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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 3032

- 02/26/2018 Authored by Layman, Loon, Hoppe, Garofalo, Swedzinski and others
- The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform
- 03/08/2018 Adoption of Report: Amended and re-referred to the Committee on Civil Law and Data Practices Policy
- 03/15/2018 Adoption of Report: Amended and re-referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act

1.2 relating to consumer protection; regulating transportation network companies;

1.3 amending Minnesota Statutes 2016, sections 13.712, by adding a subdivision;

1.4 221.012, subdivision 38; proposing coding for new law in Minnesota Statutes,

1.5 chapter 325F.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2016, section 13.712, is amended by adding a subdivision

1.8 to read:

1.9 Subd. 6. **Transportation network company.** Data obtained by the commissioner from

1.10 a transportation network company is governed by section 325F.663, subdivision 11.

1.11 Sec. 2. Minnesota Statutes 2016, section 221.012, subdivision 38, is amended to read:

1.12 Subd. 38. **Small vehicle passenger service.** (a) "Small vehicle passenger service" means

1.13 a service provided by a person engaged in the for-hire transportation of passengers in a

1.14 vehicle designed to transport seven or fewer persons, including the driver.

1.15 (b) In the metropolitan area as defined in section 473.121, subdivision 2, "small vehicle

1.16 passenger service" also includes for-hire transportation of persons who are certified by the

1.17 Metropolitan Council to use special transportation service provided under section 473.386,

1.18 in a vehicle designed to transport not more than 15 persons including the driver, that is

1.19 equipped with a wheelchair lift and at least three wheelchair securement positions.

1.20 (c) Small vehicle passenger service does not include a motor carrier of railroad employees

1.21 or service provided by a transportation network company, as defined in section 65B.472,

1.22 subdivision 1.

2.1 Sec. 3. **[325F.663] TRANSPORTATION NETWORK COMPANIES.**

2.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
2.3 the meanings given.

2.4 (b) "Commissioner" means the commissioner of commerce.

2.5 (c) "Digital identification" means information stored on a transportation network
2.6 company's digital network that:

2.7 (1) is accessible by a driver;

2.8 (2) serves as evidence of the identity of the driver;

2.9 (3) serves as evidence of the insurance coverage required under section 65B.472;

2.10 (4) displays a photo of the driver;

2.11 (5) displays an image of the make and model of the transportation network company
2.12 vehicle; and

2.13 (6) identifies the make and model, as well as the license plate number, of the TNC
2.14 vehicle.

2.15 (d) "Digital network" has the meaning given in section 65B.472, subdivision 1.

2.16 (e) "Prearranged ride" has the meaning given in section 65B.472, subdivision 1.

2.17 (f) "Transportation network company" or "TNC" has the meaning given in section
2.18 65B.472, subdivision 1.

2.19 (g) "Transportation network company driver" or "driver" has the meaning given in
2.20 section 65B.472, subdivision 1. Transportation network company drivers are not common
2.21 carriers or motor carriers under chapter 221.

2.22 (h) "Transportation network company rider" or "rider" has the meaning given in section
2.23 65B.472, subdivision 1.

2.24 (i) "Transportation network company vehicle" or "TNC vehicle" has the meaning given
2.25 to "personal vehicle" in section 65B.472, subdivision 1.

2.26 Subd. 2. Transportation network company account. (a) A transportation network
2.27 company account is established in the special revenue fund. The account consists of fees
2.28 collected under subdivision 3 and funds donated, allotted, transferred, or otherwise provided
2.29 to the account.

3.1 (b) Subject to appropriations made in law, the commissioner may use funds in the account
3.2 to pay administrative costs related to this section.

3.3 Subd. 3. **Transportation network company; general operating requirements.** (a) In
3.4 order to operate in Minnesota, a transportation network company must obtain a license from
3.5 the commissioner.

3.6 (b) The commissioner must issue a license to a transportation network company that
3.7 meets the requirements of this section and pays an annual fee of \$5,000. The annual fee
3.8 covers all of a transportation network company's drivers. The commissioner is prohibited
3.9 from requiring a per-driver or per-vehicle fee.

3.10 (c) A transportation network company must (1) be authorized or registered to do business
3.11 in Minnesota, and (2) maintain an agent for service of process in Minnesota.

3.12 Subd. 4. **Transportation network company; fare requirements.** (a) A transportation
3.13 network company may charge a fare for a prearranged ride provided to a rider if the
3.14 transportation network company discloses the fare or fare calculation method to the rider
3.15 via the digital network. If the fare is not disclosed to the rider before the prearranged ride
3.16 begins, the transportation network company must provide the rider with the option to receive
3.17 an estimated fare before the rider enters a TNC vehicle.

3.18 (b) Any payment by a rider for a prearranged ride by a driver must be made electronically
3.19 through the digital network.

