

AMENDED IN ASSEMBLY MAY 8, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 1683

Introduced by Assembly Member Conroy

February 24, 1995

An act to add Section 16728 to the Business and Professions Code, to amend ~~Section 5352~~ of Sections 211, 212, 214.5, 216, 622, 727, 728.5, 731, 768, 816.5, 1904, 2107.5, 2117, 2119, 4000, 4001, 4005, 4006, 4007, 4010, 4015, 4022, 5001, 5004, 5005, of, to amend the heading of Chapter 2.5 (commencing with Section 4000) of Division 2 of, to add Section 224.6 to, to repeal Sections 213, 214.1, 421.5, 452.1, 452.2, 454.1, 460.5, 586, 726, and 4008.1 of, and to repeal Article 4 (commencing with Section 1061) of Chapter 5 of Part 1 of Division 1, Chapter 1 (commencing with Section 3501), Chapter 2 (commencing with Section 3901), Chapter 2.7 (commencing with Section 4120), Chapter 3 (commencing with Section 4301) and Chapter 5 (commencing with section 4801) of Division 2 of, the Public Utilities Code, ~~relating to public utilities.~~ to add Sections 6053 and 6201.9 to, and to add Part 1.55 (commencing with Section 7231) to Division 2 of, the Revenue and Taxation Code, and to amend Sections 290, 1808.1, 1808.3, 34501, 34505.6, 34505.7, and 40000.22 of, and to add Division 14.85 (commencing with Section 34600) to, the Vehicle Code, relating to carriers, making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1683, as amended, Conroy. Public utilities: carriers.

~~Existing law states legislative findings and the purposes for the Passenger Charter Party Carriers' Act.~~

~~This bill would add to those purposes the promotion of carrier and public safety through transportation agencies' safety enforcement regulations, consistent with federal law.~~

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities including highway carriers, household goods carriers, and charter-party carriers. The Federal Aviation Administration Authorization Act of 1994 (P.L. 103-305) preempts state regulation of prices, routes, and services of motor carriers.

This bill would revise various provisions of state law to reflect the federal preemption.

This bill would transfer authority for the regulation of safety with respect to motor carriers of property, as defined by the bill, from the Public Utilities Commission to the Department of the California Highway Patrol. The bill would make related and conforming changes.

This bill would impose an excise tax on diesel fuel, to cover the costs of the regulation. The proceeds from the tax would be deposited in the Motor Carrier Safety Improvement Fund, which the bill would create, to be available for appropriation by the Legislature.

This bill would also impose a uniform business license tax on motor carriers of property to be deposited in the Motor Carriers Uniform Business License Tax Account, which is appropriated to the Controller for disbursement to cities and counties.

This bill would impose a state-mandated local program by making it a crime to violate specified provisions of the bill.

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~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: ~~no~~ yes.



The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 5352 of the Public Utilities Code~~
2 *SECTION 1. This act shall be known and may be cited*
3 *as the Motor Carrier Safety Improvement Act of 1995.*
4 *SEC. 1.5. The Legislature finds that the provisions of*
5 *the Public Utilities Code that authorize the Public*
6 *Utilities Commission to regulate the rates, routes and*
7 *services of highway carriers engaged in for-hire*
8 *transportation of property between points within*
9 *California have been preempted by federal law (P.L.*
10 *103-305) and that the certificates of public convenience*
11 *and necessity and the permits issued by the Public*
12 *Utilities Commission to highway carriers engaged in*
13 *California intrastate transportation were made null and*
14 *void and valueless by that preemptive federal law. It is*
15 *the intention of the Legislature by this enactment to*
16 *exercise the power over motor carriers of property*
17 *authorized by P.L. 103-305.*
18 *SEC. 2. Section 16728 is added to the Business and*
19 *Professions Code, to read:*
20 *16728. Notwithstanding any other provision of law,*
21 *motor carriers of property may voluntarily elect to*
22 *participate in uniform cargo liability rules, uniform bills*
23 *of lading or receipts for property being transported,*
24 *uniform cargo credit rules, joint line rates or routes,*
25 *classifications and mileage guides. Motor carriers of*
26 *property that so elect shall comply with all requirements*
27 *of Section 11501 of Title 49 of the United States Codes*
28 *(P.L. 103-305 Section 601(c)) and with federal*
29 *regulations promulgated pursuant thereto. The*
30 *Legislature intends by this section to provide to motor*
31 *carriers of property the antitrust immunity authorized by*
32 *state action pursuant to Section 11501(h)(3) of Title 49 of*
33 *the United States Code.*
34 *SEC. 3. Section 211 of the Public Utilities Code is*
35 *amended to read:*
36 211. “Common carrier” means every person and
37 corporation providing transportation for compensation



1 to or for the public or any portion thereof, except as
2 otherwise provided in this part.

3 “Common carrier” includes:

4 (a) Every railroad corporation; street railroad
5 corporation; express corporation; freight forwarder;
6 dispatch, sleeping car, dining car, drawing-room car,
7 freight, freightline, refrigerator, oil, stock, fruit,
8 car-loaning, car-renting, car-loading, and every other car
9 corporation or person operating for compensation within
10 this state, ~~except motor carriers of property.~~

11 (b) Every corporation or person, owning, controlling,
12 operating, or managing any vessel used in the
13 transportation of persons or property for compensation
14 between points upon the inland waters of this state or
15 upon the high seas between points within this state,
16 except as provided in Section 212. “Inland waters” as used
17 in this section includes all navigable waters within this
18 state other than the high seas.

19 (c) Every “passenger stage corporation” operating
20 within this state.

21 ~~(d) Every highway common carrier and cement
22 carrier operating within this state.~~

23 *SEC. 4. Section 212 of the Public Utilities Code is*
24 *amended to read:*

25 212. “Common carrier” shall not include:

26 (a) Any corporation or person owning, controlling,
27 operating, or managing any vessel, by reason of the
28 furnishing of water transportation service between points
29 upon the inland waters of this state or upon the high seas
30 between points within this state for affiliated or parent or
31 subsidiary companies or for the products of other
32 corporations or persons engaged in the same industry, if
33 the water transportation service is furnished in tank
34 vessels or barges specially constructed to hold liquids or
35 fluids in bulk and if the service is not furnished to others
36 not engaged in the same industry.

37 (b) Any corporation or person who operates any vessel
38 for the transportation of persons for compensation,
39 between points in this state if one terminus of every trip
40 operated by the corporation or person is within the



1 boundaries of a ~~U.S.~~ *United States* military reservation
2 and is performed under a contract with an agency of the
3 federal government which specifies the terms of service
4 to be provided; and provided that the corporation or
5 person does not perform any service between termini
6 within this state which are outside of a ~~U.S.~~ *United States*
7 military reservation. For the purposes of this subdivision,
8 the conditions of this exemption shall be reviewed by the
9 Public Utilities Commission annually as of the first day of
10 January of each year.

11 (c) Any corporation or person owning, controlling,
12 operating, or managing any recreational conveyance
13 such as a ski lift, ski tow, J-bar, T-bar, chair lift, aerial
14 tramway, or other device or equipment used primarily
15 while participating in winter sports activities.

16 ~~(d) Any highway permit carrier as defined in Section~~
17 ~~3515.~~

18 ~~(e) Any corporation or person furnishing or otherwise~~
19 ~~providing transportation by horse, mule, or other equine~~
20 ~~animal for entertainment or recreational purposes.~~

21 ~~(f) Any integrated intermodal small package carrier~~
22 ~~which is registered subject to Chapter 2.7 (commencing~~
23 ~~with Section 4120) of Division 2.~~

24 ~~(e) Any motor carrier of property.~~

25 *SEC. 5. Section 213 of the Public Utilities Code is*
26 *repealed.*

27 ~~213. "Highway common carrier" means every~~
28 ~~corporation or person owning, controlling, operating, or~~
29 ~~managing any autotruck, or other self propelled vehicle~~
30 ~~not operated upon rails, used in the business of~~
31 ~~transportation of property as a common carrier for~~
32 ~~compensation over any public highway in this state,~~
33 ~~except passenger stage corporations transporting~~
34 ~~baggage and express upon passenger vehicle incidental to~~
35 ~~the transportation of passengers.~~

36 ~~"Highway common carrier" does not include any such~~
37 ~~corporation or person while operating within lawfully~~
38 ~~established pickup and delivery limits of a common~~
39 ~~carrier in the performance for such carrier of transfer,~~
40 ~~pickup, or delivery services provided for in the lawfully~~



1 ~~published tariffs of such carrier insofar as such pickup and~~
2 ~~delivery limits do not include territory in excess of three~~
3 ~~miles from the corporate limits of any city or three miles~~
4 ~~from the post office of any unincorporated point.~~

5 *SEC. 6. Section 214.1 of the Public Utilities Code is*
6 *repealed.*

7 ~~214.1. "Cement carrier" means any corporation or~~
8 ~~person operating within this state, engaged as a common~~
9 ~~carrier, other than a highway common carrier, for~~
10 ~~compensation in the ownership, control, operation or~~
11 ~~management of any motor vehicle loaded substantially to~~
12 ~~capacity with and transporting portland or similar~~
13 ~~cements, either alone or in combination with lime or~~
14 ~~powdered limestone, in bulk or in packages over any~~
15 ~~public highway in this state.~~

16 *SEC. 7. Section 214.5 of the Public Utilities Code is*
17 *amended to read:*

18 214.5. With respect to a motor vehicle used in the
19 transportation of passengers ~~or property~~ for
20 compensation by a ~~highway common carrier, cement~~
21 ~~carrier, or passenger stage corporation, "owner" means~~
22 the corporation or person who is registered with the
23 Department of Motor Vehicles as the owner of the
24 vehicle, or who has a legal right to possession of the
25 vehicle pursuant to a lease or rental agreement.

