
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 establish a permitting process
11 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 prearranged rides
5 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 driver" or "driver" means a
15 person who operates a transportation network company vehicle
16 used to transport a rider between points chosen by the rider and
17 prearranged through a transportation network company.

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



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

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

5 (1) Manufactured with seating accommodations for eight or
6 fewer passengers;

7 (2) Not a truck, truck-tractor, tractor-semitrailer
8 combination, or semitrailer, as those terms are
9 defined in section 286-2;

10 (3) Used by transportation network company driver to
11 provide a prearranged ride;

12 (4) Owned, leased, or otherwise authorized for use by the
13 transportation network company driver; and

14 (5) Not operating as a taxicab, limousine, or other for-
15 hire vehicle.

16 § -2 Relation to other laws; commercial vehicle; for-
17 hire vehicle; registration; exemption. Neither a transportation
18 network company nor a transportation network company driver shall
19 be considered a motor carrier under chapter 271. No
20 transportation network company driver shall be required to



1 register a transportation network company vehicle as a
2 commercial or for-hire vehicle.

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

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

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

19 **§ -4 Fare transparency.** A transportation network
20 company's fare structure shall be transparent and visible to a
21 rider before the rider confirms a ride. To satisfy the



1 requirements of this section, a transportation network company
2 shall clearly display:

3 (1) The fare for the prearranged ride;

4 (2) The option to receive an estimated fare for the
5 prearranged ride; or

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

9 **§ -5 Agent for service of process.** Any transportation
10 network company operating in the State shall maintain an agent
11 for service of process in the State.

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

18 **§ -7 Electronic receipt.** Following the completion of a
19 prearranged ride, the transportation network company shall
20 transmit an electronic receipt on behalf of the transportation
21 network company driver that includes the following information:



(1) The origin and destination or destinations of the
prearranged ride;

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

(3) The total fare paid.

§ -8 Disclosure; limitations; insurance requirements.

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

§ -9 Transportation network company driver requirements.

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

(1) The individual shall submit an application to the
transportation network company that includes the
following information:

(A) The individual's address;

(B) The individual's age;

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

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



1 (E) A copy of the applicable motor vehicle insurance;

2 (F) A copy of the individual's general excise tax
3 license; and

4 (G) Any other information deemed necessary by the
5 transportation network company;

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

10 (A) A multi-state and multi-jurisdictional criminal
11 records locator or other similar commercial
12 nationwide database with validation (primary
13 source search); and

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

16 (3) The transportation network company shall obtain and
17 review, or have a third-party entity obtain and
18 review, a driving history research report for the
19 individual.



1 (b) The transportation network company shall not permit an
2 individual to act as a transportation network company driver on
3 its digital network who:

4 (1) Has more than three moving violations within the prior
5 three years, or one of the following major violations
6 in the prior three years:

7 (A) Attempting to evade the police;

8 (B) Reckless driving; or

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

10 (2) Within the prior seven years has been:

11 (A) Convicted of any felony; or

12 (B) Convicted of any misdemeanor relating to driving,
13 acts of violence, or sexual offenses;

14 (3) Is registered on the United States Department of
15 Justice national sex offender public website or any
16 publicly accessible state sex offender registry;

17 (4) Does not possess a valid driver's license;

18 (5) Does not possess proof of a current and valid
19 registration for the motor vehicle or vehicles used to
20 provide prearranged rides;



(6) Does not possess proof of valid motor vehicle insurance for the transportation network company vehicle; or

(7) Is not at least nineteen years of age.

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

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

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



1 (d) A transportation network company shall not impose
2 additional charges for providing services to persons with
3 physical disabilities.

4 § -11 Audit procedures; confidentiality of records. (a)
5 No more than annually, the department shall have the right to
6 visually inspect a sample of records maintained by a
7 transportation network company for the sole purpose of verifying
8 that a transportation network company is in compliance with the
9 requirements of this chapter. The sample shall be chosen
10 randomly by the department in a manner agreeable to both
11 parties. The audit shall take place at a mutually agreed upon
12 location in the State. Any record furnished to the department
13 shall exclude information that could lend to the identification
14 of specific transportation network company drivers or riders.

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



1 furnished to the department shall exclude information that could
2 lend to the identification of specific transportation network
3 company drivers or riders unless the identity of a
4 transportation network company driver or rider is relevant to
5 the complaint.

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

13 § -12 Uniform statewide regulation. (a) This chapter
14 shall apply uniformly throughout the State and to all political
15 subdivisions of the State.

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



PART II

SECTION 3. The legislature finds that Act 236, Session Laws of Hawaii 2016 (Act 236), was enacted to close the insurance gaps associated with transportation network companies by establishing motor vehicle insurance requirements for transportation network companies and transportation network company drivers. Act 236 was scheduled to repeal on September 1, 2021. Act 132, Session Laws of Hawaii 2021 (Act 132), extended the repeal date to September 1, 2023.

Accordingly, the purpose of this part is to repeal the sunset date of Act 236, as amended by Act 132, and make permanent the motor vehicle insurance requirements for transportation network companies and transportation network company drivers.

SECTION 4. Act 236, Session Laws of Hawaii 2016, section 6, as amended by Act 132, Session Laws of Hawaii 2021, section 2, is amended to read as follows:

"SECTION 6. This Act shall take effect upon its approval; provided that section 2 of this Act shall take effect on September 1, 2016[; ~~provided further that this Act shall be repealed on September 1, 2023~~]."



H.B. NO. 1681

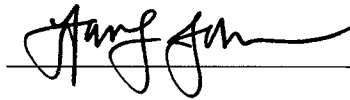
1 PART III

2 SECTION 5. Statutory material to be repealed is bracketed
3 and stricken.

4 SECTION 6. This Act shall take effect on July 1, 2022.

5

INTRODUCED BY:



JAN 21 2022



H.B. NO. 1681

Report Title:

Transportation Network Companies; Transportation Network Company Drivers; Regulation; Permits; Motor Vehicle 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.

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

