
A BILL FOR AN ACT

RELATING TO TRANSPORTATION NETWORK COMPANIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that statewide regulation
3 of transportation network companies is needed to ensure the
4 safety, reliability, and cost-effectiveness of rides provided by
5 transportation network company drivers, as well as to preserve
6 and enhance access to important transportation options for
7 residents and visitors of the State.

8 The purpose of this part is to enact statewide regulation
9 of transportation network companies to provide operational
10 consistency across the State and to establish a permitting
11 process within the department of transportation.

12 SECTION 2. The Hawaii Revised Statutes is amended by
13 adding a new chapter to be appropriately designated and to read
14 as follows:

15 "CHAPTER

16 TRANSPORTATION NETWORK COMPANIES

17 § -1 Definitions. As used in this chapter:



1 "Department" means the department of transportation.

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

6 "Director" means the director of transportation.

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

9 "Transportation network company" means an entity that uses
10 a digital network or software application service to connect
11 passengers to transportation network company drivers.

12 "Transportation network company" does not include a taxicab
13 association or a for-hire vehicle owner.

14 "Transportation network company rider" or "rider" means an
15 individual or persons who use a transportation network company's
16 digital network to connect with a transportation network company
17 driver who provides prearranged rides to the rider in a
18 transportation network company vehicle between destination
19 points chosen by the rider.

20 "Transportation network company vehicle" means a vehicle
21 that is:



- 1 (1) A vehicle manufactured with seating accommodations for
- 2 eight or fewer passengers;
- 3 (2) Not a truck, truck-tractor, tractor-semitrailer
- 4 combination, or semitrailer, as those terms are
- 5 defined in section 286-2;
- 6 (3) Used by transportation network company driver to
- 7 provide a prearranged ride;
- 8 (4) Owned, leased, or otherwise authorized for use by the
- 9 transportation network company driver; and
- 10 (5) Not operating as a taxicab, limousine, or other for-
- 11 hire vehicle.

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



1 **§ -3 Transportation network company; permit required.**

2 (a) No person shall operate a transportation network company in
3 the State without first having obtained a permit from the
4 director. The application shall be in a form and content as
5 prescribed by the director; provided that any transportation
6 network company operating in the State before the effective date
7 of this chapter may continue operating until the director has
8 established a permitting process for existing transportation
9 companies and sets a permitting deadline.

10 (b) The director shall issue a permit to each applicant
11 that satisfies the requirements for a transportation network
12 company as set forth by the director and shall collect an annual
13 permit fee of up to \$25,000 from the applicant prior to the
14 issuance of a permit. The fees collected pursuant to this
15 subsection shall be deposited into the state highway fund
16 established by section 248-9.

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



- 1 (1) The fare for the prearranged ride;
- 2 (2) The option to receive an estimated fare for the
- 3 prearranged ride; or
- 4 (3) The basis and rate on which the fare is to be
- 5 calculated, and any additional fees or charges that
- 6 may apply.

7 **§ -5 Agent for service of process.** Any transportation
8 network company in operation in the State shall maintain an
9 agent for service of process in the State.

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

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

- 20 (1) The origin and destination or destinations of the
- 21 trip;



1 (2) The total time and distance of the trip; and

2 (3) The total fare paid.

3 **§ -8 Disclosure; limitations; insurance requirements.**

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

7 **§ -9 Transportation network company driver requirements.**

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

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

14 (A) The individual's address;

15 (B) The individual's age;

16 (C) A copy of the individual's valid driver's
17 license;

18 (D) A copy of the applicable motor vehicle
19 registration;

20 (E) A copy of the applicable automobile liability
21 insurance; and



- 1 (F) Any other information deemed necessary by the
2 transportation network company;
- 3 (2) The transportation network company shall conduct
4 national and local criminal background checks for each
5 applicant and each driver on an annual basis. The
6 criminal background check shall include a review of:
- 7 (A) A multi-state and multi-jurisdictional criminal
8 records locator or other similar commercial
9 nationwide database with validation (primary
10 source search); and
- 11 (B) The United States Department of Justice national
12 sex offender public website; and
- 13 (3) The transportation network company shall obtain and
14 review, or have a third-party entity obtain and
15 review, a driving history research report for the
16 individual.
- 17 (b) The transportation network company shall not permit an
18 individual to act as a transportation network company driver on
19 its digital network who:



- 1 (1) Has more than three moving violations within the prior
2 three years, or one of the following major violations
3 in the prior three years:
- 4 (A) Attempting to evade the police;
5 (B) Reckless driving; or
6 (C) Driving on a suspended or revoked license;
- 7 (2) Within the prior seven years has been:
- 8 (A) Convicted of any felony; or
9 (B) Convicted of any other misdemeanor;
- 10 (3) Is registered on the United States Department of
11 Justice national sex offender public website or any
12 publicly accessible state sex offender registry;
- 13 (4) Does not possess a valid driver's license;
- 14 (5) Does not possess proof of a current and valid
15 registration for the motor vehicle or vehicles used to
16 provide prearranged rides;
- 17 (6) Does not possess proof of valid automobile liability
18 insurance for the transportation network company
19 vehicle; or
- 20 (7) Is not at least nineteen years of age.



1 § -10 **Non-discrimination; 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.



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 could lend to the identification
11 of specific 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 could
20 lend to the identification of specific transportation network
21 company drivers or riders, unless the identity of a



1 transportation network company driver or rider is relevant to
2 the complaint.

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

20 SECTION 3. The legislature finds that Act 236, Session
21 Laws of Hawaii 2016 (Act 236), was enacted to close the



1 insurance gaps associated with transportation network companies
2 by establishing motor vehicle insurance requirements for
3 transportation network companies and transportation network
4 company drivers. Act 236 is scheduled to repeal on September 1,
5 2021.

6 Accordingly, the purpose of this part is to repeal the
7 sunset date of Act 236 and make permanent the motor vehicle
8 insurance requirements for transportation network companies and
9 transportation network company drivers.

10 SECTION 4. Act 236, Session Laws of Hawaii 2016, is
11 amended by amending section 6 to read as follows:

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

16 PART III

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken.

19 SECTION 6. This Act shall take effect on July 1, 2021.



Report Title:

Transportation Network Companies; Insurance

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. (SD2)

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