26 *SEC. 8. Section 216 of the Public Utilities Code is*
27 *amended to read:*

28 216. (a) "Public utility" includes every common
29 carrier, toll bridge corporation, pipeline corporation, gas
30 corporation, electrical corporation, telephone
31 corporation, telegraph corporation, water corporation,
32 sewer system corporation, and heat corporation, where
33 the service is performed for, or the commodity is
34 delivered to, the public or any portion thereof.

35 (b) Whenever any common carrier, toll bridge
36 corporation, pipeline corporation, gas corporation,
37 electrical corporation, telephone corporation, telegraph
38 corporation, water corporation, sewer system
39 corporation, or heat corporation performs a service for,
40 or delivers a commodity to, the public or any portion



1 thereof for which any compensation or payment
2 whatsoever is received, that common carrier, toll bridge
3 corporation, pipeline corporation, gas corporation,
4 electrical corporation, telephone corporation, telegraph
5 corporation, water corporation, sewer system
6 corporation, or heat corporation, is a public utility subject
7 to the jurisdiction, control, and regulation of the
8 commission and the provisions of this part.

9 (c) When any person or corporation performs any
10 service for, or delivers any commodity to, any person,
11 private corporation, municipality, or other political
12 subdivision of the state, which in turn either directly or
13 indirectly, mediately or immediately, performs that
14 service for, or delivers that commodity to, the public or
15 any portion thereof, that person or corporation is a public
16 utility subject to the jurisdiction, control, and regulation
17 of the commission and the provisions of this part.

18 (d) Ownership or operation of a facility which
19 employs cogeneration technology or produces power
20 from other than a conventional power source or the
21 ownership or operation of a facility which employs
22 landfill gas technology does not make a corporation or
23 person a public utility within the meaning of this section
24 solely because of the ownership or operation of such a
25 facility.

26 (e) Any corporation or person engaged directly or
27 indirectly in developing, producing, transmitting,
28 distributing, delivering, or selling any form of heat
29 derived from geothermal or solar resources or from
30 cogeneration technology to any privately owned or
31 publicly owned public utility, or to the public or any
32 portion thereof, is not a public utility within the meaning
33 of this section solely by reason of engaging in any of those
34 activities.

35 (f) The ownership or operation of a facility which sells
36 compressed natural gas at retail to the public for use only
37 as a motor vehicle fuel, and the selling of compressed
38 natural gas at retail from such a facility to the public for
39 use only as a motor vehicle fuel, does not make the
40 corporation or person a public utility within the meaning



1 of this section solely because of that ownership, operation,
2 or sale.

3 (g) “Public utility” does not include a motor carrier of
4 property.

5 *SEC. 9. Section 421.5 of the Public Utilities Code is*
6 *repealed.*

7 ~~421.5. This article does not apply to any interstate or~~
8 ~~foreign highway carrier registered pursuant to the~~
9 ~~Interstate and Foreign Highway Carriers’ Registration~~
10 ~~Act (Chapter 2 (commencing with Section 3901) of~~
11 ~~Division 2) who does not otherwise hold any operating~~
12 ~~authority from the commission to operate in intrastate~~
13 ~~commerce.~~

14 *SEC. 10. Section 224.6 is added to the Public Utilities*
15 *Code, to read:*

16 224.6. “Motor carrier of property” means a motor
17 carrier as defined in Section 34601 of the Vehicle Code.

18 *SEC. 11. Section 452.1 of the Public Utilities Code is*
19 *repealed.*

20 ~~452.1. Whenever a cement carrier requests authority~~
21 ~~to establish a rate less than the maximum reasonable rate,~~
22 ~~the commission shall, in addition to the requirements of~~
23 ~~Section 452, require a showing that the rate is fully~~
24 ~~compensatory based solely upon the cost of~~
25 ~~transportation from origin to destination and return and~~
26 ~~the projected revenue to be derived from the requested~~
27 ~~rate.~~

28 ~~If the commission finds after public hearing, when a~~
29 ~~hearing is requested, that the proposed rate meets the~~
30 ~~requirements of Section 452 and this section, it shall~~
31 ~~authorize the establishment of the proposed rate subject~~
32 ~~to conditions the public interest may require.~~

33 *SEC. 12. Section 452.2 of the Public Utilities Code is*
34 *repealed.*

35 ~~452.2. (a) The establishment of a less-than-maximum~~
36 ~~reasonable rate pursuant to Section 452.1 shall be for a~~
37 ~~period of not more than one year. In addition to the~~
38 ~~requirements of Section 452.1, an applicant requesting~~
39 ~~renewal shall make a showing to the satisfaction of the~~
40 ~~commission, supported by operating results and cost data~~



1 ~~developed from the transportation to which the~~
2 ~~less than maximum reasonable rate was applicable, that~~
3 ~~the renewal at less than the maximum reasonable rate is~~
4 ~~justified.~~

5 ~~(b) In lieu of requiring an annual showing pursuant to~~
6 ~~subdivision (a), the commission may establish an index~~
7 ~~directly related to the cost of transportation of cement~~
8 ~~which shall serve as the basis for adjustment and renewal~~
9 ~~of rates for the transportation of cement under this~~
10 ~~section.~~

11 *SEC. 13. Section 454.1 of the Public Utilities Code is*
12 *repealed.*

13 ~~454.1. The commission shall adopt rules and~~
14 ~~regulations under which cement carriers may file for~~
15 ~~increases in rates and charges. In adopting these rules and~~
16 ~~regulations, the commission shall follow the following~~
17 ~~procedures:~~

18 ~~(a) Cement carriers may publish on 45 days' notice,~~
19 ~~subject to subdivisions (b) and (c), just, reasonable, and~~
20 ~~nondiscriminatory rates, classifications, contracts,~~
21 ~~practices, or rules resulting in a rate increase. However,~~
22 ~~the commission may, upon a showing of good cause, allow~~
23 ~~changes without requiring the 45 days' notice.~~

24 ~~(b) If no protest is received by the commission within~~
25 ~~the first 30 days of the 45-day notice period required by~~
26 ~~subdivision (a), or if the commission does not within the~~
27 ~~45-day period determine, on its own initiative, to~~
28 ~~investigate the validity of the proposed rates, the~~
29 ~~commission shall publish notification of the increase in its~~
30 ~~public agenda and shall thereafter issue a decision at the~~
31 ~~next meeting of the commission finding the increase to be~~
32 ~~justified and granting the increase as requested.~~

33 ~~(c) Once an increased rate has been found justified by~~
34 ~~the commission, other cement carriers may increase their~~
35 ~~rates and charges to the same level for the same~~
36 ~~transportation by publication of the increase in their~~
37 ~~tariffs upon 30 days' notice to the commission and to the~~
38 ~~general public, unless a protest is filed pursuant to~~
39 ~~subdivision (e).~~



1 ~~(d) In addition to the procedure provided in~~
2 ~~subdivisions (a), (b), and (c), the commission may~~
3 ~~establish an index directly related to the cost of~~
4 ~~transportation of cement which shall serve as the basis for~~
5 ~~annual adjustment of rates for the transportation of~~
6 ~~cement under this section. Whenever the commission~~
7 ~~fixes the annual level of this index, it shall, within 45 days~~
8 ~~thereafter, order adjustment of all cement carrier rates~~
9 ~~by the equivalent percentage of the change in the index.~~

10 ~~(e) Whenever during the first 30 days of the 45-day~~
11 ~~notice period a protest is filed with the commission~~
12 ~~alleging a proposed rate, classification, contract, practice,~~
13 ~~rule, or index resulting in a rate increase is not just and~~
14 ~~reasonable, or if the commission on its own motion~~
15 ~~determines to investigate the validity of the proposed~~
16 ~~rate, classification, contract, practice, rule, or index~~
17 ~~resulting in a rate increase, the burden of proof that the~~
18 ~~rate, classification, contract, practice, rule, or index~~
19 ~~resulting in a rate increase is justified is on the applicant.~~
20 ~~All rates, classifications, contracts, practices, and rules in~~
21 ~~effect on April 1, 1982, or established pursuant to this~~
22 ~~section are prima facie just, reasonable, and~~
23 ~~nondiscriminatory rates, except that any person may file~~
24 ~~a protest with the commission, and shall bear the burden~~
25 ~~of proof, that the rate, classification, contract, practice,~~
26 ~~rule, or index is not justified.~~

27 *SEC. 14. Section 460.5 of the Public Utilities Code is*
28 *repealed.*

29 ~~460.5. (a) Beginning July 1, 1990, and continuing~~
30 ~~thereafter, every highway common carrier and cement~~
31 ~~carrier shall file with the commission one of the following:~~

32 ~~(1) A certificate of workers' compensation coverage~~
33 ~~for its employees issued by an admitted insurer.~~

34 ~~(2) A certification of consent to self-insure issued by~~
35 ~~the Director of Industrial Relations, and the identity of~~
36 ~~the administrator of the carrier's workers' compensation~~
37 ~~self-insurance plan.~~

