

AMENDED IN SENATE APRIL 5, 1999

SENATE BILL

No. 652

Introduced by Senator Speier

February 24, 1999

An act to amend Sections 1808.47, 4750, 16020, 16025, 16028, 16029, 16030, 16033, 16070, 16071, 16457, and 40611 of, to add Sections 1808.24, 4000.38, 16058, and 16058.5 to, to repeal and add Section 4000.37 of, and to repeal Sections 1680, 16020, 16070, 16071, 16457, and 40611 of, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 652, as amended, Speier. Vehicles: financial responsibility.

(1) Existing law provides that records of the Department of Motor Vehicles are generally open to public inspection. However, with specified exceptions, any residence address in any record of the department is confidential.

This bill would provide that any information regarding motor vehicle liability insurance policy or surety bond provided to the department is confidential and shall not be disclosed to any person, with limited exceptions. Because a violation of this prohibition would be a crime under existing law, this bill would create a new crime, thereby imposing a state-mandated local program.

(2) Existing law requires persons who obtain confidential or restricted addresses pursuant to law to require their agents to take necessary steps to ensure confidentiality.

This bill would expand the confidentiality to any confidential or restricted information, thereby expanding the scope of an existing crime and imposing a state-mandated local program.

(3) Existing law requires all drivers to maintain one of various forms of financial responsibility, including liability insurance, and to provide proof of financial responsibility to a peace officer in various circumstances. ~~Existing~~

Existing law, until January 1, 2000, requires the Director of Motor Vehicles, if the operation of any of the current provisions governing financial responsibility is delayed or interrupted by the action of a state or federal court and the constitutionality of the provision is upheld by a final decision of the court, to calculate what amount of time the operation of the provision was delayed or interrupted by the court's action, add the amount calculated to January 1, 2000, to determine a new repeal date for the challenged provision, and notify the Secretary of State in writing of the new repeal date.

~~Existing law provides that the above-described provisions governing financial responsibility remain in effect only until January 1, 2000, or until the date determined by the director pursuant to the provision specified above, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 2000, deletes or extends that date.~~

This bill would ~~delete the repeal procedure specified above these latter provisions,~~ thereby extending indefinitely certain provisions of existing law relating to financial responsibility, as proposed to be revised by the bill.

(4) Under existing law, the department is required to require an applicant for renewal of a motor vehicle registration to submit a specified form, as developed by the department, regarding the applicant's motor vehicle liability insurance or provide certain documentation regarding alternative evidence of financial responsibility.

This bill ~~would~~ *would* require the department to require ~~that~~ each applicant for renewal *of a motor vehicle registration* to submit either a form approved by the department, *but issued by the insurer,* containing specified information ~~and issued by the insurer~~, or any one of specified documents as evidence of coverage under an alternative form



of financial responsibility that may be provided by the applicant.

(5) Existing law does not provide for the suspension, cancellation, or revocation of the registration of a vehicle based upon whether the registration was attained by providing false evidence of financial responsibility or upon notification by an insurance company that the required coverage has been canceled, as specified.

This bill would authorize the department to take that action and would provide a procedure for the reinstatement of a registration *that has been* suspended, ~~cancelled~~ *canceled*, or revoked.

(6) Under existing law, upon demand of a peace officer under specified circumstances, every person who drives upon a highway a motor vehicle that is required to be registered in this state is required to provide evidence of financial responsibility, as defined. A violation of this provision is a crime that is punishable by specified fines.

This bill would recast that provision to provide that, upon demand by a peace officer, every person who drives a motor vehicle upon a highway is required to provide evidence of financial responsibility *for the vehicle that is in effect at the time the demand is made*. Since the bill would expand the scope of this crime, the bill would impose a state-mandated local program. The bill would also revise the definition of ~~the terms “financial responsibility” and “evidence of financial responsibility.”~~ *for these purposes*.

The bill would decrease the fines for a violation this provision, but would require a court to impose a fine that is greater than the minimum fine provided unless the defendant has presented the court with evidence of financial responsibility, as defined, in addition to the written certificate of an insurance carrier that meets specified requirements.

The bill would provide that the imposition of the fine is mandatory upon conviction of a violation of the financial responsibility provision and may not be waived or suspended for any reason. The bill would authorize the court to direct that the fine be paid within a limited time or in installments on specified dates.



(7) Existing law makes it a crime for any person to knowingly provide false evidence of financial responsibility under specified circumstances by using certain listed false documents, imposes certain duties on the courts in connection with a conviction of that offense, *authorizes the court to suspend a person's driving privilege*, and allows the court to restrict the person's driving privilege rather than suspend the privilege, if the driving of a motor vehicle is required in the person's course of employment.

This bill would (a) include a false self-insurer certificate as one of the documents that apply to the above, (b) revise the duties of the court and the department in connection with a conviction of the offense, ~~delete the power of the court to restrict the driving privilege rather than suspend the driving privilege~~, and (c) require the department, rather than the court, *upon receipt of the court's abstract of conviction*, of to suspend the driving privilege for a one-year period, effective upon the date of the conviction.

(8) Existing law does not require each insurer to electronically report to the department all motor vehicle liability insurance policies issued within 30 days of the effective date of the coverage.

