

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**DIVISION OF CODES AND STANDARDS**

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INFORMATION BULLETIN MH 93-08

TO: Commercial Coach Manufacturers
Commercial Coach Dealers
Transporters
Quality Assurance Agencies
Division Staff

SUBJECT: MANUFACTURE, TRANSPORTATION, SALE, LEASE AND USE OF COMMERCIAL COACHES

In recent audits of commercial coach manufacturers and dealers we have identified significant noncompliance with laws and regulations pertaining to the manufacture, transportation, sale, lease and use of commercial coaches. In a meeting with industry representatives we were asked to provide this reminder of the applicable requirements of law and regulations.

California Health and Safety Code Division 13, Part 2 (HSC), commencing with Section 18000 (the law), establishes requirements for commercial coaches including, but not limited to, plan approval, manufacture, inspections, insignia of approval, sales by manufacturers, sales through licensed dealers, reports of sale, registration and titling, required approval of alterations, and reporting of situs change. California Code of Regulations, Title 25, Division 1, Chapter 3, Subchapter 2 (CCR T25), commencing with Section 4000 (the regulations), interprets and makes specific certain provisions of the law.

I Our audits have identified the following as the most common violations:

1. Failure to report all transfers, sales, and leases to the Department.
2. Failure to report sales and leases in a timely manner.
3. Failure to report changes in registration on units returned from leases qualifying for exempt registration status.
4. Failure to maintain current registration on inventories.
5. Failure to prepare and/or issue a Manufacturer's Certificate of Origin for each transportable section of commercial coaches manufactured.

II The following are requirements of law and regulations:

1. Insignia of Approval

(a) All commercial coaches manufactured, remanufactured, altered, used, offered for sale, rented, leased or transported in this state, must bear a Department Insignia of Approval indicating compliance with applicable Department regulations.

(b) No commercial coach may be transported from a manufacturing facility without an insignia, unless specific written approval is granted by the Department or a Department approved Quality Assurance Agency.

Exception: Commercial coaches manufactured for the federal government for use on federal lands are exempt from the insignia requirement.

References: HSC 18026 and 18029.3, and, CCR T25 Section 4032.

2. Prior Approval of Alterations

Prior to performing an alteration to the structural, fire-life safety, plumbing, mechanical or electrical systems or equipment of a commercial coach, including occupancy designation changes, Department approval is required. Applications (HCD 415) are available at either the:

* Northern Area Office
8911 Folsom Blvd.
Sacramento, CA 95826
Telephone: (916) 255-2501

* Southern Area Office
2038 Iowa Ave., Building B, Suite 102
Riverside, CA 92507
Telephone: (909) 782-4420

References: HSC Section 18025, 18029, 18029.3, and, CCR T25 Sections 4040, 4040.5, 4041, 4042

3. Registration and Titling

(a) Commercial coaches are required to be registered with and titled by the Department.

Exception: Commercial coaches installed on foundation systems pursuant to HSC, Division 13, Part 2.1, Section 18551.

(b) When annual registration on a commercial coach becomes delinquent for more than 120 days, a lien in favor of the state in the amount of all accrued fees and penalties is recorded against the commercial coach as required by law. Further, when the lien for delinquency has existed for more than one year, the Department may seize and sell the commercial coach and its contents, or any other commercial coach owned by the same person, firm or corporation to satisfy the lien.

(c) Commercial coaches leased or sold to governmental agencies are exempt from annual registration when application is made for exempt registration in the name of the governmental agency. For units leased to governmental agencies, the agency is to be registered as the "lessee" and the leasing dealer as the "lessor". Upon the expiration or termination of the lease of a unit by the exempt government agency, the unit is immediately subject to annual registration fees. These fees must be paid within 20 days of the date the lease expired or terminated to avoid registration penalties. Registration renewal fees are due on the date the unit is no longer leased to the exempt governmental agency whether or not the unit is subsequently leased or sold to another government agency. There is no exemption from annual registration fees for the period of time the unit is in the dealer's inventory.

(d) For commercial coaches subject to registration, the registered owner's copy of the registration card must be kept with the subject unit. The issued registration decal must be affixed to the front exterior wall.

References: Health and Safety Code Section 18075, 18075.5, 18075.6, 18076, 18080.4, 18092, 18116.1, 18116.2

4. Transportation

(a) To lawfully transport a new commercial coach, the unit must:

- (1) Bear insignia (For exceptions see item II, 1., above.)
- (2) Be accompanied by the appropriate copy of the Manufacturer's Certificate of Origin (No exceptions.)
- (3) Bear a Department Transportation Decal (No exceptions.)

(b) To lawfully transport a used commercial coach, the unit must:

- (1) Bear insignia (For exceptions see item II, 1., above.)
- (2) Be accompanied by the current Registration Card.

Exception: A unit being removed from a foundation system.

- (3) Bear a Department Transportation Decal (No exceptions.)

(c) When a used commercial coach subject to registration is relocated, a Notice of Situs Change, Commercial Coach (HCD Form 481.1) must be filed with the Department within 10 days of the relocation and the new situs address must be entered on the Registration Card accompanying the unit.

References: HSC Sections 18026, 18029.3, 18080.4, 18092, 18093, 18099.

5. Manufacturer and Dealer Licensing and Reporting

(a) A commercial coach manufacturer must be licensed by the Department as a manufacturer and, if selling to other than a Department licensed dealer, must also be licensed by the Department as a dealer.

(b) The manufacturer must complete and distribute a Manufacturer's Certificate of Origin for each transportable section of new commercial coaches manufactured. This requirement applies to all commercial coach sections manufactured, whether subject to registration or not.

(c) A commercial coach dealer must be licensed by the Department and must report to the Department all sales, leases with options to buy or other transfers of ownership of any and all commercial coaches on Department issued Report of Sale documents.

(d) Each transportable section of a commercial coach sold, offered for sale, rented or leased must bear insignia (For exceptions see item II, 1., above.)

(e) Each transportable section of a used commercial coach must bear a Department registration decal.

Exceptions: Taken into inventory from another state, from a federal agency or removed from a foundation system.

References: Health and Safety Code 18062.8 (p), 18080.5, 18093, 18101.5.

Manufacturers and dealers should be aware of the substantial penalties provided by law for the above described violations. These violations are misdemeanors each punishable by a fine up to \$2,000 or by imprisonment for up to 30 days, or both. Civil penalties of \$2,000 for each violation or for each day of continuing violation are applicable. In addition, the Department may, and will, issue civil citations with penalties of \$100 for each violation of, among other things, failing to meet the Report of Sale requirements of HSC Section 18080.5.

For additional information regarding commercial coach requirements, please feel free to contact:

<u>Subject</u>	<u>Telephone Number</u>
Registration and Titling	(800) 952-8356 or (916) 323-9224
Occupational Licensing	(916) 323-9803
Insignia and Standards	(916) 445-3338


Travis Pitts
Deputy Director