

File Number: H.F. 3032
Version: Fourth Engrossment

Date: March 23, 2018

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Subject: Transportation networking company (TNC) regulations

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Overview

This bill establishes statewide regulations for transportation network companies, or TNCs (the statutory term for ride services like Uber and Lyft). The regulatory structure replaces ordinances and requirements set by municipalities, except for some aspects of regulation by airports. Among its provisions, the regulations cover licensure by the Minnesota Department of Transportation (MnDOT), fee setting, fare and payment standards, minimum driver qualifications, standards for obtaining and providing rides, inspection of vehicles used in the service, mandated TNC policies on intoxicating substances and nondiscrimination, data practices and records retention, MnDOT audit and enforcement powers, and local preemption. The changes go into effect January 1, 2019.

Section

- 1 **Transportation network company.** Makes a conforming change, to create a cross reference to the location of data practices requirements for TNCs.
- 2 **Colored light.** Makes a conforming change.
- 3 **Exceptions.** Exempts drivers of a TNC vehicle from mandated use of child restraint systems for some children.
- 4 **Motor carrier.** Excludes TNCs from a definition of “motor carrier” in the chapter of statutes on motor carriers, which has the effect of preventing various motor carrier regulations from applying to TNCs.

Section

- 5 **Small vehicle passenger service.** Excludes TNCs from a definition of “small vehicle passenger service” in the chapter of statutes on motor carriers, which has the effect of preventing regulations on small for-hire vehicles from applying to TNCs.
- 6 **Passenger transportation; exemptions.** Exempts TNCs from hours of service requirements.
- 7 **Local authority over streets and highways.** Makes a conforming change, clarifying a prohibition on local unit of government authority from banning carriers that are registered or licensed by MnDOT under state motor carrier statutes.
- 8 **[221.845] Transportation network companies.** Sets various statewide regulations for TNCs.

Subd. 1. Definitions. Defines terms for the section, including referencing terms defined in an existing statute on TNC insurance requirements.

Subd. 2. Transportation network company account. Creates a transportation network company account in the special revenue fund (which is designed to hold fee revenue from annual TNC licensing with the state). Annually appropriates account funds to the Minnesota Department of Transportation (MnDOT) for administrative costs related to TNCs.

Subd. 3. Transportation network company; general operating requirements. Requires TNCs to obtain a license with MnDOT, with an annual flat fee of \$5,000 and no additional per-driver or per-vehicle fees. Sets conditions on a license and TNC business, makes licenses valid for one year, and provides for license suspension, revocation, or cancelation.

Subd. 4. Transportation network company; fare requirements. Sets requirements for information disclosed to riders, including fare calculation, information about the vehicle operator, and receipts.

Subd. 5. Driver qualifications. Sets a minimum driver age of 19, requires background checks and review of driving history, and identifies circumstances in which a person is disqualified from driving for a TNC. See the table below for more details on driver qualifications.

Subd. 6. Driver operating requirements. Sets operating conditions for TNC drivers, including only providing rides that are prearranged through the TNC’s online system, not accepting cash payments, displaying distinctive signage, and providing identification to peace officers.

Subd. 7. TNC vehicle requirements; inspection. Requires TNCs to conduct or confirm that a safety inspection of TNC vehicles is performed prior to use. Specifies minimum vehicle components that must be inspected.

Subd. 8. TNC vehicle requirements; vehicles and equipment. Specifies types of vehicles that can be used for TNC service, including limiting to passenger-type vehicles that can transport no more than eight people including the driver. Provides for vehicle signs and conditions when illuminated identifying devices can be used in the vehicle.

Section

Subd. 9. Zero-tolerance intoxicating substance policy. Requires a TNC to establish a zero-tolerance policy on intoxicating substance use by TNC drivers, including driver suspension during investigation of rider complaints.

Subd. 10. Nondiscrimination and accessibility. Requires a TNC to establish a nondiscrimination policy and notify drivers of the policy. Prohibits TNCs from imposing an additional charge due to a rider's physical disability. Requires TNCs to (1) provide riders with capability to request a wheelchair-accessible vehicle if available, and (2) direct riders requesting wheelchair-accessible service to an alternate provider if not available from the TNC.

Subd. 11. Records; retention; inspections. Directs TNCs to retain records on compliance with the regulations in this section. Establishes requirements on annual as well as complaint-initiated records inspections by MnDOT.

Subd. 12. Data practices; liability. Classifies data under this section as nonpublic data or private data on individuals and identifies situations where a rider's personal information can be disclosed. Mandates TNC notification upon a court order for data or a data breach. Creates a liability exemption for TNCs from data practices violations.

Subd. 13. Violations; enforcement. Governs MnDOT enforcement powers and duties, including department authority to issue orders and assess administrative penalties against the TNC or a TNC driver, provisions on TNC license suspension and revocation, and the process used for orders and penalty assessments. Makes violations of the section a petty misdemeanor.

Subd. 12. Uniform statewide regulations.

Paragraphs (a) and (b) preempt local ordinances or regulations governing TNCs (except for airports; see paragraph (d)).

Paragraph (c) prevents local units of government from imposing fees related to prearranged rides, entry into the jurisdiction of the governmental unit, or TNC operations.

Paragraph (d) permits airports to (1) charge fees for use of airport facilities, (2) require TNCs to enter into contracts or obtain authorization to pick up passengers, and (3) regulate operation of TNCs at the airport.

9 Effective date. Makes the act effective January 1, 2019.

Section

Driver Disqualifying Offenses

Disqualifying conditions in section 8, subdivision 5, of the bill are outlined below.

Lookback Time Period	Violation
3 yrs.	More than 3 moving violations (within that time period)
	Fleeing peace officer
	Driving on revoked, suspended, or canceled license
	Driver's license revocation or suspension for various offenses
7 yrs.	Felony
	Various misdemeanor or gross misdemeanor controlled substance violations
	Various driving related violations (including failure to stop at a crash in some circumstances, careless or reckless driving, gross misdemeanor passing a school bus, driving while impaired or test refusal, and school bus driver alcohol offense)
	Various misdemeanor and gross misdemeanor violent, significant, and indecent conduct crimes (such as assault, criminal abuse, criminal neglect, kidnapping, criminal sexual conduct, robbery, theft, arson, burglary, damage to property, false imprisonment, terroristic threats, and stalking)
(No limit)	Listed on national sex offender website
	Listed on Department of Corrections predatory offenders website