

Date of Hearing: April 26, 2017

ASSEMBLY COMMITTEE ON COMMUNICATIONS AND CONVEYANCE

Miguel Santiago, Chair

AB 25 (Nazarian) – As Amended March 21, 2017

**SUBJECT:** Tour buses: modified tour buses

**SUMMARY:** Requires the California Highway Patrol (CHP) to develop and implement an inspection and certification program for tour buses. Specifically, **this bill:**

- 1) Requires CHP to develop and implement an inspection and certification program for tour buses, by July 1, 2018.
- 2) Authorizes CHP to contract with a third party with the proper engineering background to develop the specified program.
- 3) Defines a “tour bus” to include buses that has had its roof modified or removed, or has had other major structural modifications not performed by the original manufacturer.
- 4) Prohibits a tour bus from operating without having been inspected and certified as safe as specified, after July 1, 2018.
- 5) Requires any vehicle being operated without inspection and certification after July 1, 2018, to be deemed unsafe and be removed from the highway and placed in a storage facility at the owner’s expense.
- 6) Requires CHP to request the Department of Motor Vehicles (DMV) to suspend, cancel, or revoke the registration of any tour bus that is unable to be certified as safe to operate, as specified.
- 7) Authorizes CHP to charge a fee for the reasonable costs of inspection and certification, including the development and implementation of the specified program.
- 8) Requires CHP to develop protocols to remove unsafe tour buses from California roads.
- 9) Requires an operator of a tour bus, prior to beginning a trip, to provide a specified verbal notice to passengers.
- 10) Authorizes local authorizes to adopt rules and regulations to restrict the routes or streets upon which a tour bus may be operated, if the local authority determines that it is unsafe to operate those vehicles on those routes or streets.
- 11) Authorizes local authorities to adopt rules and regulations to prohibit the use of loudspeakers or public address systems by a tour bus, and instead requires the use of headphones or similar devices by passengers for any information or presentation provided for the passengers.
- 12) Requires a tour bus to be equipped with passenger seatbelts, and requires passengers to wear seatbelts at all times while the bus is in operation.

- 13) Prohibits a person from removing or modifying seatbelts, or any safety equipment installed by the manufacturer, from a tour bus.
- 14) Authorizes the Attorney General, a district attorney, or a city attorney of the proper city, county, or city and county to recommend enforcement actions to the California Public Utilities Commission (CPUC) or the United States Department of Transportation.

**EXISTING LAW:**

- 1) Defines "charter party carriers of passengers" (CPC) as every person engaged in the transportation of person by motor vehicle for compensation, whether in common or contract carriage, over any public highway in the state. (Public Utilities Code (PUC) Section 5360)
- 2) Defines a "passenger stage corporation" (PSC) to include every corporation or person engaged as a common carrier, for compensation, in the ownership, control, operation, or management of a passenger stage over a public highway in this state between fixed termini or over a regular route, as specified. (PUC Section 226)
- 3) Establishes the "Passenger Charter-Party Carriers Act," which directs the CPUC to issue permits or certificates to CPCs, investigate complaints against carriers, and cancel, revoke, or suspend permits and certificates for specific violations. (PUC Section 5381 et seq.)
- 4) Authorizes CPUC to regulate PSCs, through the issuance of a certificate, require insurance and workers compensation, and take appropriate enforcement actions and other provisions, as specified. (PUC Sections 1031 to 1045)
- 5) Authorizes CPUC to regulate private carriers of passengers, including requiring public liability and property insurance, cargo insurance, knowledge of rates, documentation, timely reporting of revenues and payment fees, and take appropriate enforcement actions and other provisions, as specified. (PUC Sections 4000 to 4022)
- 6) Prohibits CPUC from issuing or continuing in effect any permits, certificates, or authority of a CPC or PSC that has not submitted fees required for inspect by CHP, as specified. (PUC Section 5384.1 and Section 1042)
- 7) Requires CHP to regulate the safe operation of specified motor trucks including tour buses, and establish regulation regarding equipment and operations. (Vehicle Code (VEH) Section 34500 et seq.)
- 8) Authorizes a CHP officer to impound a CPC's vehicle for 30 days if the officer determines that a violation occurred while the bus driver was operating the CPC, as specified. (VEH Section 14602.9)
- 9) Defines a "bus" as any vehicle, designed, used or maintained for carrying more than 15 persons including the driver, and any vehicle carrying more than 10 person, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group. (VEH Section 233)
- 10) Defines a "tour bus" to mean a bus, which is operated by or for a CPC or PSC. (VEH Section 612)

- 11) Requires an operator of a tour bus to, at all times when operating the tour bus, to (1) use a safety belt, and (2) report any accidents involving the tour bus to the CHP. (VEH Section 12521)

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal by the Legislative Counsel.