This bill ~~would~~, not later than July 1, 2001, *would* impose that requirement on each insurer, except as specified, would require ~~that~~, not later than July 1, 2000, each insurer *to* advise the department of the method to be used for reporting, and would require all reportings be completed not later than July 1, 2001. The bill would impose duties on the department in connection with this requirement and would specify the contents of the report. The bill would also require specified reports to be made within 45 days of a change of information previously reported on a policy or amendment, as specified by the department. The bill would require the department to determine satisfactory evidence as to specified alternative forms of financial responsibility.

The bill would require the department to adopt regulations for reporting insurance information and to report to the Legislature, not later than April 30, 2000, regarding an evaluation of the implementation of a specified electronic reporting pilot program.



(9) 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 1680 of the Vehicle Code is
2 repealed.

3 SEC. 2. Section 1808.24 is added to the Vehicle Code,
4 to read:

5 1808.24. (a) Information regarding any motor
6 vehicle liability insurance policy or surety bond provided
7 to the department pursuant to Section 4000.37 ~~or 16058~~,
8 *16058, or 16058.5* is confidential and shall not be disclosed
9 to any person, except to the following:

- 10 (1) A court of competent jurisdiction.
- 11 (2) A law enforcement or other governmental agency.
- 12 (3) An insurance company or its assigns to verify a
13 record the company or its assigns previously submitted to
14 the department.
- 15 (4) A person whose vehicle or property has been
16 involved in an accident reported to the department
17 pursuant to Chapter 1 (commencing with Section 16000)
18 of Division 7 or the person's authorized representative,
19 employer, parent, or legal guardian.

20 SEC. 3. Section 1808.47 of the Vehicle Code is
21 amended to read:

22 1808.47. Any person who has access to confidential or
23 restricted information from the department shall
24 establish procedures to protect the confidentiality of
25 those records. If any confidential or restricted
26 information is released to any agent of a person
27 authorized to obtain information, the person shall require
28 the agent to take all steps necessary to ensure
29 confidentiality ~~of these addresses and prevent any release~~



1 ~~of the information to~~ and prevent the release of any
2 information to a third party. No agent shall obtain or use
3 any confidential or restricted records for any purpose
4 other than the reason the information was requested.

5 SEC. 4. Section 4000.37 of the Vehicle Code is
6 repealed.

7 SEC. 5. Section 4000.37 is added to the Vehicle Code,
8 to read:

9 4000.37. (a) Upon application for renewal of
10 registration of a motor vehicle, the department shall
11 require that the applicant submit either a form approved
12 by the department, *but issued by the insurer*, as specified
13 in paragraph (1) or (2), or any of the items specified in
14 paragraph (3), as evidence that the applicant is in
15 compliance with the financial responsibility laws of this
16 state:

17 (1) For vehicles covered by private passenger
18 automobile liability policies and having coverage as
19 described in subdivisions (a) and (b) of Section 660 of the
20 Insurance Code, or policies and coverages for private
21 passenger automobile policies as described in
22 subdivisions (a) and (b) of that section and issued by an
23 automobile assigned risk plan, the form shall include all
24 of the following:

25 (A) The primary name of the insured covered by the
26 policy or the vehicle owner, or both.

27 (B) The year, make, and vehicle identification
28 number of the vehicle.

29 (C) The name, the National Association of Insurance
30 Commissioners (NAIC) number, and the address of the
31 insurance company or surety company providing a policy
32 or bond for the vehicle.

33 (D) The policy or bond number, and the effective date
34 and expiration date of that policy or bond.

35 (E) A statement from the insurance company or
36 surety company that the policy or bond meets the
37 requirements of Section 16056 or 16500.5.

38 (2) For vehicles covered by commercial or fleet
39 policies, and not private passenger automobile liability



1 policies, as described in paragraph (1), the form shall
2 include all of the following:

3 (A) The name and address of the vehicle owner or
4 fleet operator.

5 (B) The name, the NAIC number, and the address of
6 the insurance company or surety company providing a
7 policy or bond for the vehicle.

8 (C) The policy or bond number, and the effective date
9 and expiration date of the policy or bond.

10 (D) A statement from the insurance company or
11 surety company that the policy or bond meets the
12 requirements of Section 16056 or 16500.5 and is a
13 commercial or fleet policy. For vehicles registered
14 pursuant to Article 9.5 (commencing with Section 5300)
15 or Article 4 (commencing with Section 8050) of Chapter
16 4, one form may be submitted per fleet as specified by the
17 department.

18 (3) In lieu of evidence of insurance as described in
19 paragraphs (1) and (2), one of the following documents
20 as evidence of coverage under an alternative form of
21 financial responsibility may be provided by the applicant:

22 (A) An evidence form, as specified by the department,
23 that indicates either a certificate of self-insurance or an
24 assignment of deposit letter has been issued by the
25 department pursuant to Sections 16053 or 16054.2.

26 (B) An insurance covering note or binder pursuant to
27 Section 382 or 382.5 of the Insurance Code.

