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To:

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Subject: State TNC Regulatory Actions 2014-2015

Ride-sharing or transportation network companies (TNCs) transportation services that rely on a customer electronically "hailing" or summoning a vehicle for transportation via a mobile phone are increasing in popularity in cities across the U.S. TNCs use a mobile phone's GPS to detect the user's location and connect the user with the nearest available driver. As such services expand throughout the United States, states are considering and taking action to clarify the regulatory requirements for the operation and regulation of this burgeoning transportation option. **Thus far, California, Colorado, D.C., Illinois and Rhode Island have enacted legislation regarding TNCs.**

*Note *Uber services such as UberBLACK (the sedan model) are not generally considered TNCs. Services like UberBLACK usually use a licensed motor carrier license or equivalent and use "black-cars" to provide rides; they are typically regulated by existing state regulations because the driver's and vehicles are licensed with the state regulatory regime already. Instead, Uber simply provides software to existing transportation companies that improves the utilization of their existing assets. Only the UberX model is considered a TNC.*

TNCs refer to transportation services that involve individuals operating their own vehicles to provide rides for customers. Lyft, UberX and SideCar are examples of these services.

This memo focuses TNCs and the state legislation and other regulatory debates that are occurring with regards to creating a regulatory structure for TNCs.

State legislation thus far has focused on: defining a transportation network company; establishing insurance requirements for the company and driver; requiring criminal and driving background checks for drivers; standards and timeline for vehicle safety inspections; record-keeping for drivers and vehicles; communication of estimated fares and the final receipt to a customer; restricting the hailing of a TNC from the street and other requirements.

The memo first summarizes enacted legislation, then failed and pending legislation, and lastly touches on other state-level regulatory discussions regarding the issue.

ENACTED STATE TNC LEGISLATION

California

In September of 2013, the California Public Utilities Commission (CPUC) unanimously approved new rules for companies such as Uber, Lyft and Sidecar and asserted such carriers are subject to CPUC jurisdiction. The CPUC created the category of Transportation Network Company (TNC) to apply to companies that provide

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prearranged transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles.
The CPUC established 28 rules and regulations for TNCs. The rules include the requirements that TNCs must: Obtain a license from the CPUC to operate in California; Require each driver to undergo a criminal background check; Establish a driver training program; Implement a zero-tolerance policy on drugs and alcohol; Hold a commercial liability insurance policy that is more stringent than the CPUC's current requirement for limousines, requiring a minimum of $1 million per-incident coverage for incidents involving TNC vehicles and drivers in transit to or during a TNC trip, regardless of whether personal insurance allows for coverage; and, conduct a 19-point car inspection.
See here for a CPUC press release summarizing the actions taken:
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K132/77132276.PDF
See here for the full regulations and explanation of jurisdiction:
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K112/77112285.PDF
See here for a LA Times article on the new rules: http://articles.latimes.com/2013/sep/19/business/la-fi-ridesharing-puc-20130920

California PUC threatens enforcement action over TNCs ignoring airport pick-up laws

In 2014, California enacted AB 2293, which establishes standards for insurance policies issued to transportation network companies (TNC) that cover drivers and TNCs while offering TNC services. The law requires a TNC to disclose to all participating drivers the insurance coverage and limits provided by the TNC policy while they make themselves available for TNC services, and advise the driver that a personal auto policy may not provide coverage while the vehicle is available for TNC services.

The law defines when personal and commercial auto insurance is in effect. This bill mandates excess insurance during the "app-on" to "match" period of "at least" $200,000, and allows the PUC to set higher limits.

The bill also codifies the CPUC definition of TNCs, as well as requires the PUC and the Department of Insurance to study TNC insurance rates and report to the Legislature by December 31, 2017.

Ride-sharing companies agree to California deal on regulation.

AB 2293 Analysis

Colorado

In Colorado, the state Public Utilities Commission is creating rules regarding the operation of "black-car" services such as Uber. As of Feb. 14, Uber service (black-car service) that uses limousines that have legal luxury limousine permits through the PUC will be legal because they are using permitted carriers. However, services such as UberX, Lyft, and other equivalents are currently illegal in the state as they are using private vehicles that are not licensed carriers. Lyft has filed a petition for a declaratory order requesting the PUC to rule on the legality of their services.