38 ~~(3) A statement under penalty of perjury, stating that,~~
39 ~~in its operations as a highway common carrier or cement~~
40 ~~carrier, it does not employ any person in any manner so~~



1 ~~as to become subject to the workers' compensation laws~~
2 ~~of this state.~~

3 ~~(b) The workers' compensation certified to under~~
4 ~~paragraph (1) of subdivision (a) shall be effective until~~
5 ~~cancelled. Cancellation shall require 30 days' advance~~
6 ~~notice.~~

7 ~~(c) If, after filing the statement described in~~
8 ~~paragraph (3) of subdivision (a), the carrier becomes~~
9 ~~subject to the workers' compensation laws of this state,~~
10 ~~the carrier shall promptly notify the commission that the~~
11 ~~carrier is withdrawing its statement under paragraph (3)~~
12 ~~of subdivision (a), and shall simultaneously file the~~
13 ~~certificate described in either paragraph (1) or (2) of~~
14 ~~subdivision (a).~~

15 ~~(d) The commission may adopt rules and regulations~~
16 ~~that it determines to be necessary to carry out this section.~~

17 *SEC. 15. Section 586 of the Public Utilities Code is*
18 *repealed.*

19 ~~586. (a) Every highway common carrier shall keep a~~
20 ~~current repair and maintenance record for each vehicle~~
21 ~~operated in carriage for compensation showing the date~~
22 ~~and nature of each repair to the vehicle, the mileage or~~
23 ~~odometer reading, and the person performing the repair~~
24 ~~and the date and mileage of each maintenance service~~
25 ~~performed on the vehicle, the systems or components~~
26 ~~maintained or serviced, and the person performing the~~
27 ~~maintenance service. The record shall be open to~~
28 ~~inspection by the commission.~~

29 ~~(b) Every highway common carrier keeping a~~
30 ~~maintenance and repair record in accordance with~~
31 ~~regulations of the Department of the California Highway~~
32 ~~Patrol is in compliance with subdivision (a).~~

33 *SEC. 16. Section 622 of the Public Utilities Code is*
34 *amended to read:*

35 622. (a) As used in this section, "motor carrier"
36 means:

37 ~~(1) A highway common carrier as defined in Section~~
38 ~~213.~~

39 ~~(2) A~~

40 ~~A passenger stage corporation as defined in Section 226.~~



1 (b) As used in this section, “water carrier” means a
2 common carrier operating upon any waterway in this
3 state between fixed termini or over a regular route.

4 (c) A motor carrier or water carrier may condemn any
5 property necessary for the construction and maintenance
6 of terminal facilities for the receipt, transfer, or delivery
7 of the passengers or property it carries or for other
8 terminal facilities of any such carrier.

9 *SEC. 17. Section 726 of the Public Utilities Code is*
10 *repealed.*

11 ~~726. It is the policy of the State in rate making to be~~
12 ~~pursued by the commission to establish such rates as will~~
13 ~~promote the freedom of movement by carriers of~~
14 ~~agricultural commodities, including livestock, at the~~
15 ~~lowest lawful rates compatible with the maintenance of~~
16 ~~adequate transportation service.~~

17 ~~In any rate proceeding where more than one type or~~
18 ~~class of carrier, as defined in this part or in the Highway~~
19 ~~Carriers’ Act, is involved, the commission shall consider~~
20 ~~all such types or classes of carriers, and, pursuant to the~~
21 ~~provisions of this part or the Highway Carriers’ Act, fix as~~
22 ~~minimum rates applicable to all such types or classes of~~
23 ~~carriers the lowest of the lawful rates so determined for~~
24 ~~any such type or class of carrier. This provision does not~~
25 ~~prevent the commission from granting to carriers by~~
26 ~~water such differentials in rates as are permitted under~~
27 ~~other provisions of law.~~

28 *SEC. 18. Section 727 of the Public Utilities Code is*
29 *amended to read:*

30 727. It is the policy of the state that the use of all
31 waterways, ports, and harbors of this state shall be
32 encouraged, and to that end the commission is directed
33 in the establishment of rates for water carriers applying
34 to business moving between points within this state to fix
35 those rates at such a differential under the rates of
36 competing land carriers that the water carriers shall be
37 able fairly to compete for such business. In fixing the rates
38 there shall be taken into consideration quality and
39 regularity of service and class and speed of vessels.
40 ~~“Competing land carriers” includes all land carriers as~~



1 ~~defined in this part, and includes a highway contract~~
2 ~~carrier as defined in the Highway Carriers' Act, Chapter~~
3 ~~4 (commencing with Section 3501) of Division 2.~~

4 *SEC. 19. Section 728.5 of the Public Utilities Code is*
5 *amended to read:*

6 728.5. The commission may establish rates or charges
7 for the transportation of passengers and freight by
8 railroads and other transportation companies, *except*
9 *motor carriers of property*, and no railroad or other
10 transportation company, *except motor carriers of*
11 *property*, shall charge or demand or collect or receive a
12 greater or less or different compensation for such
13 transportation of passengers or freight, or for any service
14 in connection therewith, between the points named in
15 any tariff of rates established by the commission than the
16 rates, fares and charges which are specified in such tariff.
17 The commission may examine books, records and papers
18 of all railroad and other transportation companies, *except*
19 *motor carriers of property*; may hear and determine
20 complaints against railroad and other transportation
21 companies; and may issue subpoenas and all necessary
22 process and send for persons and papers. The commission
23 and each of the commissioners may administer oaths, take
24 testimony and punish for contempt in the same manner
25 and to the same extent as courts of record. The
26 commission may prescribe a uniform system of accounts
27 to be kept by all railroad and other transportation
28 companies, *except motor carriers of property*.

29 *SEC. 20. Section 731 of the Public Utilities Code is*
30 *amended to read:*

31 731. Whenever the commission, after a hearing, finds
32 that any rate or toll for the transportation of property is
33 lower than a reasonable or sufficient rate and that the rate
34 is not justified by actual competitive transportation rates
35 of competing carriers, or the cost of other means of
36 transportation, the commission shall prescribe such rates
37 as will provide an equality of transportation rates for the
38 transportation of property between all such competing
39 agencies of transportation, *except motor carriers of*
40 *property*. When in the judgment of the commission a



1 differential is necessary to preserve equality of
2 competitive transportation conditions, a reasonable
3 differential between rates of common carriers by rail and
4 water for the transportation of property may be
5 maintained by such carriers, and the commission may by
6 order require the establishment of such rates.

7 *SEC. 21. Section 768 of the Public Utilities Code is*
8 *amended to read:*

9 768. The commission may, after a hearing, require
10 every public utility to construct, maintain, and operate its
11 line, plant, system, equipment, apparatus, tracks, and
12 premises in a manner so as to promote and safeguard the
13 health and safety of its employees, passengers, customers,
14 and the public. The commission may prescribe, among
15 other things, the installation, use, maintenance, and
16 operation of appropriate safety or other devices or
17 appliances, including interlocking and other protective
18 devices at grade crossings or junctions and block or other
19 systems of signaling. The commission may establish
20 uniform or other standards of construction and
21 equipment, and require the performance of any other act
22 which the health or safety of its employees, passengers,
23 customers, or the public may demand. The Department
24 of the California Highway Patrol shall have the primary
25 responsibility for the regulation of the safety of operation
26 of passenger stage corporations, ~~highway common~~
27 ~~carriers, and other motor carriers.~~ The commission shall
28 cooperate with the Department of the California
29 Highway Patrol to ensure safe operation of these carriers.

30 *SEC. 22. Section 816.5 of the Public Utilities Code is*
31 *amended to read:*

32 816.5. ~~(a)~~ Nothing in this article or in Article 6
33 (commencing with Section 851) requires a common
34 carrier by railroad subject to the Interstate Commerce
35 Act (49 U.S.C. Sec. 10101 et seq.) or passenger stage
36 corporation to secure from the commission authority to
37 execute any conditional sales contract for the purchase of
38 motor vehicle or railroad equipment or any note or
39 chattel mortgage on that equipment securing the
40 payment of all, or any part, of the purchase price.



1 ~~(b) This article and Article 6 (commencing with~~
2 ~~Section 851) do not apply to a highway common carrier~~
3 ~~or a cement carrier.~~

4 *SEC. 23. Article 4 (commencing with Section 1061) of*
5 *Chapter 5 of Part 1 of Division 1 of the Public Utilities*
6 *Code is repealed.*

7 *SEC. 24. Section 1904 of the Public Utilities Code is*
8 *amended to read:*

9 1904. The commission shall also charge and collect the
10 following fees:

11 (a) Except as otherwise provided in Sections 1010, and
12 1036, ~~1064~~ and ~~1064.1~~, for filing each application for a
13 certificate of public convenience and necessity, or for the
14 mortgage, lease, transfer, or assignment thereof,
15 seventy-five dollars (\$75).