3.20 (c) A transportation network company must provide the following to a rider before the
3.21 rider enters a TNC vehicle:

3.22 (1) the driver's first name;

3.23 (2) the make, model, and license plate number of the TNC vehicle; and

3.24 (3) the method by which the transportation network company calculates the applicable
3.25 rate or fare being charged.

3.26 (d) Within a reasonable time following the completion of a prearranged ride, the
3.27 transportation network company must transmit a receipt to the rider through electronic mail,
3.28 text message, or other electronic means. The receipt must include:

3.29 (1) the origin and destination of the trip;

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

3.31 (3) an itemization of the total fare paid, if any.

4.1 Subd. 5. Driver qualifications. (a) Before permitting any individual to act as a driver,
4.2 a transportation network company must:

4.3 (1) confirm that the individual is at least 19 years of age, holds a valid driver's license,
4.4 and possesses proof of registration and has a plan of reparation security under section 65B.48
4.5 for the TNC vehicle;

4.6 (2) conduct a local, state, and national background check of the individual, including a
4.7 query of (i) the multistate/multijurisdiction criminal records locator or other similar
4.8 commercial national database, and (ii) the U.S. Department of Justice national sex offender
4.9 public Web site; and

4.10 (3) obtain and review a driving history report for the individual.

4.11 (b) A transportation network company must not permit an individual to act as a driver
4.12 if the individual:

4.13 (1) has been convicted of more than three moving violations, as defined in section 171.04,
4.14 subdivision 1, within the past three years;

4.15 (2) has been convicted of a violation under any of the following within the past three
4.16 years:

4.17 (i) section 609.487, subdivision 3 or 4; or

4.18 (ii) section 171.24;

4.19 (3) has had a driver's license revoked pursuant to section 171.17, subdivision 1, or
4.20 suspended pursuant to section 171.18, subdivision 1, within the past three years;

4.21 (4) has been convicted of any of the following within the past seven years:

4.22 (i) a felony;

4.23 (ii) a misdemeanor or gross misdemeanor violation of chapter 152;

4.24 (iii) any violation of section 169.09, subdivision 14; 169.13; 169.21, subdivision 2,
4.25 paragraph (c); 169.444, subdivision 2, paragraph (b); 169A.20, subdivision 1 or 2; or
4.26 169A.31; or

4.27 (iv) a misdemeanor or gross misdemeanor violation of section 518B.01, subdivision 14;
4.28 609.2113; 609.2231; 609.224; 609.2242; 609.231; 609.2325; 609.233; 609.255; 609.324;
4.29 609.3243; 609.3451; 609.377; 609.378; 609.50; 609.52; 609.5631; 609.5632; 609.582;
4.30 609.591; 609.593; 609.594; 609.595; 609.596; 609.597; 609.66; 609.661; 609.665; 609.71;

5.1 609.713; 609.746; 609.748; 609.749; 609.7495; 609.78; 609.79, subdivision 1, clause (1),
5.2 item (i); or 629.75, subdivision 2; or

5.3 (5) is listed on the U.S. Department of Justice national sex offender public Web site.

5.4 **Subd. 6. Driver operating requirements.** (a) A driver is prohibited from:

5.5 (1) providing prearranged rides unless the rider has been matched to the driver through
5.6 the digital network;

5.7 (2) soliciting a ride or accepting a street hail request for a ride; or

5.8 (3) soliciting or accepting cash payments for a fare from a rider.

5.9 (b) A driver must display a consistent and distinctive sign or emblem, that has been
5.10 approved by the commissioner, on the TNC vehicle at all times while the driver is active
5.11 on the digital network. The sign or emblem must:

5.12 (1) be sufficiently large and color-contrasted to be readable during daylight hours from
5.13 a distance of at least 50 feet;

5.14 (2) be reflective, illuminated, or otherwise visible in dark conditions; and

5.15 (3) sufficiently identify a TNC vehicle as being associated with the transportation network
5.16 company.

5.17 (c) A driver may refuse to transport a rider if the rider acts in an unlawful, disorderly,
5.18 or endangering manner.

5.19 (d) Upon request of a peace officer, a driver must display digital identification and
5.20 electronic evidence that the rider was matched through the digital network. If the information
5.21 described in this paragraph is contained on an electronic device, the driver is not required
5.22 to relinquish possession of the electronic device.

5.23 **Subd. 7. TNC vehicle requirements.** (a) Before permitting a TNC vehicle to be used
5.24 to provide prearranged rides, a transportation network company must conduct or confirm
5.25 that the TNC vehicle has undergone and passed a safety inspection.

