

Subject Transportation Network Company Regulation

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Overview

This bill creates a new chapter 181C for the purpose of regulating transportation network companies or TNCs. Provisions include establishment of minimum compensation for drivers and deactivation procedures, as well as requirements for notice and pay transparency, discrimination and retaliation, and enforcement, among others.

Summary

Section Description

- 1 **[65B.472] Transportation network financial responsibility.**
- Subd. 1. Definitions.** Defines disability and income loss benefits, driver time periods, funeral and burial expenses, medical expense benefits, personal injury, replacement services loss benefits, survivors economic loss benefits, and survivor replacement services loss benefits. Adds and corrects cross-references.
- Subd. 2. Maintenance of transportation network financial responsibility.** Requires TNCs to provide a blanket accident and sickness insurance policy that provides at least \$1 million in benefits for personal injuries to drivers that are not otherwise covered by auto insurance. Adds requirements for insurers that issue accident and sickness policies under this section. Requires that, if one or more TNC blanket accident and sickness policies cover an injury, the TNC against whom the claim is filed pays a pro rata share. Reduces amounts payable under the blanket accident and sickness coverage by amounts paid or payable due to underinsured/uninsured motorist coverage.
- Subd. 3. Disclosure to transportation network company drivers.** Corrects cross-references.
- Subd. 4. Automobile insurance provisions.** Corrects cross-references.

Section	Description
	Effective date: This section is effective January 1, 2025.
2	<p>[181C.01] Definitions.</p> <p>Provides the definitions used for the new chapter 181C regulating transportation network companies. Where applicable, terms have been defined by referencing definitions in chapter 65B.</p>
3	<p>[181C.02] Notice and pay transparency.</p> <p>Requires a TNC to provide several notices to TNC drivers related to payment policies, minimum compensation requirements, trip assignments, daily and weekly receipts, and rights and remedies available.</p> <p>Subd. 1. Compensation notice. Requires a TNC to provide notice to a driver when their account is activated and annually each year advising the driver of minimum compensation required under section 4, any applicable payment policies, including frequency and manner of pay, rights and remedies available for payment violations, and the right to elect certain paid leave benefits when applicable. The notice must be written in plain language and available in the required languages.</p> <p>Subd. 2. Assignment notice. Requires a TNC to provide sufficient notice time for a driver to review a potential ride offer, which must include the estimated travel time and mileage to the pickup location and for the trip, and estimated trip compensation.</p> <p>Subd. 3. Daily trip receipt. Requires a daily receipt from the TNC to the driver within 24 hours of a trip with specified information, including time and mileage, pickup and dropoff locations, total fares paid, and the itemized total compensation to the driver, including rate of pay, and any multiplier, gratuities, or costs charged.</p> <p>Subd. 4. Weekly summary. Requires a weekly summary from the TNC providing specified information about the week prior, including total time the driver was logged in, total time and mileage, total fares, and total compensation, including any gratuities.</p>
4	<p>[181C.03] Minimum compensation.</p> <p>Establishes minimum compensation for TNC drivers in a per minute, per mile format. Sets rates for the metro and greater Minnesota and requires an additional amount for wheelchair accessible vehicles. Amounts are currently blank. Drivers must be paid at least \$5 for any ride provided. Requires payment to drivers at least every 14 days of at least the minimum compensation amount. Any gratuities are additional to the minimum and must be paid by the next scheduled paycheck. Fares must be paid to a</p>

Section	Description
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driver regardless of whether they are actually collected. And minimum compensation will be adjusted for inflation starting January 1, 2026.

5 **[181C.04] Deactivation.**

Provides that a TNC must have a written and easy to read deactivation policy that outlines how the company suspends or terminates a driver's ability to work for the TNC. The TNC has to provide a copy of the policy to the drivers each year in many commonly spoken languages.

Deactivation rules under this section do not apply to deactivations that occur for economic reasons and are not targeted at a particular driver.

This section provides:

- that a TNC cannot deactivate a driver for failing to accept a ride, working too few hours, or asserting their rights under the law;
- that there must be a written notice provided to the driver with a deactivation, and an option to appeal the deactivation, with notice that the driver can obtain assistance from a third-party driver advocacy group;
- that the third-party driver advocacy group cannot be controlled by the TNC;
- timelines for appealing a deactivation, the option to have an advocate assist, and how the TNC must consider evidence related to the deactivation, and compensation when the deactivation occurred due to a technical issue; and
- drivers deactivated after January 1, 2021, and before the bill would be effective to have an opportunity to appeal their deactivation.

6 **[181C.05] Private civil action; enforcement.**

Provides for enforcement of chapter 181C. Allows for a private civil cause of action for a driver or a driver's beneficiary for violations of sections 3, 4, and 5 – the notice, pay transparency, minimum compensation, and deactivation provisions, as well as for retaliation against drivers for a complaint or supporting this legislation. Also provides for compliance order authority by DLI and enforcement by the attorney general of sections 3 and 4.

7 **[181C.06] Discrimination prohibited.**

Prohibits discrimination against a driver by a TNC company based on a protected status, and allows the driver to use the remedies available under the Minnesota Human Rights Act, including a civil or administrative action.

Section	Description
8	[181C.07] Collective bargaining. Clarifies that nothing in this bill prohibits collective bargaining.
9	[181C.08] Forced arbitration prohibited. Prohibits the use of arbitration for disputes between drivers and TNC if they are related to the rights under this chapter unless the driver agrees to the use of arbitration.
10	[18C.09] Revocation of license. Allows a city or local government to revoke a license or refuse to issue a license to a TNC based on violations of this chapter.



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