as the result of a reinspection pursuant to paragraph (2) of*  
11 *subdivision (c) of Section 34513, the next regular terminal*  
12 *inspection shall be conducted within six months.*

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

16 (e) It is unlawful and constitutes a misdemeanor for any person  
17 to operate any bus without the ~~inspection~~ *inspections* specified in  
18 subdivision (c) having been conducted.

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

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

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

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

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

38 (c) Records of inspections conducted pursuant to subdivision  
39 (a) shall be kept at the operator's maintenance facility or terminal  
40 where the tour bus is regularly garaged. The records shall be

1 retained by the operator for one year, and shall be made available  
2 for inspection upon request by any authorized employee of the  
3 department. Each record shall include, but not be limited to, all of  
4 the following:

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

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

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

10 (4) Company vehicle number.

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

23 SEC. 7. Section 34505.1 of the Vehicle Code is amended to  
24 read:

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

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

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

27 (d) Before transmitting a recommendation pursuant to this  
28 section, the department shall notify the carrier in writing of all of  
29 the following:

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

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

37 (3) That the carrier may request a review of the determination  
38 by the department within five days of its receipt of the notice  
39 required under this subdivision. If a review is requested by the

1 carrier, the department shall conduct and evaluate that review prior  
2 to transmitting any notification pursuant to this section.

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

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

17 SEC. 8. Section 34505.2 is added to the Vehicle Code, to 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 34513 of the Vehicle Code is amended to read:

30 34513. (a) The department shall adopt rules and regulations  
31 relating to the equipment, maintenance, and operation of tour buses.

32 ~~(b) (1) The department shall, by regulation, develop and adopt~~  
33 ~~a fee structure for bus terminal inspections of charter-party carriers~~  
34 ~~of passengers and passenger stage corporations, to be paid by~~  
35 ~~charter-party carriers of passengers and passenger stage~~  
36 ~~corporations that operate one or more tour buses. The fees shall~~  
37 ~~be scaled and based upon the number of buses operated by or for~~  
38 ~~a company and shall be collected upon initial application and~~  
39 ~~annually thereafter by the Public Utilities Commission pursuant~~  
40 ~~to Section 5373.1 for carriers subject to that section, or as otherwise~~

1 provided in regulations. The fees shall be in an amount sufficient  
2 to offset the costs to administer the inspection program as it  
3 pertains to charter-party carriers of passengers and passenger stage  
4 corporations, and revenues from the fees shall be deposited in the  
5 Motor Vehicle Account in the State Transportation Fund.

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

9 ~~(3) When developing the regulations, the department shall  
10 consider measures that increase efficiencies to limit the financial  
11 impact to charter-party carriers of passengers and passenger stage  
12 corporations subject to the fees.~~

13 ~~(4) The department shall adopt the regulations in consultation  
14 with appropriate interested parties.~~

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

17 ~~(e)~~

18 *(b)* (1) No later than January 1, 2018, the department shall, by  
19 regulation, modify its existing tour bus terminal inspection program  
20 to ensure that the performance-based program targets companies  
21 that are noncompliant, have a history of noncompliance with safety  
22 laws or regulations, or that have received unsatisfactory ratings.

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

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

31 SEC. 10. No reimbursement is required by this act pursuant to  
32 Section 6 of Article XIII B of the California Constitution because  
33 the only costs that may be incurred by a local agency or school  
34 district will be incurred because this act creates a new crime or  
35 infraction, eliminates a crime or infraction, or changes the penalty  
36 for a crime or infraction, within the meaning of Section 17556 of  
37 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

O