

## Senate Bill No. 652

### CHAPTER 880

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 and 4000.38 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.

[Approved by Governor October 9, 1999. Filed  
with Secretary of State October 10, 1999.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 652, 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 information regarding any motor vehicle liability insurance policy or surety bond provided to the department pursuant to the provisions below or electronically 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 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.

This bill would repeal 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 instead would require the department to require 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, 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, 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 "evidence of financial responsibility" for these purposes.

The bill would decrease the fines for a violation of 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 additionally authorize the court to issue an order directing the defendant to maintain insurance coverage satisfying the financial responsibility laws for at least one year from the date of the order.

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 unless the court in its discretion



reduces or waives the fine based on the defendant's ability to pay. 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, and (c) require the department, rather than the court, upon receipt of the court's abstract of conviction, to suspend the driving privilege for a one-year period, effective upon the date of the conviction.

(8) The bill would provide that its provisions shall become operative only if SB 171 and SB 527 are enacted and become operative on or before January 1, 2000.

(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.

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

SECTION 1. Section 1680 of the Vehicle Code is repealed.

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

1808.24. Information regarding any motor vehicle liability insurance policy or surety bond provided to the department pursuant to Section 4000.37 or provided electronically is confidential and shall not be disclosed to any person, except to the following:

(a) A court of competent jurisdiction.

(b) A law enforcement or other governmental agency.

(c) An insurance company or its assigns to verify a record the company or its assigns previously submitted to the department.

(d) A person whose vehicle or property has been involved in an accident reported to the department, or who suffered bodily injury or death in an accident reported to the department, pursuant to Chapter 1 (commencing with Section 16000) of Division 7, or the person's authorized representative, employer, parent, or legal guardian.

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



1808.47. Any person who has access to confidential or restricted information from the department shall establish procedures to protect the confidentiality of those records. If any confidential or restricted information is released to any agent of a person authorized to obtain information, the person shall require the agent to take all steps necessary to ensure confidentiality and prevent the release of any information to a third party. No agent shall obtain or use any confidential or restricted records for any purpose other than the reason the information was requested.

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

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

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

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

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

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

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

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

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

(2) For vehicles covered by commercial or fleet policies, and not private passenger automobile liability policies, as described in paragraph (1), the form shall include all of the following:

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

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

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

(D) A statement from the insurance company or surety company that the policy or bond meets the requirements of Section 16056 or



16500.5 and is a commercial or fleet policy. For vehicles registered pursuant to Article 9.5 (commencing with Section 5300) or Article 4 (commencing with Section 8050) of Chapter 4, one form may be submitted per fleet as specified by the department.

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

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

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

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

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

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

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

(4) A vehicle for which evidence of liability insurance information has been electronically filed with the department.

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

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

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

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

(b) Prior to suspending, canceling, or revoking the registration of a vehicle, the department shall notify the vehicle owner of its intent to suspend, cancel, or revoke the registration, and shall provide the vehicle owner a reasonable time, not less than 45 days in cases under paragraph (2) of subdivision (a), to provide evidence of financial responsibility or to establish that the vehicle is not being operated.

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



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

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

- (a) The application contains any false or fraudulent statement.
- (b) The required fee has not been paid.
- (c) The registration, or renewal or transfer of registration, is prohibited by the requirements of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code.
- (d) The owner of a heavy vehicle, which is subject to the heavy vehicle use tax imposed pursuant to Section 4481 of Title 26 of the United States Code, has not presented sufficient evidence, as determined by the department, that the tax for the vehicle has been paid pursuant to that section.
- (e) Evidence of financial responsibility, that is required for a vehicle registration renewal where there is no change in registered owner, has not been provided to the department pursuant to Section 4000.37 or electronically. This subdivision does not apply to any of the following:
  - (1) A vehicle for which a certification has been filed pursuant to Section 4604, until the vehicle is registered for operation upon the highway.
  - (2) A vehicle owned or leased by, or under the direction of, the United States or any public entity that is included in Section 811.2 of the Government Code.
  - (3) A vehicle registration renewal application where there is a change of registered owner.

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

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

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

- (1) A form issued by an insurance company, as specified by the department pursuant to Section 4000.37.
- (2) If the owner is a self-insurer, as provided in Section 16052 or a depositor, as provided in Section 16054.2, the certificate of self-insurance or the assignment of deposit letter issued by the department.
- (3) An insurance covering note or binder pursuant to Section 382 or 382.5 of the Insurance Code.
- (4) A showing that the vehicle is owned or leased by, or under the direction of, the United States or any public entity, as defined in Section 811.2 of the Government Code.



(c) For purposes of this section, “evidence of financial responsibility” also may be obtained by a law enforcement officer from the electronic reporting system established by the department.

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

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

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

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

(4) The identifying number issued by the Interstate Commerce Commission or its successor federal agency, if proof of financial responsibility must be presented to the issuing agency as part of the identification number issuance process, and displayed on the motor vehicle in the manner specified by the issuing agency.