28 (b) This section does not apply to any of the following:

29 (1) A vehicle for which a certification has been filed
30 pursuant to Section 4604, until the vehicle is registered for
31 operation upon the highway.

32 (2) A vehicle that is owned or leased by, or under the
33 direction of, the United States or any public entity that is
34 included in Section 811.2 of the Government Code.

35 (3) A vehicle registration renewal application where
36 there is a change of registered owner.

37 (4) A vehicle for which evidence of liability insurance
38 information has been filed with the department pursuant
39 to Section 16058 or 16058.5.



1 ~~(e) This section shall remain in effect only until the~~
2 ~~reporting system specified in Sections 16058 and 16058.5~~
3 ~~has become operational.~~

4 SEC. 6. Section 4000.38 is added to the Vehicle Code,
5 to read:

6 4000.38. (a) The department may suspend, cancel, or
7 revoke the registration of a vehicle when it determines
8 that either of the following circumstances has occurred:

9 (1) The registration was obtained by providing false
10 evidence of financial responsibility to the department.

11 (2) Upon notification by an insurance company that
12 the required coverage has been canceled and a sufficient
13 period of time has elapsed since the cancellation
14 notification, as determined by the department, for
15 replacement coverage to be processed and received by
16 the department.

17 (b) *Prior to suspending, canceling, or revoking the*
18 *registration of a vehicle, the department shall notify the*
19 *vehicle owner of its intent to suspend, cancel, or revoke*
20 *the registration, and shall provide the vehicle owner a*
21 *reasonable time to provide evidence of financial*
22 *responsibility or to establish that the vehicle is not being*
23 *operated.*

24 (c) Notwithstanding any other provision of this code,
25 before a registration is reinstated after *suspension,*
26 *cancellation,* or revocation, there shall, in addition to any
27 other fees required by this code, be paid to the
28 department a fee sufficient to pay the cost of the
29 reissuance as determined by the department.

30 SEC. 7. Section 4750 of the Vehicle Code is amended
31 to read:

32 4750. The department shall refuse registration, or
33 renewal or transfer of registration, upon any of the
34 following grounds:

35 (a) The application contains any false or fraudulent
36 statement.

37 (b) The required fee has not been paid.

38 (c) The registration, or renewal or transfer of
39 registration, is prohibited by the requirements of Part 5



1 (commencing with Section 43000) of Division 26 of the
2 Health and Safety Code.

3 (d) The owner of a heavy vehicle, which is subject to
4 the heavy vehicle use tax imposed pursuant to Section
5 4481 of Title 26 of the United States Code, has not
6 presented sufficient evidence, as determined by the
7 department, that the tax for the vehicle has been paid
8 pursuant to that section.

9 (e) Evidence of financial responsibility, that is
10 required for a vehicle registration renewal where there
11 is no change in registered owner, pursuant to Section
12 4000.37 ~~or 16058~~, 16058, or 16058.5, has not been provided
13 to the department. This subdivision does not apply to any
14 of the following:

15 (1) A vehicle for which a certification has been filed
16 pursuant to Section 4604, until the vehicle is registered for
17 operation upon the highway.

18 (2) A vehicle owned or leased by, or under the
19 direction of, the United States or any public entity that is
20 included in Section 811.2 of the Government Code.

21 (3) A vehicle registration renewal application where
22 there is a change of registered owner.

23 SEC. 8. Section 16020 of the Vehicle Code, as
24 amended by Section 10 of Chapter 652 of the Statutes of
25 1997, is amended to read:

26 16020. (a) Every driver and every owner of a motor
27 vehicle shall at all times be able to establish financial
28 responsibility pursuant to Section 16021, and shall at all
29 times carry in the vehicle evidence of the form of
30 financial responsibility in effect for the vehicle.

31 (b) "Evidence of financial responsibility" means any
32 of the following:

33 ~~(1) The name of the insurance or surety company that~~
34 ~~issued a policy or bond for the vehicle that meets the~~
35 ~~requirements of Section 16056 and is currently in effect,~~
36 ~~and the number of the insurance policy or surety bond.~~

37 (1) *A form issued by an insurance company, as*
38 *specified by the department pursuant to Section 4000.37.*

39 (2) If the owner is a self-insurer, as provided in Section
40 16052 or a depositor, as provided in Section 16054.2, the



1 certificate of self-insurance or the assignment of deposit
2 letter issued by the department.

3 (3) An insurance covering note or binder pursuant to
4 Section 382 or 382.5 of the Insurance Code.

5 (4) A showing that the vehicle is owned or leased by,
6 or under the direction of, the United States or any public
7 entity, as defined in Section 811.2 of the Government
8 Code.

9 (c) For purposes of this section, “evidence of financial
10 ~~responsibility” shall be in writing, and established by~~
11 ~~writing the name of the insurance company or surety~~
12 ~~company and the policy number on the vehicle~~
13 ~~registration card issued by the department, except that~~
14 ~~the necessary information may be obtained by a law~~
15 ~~responsibility” also may be obtained by a law~~
16 enforcement officer from the electronic reporting system
17 established under Section 16058.