16 (b) For a certificate authorizing an issue of bonds,
17 notes, or other evidences of indebtedness, two dollars
18 (\$2) for each one thousand dollars (\$1,000) of the face
19 value of the authorized issue or fraction thereof up to one
20 million dollars (\$1,000,000), one dollar (\$1) for each one
21 thousand dollars (\$1,000) over one million dollars
22 (\$1,000,000) and up to ten million dollars (\$10,000,000),
23 and fifty cents (\$0.50) for each one thousand dollars
24 (\$1,000) over ten million dollars (\$10,000,000), with a
25 minimum fee in any case of fifty dollars (\$50). No fee
26 need be paid on such portion of any such issue as may be
27 used to guarantee, take over, refund, discharge, or retire
28 any stock, bond, note or other evidence of indebtedness
29 on which a fee has theretofore been paid to the
30 commission. If the commission modified the amount of
31 the issue requested in any case and the applicant
32 thereupon elects not to avail itself of the commission's
33 authorization, no fee shall be paid, and if such fee is paid
34 prior to the issuance of such certificate by the
35 commission, such fee shall be returned.

36 *SEC. 25. Section 2107.5 of the Public Utilities Code is*
37 *amended to read:*

38 2107.5. When the commission finds, after hearing,
39 that any person or corporation, ~~other than a highway~~
40 ~~common carrier or a cement carrier~~, has knowingly aided



1 or abetted a common carrier in violating Section 458 or
2 has violated Section 459, or any order, decision, rule,
3 regulation, direction, demand, or requirement issued
4 under those provisions, the commission may impose a fine
5 for each violation not to exceed five thousand dollars
6 (\$5,000). In addition to the fine, the commission may
7 impose interest on the fine, not to exceed the maximum
8 rate of interest provided for in Section 1 of Article XV of
9 the Constitution. Interest shall commence to accrue on
10 the date when the payment of the fine becomes
11 delinquent.

12 *SEC. 26. Section 2117 of the Public Utilities Code is*
13 *amended to read:*

14 2117. (a) Whenever a written notice to appear has
15 been mailed to the owner of a ~~highway common carrier~~
16 ~~or cement carrier motor vehicle~~ or passenger stage, an
17 exact and legible duplicate copy of the notice, when filed
18 with the magistrate in lieu of a verified complaint, is a
19 complaint to which the defendant may plead guilty.

20 (b) If, however, the defendant fails to appear, does not
21 deposit bail, or pleads other than guilty to the offense
22 charged, a complaint shall be filed which conforms to
23 Chapter 2 (commencing with Section 948) of Title 5 of
24 Part 2 of the Penal Code and which shall be deemed to be
25 an original complaint, and thereafter the proceeding shall
26 be held as provided by law, except that the defendant
27 may, by an agreement in writing, subscribed by the
28 defendant and filed with the court, waive the filing of a
29 verified complaint and elect that the prosecution may
30 proceed upon a written notice to appear.

31 *SEC. 27. Section 2119 of the Public Utilities Code is*
32 *amended to read:*

33 2119. Every passenger stage corporation, ~~highway~~
34 ~~common carrier, or cement carrier,~~ and every officer,
35 director, agent, or employee of a passenger stage
36 corporation, ~~highway common carrier, or cement carrier,~~
37 who displays on any vehicle any identifying symbol other
38 than one prescribed by the commission pursuant to
39 Section 1038.5 ~~or 1068,~~ or who fails to remove an
40 identifying symbol when required by the commission, is



1 guilty of a misdemeanor and is punishable by a fine of not
2 more than one thousand dollars (\$1,000), by
3 imprisonment in the county jail for not more than one
4 year, or by both.

5 *SEC. 28. Chapter 1 (commencing with Section 3501)*
6 *of Division 2 of the Public Utilities Code is repealed.*

7 *SEC. 29. Chapter 2 (commencing with Section 3901)*
8 *of Division 2 of the Public Utilities Code is repealed.*

9 *SEC. 30. The heading of Chapter 2.5 (commencing*
10 *with Section 4000) of Division 2 of the Public Utilities*
11 *Code is amended to read:*

12
13 CHAPTER 2.5. PRIVATE CARRIERS OF PASSENGERS

14
15 *SEC. 31. Section 4000 of the Public Utilities Code is*
16 *amended to read:*

17 4000. This chapter may be cited as the Private
18 ~~Carriers~~ *Carriers of Passengers* Registration Act.

19 *SEC. 32. Section 4001 of the Public Utilities Code is*
20 *amended to read:*

21 4001. (a) For purposes of this chapter, “private
22 carrier” means a not-for-hire motor carrier, as defined in
23 Section 408 of the Vehicle Code, who *transports*
24 *passengers and* is required to display a carrier
25 identification number pursuant to Section 34507.5 of the
26 Vehicle Code, but does not include persons providing
27 transportation services specified in subdivision (k) or (l)
28 of Section 5353.

29 (b) For purposes of this chapter, “department” means
30 the Department of the California Highway Patrol.

31 *SEC. 33. Section 4005 of the Public Utilities Code is*
32 *amended to read:*

33 4005. Except as provided in Section 4008, no private
34 carrier *of passengers* shall operate a motor vehicle on any
35 public highway in this state unless its operation is
36 currently registered with the commission. The
37 commission shall grant registration upon the filing of the
38 application and the payment of the fee as required by this
39 article, subject to the private—~~carrier’s~~ *carrier of*
40 *passengers’* compliance with this chapter.

1 SEC. 34. Section 4006 of the Public Utilities Code is
2 amended to read:

3 4006. (a) ~~A fee of thirty dollars (\$30) shall be paid to~~
4 ~~the commission for the filing of the initial registration, of~~
5 ~~private carriers of property, and an annual renewal fee of~~
6 ~~twenty-five dollars (\$25) shall also be paid by private~~
7 ~~carriers of property.~~ A fee of twenty-five dollars (\$25)
8 shall be paid to the commission for the filing of the initial
9 registration of private carriers of passengers, and an
10 annual renewal fee of twenty dollars (\$20) shall also be
11 paid by private carriers of passengers. ~~The fees required~~
12 ~~to be paid by carriers of property pursuant to this section~~
13 ~~shall be deposited in the Transportation Rate Fund.~~
14 ~~However, five dollars (\$5) from the registration fees or~~
15 ~~renewal fees from each registration or renewal paid by~~
16 ~~private carriers of property pursuant to this section, shall~~
17 ~~be allocated on a quarterly basis to the Commercial Motor~~
18 ~~Carrier Safety Enforcement Fund.~~ The fees required to
19 be paid by carriers of passengers pursuant to this section
20 shall be deposited in the Public Utilities Commission
21 Transportation Reimbursement Account in the General
22 Fund.

23 (b) Notwithstanding subdivision (a), the commission
24 may increase the amount of the initial registration fee to
25 not more than ~~forty dollars (\$40) in the case of private~~
26 ~~carriers of property, and thirty-five dollars (\$35) in the~~
27 case of private carriers of passengers, and the amount of
28 the annual renewal fee to not more than ~~thirty-five~~
29 ~~dollars (\$35) in the case of private carriers of property,~~
30 ~~and thirty dollars (\$30) in the case of private carriers of~~
31 passengers if the commission finds and determines that to
32 do so is necessary to defray the costs of implementing
33 Section 4022. If the commission increases ~~either the~~ fee
34 pursuant to this subdivision, it shall prepare and transmit
35 to the Joint Legislative Budget Committee, the Assembly
36 Committee on Utilities and Commerce, and the Senate
37 Committee on Energy and Public Utilities a report of the
38 amount of the increase instituted together with an
39 audited statement of the receipts and disbursements



1 related to the administration of private carrier of
2 *passengers* registrations.

3 ~~(e) Five dollars (\$5) from the registration fee or~~
4 ~~renewal fees from each registration or renewal paid by~~
5 ~~private carriers of property pursuant to this section shall~~
6 ~~be allocated on a quarterly basis to the Commercial Motor~~
7 ~~Carrier Safety Enforcement Fund.~~

8 *SEC. 35. Section 4007 of the Public Utilities Code is*
9 *amended to read:*

10 4007. (a) When the department issues a carrier
11 identification number pursuant to Section 34507.5 of the
12 Vehicle Code, it shall inform the *private carrier of*
13 *passengers* concerning the provisions of this chapter and
14 the requirement that the carrier register with the Public
15 Utilities Commission.

16 (b) The department shall periodically, but not less
17 frequently than quarterly, transmit to the commission a
18 list of the persons, firms, and corporations to whom it has
19 issued a carrier identification number. Upon receipt of
20 the list, the commission shall notify the carriers of the
21 registration requirements and of the penalties for failure
22 to register.

23 *SEC. 36. Section 4008.1 of the Public Utilities Code is*
24 *repealed.*

25 ~~4008.1. Grape gondolas, as defined by subdivision (h)~~
26 ~~of Section 34501.14 of the Vehicle Code, which meet the~~
27 ~~conditions set forth in subdivision (i) of that section, are~~
28 ~~exempt from the registration requirements of this~~
29 ~~chapter.~~

30 *SEC. 37. Section 4010 of the Public Utilities Code is*
31 *amended to read:*

32 4010. (a) Registration shall not be granted to any
33 private carrier of *passengers* until there is filed with and
34 accepted by the commission, in the form that it
35 prescribes, a currently effective certificate of insurance
36 or a surety bond evidencing protection against liability
37 imposed by law for the payment of damages for personal
38 injury to, or death of, any person or property damage, or
39 both.



1 (b) Whenever the commission determines that the
 2 certificate of insurance or surety bond of a private carrier
 3 of *passengers* has lapsed or been terminated, the
 4 commission shall suspend the private carrier's *carrier of*
 5 *passenger's* registration.

6 (c) The commission shall notify the private carrier of
 7 *passengers* of any action taken under subdivision (b).

