

S.B. NO. 170

1 "Digital network" means any online-enabled technology
2 application service, website, or system offered or utilized by a
3 transportation network company that enables the prearrangement
4 of rides with transportation network company drivers.

5 "Director" means the director of transportation.

6 "Prearranged ride" has the same meaning as defined in
7 section 431-10C-701.

8 "Transportation network company" means an entity that uses
9 a digital network or software application service to connect
10 passengers to transportation network company drivers; provided
11 that the entity:

12 (1) Does not control, direct, or manage the transportation
13 network company vehicles or transportation network
14 company drivers that connect to its digital network,
15 except where agreed to by written contract; and

16 (2) Is not a taxicab association or a for-hire vehicle
17 owner.

18 "Transportation network company rider" or "rider" means an
19 individual or persons who use a transportation network company's
20 digital network to connect with a transportation network company
21 driver who provides prearranged rides to the rider in a



1 transportation network company vehicle between destination
2 points chosen by the rider.

3 "Transportation network company vehicle" means a vehicle
4 that is:

5 (1) Used by transportation network company driver to
6 provide a prearranged ride;

7 (2) Owned, leased, or otherwise authorized for use by the
8 transportation network company driver; and

9 (3) Not operating as a taxicab, limousine, or other for-
10 hire vehicle.

11 **§ -2 Relating to other laws; commercial vehicle; for-**
12 **hire vehicle; registration; exemption.** Solely for the purposes
13 of this chapter, neither a transportation network company nor a
14 transportation network company driver shall be deemed to be a
15 common carrier by motor vehicle, a contract carrier by motor
16 vehicle, a motor carrier as defined in section 271-4, a taxicab,
17 or a for-hire vehicle service. No transportation network company
18 driver shall be required to register a transportation network
19 company vehicle as a commercial or for-hire vehicle.

20 **§ -3 Transportation network company; permit; required.**

21 (a) No person shall operate a transportation network company in



1 the State without first having obtained a permit from the
2 director. The application shall be in a form and content as
3 prescribed by the director; provided that any transportation
4 network company operating in the State before the effective date
5 of this chapter may continue operating until the director has
6 established a permitting process and sets a registration
7 deadline.

8 (b) The director shall issue a permit to each applicant
9 that satisfies the requirements for a transportation network
10 company as set forth by the director and shall collect an annual
11 permit fee of up to \$25,000 from the applicant prior to the
12 issuance of a permit.

13 **§ -4 Fare transparency.** A transportation network
14 company's fare structure shall be transparent and visible to a
15 rider before the rider confirms a ride. To satisfy the
16 requirements of this section, a transportation network company
17 shall clearly display:

- 18 (1) The fare for the prearranged ride;
19 (2) The option to receive an estimated fare for the
20 prearranged ride; or



1 (3) The basis and rate on which the fare is to be
2 calculated, and any additional fees or charges that
3 may apply.

4 § -5 **Agent for service of process.** Any transportation
5 network company in operation in the State shall maintain an
6 agent for service of process in the State.

7 § -6 **Identification of transportation network company**
8 **vehicles and drivers.** During a prearranged ride, a
9 transportation network company's digital network shall display a
10 picture of the transportation network company driver and the
11 license plate number of the transportation network company
12 vehicle.

13 § -7 **Electronic receipt.** Following the completion of a
14 trip, the transportation network company shall transmit an
15 electronic receipt on behalf of the transportation network
16 company driver that shall include the following information:

- 17 (1) The origin and destination or destinations of the
18 trip;
- 19 (2) The total time and distance of the trip; and
- 20 (3) The total fare paid.



1 § -8 Disclosure; limitations; insurance requirements.

2 The requirements of section 431-10C-703 shall apply to
3 transportation network companies and transportation network
4 company drivers.

5 § -9 Transportation network company driver requirements.

6 (a) Prior to allowing an individual to act as a transportation
7 network company driver and accept a request for a prearranged
8 ride through a transportation network company's digital network:

9 (1) The individual shall submit an application to the
10 transportation network company that shall include the
11 following information:

12 (A) The individual's address;

13 (B) The individual's age;

14 (C) A copy of the individual's valid driver's
15 license;

16 (D) A copy of the applicable motor vehicle
17 registration;

18 (E) A copy of the applicable automobile liability
19 insurance; and

20 (F) Any other information deemed necessary by the
21 transportation network company;



1 (2) The transportation network company shall conduct
2 national and local criminal background checks for each
3 applicant and each driver on an annual basis. The
4 criminal background check shall include a review of:

5 (A) A multi-state and multi-jurisdictional criminal
6 records locator or other similar commercial
7 nationwide database with validation (primary
8 source search); and

9 (B) The United States Department of Justice national
10 sex offender public website; and

11 (3) The transportation network company shall obtain and
12 review, or have a third-party entity obtain and
13 review, a driving history research report for the
14 individual.