18 (d) For purposes of this section, “evidence of financial
19 responsibility” also includes any of the following:

20 (1) The number of an insurance policy or surety bond
21 that was in effect at the time of the accident or at the time
22 that evidence of financial responsibility is required to be
23 provided pursuant to Section 16028, if that information is
24 contained in the vehicle registration records of the
25 department.

26 (2) The identifying motor carrier of property permit
27 number issued by the Department of the California
28 Highway Patrol to the motor carrier of property as
29 defined in Section 34601, and displayed on the motor
30 vehicle in the manner specified by the Department of the
31 California Highway Patrol.

32 (3) The identifying number issued to the household
33 goods carrier, passenger stage carrier, or transportation
34 charter party carrier by the Public Utilities Commission
35 and displayed on the motor vehicle in the manner
36 specified by the commission.

37 (4) The identifying number issued by the Interstate
38 Commerce Commission or its successor federal agency,
39 if proof of financial responsibility must be presented to
40 the issuing agency as part of the identification number



1 issuance process, and displayed on the motor vehicle in
2 the manner specified by the issuing agency.

3 (e) Evidence of financial responsibility does not
4 include any of the identification numbers in paragraph
5 (1), (2), (3), or (4) of subdivision (d) if the carrier is
6 currently suspended by the issuing agency for lack or
7 lapse of insurance or other form of financial
8 responsibility.

9 ~~SEC. 9. Section 16020 of the Vehicle Code, as added
10 by Section 5 of Chapter 1126 of the Statutes of 1996, is
11 repealed.~~

12 *SEC. 9. Section 16020 of the Vehicle Code, as added
13 by Section 5 of Chapter 1126 of the Statutes of 1996, is
14 repealed.*

15 ~~16020. (a) Every driver and every owner of a motor
16 vehicle shall at all times be able to establish financial
17 responsibility pursuant to Section 16021, and shall at all
18 times carry in the vehicle evidence of the form of
19 financial responsibility in effect for the vehicle.~~

20 ~~(b) "Evidence of financial responsibility" means any
21 of the following:~~

22 ~~(1) The name of the insurance or surety company that
23 issued a policy or bond for the vehicle that meets the
24 requirements of Section 16056 and is currently in effect,
25 and the number of the insurance policy or surety bond.~~

26 ~~(2) If the owner is a self-insurer, as provided in Section
27 16052 or a depositor, as provided in Section 16054.2, the
28 certificate or deposit number issued by the department.~~

29 ~~(3) An insurance covering note, as specified in Section
30 382 of the Insurance Code.~~

31 ~~(4) A showing that the vehicle is owned or leased by,
32 or under the direction of, the United States or any public
33 entity, as defined in Section 811.2 of the Government
34 Code.~~

35 ~~(e) For purposes of this section, "evidence of financial
36 responsibility" also includes the identifying symbol issued
37 to a highway carrier by the Public Utilities Commission
38 pursuant to Section 3543 of the Public Utilities Code and
39 displayed on the motor vehicle.~~



1 ~~(d) For purposes of this section, “evidence of financial~~
2 ~~responsibility” shall be in writing, and established by~~
3 ~~writing the name of the insurance company or surety~~
4 ~~company and the policy number on the vehicle~~
5 ~~registration card issued by the department.~~

6 ~~(e) This section shall become operative on January 1,~~
7 ~~2000, or on the date determined by the director pursuant~~
8 ~~to paragraph (2) of subdivision (a) of Section 1680;~~
9 ~~whichever is later.~~

10 SEC. 10. Section 16025 of the Vehicle Code is
11 amended to read:

12 16025. (a) Every driver involved in the accident
13 shall, unless rendered incapable, exchange with any other
14 driver or property owner involved in the accident and
15 present at the scene, all of the following information:

16 (1) Driver’s name and current residence address,
17 driver’s license number, vehicle identification number,
18 and current residence address of registered owner.

19 (2) Evidence of financial responsibility, as specified in
20 Section 16020. If the financial responsibility of a person is
21 a form of insurance, then that person shall supply the
22 name *and address* of the insurance company and the
23 number of the insurance policy.

24 (b) Any person failing to comply with all of the
25 requirements of this section is guilty of an infraction
26 punishable by a fine not to exceed two hundred fifty
27 dollars (\$250).

28 SEC. 11. Section 16028 of the Vehicle Code is
29 amended to read:

30 16028. (a) Upon demand of a peace officer pursuant
31 to subdivision (b) or (c), every person who drives a motor
32 vehicle upon a highway shall provide evidence of
33 financial responsibility for the vehicle that is in effect at
34 the time the demand is made. However, a peace officer
35 shall not stop a vehicle for the sole purpose of
36 determining whether the vehicle is being driven in
37 violation of this subdivision.

38 (b) Whenever a notice to appear is issued for any
39 alleged violation of this code, except a violation specified
40 in Chapter 9 (commencing with Section 22500) of



1 Division 11 or any local ordinance adopted pursuant
2 thereto, the cited driver shall furnish written evidence of
3 financial responsibility upon request of the peace officer
4 issuing the citation. The peace officer shall request and
5 write the driver's evidence of financial responsibility on
6 the notice to appear, except ~~where~~ *when* the peace
7 officer is unable to write the driver's evidence of financial
8 responsibility on the notice to appear due to an
9 emergency that requires his or her presence elsewhere.
10 If the cited driver fails to provide evidence of financial
11 responsibility at the time the notice to appear is issued,
12 the peace officer may issue the driver a notice to appear
13 for violation of subdivision (a). The notice to appear for
14 violation of subdivision (a) shall be written on the same
15 citation form as the original violation.