8 *SEC. 38. Section 4015 of the Public Utilities Code is*
 9 *amended to read:*

10 4015. A private carrier of *passengers* shall display the
 11 carrier identification number, as required by Section
 12 34507.5 of the Vehicle Code, on the vehicles operated
 13 pursuant to the registration granted under this chapter.

14 *SEC. 39. Section 4022 of the Public Utilities Code is*
 15 *amended to read:*

16 4022. (a) Upon receipt of a written recommendation
 17 from the department that the registration of a private
 18 carrier of *passengers* be suspended for failure to either
 19 (1) maintain any vehicle of the carrier in a safe operating
 20 condition or to comply with the Vehicle Code or with
 21 regulations contained in Title 13 of the California Code of
 22 Regulations relative to motor carrier safety, if that failure
 23 is either a consistent failure or presents an imminent
 24 danger to public safety, or (2) enroll all drivers in the pull
 25 notice system as required by Section 1808.1 of the Vehicle
 26 Code, the commission shall, pending a hearing in the
 27 matter pursuant to subdivision (d), suspend the carrier's
 28 registration. The department's written recommendation
 29 shall specifically indicate compliance with subdivision
 30 (c).

31 (b) A private carrier of *passengers* whose registration
 32 is suspended pursuant to subdivision (a) may obtain a
 33 reinspection of its terminal and vehicles by the
 34 department by submitting a written request for
 35 reinstatement to the commission and paying a
 36 reinstatement fee of one hundred twenty-five dollars
 37 (\$125). ~~The commission shall deposit all reinstatement~~
 38 ~~fees collected from carriers of property pursuant to this~~
 39 ~~section in the Transportation Rate Fund.~~ The fees
 40 required to be paid by carriers of passengers pursuant to



1 this section shall be deposited in the Public Utilities
2 Commission Transportation Reimbursement Account in
3 the General Fund. Upon payment of the fee, the
4 commission shall forward a request for reinspection to the
5 department which shall perform a reinspection within a
6 reasonable time. The commission shall reinstate a
7 carrier's registration suspended under subdivision (a)
8 promptly upon receipt of a written recommendation
9 from the department that the carrier's safety compliance
10 has improved to the satisfaction of the department, unless
11 the registration is suspended for another reason or has
12 been revoked.

13 (c) Before transmitting a recommendation pursuant
14 to subdivision (a) to the commission, the department
15 shall notify the private carrier *of passengers* in writing of
16 all of the following:

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

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

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

31 (d) Whenever the commission suspends the
32 registration of any private carrier *of passengers* pursuant
33 to subdivision (a), the commission shall furnish the
34 carrier written notice of the suspension and shall hold a
35 hearing within a reasonable time, not to exceed 21 days,
36 after a written request therefor is filed with the
37 commission, with a copy thereof furnished to the
38 department. At the hearing, the carrier shall show cause
39 why the suspension should not be continued. At the
40 conclusion of the hearing, the commission may terminate



1 the suspension, continue the suspension in effect, or
2 revoke the registration. The commission may revoke the
3 registration of any carrier suspended pursuant to
4 subdivision (a) at any time 90 days or more after its
5 suspension if the commission has not received a written
6 recommendation for reinstatement from the department
7 and the carrier has not filed a written request for a
8 hearing with the commission.

9 *SEC. 40. Chapter 2.7 (commencing with Section*
10 *4120) of Division 2 of the Public Utilities Code is repealed.*

11 *SEC. 41. Chapter 3 (commencing with Section 4301)*
12 *of Division 2 of the Public Utilities Code is repealed.*

13 *SEC. 42. Chapter 5 (commencing with Section 4801)*
14 *of Division 2 of the Public Utilities Code is repealed.*

15 *SEC. 43. Section 5001 of the Public Utilities Code is*
16 *amended to read:*

17 5001. This chapter is enacted for the following
18 ~~purposes~~ *purpose:*

19 (a) Creating a special fund to administer and enforce
20 the commission's jurisdiction to regulate the rates of
21 transportation agencies carrying property for
22 compensation.

23 ~~(b) Creating a fund to be administered by the~~
24 ~~Department of the California Highway Patrol for use by~~
25 ~~the department and other enforcement agencies to deter~~
26 ~~commercial motor vehicle cargo thefts and provide safety~~
27 ~~and security of highway carriers and cargoes throughout~~
28 ~~the state.— This chapter shall not apply to motor carriers~~
29 ~~of property.~~

30 *SEC. 44. Section 5004 of the Public Utilities Code is*
31 *amended to read:*

32 5004. The following fees shall be paid to the
33 commission with any application filed ~~pursuant to the~~
34 ~~Highway Carriers' Act (Chapter 1 (commencing with~~
35 ~~Section 3501)) by any carrier subject to its rate regulatory~~
36 ~~jurisdiction:~~

37 (a) One thousand dollars (\$1,000) for filing each
38 application for a permit, except applications for a seasonal
39 permit, as provided in subdivision (d).



1 (b) One hundred fifty dollars (\$150) for filing each
2 application to sell, mortgage, lease, assign, transfer, or
3 otherwise encumber any permit, except that, for the
4 transfer of each permit subsequent to the death of a
5 permittee, and after court approval of the distribution of
6 the estate or when it is not necessary to probate the will
7 or distribute the estate through court, the fee is
8 twenty-five dollars (\$25).

9 ~~(c) One hundred fifty dollars (\$150) for filing each~~
10 ~~application to acquire or control a highway permit carrier~~
11 ~~pursuant to Section 3551.~~

12 ~~(d) Twenty-five dollars (\$25) for filing each~~
13 ~~application for issuance or renewal of a permit to operate~~
14 ~~as an agricultural carrier or livestock carrier on a seasonal~~
15 ~~basis, as authorized by Section 3584.2 or for issuance or~~
16 ~~renewal of a temporary dump truck carrier permit, as~~
17 ~~authorized by Section 3616.~~

18 *SEC. 45. Section 5005 of the Public Utilities Code is*
19 *amended to read:*

20 5005. All fees collected under this chapter; all fees
21 charged and collected for copies of papers, records,
22 transcripts of testimony, or other documents, the cost of
23 which is charged to the Transportation Rate Fund; and all
24 fees collected for the filing of applications pursuant to
25 ~~Sections Section 1010, 1064 and 1064.1~~ shall be deposited
26 at least once a month in the State Treasury to the credit
27 of the Transportation Rate Fund, which is continued in
28 existence. The money in the fund shall be in
29 augmentation of the current appropriation for the
30 support of the commission, and shall be expended by the
31 commission for the purpose of administering and
32 enforcing ~~the Highway Carriers' Act, the Motor~~
33 ~~Transportation Brokers Act, the Household Goods~~
34 ~~Carriers Act, and also for the purpose of administering~~
35 ~~and enforcing those provisions of Part 1 of Division 1 and~~
36 ~~other acts conferring upon the commission jurisdiction~~
37 ~~over the rates, charges, and classifications, and the rules~~
38 ~~and practices relating thereto, of intrastate motor carriers~~
39 ~~of property for compensation.~~



1 SEC. 46. Section 6053 is added to the Revenue and
2 Taxation Code, to read:

3 6053. (a) In addition to taxes imposed by the other
4 provisions of this article, for the privilege of selling diesel
5 motor vehicle fuel, at retail, a tax at the rate of one-half
6 of 1 percent is hereby imposed upon the gross receipts of
7 the retailer from sale of diesel motor vehicle fuel at retail
8 in this state on and after January 1, 1996.

9 (b) This tax is imposed pursuant to the Sales and Use
10 Tax Law.

11 SEC. 47. Section 6201.9 is added to the Revenue and
12 Taxation Code, to read:

13 6201.9. (a) In addition to the taxes imposed by other
14 provisions of this article, an excise tax is hereby imposed
15 on the storage, use, or other consumption in this state of
16 diesel motor vehicle fuel purchased from any retailer on
17 or after January 1, 1996, for storage, use, or other
18 consumption in this state, at the rate of one-half of 1
19 percent of the sales price of the property.

20 (b) For purposes of this subdivision, "sales price"
21 means the price inclusive of all state, local, and federal
22 taxes.

23 (c) This tax is imposed pursuant to the Sales and Use
24 Tax Law.

25 SEC. 48. Part 1.55 (commencing with Section 7231) is
26 added to Division 2 of the Revenue and Taxation Code,
27 to read:

28
29 **PART 1.55. MOTOR CARRIERS**

30
31 **CHAPTER 1. MOTOR VEHICLE DIESEL SALES AND USE**
32 **TAX FUND**

33
34 7231. All money collected pursuant to Sections 6053
35 and 6201.9 shall be deposited in the Motor Vehicle Diesel
36 Sales and Use Tax Fund, which is hereby created.

37 7232. Money deposited in the Motor Vehicle Diesel
38 Sales and Use Tax Fund shall be transferred to both of the
39 following account and fund:



1 (a) (1) _____ percent of the money in the fund
2 shall be transferred to the Motor Carriers Uniform
3 Business License Tax Account, which is hereby created.

4 (2) _____ percent of the money in the fund shall be
5 transferred to the Motor Carriers Safety Improvement
6 Fund, which is hereby created.