**COMMENTS:**

- 1) **Author's Statement:** According to the author, "In response to the steady influx of visitors, the tourism industry has become a booming segment of the state's economy. As a result, companies providing guided tours have become a staple of that industry. Some businesses, particularly in Los Angeles, are operating vehicles that have undergone significant structural modifications. For example, buses with the rooftops completely chopped off transporting tourists are commonplace throughout the city. Often times, these modifications to the roof have meant adjustments, or removal, to other vital components as well: the anchorages of seat belts, frame rails, etc. Currently, the [CHP] is unable to determine whether these tour buses with missing rooftops have compromised the structural integrity of the vehicles. Among other things, this bill will ensure the safety of passengers and drivers through the creation of an inspection program similar to the CHP's existing inspection programs."
- 2) **Background:** 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 the CPUC. PSCs are services that 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 services that charter a vehicle, on a prearranged 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. The CPUC does not regulate the fees charged by CPCs. Types of CPCs include limousines, tour buses, sightseeing services, and charter and party buses.

- 3) **CPC Permits:** The CPUC authorizes six types of certificates and permits for CPCs: Class A certificates allow charter service between any point in the state, such as roundtrip sightseeing service; Class B certificates allow charter service between any point within a 125 miles of the carrier's home terminal; Class C certificates are for transportation services that apply to commercial balloon operations, and commercial river rafting or skiing; Class P permits are restricted to vehicles under 15 passengers; Class S permits are for round trip sightseeing; and Class Z permits are for specialized transportation services not offered to the general public.

The CPUC requires CPCs to meet a number of requirements until an operating permit or certificate is issued. These requirements include providing sufficient proof of financial responsibility, maintaining a preventative maintenance program for all vehicles, possessing a safety education and training program, and regularly checking the driving records of all persons operating vehicles used in transportation for compensation.

- 4) **DMV Commercial Vehicles:** While the CPUC regulates passenger carriers, the DMV is responsible for motor vehicle registrations, including tour buses. According to the DMV, a commercial vehicle is a type of vehicle that is: 1) used or maintained for the transportation

of persons for hire, compensation, or profit, or 2) designed, used or maintained primarily for the transportation of property. Examples of commercial vehicles include, buses designed to carry more than 10 persons, when used to transport person for hire, compensation, or profit, for hire passenger vehicles such as taxi's, rental limousines, or ambulances, and pickup trucks that meet certain weight and vehicle specifications.

- 5) **NBC Hollywood Tour Vans Investigation:** In August 2016, NBC Los Angeles published a two part investigative report into the growing number of Hollywood celebrity tour companies. Aside from incorrect and false information regarding celebrities being presented by tour guides, the report found numerous safety violations, including structurally modified vans that had inoperative and missing seatbelts, distracted drivers, and overweight vehicles driving down prohibited streets. The lack of seatbelts in open top modified vans operating as tour buses, combined with a tour that generally includes numerous sudden stops is especially concerning in regards to the safety of the passengers onboard. In addition, the investigation found tour companies operating with vehicles not permitted to operate as tour buses, permit violations, drivers with suspended licenses or without a commercial license.

Current law requires tour bus operators to use seat belts and report any accidents involving the tour bus to CHP. This bill includes in the definition of a tour bus, any bus that has had its roof modified or removed, or has had other major structural modifications not performed by the original manufacturers. The bill also requires all tour buses to include seatbelts and requires passengers to wear them at all times while the bus is in operation, and prohibits anyone from removing or modifying seatbelts or any safety equipment installed by the manufacture, from a tour bus.