16 (c) Whenever a peace officer, or a regularly employed
17 and salaried employee of a city or county who has been
18 trained as a traffic collision investigator, is summoned to
19 the scene of an accident described in Section 16000, the
20 driver of any motor vehicle that is in any manner
21 involved in the accident shall furnish written evidence of
22 financial responsibility upon the request of the peace
23 officer or traffic collision investigator. If the driver fails to
24 provide evidence of financial responsibility when
25 requested, the peace officer may issue the driver a notice
26 to appear for violation of this subdivision. A traffic
27 collision investigator may cause a notice to appear to be
28 issued for a violation of this subdivision, upon review of
29 that citation by a peace officer.

30 (d) (1) If, at the time a notice to appear for a violation
31 of subdivision (a) is issued, the person is driving a motor
32 vehicle owned or leased by the driver's employer, and the
33 vehicle is being driven with the permission of the
34 employer, this section shall apply to the employer rather
35 than the driver. In that case, a notice to appear shall be
36 issued to the employer rather than the driver, and the
37 driver may sign the notice on behalf of the employer.

38 (2) The driver shall notify the employer of the receipt
39 of the notice issued pursuant to paragraph (1) not later
40 than five days after receipt.



1 (e) A person issued a notice to appear for a violation
2 of subdivision (a) may personally appear before the clerk
3 of the court, as designated in the notice to appear, and
4 provide written evidence of financial responsibility in a
5 form consistent with Section 16020, showing that the
6 driver was in compliance with that section at the time the
7 notice to appear for violating subdivision (a) was issued.
8 In lieu of the personal appearance, the person may submit
9 by mail to the court written evidence of having had
10 financial responsibility at the time the notice to appear
11 was issued. Upon receipt by the clerk of that written
12 evidence of financial responsibility in a form consistent
13 with Section 16020, further proceedings on the notice to
14 appear for the violation of subdivision (a) shall be
15 dismissed.

16 SEC. 12. Section 16029 of the Vehicle Code is
17 amended to read:

18 16029. Notwithstanding any other provision of law, a
19 violation of subdivision (a) of Section 16028 is an
20 infraction and shall be punished as follows:

21 (a) Upon a first conviction, by a fine of not less than
22 one hundred dollars (\$100) and not more than two
23 hundred dollars (\$200), *plus penalty assessments*.

24 (b) Upon a subsequent conviction, occurring within
25 three years of a prior conviction, by a fine of not less than
26 two hundred dollars (\$200) and not more than five
27 hundred dollars (\$500), *plus penalty assessments*.

28 (c) (1) At the discretion of the court, for good cause,
29 and in addition to the penalties specified in subdivisions
30 (a) and (b), the court may order the impoundment of the
31 vehicle for which the owner could not produce evidence
32 of financial responsibility in violation of subdivision (a) of
33 Section 16028.

34 (2) A vehicle impounded pursuant to paragraph (1)
35 shall be released to the legal owner of the vehicle or the
36 legal owner's agent if all of the following conditions are
37 met:

38 (A) The legal owner is a motor vehicle dealer, bank,
39 credit union, acceptance corporation, or other licensed
40 financial institution legally operating in this state.



1 (B) The legal owner or the legal owner's agent pays all
2 towing and storage fees related to the seizure of the
3 vehicle.

4 (C) The legal owner or the legal owner's agent
5 presents foreclosure documents or an affidavit of
6 repossession for the vehicle.

7 (3) (A) A legal owner or the legal owner's agent that
8 obtains release of the vehicle pursuant to paragraph (2)
9 shall not release the vehicle to the registered owner of the
10 vehicle or any agents of the registered owner, unless the
11 registered owner is a rental car agency, except upon
12 presentation of evidence of financial responsibility, as
13 defined in Section 16020, for the vehicle. The legal owner
14 or the legal owner's agent shall make every reasonable
15 effort to ensure that the evidence of financial
16 responsibility that is presented is valid.

17 (B) Prior to relinquishing the vehicle, the legal owner
18 may require the registered owner to pay all towing and
19 storage charges related to impoundment and any
20 administrative charges authorized under Section 22850.5
21 that were incurred by the legal owner in connection with
22 obtaining custody of the vehicle.

23 (4) A vehicle impounded under paragraph (1) shall be
24 released to a rental car agency if the agency is either the
25 legal owner or the registered owner of the vehicle and the
26 agency pays all towing and storage fees related to the
27 seizure of the vehicle.

28 (5) A vehicle impounded under paragraph (1) shall be
29 released to the registered owner of the vehicle only upon
30 presentation of evidence of financial responsibility, as
31 defined in Section 16020, for that vehicle, and evidence
32 that all towing and storage fees related to the seizure of
33 the vehicle are paid.