7 (b) On and after January 1, 1996, any person or
8 corporation, subject to the sales tax imposed by Section
9 6053 or the use tax imposed by Section 6201.9 required to
10 pay any excise or license tax of any kind, character, or
11 description whatever imposed by any city or city and
12 county, other than an excise or license tax authorized
13 under Division 2 (commencing with Section 6001), for
14 the privilege of doing any transportation business therein
15 may apply to the Controller for a refund of those taxes
16 from the Motor Carriers Uniform Business License Tax
17 Account. The Controller shall pay these claims from the
18 Motor Carriers Uniform Business License Tax Account
19 prior to other disbursements from the account.

20
21 CHAPTER 2. MOTOR CARRIERS SAFETY IMPROVEMENT
22 FUND
23

24 7233. This chapter is enacted for the purpose of
25 creating a special fund to cover the cost of administering
26 and enforcing the acts conferring jurisdiction on the
27 Department of the California Highway Patrol to regulate
28 the safety, registration, and insurance requirements of
29 motor carriers of property, and to cover the costs to the
30 Department of the California Highway Patrol and other
31 enforcement agencies to deter commercial motor vehicle
32 cargo thefts and provide safety and security of highway
33 carriers and cargoes throughout the state.

34 7234. All money or fees deposited in the Motor
35 Carriers Safety Improvement Fund shall be available for
36 appropriation by the Legislature to cover costs incurred
37 by the Department of the California Highway Patrol in
38 regulating motor carriers of property pursuant to
39 Division 14.85 (commencing with Section 34600) of the
40 Vehicle Code, and to cover the costs to the Department

1 of the California Highway Patrol and other enforcement
 2 agencies to deter commercial motor vehicle cargo thefts
 3 and security of highway carriers and cargoes throughout
 4 the state.

5

6 CHAPTER 3. MOTOR CARRIERS OF PROPERTY UNIFORM
 7 BUSINESS LICENSE TAX

8 7235. (a) This chapter may be cited as the Motor
 9 Carriers of Property Uniform Business License Tax Act.

10 (b) The Legislature finds and declares that an
 11 adequate transportation system is essential to the welfare
 12 of the state, and an important part of the system is service
 13 rendered by motor carriers of property.

14 7236. No city or city and county, shall assess, levy, or
 15 collect an excise or license tax of any kind, character, or
 16 description whatever upon the intercity transportation
 17 business conducted on or after the effective date of this
 18 chapter, by any motor carrier of property, express
 19 corporation, freight forwarder, motor transportation
 20 broker, or person, or corporation, owning or operating
 21 motor vehicles in the transportation of property upon the
 22 public highways. For purposes of this chapter, intercity
 23 transportation business includes every service performed
 24 in connection with transportation of property by the
 25 transportation companies where both the origin point
 26 and the destination point of the transported property are
 27 not within the exterior boundaries of a single city or city
 28 and county.

29 7237. (a) The sales and use tax transfer to, and
 30 distribution from, the Motor Carriers Uniform Business
 31 License Tax Account in accordance with this part is in lieu
 32 of all city or city and county excise or license taxes of any
 33 kind, character, or description whatever, upon the
 34 intercity transportation business of any motor carrier of
 35 property, express corporation, freight forwarder, motor
 36 transportation broker, or person, or corporation owning,
 37 or operating motor vehicles in the transportation of
 38 property upon the public highways.

39 (b) This section does not prohibit the imposition by
 40 any city, or city and county, of any excise or license tax



1 *authorized under Division 2 (commencing with Section*
2 *6001).*

3 *7238. (a) All funds deposited in the Motor Carriers*
4 *Uniform Business License Tax Account are hereby*
5 *appropriated to the Controller, who shall make a*
6 *determination of those cities and cities and counties*
7 *imposing business license taxes for which refunds have*
8 *been claimed as provided by subdivision (b) of Section*
9 *7232 and the amount of the refunds paid, reported for*
10 *each city or city and county. The Controller, after*
11 *deducting the direct cost of administering the special*
12 *account, shall disburse the balance of the account as*
13 *provided in this section.*

14 *(b) On or before the 15th day of February, May,*
15 *August, and November of each year, the balance of the*
16 *funds appropriated by this section shall be disbursed to*
17 *the cities and cities and counties, of this state in the*
18 *proportion that the population of each city and city and*
19 *county bears to the total population of all cities, and cities*
20 *and counties in this state. In determining the amount of*
21 *the disbursements, the Controller shall increase the*
22 *special account by the amount of the refunds paid*
23 *pursuant to subdivision (b) of Section 7232, and*
24 *determine the proportion of the special account as so*
25 *increased to be disbursed to each city or each city and*
26 *county, treating the amounts of the claims as distribution*
27 *to those cities or cities and counties reported to the*
28 *Controller pursuant to subdivision (a).*

29 *(c) If a city or city and county would be entitled to a*
30 *disbursement in an amount less than the total amount of*
31 *claims taken under subdivision (b) of Section 7232, the*
32 *population of the city or city and county and the claims*
33 *shall be excluded by the Controller in computing*
34 *disbursements under this section.*

35 *(d) For purposes of this section, the population of each*
36 *city and each city and county shall be the population*
37 *determined by the Controller pursuant to Section 11005.*

38 *(e) Funds disbursed by the Controller pursuant to this*
39 *section may be used for city or city and county purposes,*



1 *as the case may be, or may, but need not necessarily, be*
2 *used for state purposes.*

3 *SEC. 49. Section 290 of the Vehicle Code is amended*
4 *to read:*

5 290. “Department” means the Department of Motor
6 Vehicles except, when used in Chapter 2 (commencing
7 with Section 2100) of Division 2 and in Divisions 11
8 (commencing with Section 21000), 12 (commencing with
9 Section 24000), 13 (commencing with Section 29000), 14
10 (commencing with Section 31600), 14.1 (commencing
11 with Section 32000), 14.3 (commencing with Section
12 32100), 14.5 (commencing with Section 33000), 14.7
13 (commencing with Section 34000), ~~and~~ 14.8
14 (commencing with Section 34500), *and* 14.85
15 (*commencing with Section 34600*), it ~~shall mean~~ *means*
16 the Department of the California Highway Patrol.

17 *SEC. 50. Section 1808.1 of the Vehicle Code is*
18 *amended to read:*

19 1808.1. (a) The prospective employer of a driver who
20 drives any vehicle specified in subdivision (l) shall obtain
21 a report showing the driver’s current public record as
22 recorded by the department. For purposes of this
23 subdivision, a report is current if it was issued less than 30
24 days prior to the date the employer employs the driver.
25 The report shall be reviewed, signed, and dated by the
26 employer and maintained at the employer’s place of
27 business until receipt of the pull notice system report
28 pursuant to subdivisions (b) and (c). These reports shall
29 be presented upon request to any authorized
30 representative of the Department of the California
31 Highway Patrol during regular business hours.

32 (b) The employer of a driver who drives any vehicle
33 specified in subdivision (l) shall make a request to the
34 department to participate in a pull notice system, which
35 is a process for the purpose of providing the employer
36 with a report showing the driver’s current public record
37 as recorded by the department, and any subsequent
38 convictions, failures to appear, accidents, driver’s license
39 suspensions, driver’s license revocations, or any other
40 actions taken against the driving privilege or certificate,



1 added to the driver's record while the employer's
2 notification request remains valid and uncanceled.

3 (c) The employer of a driver of any vehicle specified
4 in subdivision (l) shall, additionally, obtain a periodic
5 report from the department at least every six months,
6 except that an employer who enrolls more than 500
7 drivers in the pull notice system under a single requester
8 code shall obtain a report at least every 12 months. The
9 employer shall verify that each employee's driver's
10 license has not been suspended or revoked, the
11 employee's traffic violation point count, and whether the
12 employee has been convicted of a violation of Section
13 23152 or 23153. The report shall be signed and dated by
14 the employer and maintained at the employer's principal
15 place of business. The reports shall be presented upon
16 demand to any authorized representative of the
17 Department of the California Highway Patrol during
18 regular business hours.

19 (d) Upon the termination of a driver's employment,
20 the employer may notify the department to cancel any
21 reports required by this section.

22 (e) For the purposes of the pull notice system and
23 periodic report process required by subdivisions (b) and
24 (c), owners, other than owner-operators, as defined in
25 ~~Section 3557 of the Public Utilities Code~~ *subdivision (b)*
26 *of Section 34624*, and employers who drive vehicles
27 described in subdivision (l), shall be enrolled as if they
28 were employees. Family members and volunteer drivers
29 who drive vehicles described in subdivision (l) shall also
30 be enrolled as if they were employees.

31 (f) An employer who, after receiving any driving
32 record pursuant to this section, employs or continues to
33 employ as a driver any person against whom a
34 disqualifying action has been taken regarding his or her
35 driving privilege or required driver's certificate, is guilty
36 of a public offense, and upon conviction thereof, shall be
37 punished by imprisonment in the county jail for not more
38 than six months, by a fine of not more than one thousand
39 dollars (\$1,000), or by both that fine and imprisonment.



1 (g) As part of its inspection of bus maintenance
2 facilities and terminals required at least once every 13
3 months pursuant to subdivision (c) of Section 34501, the
4 Department of the California Highway Patrol shall
5 determine whether each transit operator, as defined in
6 Section 99210 of the Public Utilities Code, is then in
7 compliance with this section and Section 12804.6, and
8 shall certify each operator found to be in compliance. No
9 funds shall be allocated under Chapter 4 (commencing
10 with Section 99200) of Part 11 of Division 10 of the Public
11 Utilities Code to a transit operator which the Department
12 of the California Highway Patrol has not certified under
13 this section.