To see the full list of PUC legal documents and comments on this issue, see here:
https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=13R-0009TR

In 2014, the Colorado legislature enacted SB 125 to legitimize the operation of transportation network companies such as UberX and Lyft in the state.

SB 125 authorizes the public utilities commission (PUC) to regulate transportation network companies (TNCs). A TNC is defined as "a corporation, sole proprietorship, partnership, or other entity, operating in Colorado, that uses a digital network to riders to drivers for the purpose of providing transportation." A TNC does not provide taxi service, ridesharing arrangements (which are defined in Colorado statutes as a non-profit regularly scheduled transportation of passengers to and from their places of work) or any transportation service over fixed routes at regular intervals. The bill defines a pre-arranged ride as "a period of time that begins when a driver accepts a requested ride through a digital network, continues while the driver transports the rider in a personal vehicle, and ends when the rider departs from the personal vehicle."

A TNC is not deemed to own, control, operate or manage the personal vehicles used by TNC drivers. The bill states that TNCs "are not common carriers or contract carriers." The bill states that TNCs are not subject to the PUC's rate, entry, operational, or common carrier requirements, except where specifically stated in the bill. Any taxicab or shuttle company may convert to a TNC model or may set up a subsidiary or affiliate TNC.

The bill lays out numerous requirements for a TNC to operate in Colorado.

INSURANCE

- Requires the TNC to carry primary liability insurance of $1 million for incidents involving the driver while they are engaged in a prearranged ride. And, for the time when a driver is logged into the TNC's digital network, but is not engaged in a prearranged ride, the TNC or driver must maintain contingent liability insurance.
- After January, 15 of 2015, a TNC or driver must maintain a primary automobile insurance policy that recognizes that the driver is a TNC driver and covers the driver's provision of TNC services while the driver is logged into the TNC digital network, as well as meets prescribed minimum coverages for accidents and property damage.
- The bill requires the Division of Insurance to conduct a study examining whether the levels of coverage required are appropriate for the risk level of TNCs.

OPERATION REQUIREMENTS

- A TNC must confirm the driver is 21 years of age, has valid personal automotive liability insurance, driver's license and vehicle registration.
- A TNC shall conduct or have conducted a safety inspection of the vehicle to be used, with periodic inspections following at least once a year. Each TNC vehicle must display an exterior marking that identifies it as a vehicle for hire.
- A person who has been convicted, pled guilty or pled no contest to driving under the influence of alcohol or drugs in the past seven years may not work as a TNC driver. The TNC must also establish an intoxicating substance policy.
- A TNC driver must submit a copy of a criminal background check, and may not be a TNC driver if they have been convicted of various crimes. A TNC driver shall obtain a criminal history check every 5 years while serving as a driver.
- The TNC must obtain and review a copy of the prospective TNC driver's driving history. A person may not serve as a TNC driver if they more than 3 moving violations in the 3 years preceding their application, or any one major moving violation, such as reckless driving.
- A TNC driver may not provide services unless matched through a TNC digital network; no "street hailing" is allowed. A driver may not offer or provide TNC services for more than 12 consecutive hours.

- A TNC shall provide services in a nondiscriminatory manner regardless of geographic location, or departure point or destination. A TNC shall not impose additional charges for a person with physical or mental disabilities.
- The TNC must communicate how fares are calculated or the applicable rate and provide the option of an estimated fare.
- The rider must be issued an electronic receipt with the fare, duration of trip and other prescribed information. A TNC must make available a customer support telephone number for rider inquiries.
- The PUC may take action against a TNC including issuing an order to cease and desist, suspend, revoke, alter or amend a TNC permit as the result of a violation, but shall not assess a penalty against a TNC driver.

Denver Post article on enacted law

District of Columbia

DC B20-753, created the "Vehicle-for-Hire Innovation Amendment Act of 2014." It creates a regulatory structure for "Private vehicles-for-hire" that use "digital dispatch", as well as refining requirements for "Public vehicles-for-hire" such as taxicabs, limousines, and sedan-class vehicles.