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

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

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

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

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

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

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

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



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

(b) Whenever a notice to appear is issued for any alleged violation of this code, except a violation specified in Chapter 9 (commencing with Section 22500) of Division 11 or any local ordinance adopted pursuant thereto, the cited driver shall furnish written evidence of financial responsibility upon request of the peace officer issuing the citation. The peace officer shall request and write the driver's evidence of financial responsibility on the notice to appear, except when the peace officer is unable to write the driver's evidence of financial responsibility on the notice to appear due to an emergency that requires his or her presence elsewhere. If the cited driver fails to provide evidence of financial responsibility at the time the notice to appear is issued, the peace officer may issue the driver a notice to appear for violation of subdivision (a). The notice to appear for violation of subdivision (a) shall be written on the same citation form as the original violation.

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

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

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

(e) A person issued a notice to appear for a violation of subdivision (a) may personally appear before the clerk of the court, as designated in the notice to appear, and provide written evidence of financial



responsibility in a form consistent with Section 16020, showing that the driver was in compliance with that section at the time the notice to appear for violating subdivision (a) was issued. In lieu of the personal appearance, the person may submit by mail to the court written evidence of having had financial responsibility at the time the notice to appear was issued. Upon receipt by the clerk of that written evidence of financial responsibility in a form consistent with Section 16020, further proceedings on the notice to appear for the violation of subdivision (a) shall be dismissed.

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

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

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

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

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

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

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

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

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

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

(B) Prior to relinquishing the vehicle, the legal owner may require the registered owner to pay all towing and storage charges related to impoundment and any administrative charges authorized



under Section 22850.5 that were incurred by the legal owner in connection with obtaining custody of the vehicle.

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

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

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

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

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

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

(e) (1) Except as provided in this subdivision, the court shall impose a fine that is greater than the minimum fine specified in subdivision (a) or (b), and may not reduce that fine to the minimum specified fine authorized under those provisions, unless the defendant has presented the court with evidence of financial responsibility, as defined in Section 16020, for the vehicle. In no event may the court impose a fine that is less than the minimum specified in subdivision (a) or (b), or impose a fine that exceeds the maximum specified fine authorized under those subdivisions. In addition to the fine authorized under subdivision (a) or (b), the court may issue an order directing the defendant to maintain insurance coverage satisfying the financial responsibility laws for at least one year from the date of the order.

(2) Notwithstanding any other provision of law, the imposition of the fine required under subdivision (a) or (b) is mandatory upon conviction of a violation of subdivision (a) of Section 16028 and may not be waived, suspended, or reduced below the minimum fines, unless the court in its discretion reduces or waives the fine based on the defendant's ability to pay. The court may direct that the fine and penalty assessments be paid within a limited time or in installments on specified dates. The Legislature hereby declares that it is in the interest of justice that the minimum fines set forth in subdivisions (a) and (b) for these offenses be enforced by the court, as provided in this subdivision.

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



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

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

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

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

16033. No public entity or employee, agent, or any person or organization authorized under Section 4610 to endorse receipts or validate registration cards or potential registration cards, is liable for any loss, detriment, or injury resulting, directly or indirectly, from any of the following:

(a) Failure to request evidence of financial responsibility.



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

(c) The discretionary failure to cancel, suspend, or revoke a vehicle registration when an insurance policy has been terminated.

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

SEC. 15. Section 16070 of the Vehicle Code, as amended by Section 10 of Chapter 1126 of the Statutes of 1996, is amended to read:

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

(b) Whenever the department receives an accident report pursuant to this article which alleges that any of the drivers involved in the accident was not in compliance with Section 16020 at the time of the accident, the department shall immediately mail to that driver a notice of intent to suspend the driving privilege of that driver. The department shall suspend the driving privilege 30 days after mailing the notice, unless the driver has, prior to that date, established financial responsibility at the time of the accident, as specified in Section 16021, with the department. The suspension notice shall notify the driver of the action taken and the right to a hearing under Section 16075.

SEC. 16. Section 16070 of the Vehicle Code, as added by Section 11 of the Statutes of 1996, is repealed.

SEC. 17. Section 16071 of the Vehicle Code, as amended by Section 12 of Chapter 1126 of the Statutes of 1996, is amended to read:

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

SEC. 18. Section 16071 of the Vehicle Code, as added by Section 13 of Chapter 1126 of the Statutes of 1996, is repealed.

SEC. 19. Section 16457 of the Vehicle Code, as amended by Section 14 of Chapter 1126 of the Statutes of 1996, is amended to read:

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



financial responsibility or to disclose any subsequently acquired motor vehicle.

SEC. 20. Section 16457 of the Vehicle Code, as added by Section 15 of Chapter 1126 of the Statutes of 1996, is repealed.

SEC. 21. Section 40611 of the Vehicle Code, as amended by Section 16 of Chapter 1126 of the Statutes of 1996, is amended to read:

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

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

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

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

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

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

SEC. 23. It is the intent of the Legislature that the extension of a proof-of-financial-responsibility law, as proposed by this bill, shall proceed in conjunction with the enactment of legislation that provides a low-cost motor vehicle liability insurance policy that satisfies the financial responsibility law. To that end, this bill shall become operative only if Senate Bill 171 and Senate Bill 527 are enacted and become operative on or before January 1, 2000.

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

