

AMENDED IN ASSEMBLY JUNE 29, 2016  
AMENDED IN ASSEMBLY JUNE 21, 2016  
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**

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**Introduced by Senator Hill**

(Principal coauthors: Assembly Members Chiu and Ting)

January 4, 2016

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An act to amend 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 34505.3 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 to offset the costs of inspections of the ~~Department of the California Highway Patrol~~. *department*. 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~~, *department*, 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 of a tour bus operator 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 of a tour bus operator that receives an unsatisfactory rating every 6 months until the operator achieves a satisfactory 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. *The bill would require the department, if, subsequent to an inspection of a maintenance facility or terminal of a tour bus operator, a tour bus is issued an out-of-service order in the field, to conduct an inspection of that maintenance facility or terminal within 90 days of the issuance of the order.*

This bill would require that the fees collected to offset 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~~ department 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  
22 reinstatement to the commission and paying a reinstatement fee  
23 of one hundred twenty-five dollars (\$125). The commission shall  
24 deposit all reinstatement fees collected pursuant to this subdivision  
25 in the Public Utilities Commission Transportation Reimbursement  
26 Account. The commission shall forward a request for reinspection  
27 to the department which shall perform a reinspection within a  
28 reasonable time. The commission shall reinstate a corporation’s  
29 certificate suspended under subdivision (a) promptly upon receipt  
30 of a written recommendation from the department that the

1 corporation's safety compliance has improved to the satisfaction  
2 of the department, unless the certificate is suspended for another  
3 reason or has been revoked.

4 (c) Before transmitting a recommendation pursuant to  
5 subdivision (a) to the commission, the Department of the California  
6 Highway Patrol shall notify the passenger stage corporation in  
7 writing of all of the following:

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

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

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

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

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

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

5 SEC. 2. Section 5373.1 of the Public Utilities Code is amended  
6 to read:

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

- 10 (1) Class A certificates (new): one thousand five hundred dollars
- 11 (\$1,500).
- 12 (2) Class A certificates (renewal): one hundred dollars (\$100).
- 13 (3) Class B certificates (new): one thousand dollars (\$1,000).
- 14 (4) Class B certificates (renewal): one hundred dollars (\$100).
- 15 (5) Class C certificates (new): one thousand dollars (\$1,000).
- 16 (6) Class C certificates (renewal): one hundred dollars (\$100).
- 17 (7) Permits (new): one thousand dollars (\$1,000).
- 18 (8) Permits (renewal): one hundred dollars (\$100).

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

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

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

1 SEC. 3. Section 5378.5 of the Public Utilities Code is amended  
2 to read:

3 5378.5. (a) Upon receipt of a written recommendation from  
4 the Department of the California Highway Patrol that the certificate  
5 or permit of a charter-party carrier 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 carrier's certificate  
17 or permit. The written recommendation shall specifically indicate  
18 compliance with subdivision (c).

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

34 (c) Before transmitting a recommendation pursuant to  
35 subdivision (a) to the commission, the Department of the California  
36 Highway Patrol shall notify the charter-party carrier in writing of  
37 all of the following:

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

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

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 pursuant to this  
6 paragraph is requested by the carrier, the department shall conduct  
7 and evaluate that review prior to transmitting any notification to  
8 the commission pursuant to subdivision (a).

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

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

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

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

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

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



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

2 34501. (a) (1) The department shall adopt reasonable rules  
3 and regulations that, in the judgment of the department, are  
4 designed to promote the safe operation of vehicles described in  
5 Section 34500, regarding, but not limited to, controlled substances  
6 and alcohol testing of drivers by motor carriers, hours of service  
7 of drivers, equipment, fuel containers, fueling operations,  
8 inspection, maintenance, recordkeeping, accident reports, and  
9 drawbridges. The rules and regulations shall not, however, be  
10 applicable to schoolbuses, which shall be subject to rules and  
11 regulations adopted pursuant to Section 34501.5.

12 The rules and regulations shall exempt local law enforcement  
13 agencies, within a single county, engaged in the transportation of  
14 inmates or prisoners when those agencies maintain other motor  
15 vehicle operations records which furnish hours of service  
16 information on drivers which are in substantial compliance with  
17 the rules and regulations. This exemption does not apply to any  
18 local law enforcement agency engaged in the transportation of  
19 inmates or prisoners outside the county in which the agency is  
20 located, if that agency would otherwise be required, by existing  
21 law, to maintain driving logs.

22 (2) The department may adopt rules and regulations relating to  
23 commercial vehicle safety inspection and out-of-service criteria.  
24 In adopting the rules and regulations, the commissioner may  
25 consider the commercial vehicle safety inspection and  
26 out-of-service criteria adopted by organizations such as the  
27 Commercial Vehicle Safety Alliance, other intergovernmental  
28 safety group, or the United States Department of Transportation.  
29 The commissioner may provide departmental representatives to  
30 that alliance or other organization for the purpose of promoting  
31 the continued improvement and refinement of compatible  
32 nationwide commercial vehicle safety inspection and out-of-service  
33 criteria.

34 (3) The commissioner shall appoint a committee of 15 members,  
35 consisting of representatives of industry subject to the regulations  
36 to be adopted pursuant to this section, to act in an advisory capacity  
37 to the department, and the department shall cooperate and confer  
38 with the advisory committee so appointed. The commissioner shall  
39 appoint a separate committee to advise the department on rules  
40 and regulations concerning wheelchair lifts for installation and use

1 on buses, consisting of persons who use the wheelchair lifts,  
2 representatives of transit districts, representatives of designers or  
3 manufacturers of wheelchairs and wheelchair lifts, and  
4 representatives of the Department of Transportation.

