

**ASSEMBLY BILL**

**No. 1574**

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**Introduced by Assembly Member Chiu**  
**(Principal coauthor: Assembly Member Ting)**  
(Principal coauthor: Senator Hill)

January 4, 2016

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An act to add Sections 1042.2 and 5374.4 to the Public Utilities Code, and to add Section 1686 to the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1574, as introduced, Chiu. Vehicles of charter-party carriers of passengers and passenger stage corporations.

Existing law provides for the Department of Motor Vehicles to register vehicles used on the public streets and highways and to verify insurance coverage. Existing law provides for the Public Utilities Commission to regulate certain classes of passenger carriers, including charter-party carriers of passengers and passenger stage corporations, and to issue certificates or permits in that regard. Existing law requires the Department of the California Highway Patrol to regulate the safe operation of certain classes of vehicles, including buses and modified limousines. Existing law requires charter-party carriers of passengers and passenger stage corporations to report the vehicles they use in their operations to the commission. A violation of provisions governing charter-party carriers of passengers and passenger stage corporations is a crime.

This bill would require the Department of Motor Vehicles to notify the Public Utilities Commission when a charter-party carrier of passengers or a passenger stage corporation first registers a bus, limousine, or modified limousine with the department, and to provide

information to the commission that will allow the commission to identify the vehicle. The bill would require the commission, with respect to those newly registered buses, limousines, or modified limousines, to ensure that the vehicles meet all statutory and regulatory requirements for safe operation. The bill, upon the commission becoming aware of a bus, limousine, or modified limousine of a charter-party carrier of passengers or a passenger stage corporation that has not been reported to the commission by the carrier or corporation, would require the commission to immediately take steps to require the carrier or corporation to update its reporting of vehicles to the commission and to request the Department of the California Highway Patrol to conduct a safety inspection of the vehicle. The bill would prohibit use of such a bus, limousine, or modified limousine to transport passengers in the absence of securing a satisfactory rating from the Department of the California Highway Patrol, and would authorize a law enforcement agency to impound a bus, limousine, or modified limousine operated in violation of this provision. Because a violation of certain provisions of the bill would be a crime, this bill would impose a state-mandated local program.

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 1042.2 is added to the Public Utilities  
2 Code, to read:  
3 1042.2. (a) The commission shall, on a continuous basis, verify  
4 with the Department of Motor Vehicles that the buses, limousines,  
5 and modified limousines used by a passenger stage corporation  
6 have been reported to the commission by the carrier.  
7 (b) The commission, with respect to newly registered buses,  
8 limousines, or modified limousines of passenger stage corporations  
9 reported by the Department of Motor Vehicles to the commission  
10 pursuant to Section 1686 of the Vehicle Code, shall ensure that

1 the newly registered buses, limousines, or modified limousines  
2 meet all statutory and regulatory requirements for safe operation.

3 (c) (1) If the commission becomes aware, pursuant to Section  
4 1686, of a newly registered bus, limousine, or modified limousine  
5 of the passenger stage corporation that has not been reported to  
6 the commission by the corporation, the commission shall  
7 immediately take steps to require the corporation to update its  
8 reporting of buses, limousines, and modified limousines to the  
9 commission and to request the Department of the California  
10 Highway Patrol to conduct a safety inspection of the bus,  
11 limousine, or modified limousine.

12 (2) A passenger stage corporation may not transport passengers  
13 on a bus, limousine, or modified limousine described in paragraph  
14 (1) in the absence of securing a satisfactory rating from the  
15 Department of the California Highway Patrol for the bus,  
16 limousine, or modified limousine. A bus, limousine, or modified  
17 limousine operated in violation of this section may be impounded  
18 by a law enforcement agency.

19 (3) The commission may impose a penalty against the affected  
20 corporation for a violation of paragraph (2) and may suspend or  
21 revoke the corporation's operating certificate, as provided in this  
22 article.

23 SEC. 2. Section 5374.4 is added to the Public Utilities Code,  
24 to read:

25 5374.4. (a) The commission shall, on a continuous basis, verify  
26 with the Department of Motor Vehicles the buses, limousines, and  
27 modified limousines used by a charter-party carrier of passengers  
28 and reported to the commission by the carrier.

29 (b) The commission, with respect to newly registered buses,  
30 limousines, or modified limousines of charter-party carriers of  
31 passengers reported by the Department of Motor Vehicles to the  
32 commission pursuant to Section 1686 of the Vehicle Code, shall  
33 ensure that the newly registered buses, limousines, or modified  
34 limousines meet all statutory and regulatory requirements for safe  
35 operation.

36 (c) (1) If the commission becomes aware, pursuant to Section  
37 1686, of a newly registered bus, limousine, or modified limousine  
38 of the charter-party carrier of passengers that has not been reported  
39 to the commission by the carrier, the commission shall immediately  
40 take steps to require the carrier to update its reporting of buses,

1 limousines, and modified limousines to the commission and to  
2 request the Department of the California Highway Patrol to conduct  
3 a safety inspection of the bus, limousine, or modified limousine.

4 (2) A charter-party carrier of passengers may not transport  
5 passengers on a bus, limousine, or modified limousine subject to  
6 a safety inspection pursuant to paragraph (1) in the absence of  
7 securing a satisfactory rating from the Department of the California  
8 Highway Patrol for the bus, limousine, or modified limousine. A  
9 bus, limousine, or modified limousine operated in violation of this  
10 section may be impounded by a law enforcement agency.

11 (3) The commission may impose a penalty against the affected  
12 carrier for a violation of paragraph (2) and may suspend or revoke  
13 the carrier's operating certificate or permit, as provided in this  
14 chapter.

15 SEC. 3. Section 1686 is added to the Vehicle Code, to read:

16 1686. The department shall notify the Public Utilities  
17 Commission when a charter-party carrier of passengers or a  
18 passenger stage corporation first registers a bus, limousine, or  
19 modified limousine with the department, and shall provide  
20 information to the commission that will allow the commission to  
21 identify the vehicle.

22 SEC. 4. No reimbursement is required by this act pursuant to  
23 Section 6 of Article XIII B of the California Constitution because  
24 the only costs that may be incurred by a local agency or school  
25 district will be incurred because this act creates a new crime or  
26 infraction, eliminates a crime or infraction, or changes the penalty  
27 for a crime or infraction, within the meaning of Section 17556 of  
28 the Government Code, or changes the definition of a crime within  
29 the meaning of Section 6 of Article XIII B of the California  
30 Constitution.