
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 provide 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; provided
12 that the entity is not a taxicab association or a for-hire
13 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) Used by transportation network company driver to
2 provide a prearranged ride;
- 3 (2) Owned, leased, or otherwise authorized for use by the
4 transportation network company driver; and
- 5 (3) Not operating as a taxicab, limousine, or other for-
6 hire vehicle.

7 **§ -2 Relating to other laws; commercial vehicle; for-**
8 **hire vehicle; registration; exemption.** Solely for the purposes
9 of this chapter, neither a transportation network company nor a
10 transportation network company driver shall be deemed to be a
11 common carrier by motor vehicle, a contract carrier by motor
12 vehicle, a motor carrier as defined in section 271-4, a taxicab,
13 or a for-hire vehicle service. No transportation network company
14 driver shall be required to register a transportation network
15 company vehicle as a commercial or for-hire vehicle.

16 **§ -3 Transportation network company; permit; required.**

17 (a) No person shall operate a transportation network company in
18 the State without first having obtained a permit from the
19 director. The application shall be in a form and content as
20 prescribed by the director; provided that any transportation
21 network company operating in the State before the effective date



1 of this chapter may continue operating until the director has
2 established a permitting process and sets a registration
3 deadline.

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

9 § -4 **Fare transparency.** A transportation network
10 company's fare structure shall be transparent and visible to a
11 rider before the rider confirms a ride. To satisfy the
12 requirements of this section, a transportation network company
13 shall clearly display:

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



1 **§ -5 Agent for service of process.** Any transportation
2 network company in operation in the State shall maintain an
3 agent for service of process in the State.

4 **§ -6 Identification of transportation network company**
5 **vehicles and drivers.** During a prearranged ride, a
6 transportation network company's digital network shall display a
7 picture of the transportation network company driver and the
8 license plate number of the transportation network company
9 vehicle.

10 **§ -7 Electronic receipt.** Following the completion of a
11 trip, the transportation network company shall transmit an
12 electronic receipt on behalf of the transportation network
13 company driver that shall include the following information:

- 14 (1) The origin and destination or destinations of the
15 trip;
16 (2) The total time and distance of the trip; and
17 (3) The total fare paid.

18 **§ -8 Disclosure; limitations; insurance requirements.**
19 The requirements of section 431-10C-703 shall apply to
20 transportation network companies and transportation network
21 company drivers.



1 § -9 Transportation network company driver requirements.

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

5 (1) The individual shall submit an application to the
6 transportation network company that shall include the
7 following information:

8 (A) The individual's address;

9 (B) The individual's age;

10 (C) A copy of the individual's valid driver's
11 license;

12 (D) A copy of the applicable motor vehicle
13 registration;

14 (E) A copy of the applicable automobile liability
15 insurance; and

16 (F) Any other information deemed necessary by the
17 transportation network company;

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



1 (A) A multi-state and multi-jurisdictional criminal
2 records locator or other similar commercial
3 nationwide database with validation (primary
4 source search); and

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

7 (3) The transportation network company shall obtain and
8 review, or have a third-party entity obtain and
9 review, a driving history research report for the
10 individual.

11 (b) The transportation network company shall not permit an
12 individual to act as a transportation network company driver on
13 its digital network who:

14 (1) Has more than three moving violations within the prior
15 three years, or one of the following major violations
16 in the past three years:

17 (A) Attempting to evade the police;

18 (B) Reckless driving; or

19 (C) Driving on a suspended or revoked license;

20 (2) Within the past seven years has been:

21 (A) Convicted of any felony; or



- 1 (B) Convicted of any other misdemeanor;
- 2 (3) Is registered on the United States Department of
- 3 Justice national sex offender public website or any
- 4 publicly accessible state sex offender registry;
- 5 (4) Does not possess a valid driver's license;
- 6 (5) Does not possess proof of a current and valid
- 7 registration for the motor vehicle or vehicles used to
- 8 provide prearranged rides;
- 9 (6) Does not possess proof of valid automobile liability
- 10 insurance for the transportation network company
- 11 vehicle; or
- 12 (7) Is not at least nineteen years of age.

13 § -10 **Non-discriminatory; accessibility.** (a) The
14 transportation network company shall adopt a policy of
15 non-discrimination on the basis of destination, race, color,
16 national origin, religious belief or affiliation, sex,
17 disability, age, sexual orientation, or gender identity with
18 respect to riders and potential riders and shall notify the
19 transportation network company drivers of the policy.

20 (b) In addition to any policy established pursuant to
21 subsection (a), transportation network company drivers shall



1 comply with all applicable laws regarding non-discrimination
2 against riders or potential riders on the basis of destination,
3 race, color, national origin, religious belief or affiliation,
4 sex, disability, age, sexual orientation, or gender identity.

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

9 (d) A transportation network company shall not impose
10 additional charges for providing services to persons with
11 physical disabilities.

12 § -11 Audit procedures; confidentiality of records. (a)
13 No more than annually, the department shall have the right to
14 visually inspect a sample of records maintained by a
15 transportation network company for the sole purpose of verifying
16 that a transportation network company is in compliance with the
17 requirements of this chapter. The sample shall be chosen
18 randomly by the department in a manner agreeable to both
19 parties. The audit shall take place at a mutually agreed upon
20 location in the State. Any record furnished to the department



1 shall exclude information that would tend to identify specific
2 drivers or riders.

3 (b) In response to a specific complaint against any
4 transportation network company driver or transportation network
5 company, the department shall be authorized to inspect records
6 held by the transportation network company that are necessary to
7 investigate and resolve the complaint. The department and
8 transportation network company shall conduct the inspection at a
9 mutually agreed upon location in the State. Any record
10 furnished to the department shall exclude information that would
11 tend to identify specific transportation network company drivers
12 or riders, unless the identity of a transportation network
13 company driver or rider is relevant to the complaint.

14 (c) Any records inspected by the department under this
15 section shall be confidential, shall not be subject to
16 disclosure to a third party by the department without prior
17 written consent of the transportation network company, and shall
18 be exempt from disclosure under chapter 92F. Nothing in this
19 section shall be construed as limiting the applicability of any
20 other exemptions under chapter 92F.



1 § -12 Uniform statewide regulation. (a) This chapter
2 shall apply uniformly throughout the State and to all political
3 subdivisions of the State.

4 (b) This chapter shall supersede any ordinance or other
5 regulation adopted by a political subdivision that specifically
6 governs transportation network companies, transportation network
7 company drivers, or transportation network company vehicles,
8 including those adopted before the effective date of this
9 chapter."

10 PART II

11 SECTION 3. The legislature finds that Act 236, Session
12 Laws of Hawaii 2016 (Act 236), was enacted to close the
13 insurance gaps associated with transportation network companies
14 by establishing motor vehicle insurance requirements for
15 transportation network companies and transportation network
16 company drivers. Act 236 is scheduled to repeal on September 1,
17 2021.

18 Accordingly, the purpose of this part is to repeal the
19 sunset date of Act 236 and make permanent the motor vehicle
20 insurance requirements for transportation network companies and
21 transportation network company drivers.



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

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

7 PART III

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken.

10 SECTION 6. This Act shall take effect upon its approval.



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. (SD1)

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

