

Date of Hearing: April 18, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 1574 (Chiu) – As Amended April 12, 2016

**SUBJECT:** Vehicles of charter-party carriers of passengers and passenger stage corporations

**SUMMARY:** Requires, beginning January 1, 2018, the California Public Utilities Commission (CPUC) to verify with the Department of Motor Vehicles (DMV) that the buses, limousines, and modified limousines used by a passenger stage corporation (PSC) or a charter-party carrier (CPC) has been reported and meet safety requirements. Specifically, **this bill:**

- 1) Requires CPUC to verify with DMV, on an annual basis, that buses, limousines, and modified limousines used by a PSC or CPC have been reported to CPUC by the carrier.
- 2) Requires CPUC to ensure that all newly registered buses, limousines, or modified limousines of PSCs or CPCs, reported by DMV, meet all statutory and regulatory requirements for safe operation.
- 3) Requires CPUC to take immediate steps to require the PSC or CPC to update its reporting of buses, limousines, and modified limousines to CPUC and request the Department of the California Highway Patrol (CHP) to conduct a safety inspection of the bus, limousine, or modified limousine, if CPUC become aware that the vehicle has not been reported by the carrier.
- 4) Requires every PSC and CPC to report annually to CPUC, in addition to the list of all buses, limousines, and modified limousines used in transportation for compensation by each PSC and CPC, the vehicle registration information for each vehicle.
- 5) Prohibits CPUC from issuing or continuing in effect any permit or certificate of a PSC or CPC that does not submit the vehicle registration information for each vehicle reported to CPUC.
- 6) Requires the DMV to notify the CPUC when a CPC or PSC renews or first registers a bus, limousine, or modified limousine, and provide the CPUC with information that will allow it to identify the vehicle.
- 7) Provides that the bill take effect on January 1, 2018.

**EXISTING LAW:**

- 1) Defines “passenger stage corporation” PSC as a corporation or person engaged as a common carrier, for compensation, in the ownership, control, operation, or management of any passenger stage over any public highway in the state between a fixed termini or over a regular route, as specified.
- 2) Defines “charter-party carrier of passengers” CPC as a person engaged in the transportation of persons by motor vehicle for compensation over any public highway.

- 3) Establishes the “Passenger Charter-Party Carriers Act,” which directs the CPUC to issue permits or certificates to charter-party carriers, investigate complaints against carriers, and cancel, revoke, or suspend permits and certificates for specific violations.
- 4) Requires CHP to regulate the equipment, maintenance, and safe operation of vehicles used by a PSC or CPC.
- 5) Requires CHP to inspect every maintenance facility or terminal of any person who operates any vehicle used by a PSC or CPC without this inspection having been conducted.
- 6) Requires every PSC and CPC to report annually to CPUC a list of all buses, limousines, and modified limousines used in transportation for compensation by each PSC and CPC.
- 7) Prohibits CPUC from issuing or continuing in effect any permit, certificate, or authority of a PSC that has not submitted fees required for inspection by CHP, as required.
- 8) Authorizes CPUC to suspend a PSC or CPC’s certificate or permit, or impose a fine, or both upon a first instance of a PSC or CPC failing to obtain insurance for each vehicle it reports to CPUC, and authorizes CPUC to suspend or revoke the certificate, or impose a fine, or both upon a subsequent instance.

**FISCAL EFFECT:** Unknown

**COMMENTS:** California law regulates different modes of passenger transportation for compensation including taxi services, which are regulated by cities and/or counties; and PSCs and CPCs, which are regulated by CPUC. PSCs provide transportation to the general public on an individual fare basis, such as scheduled bus operators, which are buses that operate on a fixed route and scheduled services, or airport shuttles, which operate on an on-call door-to-door share the ride service.

CPCs are a charter vehicle, on a pre-arranged basis, for the exclusive use of an individual or group. Charges are based on the mileage or time of use, or a combination of both. CPUC does not regulate the fees charged by CPCs. Types of CPCs include limousines, tour buses, sightseeing services, and charter and party buses.

AB 1574 would require DMV to notify CPUC when a CPC or PSC first registers a bus, limousine, or modified limousine, and provide CPUC with information to identify the vehicle. This bill also requires CPUC, on a continuous basis, to verify with DMV that the buses, limousines, and modified limousines used by CPCs and PSCs have been reported to CPUC.

The author introduced this bill in response to a tour bus crash in San Francisco in November 2015 that injured 20 people. According to the author, although the bus was registered with the DMV, it was not registered with the CPUC, and therefore the bus was not inspected by CHP before it went into operation. The author states that, “Ensuring full inspections and eliminating ghost buses are important steps we need to take so that tourists and residents do not become victims of regulatory loopholes.” Although the investigation into the cause of the accident is still pending, a CHP audit report released in December 2015, found multiple violations and failures on the bus operator, many mechanical in nature.

According to CPUC and DMV, there are approximately 81,824 buses registered with DMV, but only approximately 12,613 buses registered with CPUC. Although CPUC requires carriers to identify their CPC or PSC vehicles during the permitting or licensing process, according to the author not all carriers do so. In addition, DMV registers commercial vehicles but they are not required to collect information on which CPC or PSC carrier the commercial vehicle may be operating under, nor share such information with CPUC. According to the author this creates the number discrepancy between CPUC and DMV.

By requiring DMV and CPUC to collect and share identifying information, the author intends to ensure that all vehicles operated by CPCs or PSCs are properly accounted for and inspected.

*Double referral:* This bill passed out of the Assembly Utilities and Commerce Committee on March 30, 2016, with a 13-0 vote.

*Related legislation:* AB 1677 (Ting), requires CHP to develop protocols for the inspection of tour buses by local agencies. AB 1677 is scheduled to be heard by this committee on April 18, 2016.

SB 812 (Hill), requires CHP to develop inspection fees for CPCs and requires CPCs or PSCs to schedule CHP inspections, as specified. SB 812 is scheduled to be heard by the Senate Energy, Utilities and Communications Committee on April 19, 2016.

*Previous legislation:* SB 541 (Hill), Chapter 718, Statutes of 2015, codified the State Auditor report's recommendation on strengthening CPUC's oversight of transportation-related activities of household good carrier and CPCs.

SB 611 (Hill), Chapter 860, Statutes of 2014, required all modified limousines, as defined, to be equipped with two fire extinguishers and required CHP to develop and implement an inspection program for modified limousines, as specified.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Bicycle Coalition  
San Francisco Board of Supervisors  
Walk San Francisco

### **Opposition**

None on file

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