34 This paragraph does not apply to a person, entity, or
35 agency who is entitled to release of a vehicle under
36 paragraph (2) or (4) and is either:

37 (A) The registered and the legal owner and is
38 described in subparagraph (A) of paragraph (2).

39 (B) The registered owner or legal owner and is
40 described in paragraph (4).



1 (d) It is the intent of the Legislature that fines
2 collected pursuant to this section be used to reduce the
3 number of uninsured drivers and not be used to generate
4 revenue for general purposes.

5 ~~(e) (1) The court shall impose a fine that is greater
6 than the minimum fine specified in subdivision (a) or
7 (b), but not more than the maximum fine authorized
8 under those provisions, unless the defendant has
9 presented the court with evidence of financial
10 responsibility, as defined in Section 16020, for the vehicle,
11 in addition to the written certificate of an insurance
12 carrier that meets the requirements of Sections 16431 and
13 16433.~~

14 ~~(2) Notwithstanding any other provision of law, the
15 imposition of the fine required under subdivision (a) or
16 (b) is mandatory upon conviction of a violation of
17 subdivision (a) of Section 16028 and may not be waived
18 or suspended for any reason. The court may direct that
19 the fine be paid within a limited time or in installments
20 on specified dates.~~*(1) The court shall impose a fine that
21 is greater than the minimum fine specified in subdivision
22 (a) or (b), and may not reduce that fine to the minimum
23 specified fine authorized under those provisions, unless
24 the defendant has presented the court with evidence of
25 financial responsibility, as defined in Section 16020, for
26 the vehicle. In no event may the court impose a fine that
27 is less than the minimum specified in subdivision (a) or
28 (b), or impose a fine that exceeds the maximum specified
29 fine authorized under those subdivisions. In addition to
30 the fine authorized under subdivision (a) or (b), the
31 court shall require a written certificate of an insurance
32 carrier that meets the requirements of Sections 16431 and
33 16433 (also known as an SR-22 filing) for any driver who
34 has a current or prior conviction of a misdemeanor or
35 felony violation of this code. For all other drivers, in
36 addition to the fine authorized under subdivision (a), the
37 court shall require an SR-1 filing as defined by the
38 department.*

39 ~~(2) Notwithstanding any other provision of law, the
40 imposition of the fine required under subdivision (a) or~~



1 *(b) is mandatory upon conviction of a violation of*
2 *subdivision (a) of Section 16028 and may not be waived,*
3 *suspended, or reduced below the minimum fines, for any*
4 *reason. The court may direct that the fine and penalty*
5 *assessments be paid within a limited time or in*
6 *installments on specified dates. The Legislature hereby*
7 *declares that it is in the interest of justice that the*
8 *minimum fines set forth in subdivisions (a) and (b) for*
9 *these offenses be enforced by the court.*

10 SEC. 13. Section 16030 of the Vehicle Code is
11 amended to read:

12 16030. (a) Except as provided in subdivision (c), any
13 person who knowingly provides false evidence of
14 financial responsibility (1) when requested by a peace
15 officer pursuant to Section 16028 or (2) to the clerk of the
16 court as permitted by subdivision (e) of Section 16028,
17 including an expired or canceled insurance policy, bond,
18 certificate of self-insurance, or assignment of deposit
19 letter, is guilty of a misdemeanor punishable by a fine not
20 exceeding seven hundred fifty dollars (\$750) or
21 imprisonment in the county jail not exceeding 30 days, or
22 by both that fine and imprisonment. Upon receipt of the
23 court's abstract of conviction, the department shall
24 suspend the driving privilege, effective upon the date of
25 conviction, for a period of one year. The court shall notify
26 the driver of the suspension pursuant to Section 13106,
27 and all driver's licenses in the possession of the driver shall
28 be surrendered to the court pursuant to Section 13550.
29 Any driver's license surrendered to the court pursuant to
30 this section shall be transmitted by the court, together
31 with the required report of the conviction, to the
32 department within 10 days of the conviction. The
33 suspension may not be terminated until one year has
34 elapsed from the date of the suspension and until the
35 person files proof of financial responsibility, as provided
36 in Chapter 3 (commencing with Section 16430) except
37 that the suspension shall be reinstated if the person fails
38 to maintain proof of financial responsibility for three
39 years.



1 (b) However, in lieu of suspending a person's driving
 2 privileges pursuant to subdivision (a), the court shall
 3 restrict the person's driving privileges to driving that is
 4 required in the person's course of employment, if driving
 5 of a motor vehicle is necessary in order to perform the
 6 duties of the person's primary employment. The
 7 restriction shall remain in effect for the period of
 8 suspension otherwise required by subdivision (a). The
 9 court shall provide for endorsement of the restriction on
 10 the person's driver's license, and violation of the
 11 restriction constitutes a violation of Section 14603 and
 12 grounds for suspension or revocation of the license under
 13 Section 13360.

14 (c) This section does not apply to a driver who is
 15 driving a motor vehicle owned or leased by the employer
 16 of the driver and driven in the course of the driver's
 17 employment with the permission of the employer.

