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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 generally replaces ordinances and requirements set by municipalities. Among its provisions, the regulations cover state agency licensure and annual 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 substance and nondiscrimination, data practices and records retention, and local preemption.

Section

- 1** **Transportation network company.** Makes a conforming change, to create a cross reference to the location of data practices requirements for TNCs.
- 2** **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 motor carrier regulations from applying to TNCs.
- 3** **[325F.663] Transportation network companies.** Sets various statewide regulations for TNCs.

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

Section

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).

Subd. 3. Transportation network company; general operating requirements. Requires TNCs to obtain a license with the Department of Commerce, with an annual flat fee of \$5,000.

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 identifies circumstances in which a person is disqualified from driving for a TNC. See the table below for more details.

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 of cash payments, displaying distinctive signage, and providing identification to peace officers.

Subd. 7. TNC vehicle requirements. Requires a safety inspection of TNC vehicles prior to use and specifies minimum vehicle components that must be inspected.

Subd. 8. 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. 9. 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 rider capability to request a wheelchair-accessible vehicle if available.

Subd. 10. Records; retention. Directs TNCs to retain records on compliance with the regulations in this section. Directs the Department of Commerce to provide a way for TNCs to electronically submit data.

Subd. 11. Data practices; liability. Classifies data under this section as nonpublic data or private data on individuals. Mandates TNC notification upon a court order for data or a data breach. Creates a liability exemption for TNCs from data practices violations.

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.

Section

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.

4 **Effective date.** Makes the act effective January 1, 2019.

Driver Disqualifying Offenses

Disqualifying conditions in section 3, 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)	Nationally listed sex offender