The law creates a registration process for "Private vehicles-for-hire" that use "digital dispatch." Before approving a registration application, a private vehicle-for-hire company shall have a third party that is accredited by the National Association of Professional Background Screeners or a successor accreditation entity conduct the following examinations: (1) A local and national criminal background check; (2) The national sex offender database background check; and (3) A full driving record check. A private vehicle-for-hire company shall reject an application and permanently disqualify an applicant who has been convicted of various crimes within the past 7 years. The law also establishes zero tolerance policies against discrimination and drug and alcohol use by operators.

The law includes numerous vehicle requirements, including that the vehicle have a seating capacity of 8 persons or fewer; have at least 4 doors and meet applicable federal motor vehicle safety standards for vehicles of its size, type, and proposed use; and be no more than 10 model years of age at entry into service and no more than 12 model years of age while in service. A private vehicle-for-hire company shall verify that an initial safety inspection of a motor vehicle used as a private vehicle-for-hire was conducted within 90 days of beginning service and that the vehicle passed the inspection and was determined safe by a licensed mechanic in the District or an inspection station authorized by the State of Maryland or the Commonwealth of Virginia to perform vehicle safety inspections. A private vehicle-for-hire shall display a consistent and distinctive trade dress consisting of a logo, insignia, or emblem at all times while the operator is logged into the private vehicle-for-hire company's digital dispatch.

The law creates insurance requirements for private vehicles-for-hire. A private vehicle-for-hire company or operator shall maintain a primary automobile liability insurance policy that provides coverage of at least $1 million per occurrence for accidents involving a private vehicle-for-hire operator at all times when the operator is engaged in a prearranged ride. They shall maintain a primary automobile liability insurance policy for the time period when a private vehicle-for-hire operator is logged onto a private vehicle-for-hire company's digital dispatch showing that the operator is available to pick up passengers but is not engaged in a prearranged ride. The policy must recognize that the operator is a private vehicle-for-hire operator and covers the operator's provision of private vehicle-for-hire service while the operator is logged into the private vehicle-for-hire company's digital dispatch showing that the operator is available to pick up passengers; and

provides minimum coverage of at least $50,000 per person per accident, with up to $100,000 available to all persons per accident, and $25,000 for property damage per accident.

An operator also must either: Offer full-time coverage similar to the coverage required by the District of Columbia Taxicab Commission Establishment Act; contains an insurance rider to, or endorsement of, the operator's personal automobile liability insurance policy required by section 7 of the Compulsory/No Fault Motor Vehicle Insurance Act of 1982; or offers a liability insurance policy purchased by the private vehicle-for-hire company that provides primary coverage for the time period in which an operator is logged into the private vehicle-for-hire company's digital dispatch showing that the operator is available to pick up passengers.

The law prohibits a private vehicle-for-hire operator from accepting street hails. The law requires vehicle inspection officers to undergo training on the rules and regulations governing private and public vehicles-for-hire and undergo yearly performance evaluations. Vehicle inspection officers are prohibited from making traffic stops of on-duty private or public vehicles-for-hire in the act of transporting a fare, unless there is reasonable suspicion of a violation. Upon reasonable suspicion of an illegal street hail, a public or private vehicle-for-hire operator shall provide a law enforcement official or vehicle inspection officer with access to a device containing an electronic record of trips sufficient to establish that the ride in question was prearranged through digital dispatch. Failure to have or provide access to a device containing such a record shall constitute a civil infraction punishable by fine or other penalty as established.

The law also states that a company that provides digital dispatch is exempt from regulation by the Commission, other than the rules issued pursuant to this bill. The law deregulates fares for taxicabs arranged through digital dispatch. A company that uses digital dispatch for public vehicles-for-hire service such as taxicabs, limousines, and sedan-class vehicles shall register with the Commission by submitting proof that it is licensed to do business in the District, maintains a registered agent in the District, and maintains a website containing information on its method of fare calculation, the rates and fees charged, and a customer service telephone number or email address.

The law also includes significant language on accessibility of digital dispatch for individuals with disabilities. By January 1, 2016, a company that provides digital dispatch shall: Ensure that the company's websites and mobile applications are accessible to the blind and visually impaired and the deaf and hard of hearing; and provide a report to the committee with oversight of for-hire vehicles, on how the company intends to increase access to wheelchair-accessible public or private vehicle-for-hire service to individuals with disabilities. A company that provides digital dispatch shall not: Impose additional or special charges on an individual with a disability for providing services to accommodate the individual; or require an individual with a disability to be accompanied by an attendant.

