

**Subject** Transportation Network Drivers

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## Overview

This bill adds chapter 181C creating the Board of Transportation Network Drivers and outlining the board's powers and duties. The bill establishes rights and protections for drivers of transportation network companies including minimum driver compensation and account deactivation agreements and hearing and appeal procedures. The bill also prohibits discrimination or preferential ride dispatch assignments and requires a transportation network company to provide drivers with certain notices, including for drivers who were previously deactivated. Money is appropriated for the purposes of implementing this chapter.

## Summary

Section	Description
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1	<b>Definitions.</b>
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Adds section 181C.01. Provides definitions used in the bill. Terms defined include account deactivation, board, commissioner, digital network, dispatched trip, personal vehicle, prearranged ride or ride, rider platform time, transportation network company, and transportation network company driver or driver. Several terms refer to existing definitions in chapter 65B.

2	<b>Board of Transportation Network Drivers.</b>
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Adds section 181C.02. Establishes the Board of Transportation Network Drivers including membership appointments and terms, meetings, compensation, and removal and vacancy provisions. The board must include three members representing a transportation network company drivers association, two members representing labor, one member representing public interests, and one member representing transportation network companies. Requires the board to elect a chair and vice-chair and to employ an executive director in the classified service. Provides for administrative support for the board by the Department of Labor and Industry.

Section	Description
3	<p><b>Board powers and duties.</b></p> <p>Adds section 181C.03. Establishes the board’s powers and duties. These include: investigating complaints against transportation network companies and making recommendations to the appropriate licensing agency; hearing and deciding account deactivation appeals; providing outreach and education services to drivers about their rights under the chapter and labor standards; consulting with drivers facing deactivations or sanctions; and educating drivers about applicable laws.</p>
4	<p><b>Driver compensation.</b></p> <p>Adds section 181C.04. Establishes minimum compensation that drivers must receive for each dispatched trip, including per minute and per mileage rates. Minimum compensation will be reviewed and adjusted annually starting in 2025 according to the Consumer Price Index for all Urban Consumers. Requires all tips be provided to the driver, in addition to the minimum compensation, and limits deductions from compensation by the transportation network company, except as provided by law. Also requires the transportation network company to provide drivers a detailed written receipt for each dispatched trip, as well as a weekly summary. Further requires the transportation network company to provide written notice to drivers of their rights under this section in a readily accessible format and language.</p>
5	<p><b>Account deactivation.</b></p> <p>Adds section 181C.05. Effective October 1, 2023, requires a transportation network company to enter into an agreement with the board to establish an appeal process for qualifying account deactivations before the company may operate in the state. Companies already operating in the state have until January 31, 2024, to complete an agreement.</p> <p>Outlines the required provisions in the agreement and requires renewal every four years. The agreement must include provisions for a good faith, informal resolution process, as well as procedures for a formal appeal process by the board. The agreement must also provide for support from, and notice of a right to, a driver’s representative during the informal resolution or formal appeal process, and require the transportation network company to provide an explanation and information to a driver about an account deactivation when requested.</p> <p>Further allows a driver to appeal the board’s decision on an account deactivation to the Office of Administrative Hearings.</p>
6	<p><b>Equal access to transport.</b></p> <p>Adds section 181C.06. Requires ride dispatches to be assigned to drivers on a nonpreferential and driver-neutral basis.</p>

<b>Section</b>	<b>Description</b>
7	<p><b>Discrimination prohibited.</b></p> <p>Adds section 181C.07. Prohibits discrimination by a transportation network company, as provided under the Minnesota Human Rights Act, chapter 363A. A driver is considered an employee for the purposes of applying the MHRA provisions.</p>
8	<p><b>Civil action.</b></p> <p>Adds section 181C.08. Establishes a civil action for noncompliance or violations of this chapter by a transportation network company. Provides for treble damages to a prevailing plaintiff, as well as a \$1,000 penalty per violation. Requires an action to be commenced within three years of the last discovered violation.</p>
9	<p><b>Revocation of license.</b></p> <p>Adds section 181C.10. Allows a local unit of government to revoke a transportation network company's license upon the board's recommendation or based on violations of this chapter as determined in the informal resolution process or formal appeal process under section 181C.05.</p>
10	<p><b>Driver notice provisions; rights related to arbitration.</b></p> <p>Adds section 181C.13. Requires a transportation network company to provide drivers a copy of this chapter and specified notice within 30 days of enactment, at the time a contract is signed or renewed, and anytime it is requested by a driver. The notice must include the driver's right to elect the rights and remedies provided under this chapter instead of arbitration.</p>
11	<p><b>Finance.</b></p> <p>Adds section 181C.14. Establishes a transportation network account to provide funding to the board for the purposes of this chapter. Requires a transportation network company to collect a fee for each dispatched trip or portion of a trip where a rider pays a charge, including for every individual or shared trip, to be deposited in the new transportation network account.</p> <p>The fund is established effective July 1, 2023. The fee collection is effective for prearranged rides occurring on or after October 1, 2023.</p>
12	<p><b>Prior account deactivations.</b></p> <p>Allows a driver deactivated since January 1, 2019, to request a hearing under the procedures established in section 181C.05 to determine if there was a valid basis for the deactivation. Requires a transportation network company to provide notice of the right to request a hearing to drivers by October 1, 2023. Drivers must request a hearing by December 31, 2023.</p>

Section	Description
13	<b>Appropriation; implementation.</b> Makes a onetime appropriation to the Department of Labor and Industry for the purposes of implementing this act available until June 30, 2025.



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