18 ~~SEC. 14. Section 16033 of the Vehicle Code is~~
 19 ~~amended to read:~~

20 ~~16033. No public entity or employee, or any person or~~
 21 ~~organization authorized under Section 4610 to endorse~~
 22 ~~receipts or validate registration cards or potential~~
 23 ~~registration cards, is liable for any loss, detriment, or~~
 24 ~~injury resulting directly or indirectly from failure to~~
 25 ~~request evidence of financial responsibility or~~
 26 ~~inaccurately recording that evidence under Section~~
 27 ~~16028 or as a result of the driver producing false or~~
 28 ~~inaccurate financial responsibility information.~~

29 *SEC. 14. Section 16033 of the Vehicle Code is*
 30 *amended to read:*

31 16033. ~~(a)~~ No public entity or employee, *agent*, or
 32 any person or organization authorized under Section 4610
 33 to endorse receipts or validate registration cards or
 34 potential registration cards, is liable for any loss,
 35 detriment, or injury resulting, directly or indirectly, from
 36 ~~failure~~ *any of the following:*

37 (a) *Failure to request evidence of financial*
 38 *responsibility or inaccurately.*

39 (b) *Failure to notify a vehicle owner that an insurance*
 40 *policy has been terminated.*

1 (c) Failure to cancel, suspend, or revoke a vehicle
2 registration when an insurance policy has been
3 terminated.

4 (d) Inaccurately recording that evidence under
5 Section 16028 or as a result of the driver producing false
6 or inaccurate financial responsibility information.

7 ~~(b) This section shall become operative on January 1,
8 1997.~~

9 ~~(c) This section shall remain in effect only until
10 January 1, 2000, or until the date determined by the
11 director pursuant to paragraph (2) of subdivision (a) of
12 Section 1680, whichever is later, and as of that date is
13 repealed, unless a later enacted statute, which is enacted
14 on or before January 1, 2000, deletes or extends that date.~~

15 SEC. 15. Section 16058 is added to the Vehicle Code,
16 to read:

17 16058. (a) (1) Not later than July 1, 2000, each
18 insurer that issues private passenger automobile liability
19 insurance policies and coverages, as described in
20 subdivisions (a) and (b) of Section 660 of the Insurance
21 Code, or private passenger automobile policies and
22 coverages, as described in subdivisions (a) and (b) of that
23 section and issued by an automobile assigned risk plan,
24 shall advise the department of the method to be used for
25 reporting liability insurance information pursuant to
26 subdivisions (c), (d), and (e). The department shall
27 establish an electronic conversion schedule.

28 (2) Those insurers with fewer than 1,000 motor vehicle
29 liability policies in effect may choose to provide
30 documentary evidence, on a form approved by the
31 department, in lieu of the electronic reporting required
32 under subdivisions (c), (d), and (e).

33 (b) In consultation with the insurance industry, the
34 department shall ensure that enrollment is completed
35 not later than July 1, 2001.

36 (c) Not later than July 1, 2001, each insurer shall report
37 all existing motor vehicle liability insurance policies or
38 coverages described in subdivision (a) issued for vehicles
39 registered in this state or to policyholders with a
40 California address, to the department in an electronic



1 format specified by the department. Core reporting
2 requirements include the vehicle identification number
3 (VIN), year, make, name of insurance company,
4 insurance company National Association of Insurance
5 Commissioners (NAIC) number, the policy number, the
6 name of the primary insured or insureds, the driver
7 license number or numbers, the date or dates of birth, and
8 the policy effective date.

9 (d) On and after July 1, 2001, each insurer shall report
10 electronically to the department all issued motor vehicle
11 liability policies or coverages, as described in subdivision
12 (a), within 30 days of the effective date of coverage. The
13 report to the department shall include the core reporting
14 requirements set forth in subdivision (c).

15 (e) An insurer shall report electronically to the
16 department the termination of a reported policy or any
17 change of information previously reported, as specified
18 by the department, within 45 days of the date of
19 termination or change. This report shall include the
20 effective date of the termination, amendment, or
21 cancellation and any other information that does not
22 exceed that required under subdivision (d).

23 (f) (1) Those persons with alternative forms of
24 financial responsibility pursuant to subdivision (a), (c),
25 (d), or (e) of Section 16021 shall provide satisfactory
26 evidence of that responsibility as determined by the
27 department.

28 (2) In addition, the department shall establish an
29 alternative procedure for establishment of satisfactory
30 evidence of financial responsibility to permit the timely
31 renewal of vehicle registration when the electronic data
32 has not been updated due to circumstances beyond the
33 vehicle owner's immediate control. Those circumstances
34 may include, but are not limited to, a vehicle
35 identification error in either the department's or the
36 insurer's records or insurance purchased too recently to
37 have been electronically transmitted to the department.
38 Whenever this alternative procedure is used, the
39 department shall, subsequent to the issuance of the



1 registration certificate and indicia, contact the insurer to
2 obtain electronic data pursuant to subdivision (c).

3 (g) The department shall adopt regulations for
4 reporting insurance information, including, but not
5 limited to, establishing acceptable time frames and
6 approved methods for reporting information.