14 (h) A request to participate in the pull notice system
15 established by this section shall be accompanied by a fee
16 determined by the department to be sufficient to defray
17 the entire actual cost to the department for the
18 notification service. For the receipt of subsequent
19 reports, the employer shall also be charged a fee
20 established by the department pursuant to Section 1811.
21 Any employer who qualifies under Section 1812 shall be
22 exempt from any fee required under this section. Failure
23 to pay the fee shall result in automatic cancellation of the
24 employer's participation in the notification services.

25 (i) The department, as soon as feasible, may establish
26 an automatic procedure to provide the periodic reports
27 in subdivision (c) to employers on a regular basis without
28 the need for individual requests.

29 (j) This section shall not be construed to change the
30 definition of "employer," "employee," or "independent
31 contractor" for any other purpose.

32 (k) The employer of a driver who is employed as a
33 casual driver is not required to enter that driver's name
34 in the pull notice system, as otherwise required by
35 subdivision (a). However, the employer of a casual driver
36 shall be in possession of a report of the driver's current
37 public record as recorded by the department, prior to
38 allowing a casual driver to drive any vehicle specified in
39 subdivision (l). A report is current if it was issued less than
40 six months prior to the date the employer employs the



1 driver. As used in this subdivision, a driver is employed as
2 a casual driver when the employer has employed the
3 driver less than 30 days during the preceding six months.
4 For purposes of this subdivision, “casual driver” does not
5 include any driver who operates a vehicle that requires
6 a passenger transportation endorsement.

7 (l) This section applies to any vehicle for the operation
8 of which the driver is required to have a class 1, class 2,
9 class A, or class B driver’s license, a class C license with a
10 hazardous materials endorsement, or a certificate issued
11 pursuant to Section 2512, 12517, 12519, 12520, 12523, or
12 12523.5, or any passenger vehicle having a seating
13 capacity of not more than 10 persons, including the
14 driver, operated for compensation by a charter-party
15 carrier of passengers or passenger stage corporation
16 pursuant to a certificate of public convenience and
17 necessity or a permit issued by the Public Utilities
18 Commission.

19 (m) The penalties provided in subdivision (f) do not
20 apply until July 1, 1993, to any employer of the driver of
21 a passenger vehicle having a seating capacity of not more
22 than 10 persons, including the driver, operated for
23 compensation by a charter-party carrier of passengers or
24 passenger stage corporation pursuant to a certificate of
25 public convenience and necessity or a permit issued by
26 the Public Utilities Commission.

27 *SEC. 51. Section 1808.3 of the Vehicle Code is*
28 *amended to read:*

29 1808.3. Based on the list of owner-operators ~~which~~
30 ~~that the Public Utilities Commission is required, pursuant~~
31 ~~to Section 3557 of the Public Utilities Code Department~~
32 ~~of the California Highway Patrol is required, pursuant to~~
33 ~~subdivision (d) of Section 34624,~~ to periodically submit to
34 the department, the department shall promptly notify
35 the ~~Public Utilities Commission~~ *Department of the*
36 *California Highway Patrol* whenever an
37 owner-operator’s driving privilege is suspended or
38 revoked.

39 *SEC. 52. Section 34501 of the Vehicle Code is*
40 *amended to read:*



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

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

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



1 *Department of Toxic Substances Control, the*
2 *Department of Transportation, the State Board of*
3 *Equalization, the Public Utilities Commission, the*
4 *California trucking industry, labor, and any other*
5 *representative, as may be appropriate. The committee*
6 *shall meet quarterly to discuss issues relevant to motor*
7 *carrier safety and other issues pertinent to motor carrier*
8 *operations in the state and, when necessary, to provide*
9 *recommendations for corrective actions to the Governor.*

10 (3) The department may inspect any vehicles in
11 maintenance facilities or terminals, as well as any records
12 relating to the dispatch of vehicles or drivers, and the pay
13 of drivers, to assure compliance with this code and
14 regulations adopted pursuant to this section.

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

28 (c) At least once every 13 months, the department
29 shall inspect every maintenance facility or terminal of
30 any person who at any time operates any bus. If the bus
31 operation includes more than 100 buses, the inspection
32 shall be without prior notice.

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

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

39 (f) The department may adopt regulations restricting
40 or prohibiting the movement of any vehicle from a



1 maintenance facility or terminal if the vehicle is found in
2 violation of this code or regulations adopted pursuant to
3 this section.

4 *SEC. 53. Section 34505.6 of the Vehicle Code is*
5 *amended to read:*

6 34505.6. (a) Upon determining that a motor carrier
7 operating any vehicle described in subdivision (a), (b),
8 (e), (f), (g), or (k) of Section 34500 has done either of the
9 following: (1) failed to maintain any vehicle used in
10 transportation for compensation in a safe operating
11 condition or to comply with the Vehicle Code or with
12 regulations contained in Title 13 of the California Code of
13 Regulations relative to motor carrier safety, and, in the
14 department's opinion, that failure presents an imminent
15 danger to public safety or constitutes a consistent failure
16 ~~as to justify a recommendation to the Public Utilities~~
17 ~~Commission or the Interstate Commerce Commission,~~ or
18 (2) failed to enroll all drivers in the pull notice system as
19 required by Section 1808.1, the department shall
20 ~~recommend to the Public Utilities Commission that deny,~~
21 ~~suspend, or revoke~~ the carrier's operating authority ~~be~~
22 ~~suspended, denied, or revoked,~~ or *recommend* to the
23 federal Highway Administration Office of Motor
24 Carriers; that appropriate administrative action be taken
25 against the carrier's Interstate Commerce Commission
26 operating authority, whichever is appropriate. For
27 purposes of this subdivision, two consecutive
28 unsatisfactory compliance ratings for an inspected
29 terminal assigned because the motor carrier failed to
30 comply with the periodic report requirements of Section
31 1808.1 or the cancellation of the carrier's enrollment by
32 the Department of Motor Vehicles for nonpayment of
33 required fees is a consistent failure. The department shall
34 retain a record, by operator, of every recommendation
35 made pursuant to this section.

36 (b) Before transmitting a recommendation pursuant
37 to subdivision (a), the department shall notify the carrier
38 in writing of all of the following:

39 (1) That the department has determined that the
40 carrier's safety record is unsatisfactory, furnishing a copy



1 of any documentation or summary of any other evidence
2 supporting the determination.

3 (2) That the determination may result in a suspension,
4 revocation, or denial of the carrier's operating authority
5 ~~by the California Public Utilities Commission or the~~
6 ~~Interstate Commerce Commission.~~

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

14 *SEC. 54. Section 34505.7 of the Vehicle Code is*
15 *amended to read:*

16 34505.7. (a) Upon determining that a private carrier
17 *of household goods or of passengers*, as defined in Section
18 4001 of the Public Utilities Code, has either (1) failed to
19 maintain any vehicle of the carrier in a safe operating
20 condition or to comply with the Vehicle Code or with
21 regulations contained in Title 13 of the California Code of
22 Regulations relative to motor carrier safety, and, in the
23 department's opinion, the failure presents an imminent
24 danger to public safety or constitutes such a consistent
25 failure as to justify a recommendation to the Public
26 Utilities Commission, or (2) failed to enroll all drivers in
27 the pull notice system as required by Section 1808.1, the
28 department shall make a written recommendation to the
29 Public Utilities Commission that the carrier's registration
30 be suspended. Two consecutive unsatisfactory terminal
31 ratings assigned for failure to comply with the periodic
32 report requirements in Section 1808.1, or cancellation of
33 an employer's enrollment by the Department of Motor
34 Vehicles for nonpayment of fees, constitutes a consistent
35 failure. The department shall retain a record, by operator,
36 of every recommendation made pursuant to this section.

37 (b) Before transmitting a recommendation pursuant
38 to subdivision (a), the department shall give written
39 notice to the carrier of all of the following:



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

5 (2) That the determination may result in a suspension
6 or revocation of the carrier’s registration by the
7 California Public Utilities Commission.

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

15 *SEC. 55. Division 14.85 (commencing with Section*
16 *34600) is added to the Vehicle Code, to read:*

17
18 *DIVISION 14.85. MOTOR CARRIERS OF*
19 *PROPERTY REGISTRATION ACT*

20
21 *CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS*

22
23 *34600. This division shall be known and may be cited*
24 *as the Motor Carriers of Property Registration Act.*

25 *34601. “Motor carrier of property” means a motor*
26 *carrier, as defined in Section 408, who is required to*
27 *display a carrier identification number pursuant to*
28 *Section 34507.5, but does not include household goods*
29 *carriers or persons providing transportation of*
30 *passengers.*

31 *34602. “Fund” means the Motor Carrier Safety*
32 *Improvement Fund created by paragraph (2) of*
33 *Subdivision (a) of Section 7232 of the Revenue and*
34 *Taxation Code.*

35 *34603. The Department of Motor Vehicles, the Public*
36 *Utilities Commission, and the State Board of Equalization*
37 *shall furnish, upon request, whatever information from*
38 *their records may be required to assist the department in*
39 *the effective enforcement of this division.*

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CHAPTER 2. REGISTRATION

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34620. (a) Except as provided in subdivision (b) and Section 34622, no motor carrier of property shall operate a motor vehicle on any public highway in this state after January 1, 1996, unless it has complied with Section 34507.5 and has registered with the department its carrier identification authorized or assigned thereunder. The department shall grant registration upon the carrier's written request, compliance with Section 34507.5, and the payment of the fee required by this chapter.