If an operator accepts a ride request through digital dispatch from a passenger with a disability who uses a mobility device, upon picking up the passenger, the operator shall stow the passenger's mobility equipment in the vehicle if the vehicle is capable of stowing the equipment. If a passenger or operator determines that the vehicle is not capable of stowing the equipment, the company that provides digital dispatch shall not charge a trip cancellation fee or, if such fee is charged, shall provide the passenger with a refund in a timely manner. A company that uses digital dispatch shall train operators in how to properly and safely handle mobility devices and equipment and to treat an individual with disabilities in a respectful and courteous manner. Completion of a public vehicle-for-hire driver's training course approved by the Commission shall satisfy the operator training requirement of this subsection.

The law also requires that a notice be posted in all taxicabs regarding acceptance of credit cards. The law also contains language regulating the use of "surge-pricing" during a declared state of emergency. A company that provides digital dispatch that engages in surge pricing shall limit the multiplier by which its base fare is multiplied to the next highest multiple below the 3 highest multiples set on different days in the 60 days preceding the declaration of a state of emergency. 1% of all gross receipts must be transmitted to the Office of the Chief Financial Officer to be deposited in the Public Vehicles-for-Hire Consumer Service Fund.

Washington Post article - D.C. Council okays bill to legalize Lyft, Sidecar, uberX-type services in the District

Illinois

The Illinois Governor signed SB 2774 in January of 2015, which created the Transportation Network Providers Act. Below is a summary of its main provisions.

Definitions

The bill defines "Transportation network company" or "TNC" to mean an entity that uses a digital network or software application service to connect passengers to transportation network company services provided by transportation network company drivers. A TNC is not deemed to own, control, operate, or manage the vehicles used by TNC drivers, and is not a taxicab association or a for-hire vehicle owner.

"Transportation network company driver" means an individual who operates a motor vehicle that is: (1) owned, leased, or otherwise authorized for use by the individual; (2) not a taxicab or for-hire public passenger vehicle; and (3) used to provide transportation network company services.

"Transportation network company services" means transportation of a passenger between points chosen by the passenger and prearranged with a TNC driver through the use of a TNC digital network or software application. TNC services shall begin when a TNC driver accepts a request for transportation received through the TNC's digital network or software application service, continue while the TNC driver transports the passenger in the TNC driver's vehicle, and end when the passenger exits the TNC driver's vehicle. TNC service is not a taxicab, for-hire vehicle, or street hail service.

The bill also clarifies that TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.

Insurance Requirements

For the time period when a TNC driver is logged on to the TNC's digital network until the TNC driver accepts a request to transport a passenger, and then from the moment the TNC driver completes the transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network or software application, the following automobile liability insurance requirements shall apply: Automobile liability insurance shall be in the amount of at least $50,000 for death and personal injury per person, $100,000 for death and personal injury per incident, and $25,000 for property damage. Contingent automobile liability insurance in the amounts shall be maintained by a transportation network company and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide at least the limits of coverage described above.

For the time period when a TNC driver accepts a ride request on the TNC's digital network until the TNC driver completes the transaction on the digital network or software application or until the ride is complete,

whichever is later, the following automobile liability insurance requirements shall apply: Automobile liability insurance shall be primary and in the amount of $1,000,000 for death, personal injury, and property damage. The requirements for the coverage may be satisfied by any of the following: (A) automobile liability insurance maintained by a participating TNC driver; (B) automobile liability company insurance maintained by a transportation network company; or any combination of the two. Insurance coverage provided under this subsection shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of $50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle. Coverage under an automobile liability insurance policy required under this subsection shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim. In every instance when automobile liability insurance maintained by a participating TNC driver to fulfill the insurance obligations of this Section has lapsed or ceased to exist, the TNC shall provide the coverage required by this Section beginning with the first dollar of a claim. This does not limit the liability of a TNC arising out of an automobile accident involving a participating TNC driver in any action for damages against a transportation network company for an amount above the required insurance coverage.