5.26 (b) At a minimum, the safety inspection must evaluate the following components of the
5.27 vehicle:

5.28 (1) brake system;

5.29 (2) parking brakes;

5.30 (3) steering mechanism;

- 6.1 (4) windshield;
- 6.2 (5) rear window and other glass;
- 6.3 (6) windshield wipers;
- 6.4 (7) headlights;
- 6.5 (8) taillights;
- 6.6 (9) brake lights;
- 6.7 (10) turn signal lights;
- 6.8 (11) doors;
- 6.9 (12) front seat adjustment mechanism;
- 6.10 (13) horn;
- 6.11 (14) speedometer;
- 6.12 (15) bumpers;
- 6.13 (16) muffler and exhaust system;
- 6.14 (17) tires, including tread depth;
- 6.15 (18) interior and exterior mirrors; and
- 6.16 (19) safety belts.

6.17 Subd. 8. **Zero-tolerance intoxicating substance policy.** (a) A transportation network
6.18 company must implement a zero-tolerance intoxicating substance policy for drivers that
6.19 prohibits any amount of driver intoxication while providing a prearranged drive. The
6.20 transportation network company must include on its Web site a notice concerning the
6.21 transportation network company's intoxicating substance policy and include a means for a
6.22 rider or another individual to submit a complaint regarding a suspected violation of the
6.23 policy.

6.24 (b) Upon receipt of a rider complaint alleging a violation of the intoxicating substance
6.25 policy, the transportation network company must immediately suspend the driver's access
6.26 to the digital network and conduct an investigation into the reported incident. At a minimum,
6.27 the suspension must last for the duration of the investigation.

6.28 Subd. 9. **Nondiscrimination and accessibility.** (a) A transportation network company
6.29 must implement a policy that prohibits discrimination on the basis of destination, race, color,
6.30 national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or

7.1 gender identity with respect to all potential riders. The policy must also prohibit drivers
7.2 from refusing to provide service to an individual with a service animal.

7.3 (b) A transportation network company must notify all drivers of the nondiscrimination
7.4 policy. All drivers must comply with the nondiscrimination policy.

7.5 (c) A transportation network company is prohibited from imposing any additional charge
7.6 on a rider with a physical disability because of the disability.

7.7 (d) A transportation network company must provide a rider an opportunity to indicate
7.8 whether the rider requires a wheelchair-accessible vehicle. If a wheelchair-accessible vehicle
7.9 cannot be provided, the transportation network company must direct the requesting rider to
7.10 an alternate provider of wheelchair-accessible service, if one is available.

7.11 Subd. 10. **Records; retention.** (a) A transportation network company must maintain
7.12 records documenting compliance with the requirements of this section for two years from
7.13 the date of documentation.

7.14 (b) The commissioner must provide an electronic means to submit all data required
7.15 under this section.

7.16 Subd. 11. **Data practices; liability.** (a) Data disclosed to the commissioner by a
7.17 transportation network company, including the names, addresses, and any other personally
7.18 identifiable information of drivers or riders, is nonpublic data or private data on individuals,
7.19 as defined in section 13.02, subdivisions 9 and 12. If data provided to the commissioner
7.20 pursuant to this section is sought through a court order or subpoena, the commissioner must
7.21 promptly notify the transportation network company. If there is a breach of the security of
7.22 the data as provided under section 13.055, the commissioner must notify the transportation
7.23 network company in the same manner as provided for individuals under that section.

7.24 (b) A transportation network company is not civilly or criminally liable for a violation
7.25 of chapter 13 by the commissioner.

7.26 Subd. 12. **Uniform statewide regulation.** (a) This section applies uniformly throughout
7.27 the state and in all political subdivisions.

7.28 (b) This section supersedes any ordinance or other regulation adopted by a political
7.29 subdivision that specifically governs transportation network companies, drivers, or TNC
7.30 vehicles, including those adopted before the effective date of this section.

7.31 (c) A political subdivision is prohibited from:

8.1 (1) imposing any fee on a transportation network company, driver, or TNC vehicle if
8.2 the fee relates to (i) providing prearranged rides, (ii) entry into the jurisdiction of the political
8.3 subdivision, or (iii) operations of the transportation network company; or

8.4 (2) requiring a transportation network company or driver to obtain a business license or
8.5 other similar authorization to operate within the political subdivision's jurisdiction.

8.6 (d) An airport is prohibited from imposing any regulatory or licensing requirement that
8.7 supplements or is inconsistent with the requirements in this section, except that an airport
8.8 may:

8.9 (1) charge reasonable fees for use of the airport or its facilities;

8.10 (2) require that a transportation network company enter into an agreement with or
8.11 otherwise obtain authorization from an airport prior to allowing TNC drivers to pick up
8.12 passengers at the airport; and

8.13 (3) adopt reasonable regulations governing the operation of TNC vehicles at the airport,
8.14 including procedures governing staging, dropping off or picking up passengers at the airport,
8.15 or use of airport facilities.

8.16 **Sec. 4. EFFECTIVE DATE.**

8.17 Sections 1 to 3 are effective January 1, 2019, and apply to transportation network
8.18 companies in operation on or after that date.