

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 driver" has the same
15 meaning as in section 431:10C-701.

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



1 "Transportation network company vehicle" means a vehicle
2 that is:

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

14 **§ -2 Relation to other laws; commercial vehicle;**
15 **for-hire vehicle; registration; exemption.** Solely for the
16 purposes of this chapter, neither a transportation network
17 company nor a transportation network company driver shall be
18 deemed to be a common carrier by motor vehicle, a contract
19 carrier by motor vehicle, a motor carrier as defined in section
20 271-4, a taxicab, or a for-hire vehicle service. No
21 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 for which shall be in a form and
7 content as prescribed by the director; provided that any
8 transportation network company operating in the State before the
9 effective date of this chapter may continue operating until the
10 director has established a permitting process for existing
11 transportation 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.** Prior to a rider confirming a
20 ride, each transportation network company shall clearly display
21 its fare structure and:



- 1 (1) The fare for the upcoming ride;
- 2 (2) The option to receive an estimated fare for the
- 3 upcoming ride; or
- 4 (3) The basis and rate on which the subject 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 each prearranged ride, the
12 transportation network company's digital network shall display
13 an image 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 accept 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 each year
4 conduct national and local criminal background checks
5 for each applicant and each driver. The criminal
6 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 past three years:
 - 4 (A) Attempting to evade police;
 - 5 (B) Reckless driving; or
 - 6 (C) Driving on a suspended or revoked license;
- 7 (2) Within the past seven years has been:
 - 8 (A) Convicted of any felony; or
 - 9 (B) Convicted of any misdemeanor relating to driving,
10 violent, or sexual offenses;
- 11 (3) Is registered on the United States Department of
12 Justice national sex offender public website or any
13 publicly accessible state sex offender registry;
- 14 (4) Does not possess a valid driver's license;
- 15 (5) Does not possess proof of a current and valid
16 registration for the motor vehicle or vehicles used to
17 provide prearranged rides;
- 18 (6) Does not possess proof of valid automobile liability
19 insurance for the transportation network company
20 vehicle; or
- 21 (7) Is not at least nineteen years of age.



1 § -10 **Nondiscrimination; accessibility.** (a) The
2 transportation network company shall adopt a policy of
3 nondiscrimination 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 nondiscrimination
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.

16 For purposes of this subsection, "service animal" has 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 Not more than annually, the department may visually inspect and
3 audit a sample of records maintained by a transportation network
4 company for the sole purpose of verifying that a transportation
5 network company complies with the requirements of this chapter.
6 The sample shall be chosen randomly by the department in a
7 manner agreeable to both parties. The audit shall take place at
8 a mutually agreed upon location in the State. Any record
9 furnished to the department shall exclude information that would
10 tend to identify specific drivers or riders.

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



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

8 § -12 Uniform statewide regulation. (a) This chapter
 9 shall apply uniformly throughout the State and in all political
 10 subdivisions of the State.

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

PART II

17
 18 SECTION 3. The legislature finds that Act 236, Session
 19 Laws of Hawaii 2016 (Act 236), was enacted to close the
 20 insurance gaps associated with transportation network companies
 21 by establishing motor vehicle insurance requirements for

1 transportation network companies and transportation network
2 company drivers. Act 236 is scheduled to repeal on September 1,
3 2021.

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

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

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

15 PART III

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

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

19

INTRODUCED BY: *Car*



S.B. NO. 2542

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.

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