The transportation network company shall disclose in writing to TNC drivers, as part of its agreement with those TNC drivers, the following: the insurance coverage and limits of liability that the transportation network company provides while the TNC driver uses a vehicle in connection with a TNC's network and that the TNC driver's own insurance policy may not provide coverage while the TNC driver uses a vehicle in connection with a transportation network company digital network depending on its terms.

Driver Requirements
Prior to permitting an individual to act as a TNC driver on its digital platform, the TNC shall: (1) require the individual to submit an application to the TNC, which includes information regarding his or her address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance, and other information required by the TNC; (2) conduct, or have a third party conduct, a local and national criminal history background that shall include: a Multi-State or Multi-Jurisdictional Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and National Sex Offenders Registry database; and obtain and review a driving history research report for the individual.

The TNC shall not permit an individual to act as a TNC driver who:

- Has had more than 3 moving violations in the prior three-year period, or one major violation in the prior three-year period including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license;
- Has been convicted, within the past 7 years, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, or theft, acts of violence, or acts of terror;
- Is a match in the National Sex Offenders Registry database;
- Does not possess a valid driver's license or proof of registration for the motor vehicle used to provide TNC services or proof of automobile liability insurance for the motor vehicle used to provide TNC services; or is under 19 years of age.

Non-discrimination
A TNC shall adopt and notify TNC drivers of a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and potential passengers. TNC drivers shall comply with all applicable laws

regarding non-discrimination against passengers or potential passengers.
TNC drivers shall comply with all applicable laws relating to accommodation of service animals.
A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities. A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair accessible vehicle. If a TNC cannot arrange wheelchair-accessible TNC service in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.
If a unit of local government has requirements for licensed chauffeurs not to discriminate in providing service in under-served areas, TNC drivers participating in TNC services within that unit of local government shall be subject to the same non-discrimination requirements for providing service in under-served areas.

Safety
The TNC shall implement a zero tolerance policy on the use of drugs or alcohol while a TNC driver is providing TNC services or is logged into the TNC's digital network but is not providing TNC services. The TNC shall provide notice of the zero tolerance policy on its website, as well as procedures to report a complaint about a driver with whom a passenger was matched and whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip. Upon receipt of a passenger's complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend the TNC driver's access to the TNC's digital platform, and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.

The TNC shall require that any motor vehicle that a TNC driver will use to provide TNC services meets vehicle safety and emissions requirements for a private motor vehicle in Illinois.

Operational
A TNC may charge a fare for the services provided to passengers; provided that, if a fare is charged, the TNC shall disclose to passengers the fare calculation method on its website or within the software application service. The TNC shall provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC driver's vehicle. The TNC's software application or website shall display a picture of the TNC driver, and the license plate number of the motor vehicle utilized for providing the TNC service before the passenger enters the TNC driver's vehicle. Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists: the origin and destination of the trip; the total time and distance of the trip; and an itemization of the total fare paid, if any. Dispatches for TNC services shall be made only to defined eligible TNC drivers. A taxicab may accept a request for transportation received through a TNC's digital network or software application service, and may charge a fare for those services that is similar to those charged by a TNC.

The Governor previously vetoed two other pieces of legislation that would have regulated TNCs, HB 5331 and HB 4075.
News background on the vetoed bills:
Governor vetoes statewide ride-share legislation and Senate passes Rideshare Bill and
Ride-Sharing Regulation Advances in Senate
The Chicago Sun-Times aired some of the objections from rideshare companies and drivers, including one that because vehicles would have to be less than four years old, the legislation will shut out a large chunk of people currently making money as drivers.
and
Uber blasts latest round of news in Springfield
All drivers would need to pass background checks and have commercial liability insurance of at least $350,000. Drivers working more than 36 hours in a two-week period would need to follow stricter rules,

similar to taxis. Local municipalities could set rules for "surge pricing" — which allows drivers to hike prices during high demand — for rides dispatched through a smartphone app.

Rhode Island

In Rhode Island, the Rhode Island Division of Public Utilities and Motor Carriers created a new $40 minimum base fare that would be applied to all non-taxi car service trips regardless of distance or time. The PUC has said the fee was not meant to impact Uber and similar businesses, but that has been the case thus far. Uber has submitted a formal petition to re-open the decision on the fee and safety requirements the PUC put into place. The PUC has agreed to re-hear the matter but a date does not appear to have been set yet.