15 (b) The transportation network company shall not permit an
16 individual to act as a transportation network company driver on
17 its digital network who:

18 (1) Has more than three moving violations within the prior
19 three years, or one of the following major violations
20 in the past three years:

21 (A) Attempting to evade the police;



- 1 (B) Reckless driving; or
- 2 (C) Driving on a suspended or revoked license;
- 3 (2) Within the past seven years has been:
- 4 (A) Convicted of any felony; or
- 5 (B) Convicted of any other misdemeanor;
- 6 (3) Is registered on the United States Department of
- 7 Justice national sex offender public website or any
- 8 publicly accessible state sex offender registry;
- 9 (4) Does not possess a valid driver's license;
- 10 (5) Does not possess proof of a current and valid
- 11 registration for the motor vehicle or vehicles used to
- 12 provide prearranged rides;
- 13 (6) Does not possess proof of valid automobile liability
- 14 insurance for the transportation network company
- 15 vehicle; or
- 16 (7) Is not at least nineteen years of age.
- 17 (c) A transportation network company driver shall be
- 18 considered an independent contractor and not an employee of a
- 19 transportation network company if all of the following
- 20 conditions are met:



- 1 (1) The transportation network company does not prescribe
2 the specific hours during which the transportation
3 network company driver is required to be logged into
4 the transportation network company's digital network;
- 5 (2) The transportation network company does not impose any
6 restrictions on the transportation network company
7 driver's ability to use other transportation network
8 companies' digital networks;
- 9 (3) The transportation network company does not restrict a
10 transportation network company driver from engaging in
11 any other occupation or business; and
- 12 (4) The transportation network company and the
13 transportation network company driver agree in writing
14 that the transportation network company driver is an
15 independent contractor.
- 16 (d) The transportation network company shall not control,
17 direct, or manage the transportation network company vehicles or
18 transportation network company drivers that connect to its
19 digital network, except where expressly agreed to by written
20 contract.



1 § -10 **Non-discriminatory; accessibility.** (a) The
2 transportation network company shall adopt a policy of
3 non-discrimination on the basis of destination, race, color,
4 national origin, religious belief or affiliation, sex,
5 disability, age, sexual orientation, or gender identity with
6 respect to riders and potential riders and shall notify the
7 transportation network company drivers of the policy.

8 (b) In addition to any policy established pursuant to
9 subsection (a), transportation network company drivers shall
10 comply with all applicable laws regarding non-discrimination
11 against riders or potential riders on the basis of destination,
12 race, color, national origin, religious belief or affiliation,
13 sex, disability, age, sexual orientation, or gender identity.

14 (c) Transportation network company drivers shall comply
15 with all applicable laws to accommodate service animals. For
16 purposes of this subsection, "service animal" shall have the
17 same meaning as that term is defined in section 347-2.5.

18 (d) A transportation network company shall not impose
19 additional charges for providing services to persons with
20 physical disabilities.



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1 § -11 **Audit procedures; confidentiality of records.** (a)

2 No more than annually, the department shall have the right to
3 visually inspect a sample of records maintained by a
4 transportation network company for the sole purpose of verifying
5 that a transportation network company is in compliance with the
6 requirements of this chapter. The sample shall be chosen
7 randomly by the department in a manner agreeable to both
8 parties. The audit shall take place at a mutually agreed upon
9 location in the State. Any record furnished to the department
10 shall exclude information that would tend to identify specific
11 drivers or riders.

12 (b) In response to a specific complaint against any
13 transportation network company driver or transportation network
14 company, the department shall be authorized to inspect records
15 held by the transportation network company that are necessary to
16 investigate and resolve the complaint. The department and
17 transportation network company shall conduct the inspection at a
18 mutually agreed upon location in the State. Any record
19 furnished to the department shall exclude information that would
20 tend to identify specific transportation network company drivers



1 or riders, unless the identity of a transportation network
2 company driver or rider is relevant to the complaint.

3 (c) Any records inspected by the department under this
4 section shall be confidential, shall not subject to disclosure
5 to a third party by the department without prior written consent
6 of the transportation network company, and shall be exempt from
7 disclosure under chapter 92F. Nothing in this section shall be
8 construed as limiting the applicability of any other exemptions
9 under chapter 92F.

10 § -12 Uniform statewide regulation. (a) This chapter
11 shall apply uniformly throughout the State and to all political
12 subdivisions of the State.

13 (b) This chapter shall supersede any ordinance or other
14 regulation adopted by a political subdivision that specifically
15 governs transportation network companies, transportation network
16 company drivers, or transportation network company vehicles,
17 including those adopted before the effective date of this
18 chapter."

19 SECTION 3. Act 236, Session Laws of Hawaii 2016, is
20 amended by amending section 6 to read as follows:



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1 "SECTION 6. This Act shall take effect upon approval;
2 provided that section 2 of this Act shall take effect on
3 September 1, 2016 [~~provided further that this Act shall be~~
4 ~~repealed on September 1, 2021]~~."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken.

7 SECTION 5. This Act shall take effect upon its approval.

8

INTRODUCED BY: _____



S.B. NO. 170

Report Title:

Transportation Network Companies; Regulation; Permitting

Description:

Establishes requirements and permitting procedures for transportation network companies operating in the State. Makes permanent insurance requirements for transportation network companies and transportation network drivers. Repeals sunset date of Act 236 (2017).

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