7 (h) Not later than April 30, 2000, the department shall
8 provide a written evaluation to the Legislature regarding
9 the implementation of any electronic reporting pilot
10 program that the department is administering on the
11 effective date of the act that added this subdivision.

12 SEC. 16. Section 16058.5 is added to the Vehicle Code,
13 to read:

14 16058.5. Notwithstanding Sections 4000.37 and 16058,
15 and after the implementation of Section 16058, the
16 department, in consultation with the insurance industry,
17 the motor carrier industry, and the Department of the
18 California Highway Patrol, shall determine the feasibility
19 of insurers reporting motor vehicle liability insurance
20 information for vehicles registered or base-plated in this
21 state or to policyholders with a California address that are
22 covered by policies, other than those motor vehicle
23 liability policies described in subdivision (a) of Section
24 16058.

25 SEC. 17. Section 16070 of the Vehicle Code, as
26 amended by Section 10 of Chapter 1126 of the Statutes of
27 1996, is amended to read:

28 16070. (a) Whenever a driver involved in an
29 accident described in Section 16000 fails to provide
30 evidence of financial responsibility as required by Section
31 16020 at the time of the accident, the department shall
32 pursuant to subdivision (b) suspend the privilege of the
33 driver or owner to drive a motor vehicle, including the
34 driving privilege of a nonresident in this state.

35 (b) Whenever the department receives an accident
36 report pursuant to this article which alleges that any of
37 the drivers involved in the accident was not in
38 compliance with Section 16020 at the time of the accident,
39 the department shall immediately mail to that driver a
40 notice of intent to suspend the driving privilege of that



1 driver. The department shall suspend the driving
2 privilege 30 days after mailing the notice, unless the
3 driver has, prior to that date, established financial
4 responsibility at the time of the accident, as specified in
5 Section 16021, with the department. The suspension
6 notice shall notify the driver of the action taken and the
7 right to a hearing under Section 16075.

8 SEC. 18. Section 16070 of the Vehicle Code, as added
9 by Section 11 of the Statutes of 1996, is repealed.

10 SEC. 19. Section 16071 of the Vehicle Code, as
11 amended by Section 12 of Chapter 1126 of the Statutes of
12 1996, is amended to read:

13 16071. The department shall suspend the driving
14 privilege of any person upon receiving notice from
15 another state that the person's driving privilege in that
16 state has been suspended for failure to meet the financial
17 responsibility provisions of the law in that state, if the
18 suspension in that state was taken on grounds that would
19 have resulted in a suspension in this state.

20 SEC. 20. Section 16071 of the Vehicle Code, as added
21 by Section 13 of Chapter 1126 of the Statutes of 1996, is
22 repealed.

23 SEC. 21. Section 16457 of the Vehicle Code, as
24 amended by Section 14 Chapter 1126 of the Statutes of
25 1996, is amended to read:

26 16457. Whenever proof of financial responsibility is
27 required to be filed pursuant to this chapter, no person of
28 whom that proof is required shall drive any motor vehicle
29 not covered by the certificate of proof of financial
30 responsibility filed by him or her with the department,
31 nor shall any applicant for that proof knowingly fail to
32 disclose ownership of a motor vehicle in the application
33 for proof of financial responsibility or to disclose any
34 subsequently acquired motor vehicle.

35 SEC. 22. Section 16457 of the Vehicle Code, as added
36 by Section 15 of Chapter 1126 of the Statutes of 1996, is
37 repealed.

38 SEC. 23. Section 40611 of the Vehicle Code, as
39 amended by Section 16 of Chapter 1126 of the Statutes of
40 1996, is amended to read:



1 40611. (a) Upon proof of correction of an alleged
2 violation of Section 12500 or 12951, or any violation cited
3 pursuant to Section 40610, or upon submission of evidence
4 of financial responsibility pursuant to subdivision (e) of
5 Section 16028, the clerk shall collect a ten dollar (\$10)
6 transaction fee for each case. The fee shall be deposited
7 by the clerk in accordance with Section 68084 of the
8 Government Code, and allocated monthly as follows:

9 (1) Thirty-three percent shall be transferred to the
10 local governmental entity in whose jurisdiction the
11 citation was issued for deposit in the general fund of the
12 entity.

13 (2) Thirty-four percent shall be transferred to the
14 State Treasury for deposit in the State Penalty Fund
15 established by Section 1464 of the Penal Code.

16 (3) Thirty-three percent shall be deposited in the
17 county general fund.

18 (b) No fee shall be imposed pursuant to this section if
19 the violation notice is processed only by the issuing
20 agency and no record of the action is transmitted to the
21 court.

22 SEC. 24. Section 40611 of the Vehicle Code, as added
23 by Section 17 of the Statutes of 1996, is repealed.

24 SEC. 25. No reimbursement is required by this act
25 pursuant to Section 6 of Article XIII B of the California
26 Constitution because the only costs that may be incurred
27 by a local agency or school district will be incurred
28 because this act creates a new crime or infraction,
29 eliminates a crime or infraction, or changes the penalty
30 for a crime or infraction, within the meaning of Section
31 17556 of the Government Code, or changes the definition
32 of a crime within the meaning of Section 6 of Article
33 XIII B of the California Constitution.