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

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

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

25 (2) A maintenance facility or terminal of a tour bus operator  
26 that receives two or more consecutive satisfactory ratings shall be  
27 inspected at least once every 26 months unless the *first* satisfactory  
28 rating is the result of a reinspection required pursuant to paragraph  
29 (2) of subdivision (b) of Section 34513.

30 (3) A maintenance facility or terminal of a tour bus operator  
31 that receives an unsatisfactory rating shall be inspected every six  
32 months until the operator achieves a satisfactory rating during a  
33 regular terminal inspection. Following the assignment of a  
34 satisfactory rating as the result of a reinspection pursuant to  
35 paragraph (2) of subdivision (b) of Section 34513, the next regular  
36 terminal inspection shall be conducted within six months.

37 (4) *If, subsequent to the inspection of a maintenance facility or*  
38 *terminal of a tour bus operator pursuant to this subdivision, a tour*  
39 *bus is issued an out-of-service order in the field as described in*  
40 *subdivision (d) of Section 2800 or under criteria adopted pursuant*

1 *to paragraph (2) of subdivision (a), the department shall conduct*  
2 *an inspection of that maintenance facility or terminal within 90*  
3 *days after issuance of the order.*

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

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

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

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

15 34505. (a) Tour bus operators shall, in addition to the  
16 systematic inspection, maintenance, and lubrication services  
17 required of all motor carriers, require each tour bus to be inspected  
18 at least every 45 days, or more often if necessary to ensure safe  
19 operation. This inspection shall include, but not be limited to, all  
20 of the following:

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

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

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

- 36 (1) Identification of the vehicle, including make, model, license  
37 number, or other means of positive identification.
- 38 (2) Date and nature of each inspection and any repair performed.
- 39 (3) Signature of operator's authorized representative attesting  
40 to the inspection and to the completion of all required repairs.

1 (4) Company vehicle number.

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

14 SEC. 7. Section 34505.1 of the Vehicle Code is amended to  
15 read:

16 34505.1. (a) Upon determining that a tour bus carrier or  
17 modified limousine carrier has either (1) failed to maintain any  
18 vehicle used in transportation for compensation in a safe operating  
19 condition or to comply with the Vehicle Code or with regulations  
20 contained in Title 13 of the California Code of Regulations relative  
21 to motor carrier safety, and, in the department's opinion, that failure  
22 presents an imminent danger to public safety or constitutes such  
23 a consistent failure as to justify a recommendation to the Public  
24 Utilities Commission or the United States Department of  
25 Transportation or (2) failed to enroll all drivers in the pull notice  
26 system as required by Section 1808.1, the department shall  
27 recommend to the Public Utilities Commission that the carrier's  
28 operating authority be suspended, denied, or revoked, or to the  
29 United States Department of Transportation that appropriate  
30 administrative action be taken against the carrier's interstate  
31 operating authority, whichever is appropriate.

32 (b) For purposes of this section, two consecutive unsatisfactory  
33 compliance ratings for an inspected terminal assigned because the  
34 tour bus carrier or modified limousine carrier failed to comply  
35 with the periodic report requirements of Section 1808.1 or the  
36 cancellation of the carrier's enrollment by the Department of Motor  
37 Vehicles for nonpayment of required fees may be determined by  
38 the department to be a consistent failure. However, when  
39 recommending denial of an application for new or renewal  
40 authority, the department need not conclude that the carrier's failure

1 presents an imminent danger to public safety or that it constitutes  
2 a consistent failure. The department need only conclude that the  
3 carrier's compliance with the safety-related matters described in  
4 paragraph (1) of subdivision (a) is sufficiently unsatisfactory to  
5 justify a recommendation for denial.

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

18 (d) Before transmitting a recommendation pursuant to this  
19 section, the department shall notify the carrier in writing of all of  
20 the following:

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

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

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

33 (e) Notwithstanding anything to the contrary in subdivision (a),  
34 (b), or (c), upon determining during a terminal inspection or at any  
35 other time that the condition of a tour bus is such that it has  
36 multiple safety violations of a nature that operation of the tour bus  
37 could constitute an imminent danger to public safety, the  
38 department shall immediately order the tour bus out of service.  
39 The tour bus shall not be subsequently operated with passengers  
40 until all of the safety violations have been corrected and the

1 department has verified the correction of the safety violations upon  
2 a subsequent inspection by the department of the tour bus, which  
3 shall occur within five business days of the submission of a  
4 reinspection request from the tour bus carrier to the department.

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

7 SEC. 8. Section 34505.3 is added to the Vehicle Code, to read:

8 34505.3. (a) (1) The department shall conduct unannounced  
9 surprise inspections of charter-party carriers of passengers and  
10 passenger stage corporations operating one or more tour buses in  
11 addition to regularly scheduled inspections.

12 (2) The department shall prioritize unannounced surprise  
13 inspections of companies that are noncompliant, have a history of  
14 noncompliance with safety laws or regulations, or that have  
15 received unsatisfactory ratings.

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

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

20 34513. (a) The department shall adopt rules and regulations  
21 relating to the equipment, maintenance, and operation of tour buses.

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

27 (2) If a carrier receives an unsatisfactory rating, the department  
28 shall conduct a followup inspection between 30 to 90 days after  
29 the initial inspection during which an unsatisfactory rating was  
30 deemed appropriate.

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

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

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

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