The author may wish to consider an amendment to tighten the definition of a tour bus to include any bus that has its roof substantially structurally modified or removed.

In addition, this bill would authorize local authorities to adopt rules and regulations to restrict the routes or streets upon which a tour bus may operate if the local authority determines that it is unsafe to operate those vehicles on those routes or streets, and prohibit the use of loudspeakers or public address systems by tour buses, as specified.

- 6) **CHP Inspections:** Currently, the CPUC requires operators of buses to undergo and pass a CHP inspection before a permit or license is issued. CPCs and PSCs are required to be inspected every 13 months by CHP and every 45 days by the tour bus operators. Terminal inspections are also required, including inspections of a vehicle's registration, the driver's licensure, and the condition of the vehicle itself. CHP is also required to conduct inspections without prior notice of any tour bus operation that have a history of noncompliance with safety laws or regulations that have received unsatisfactory ratings or that have had buses ordered out of service for safety violations. If the CHP finds that a tour bus failed to maintain any vehicle in a safe operating conditions or in compliance with specified requirements, the carrier operator may have their certificate or permit suspended, denied, or revoked by the CPUC.

This bill requires CHP to develop and implement an inspection and certification program for tour buses, including modified tour buses, by July 1, 2018. In addition, the bill prohibits any tour bus from operating after July 1, 2018, without having been inspected and certified and requires CHP to develop protocols to remove unsafe tour buses from California roads. Furthermore, the bill requires CHP to request the DMV and CPUC to suspend, denied or

revoke the registration, permit or certificate of any tour bus that is unable to be certified as safe to operate. Currently, although tour bus operators are already required to undergo and pass a CHP inspection, CHP does not specifically inspect the structural integrity of a vehicle. It is unclear whether or not CHP would have the technical expertise to do such an inspection. However, this bill would also allow CHP to contract with a third party with the proper engineering background to develop the specified inspection program.

In addition, this bill requires tour bus operators to also provide a verbal notice to passengers stating the following:

*“The National Highway Traffic Safety Administration has determined that the modifications made to this type of vehicle puts passengers at risk, and that removing the vehicle’s roof could affect the safety of the vehicle by reducing the level of protection provided to passengers in the event of a rollover crash.”*

It is unclear what effect providing a verbal notice will have on passenger safety if a tour bus is already required to pass the specified CHP safety inspection and certification program established under this bill.

7) **Suggested Amendment:**

612 (b) “Tour bus” includes a bus described in subdivision (a) that has had its roof substantially structurally modified or removed, ~~or has had other major structural modifications not performed by the original manufacturer.~~

- 8) **Arguments in Support:** According to Los Angeles Councilmember David E. Ryu, “In the City of Los Angeles, and especially in my Council District, open air tour buses have been a consistent public safety hazard. Additionally, the levels of traffic and noise caused by these unregulated buses are out of control. The City of Los Angeles has taken steps to ameliorate this issue, including instituting weight limits, working to incentivize head phone use to reduce noise pollution, and increasing enforcement of traffic infractions. However, our efforts are not able to effectively correct this issue without state action devolving additional regulatory powers to municipalities [...] [AB 25] will accomplish this goal of allowing our City, and others, to effectively regulate open air tour buses by imposing reasonable limits on how and where they can operate.”

- 9) **Prior Legislation:** AB 1677 (Ting) of 2016 requires CHP to develop protocols for the inspection of tour buses by local agencies. *Status: Chaptered by the Secretary of State – Chapter 685, Statutes of 2016.*

SB 247 (Lara) of 2016 requires a CPC engaged in charter bus transportation to ensure each vehicle operated for that purpose is equipped with specified safety features. *Status: Chaptered by the Secretary of State – Chapter 705, Statutes of 2016.*

SB 812 (Hill) of 2016 imposes additional, performance-based requirements on the inspection of tour buses. *Status: Chaptered by the Secretary of State – Chapter 711, Statutes of 2016.*

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Bus Association  
California Travel Association  
Consumer Attorneys of California  
Hollywood Hills West Neighborhood Council  
Honorable David E. Ryu, Los Angeles Councilmember  
Outpost Homeowners Association

**Opposition**

None on file.

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