(b) Motor carriers of property who were in compliance with the insurance requirements of this state on the day prior to the effective date of this section and continue to be in compliance with those requirements may continue to operate until directed by the department to register as required by subdivision (a). The department shall require all of those carriers to register pursuant to subdivision (a) not later than six months after the effective date of this section.

34621. A fee of thirty-five dollars (\$35) shall be paid to the department for the filing of the initial registration, and thereafter, an annual renewal fee of twenty-five dollars (\$25) shall also be paid. The fees required to be paid by carriers of property pursuant to this section shall be deposited in the fund.

34622. This chapter does not apply to any vehicles exempt from the payment of registration fees and to which Section 4001 applies.

34623. (a) The department has exclusive jurisdiction for the regulation of safety of operation of motor carriers of property.

(b) The registration of a motor carrier of property may be suspended for failure to either (1) maintain any vehicle of the carrier in a safe operating condition or to comply with this code or with regulations contained in Title 13 of the California Code of Regulations relative to motor carrier safety, if that failure is either a consistent failure or presents an imminent danger to public safety, or (2) enroll all drivers in the pull notice system as



1 required by Section 1808.1. The department may,
2 pending a hearing in the matter pursuant to subdivision
3 (d), suspend a carrier's registration. The department's
4 written recommendation shall specifically indicate
5 compliance with subdivision (d).

6 (c) A carrier whose registration is suspended pursuant
7 to subdivision (b) may obtain a reinspection of its
8 terminal and vehicles by the department by submitting
9 a written request for reinstatement to the department
10 and paying a reinstatement fee of one hundred
11 twenty-five dollars (\$125). The department shall deposit
12 all reinstatement fees collected from carriers of property
13 pursuant to this section in the fund. Upon payment of the
14 fee, the department shall perform a reinspection within
15 a reasonable time. The department shall reinstate a
16 carrier's registration suspended under subdivision (b)
17 promptly upon determining that the carrier's safety
18 compliance has improved to the satisfaction of the
19 department, unless the registration is suspended for
20 another reason or has been revoked.

21 (d) Whenever the department suspends the
22 registration of any carrier pursuant to subdivision (b), the
23 department shall furnish the carrier with written notice
24 of the suspension and shall hold a hearing within a
25 reasonable time, not to exceed 21 days, after a written
26 request therefor is filed with the department. At the
27 hearing, the carrier shall show cause why the suspension
28 should not be continued. At the conclusion of the hearing,
29 the department may terminate the suspension, continue
30 the suspension in effect, or revoke the registration. The
31 department may revoke the registration of any carrier
32 suspended pursuant to the subdivision (b) at any time
33 that is 90 days or more after its suspension if the carrier
34 has not filed a written request for a hearing with the
35 department.

36 34624. (a) The department shall establish a
37 classification of motor carriers of property known as
38 owner-operators.



1 (b) As used in this section and in Sections 1808.3 and
2 34501.12, an owner-operator is a person who meets all of
3 the following requirements:

4 (1) Holds a class 1, class 2, class A, or class B driver's
5 license.

6 (2) Owns, leases, or otherwise operates not more than
7 one heavy power unit and not more than three towed
8 vehicles.

9 (3) Is licensed as a motor carrier of property by the
10 department under this division.

11 (c) As used in this section, "heavy power unit" is a
12 motor vehicle described in subdivision (a), (b), or (g) of
13 Section 34500 and "towed vehicle" is a nonmotorized
14 vehicle described in subdivision (d), (e), (f), or (g) of
15 that section.

16 (d) The department shall forward, at least annually, an
17 updated list of owner-operators, along with their driver's
18 license numbers, to the Department of Motor Vehicles.
19 The department, upon notification by the Department of
20 Motor Vehicles that an owner-operator's driving
21 privilege is suspended or revoked, shall suspend the
22 carrier's license, unless the carrier, within 15 days, shows
23 good cause why the license should not be suspended.

24 (e) This section shall not be construed to change the
25 definition of "employer," "employee," or "independent
26 contractor" for any other purpose.

27

28 CHAPTER 3. INSURANCE

29

30 34630. (a) Registration shall not be granted to any
31 motor carrier of property until there is filed with the
32 department a currently effective certificate of insurance
33 or a surety bond, in the amount required by the federal
34 government for motor carriers of property operating in
35 interstate commerce, evidencing protection against
36 liability imposed by law for the payment of damages for
37 personal injury to, or death of, any person or property
38 damage, or both.

39 (b) Whenever the department determines that the
40 certificate of insurance or surety bond of a motor carrier



1 of property has lapsed or been terminated, the
2 department shall suspend the carrier's registration.

3 (c) The department shall notify the motor carrier of
4 any action taken under subdivision (b).

5

6 CHAPTER 4. WORKER'S COMPENSATION

7

8 34640. (a) Registration shall not be granted to any
9 motor carrier of property until one of the following is filed
10 with the department:

11 (1) A certificate of worker's compensation coverage
12 for its employees issued by an admitted insurer.

13 (2) A certification of consent to self-insure issued by
14 the Director of Industrial Relations, and the identity of
15 the administrator of the carrier's worker's compensation
16 self-insurance plan.

17 (3) A statement, under penalty of perjury, stating that,
18 in its operations as a motor carrier of property, it does not
19 employ any person in any manner so as to become subject
20 to the worker's compensation laws of this state.

21 (b) The worker's compensation certified under
22 paragraph (1) of subdivision (a) shall be effective until
23 canceled. Cancellation shall require an advance notice of
24 not less than 30 days.

25 (c) If, after filing the statement described in
26 paragraph (3) of subdivision (a), the carrier becomes
27 subject to the worker's compensation laws of this state,
28 the carrier shall promptly notify the department that the
29 carrier is withdrawing its statement under paragraph (3)
30 of subdivision (a), and shall simultaneously file the
31 certificate described in either paragraph (1) or (2) of
32 subdivision (a).

33

34 CHAPTER 5. IDENTIFICATION

35

36 34650. A motor carrier of property shall display the
37 carrier identification number, as required by Section
38 34507.5, on any vehicle required to be registered under
39 this division.

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CHAPTER 6. FINES AND PENALTIES

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34660. (a) *A motor carrier of property who continues to operate as a carrier after its registration has been suspended by the department is guilty of a misdemeanor, punishable by a fine of not more than two thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.*

(b) *Each violation of this section is a separate and distinct offense, and, in the case of a continuing violation, each day's continuance of operation as a carrier in violation of this section is a separate and distinct offense.*

(c) *Upon finding that a motor carrier of property is willfully violating this section after being advised that it is not operating in compliance with the laws of this state, the court may issue an injunction to stop the carrier's continued operation.*

(d) *A vehicle operated by a motor carrier of property may be impounded when found upon a highway or public lands whenever the carrier is found to be in violation of this section. A vehicle so impounded may be released upon presentation of proof of compliance with this division.*

34661. *Any person or corporation who violates any provision of this division is guilty of a misdemeanor, punishable by a fine of not more than two thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.*

SEC. 56. *Section 40000.22 of the Vehicle Code is amended to read:*

40000.22. (a) *A violation of subdivision (e) of Section 34501, subdivision (f) of Section 34501.12, or subdivision (c) of Section 34501.14, relating to applications for inspections, is a misdemeanor and not an infraction.*

(b) *A violation of Division 14.85 (commencing with Section 34600), relating to motor carriers of property, is a misdemeanor and not an infraction.*



1 *SEC. 57. No reimbursement is required by this act*
 2 *pursuant to Section 6 of Article XIII B of the California*
 3 *Constitution because the only costs that may be incurred*
 4 *by a local agency or school district will be incurred*
 5 *because this act creates a new crime or infraction,*
 6 *eliminates a crime or infraction, or changes the penalty*
 7 *for a crime or infraction, within the meaning of Section*
 8 *17556 of the Government Code, or changes the definition*
 9 *of a crime within the meaning of Section 6 of Article*
 10 *XIII B of the California Constitution.*

11 *Notwithstanding Section 17580 of the Government*
 12 *Code, unless otherwise specified, the provisions of this act*
 13 *shall become operative on the same date that the act*
 14 *takes effect pursuant to the California Constitution.*

15 *is amended to read:*

16 ~~5352. The use of the public highways for the~~
 17 ~~transportation of passengers for compensation is a~~
 18 ~~business affected with a public interest. It is the purpose~~
 19 ~~of this chapter to preserve for the public full benefit and~~
 20 ~~use of public highways consistent with the needs of~~
 21 ~~commerce without unnecessary congestion or wear and~~
 22 ~~tear upon the highways; to secure to the people adequate~~
 23 ~~and dependable transportation by carriers operating~~
 24 ~~upon the highways; to secure full and unrestricted flow of~~
 25 ~~traffic by motor carriers over the highways which will~~
 26 ~~adequately meet reasonable public demands by~~
 27 ~~providing for the regulation of all transportation agencies~~
 28 ~~with respect to accident indemnity so that adequate and~~
 29 ~~dependable service by all necessary transportation~~
 30 ~~agencies shall be maintained and the full use of the~~
 31 ~~highways preserved to the public; and to promote carrier~~
 32 ~~and public safety through its safety enforcement~~
 33 ~~regulations, consistent with federal law.~~