Besides, the minimum $40 fee, current requirements include: No person shall operate a public motor vehicle state until the person (or corporation) has obtained a certificate from the Division certifying that the applicant is fit, willing, and able to provide the services as a public motor vehicle in the transportation of passengers; a driver must acquire a hackney operator's license; no vehicle may be utilized by a certificate holder to transport passengers for hire until such vehicle has been registered with the Division; vehicles must be inspected before they may be registered; a system of frequent and regular inspections must be instituted; the vehicles must be unmarked; no Public Motor Vehicle operator shall transport any passenger for hire unless the transportation is requested by the passenger either personally or by telephone and/or other electronic means.
For the full rules, see here: http://www.ripuc.org/rulesregs/divrules/PMVRules.pdf

2002 legislation helped establish the framework for this regulatory structure, and was meant to cut down on rogue individuals using their personal cars as taxis. The legislation predated the proliferation of ride-sharing services; legislators have indicated a willingness to revisit the issue, but Larry Berman, spokesman for House Speaker Gordon Fox, stated that "The General Assembly is always open to revisiting its bills. However, we suggest that concerns raised by Uber would be best addressed by the PUC."

See here for a few recent articles on the regulatory battle in Rhode Island:
http://www.630wpro.com/common/page.php?pt=UPDATE:+Lawmakers+open+to+revisiting+Uber+issue&id=26793&is_corp=0 and
http://www.630wpro.com/common/page.php?pt=NEWS:+Uber+files+formal+petition,+PUC+to+re-examine+$40+charge&id=28253&is_corp=0

In 2014, the Rhode Island legislature enacted SR 3146, which creates a legislative commission to study TNCs and review existing pertinent statutes.

Virginia

In early 2015, Virginia enacted SB 1025/HB 1662 which establishes a process for the licensing of transportation network companies (TNCs) by the Department of Motor Vehicles (DMV), provided that TNCs comply with the requirements for licensure. The bill requires TNCs to screen drivers (TNC partners), ensure that all drivers are at least 21 years old and properly licensed to drive, and conduct background checks on all drivers including criminal background, driving history, and status on the sex offender registry.

The bill also has language stating the TNC shall adopt and enforce a policy of nondiscrimination on the basis of a passenger's points of departure and destination and shall notify TNC partners of such policy. TNC partners shall comply with all applicable laws regarding nondiscrimination against passengers or potential passengers.

A transportation network company shall provide passengers an opportunity to indicate whether they require a wheelchair-accessible vehicle. If a transportation network company cannot arrange wheelchair-accessible service in a TNC partner vehicle in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.

A transportation network company shall not impose additional charges for providing services to persons with disabilities because of those disabilities.

TNC partners shall comply with all applicable laws relating to accommodation of service animals.

A TNC partner may refuse to transport a passenger for any reason not prohibited by law, including any case in which (i) the passenger is acting in an unlawful, disorderly, or endangering manner; (ii) the passenger is unable to care for himself and is not in the charge of a responsible companion; or (iii) the TNC partner has already committed to providing a ride for another passenger.

The bill also has language concerning operation at airports. No transportation network company or TNC partner shall conduct any operation on the property of or into any airport unless such operation is authorized by the airport owner and operator and is in compliance with the rules and regulations of that airport. The Department may take action against a transportation network company that violates any regulation of an airport owner and operator, including the suspension or revocation of the transportation network company's certificate.

FAILED LEGISLATION (2014)

Arizona

Arizona HB 2262, which was vetoed by the Governor, would have reserved regulation of ride-sharing networks as a state matter, and established insurance, driver background check, vehicle safety inspection and other regulations for services such as UberX and Lyft.

HB 2262 summary

HB 2262 Veto Message

D.C.

B20-0889 would have created a tax credit and additional support for taxis and TNCs that provide accessible service. Each taxi or transportation network company with wheelchair-accessible vehicles within its fleet would've had to maintain records on: the number of wheelchair-accessible vehicles; a list of requests for wheelchair-accessible service and the times, dates and location; whether it was a reservation or street hail; whether the requested service was provided; and other record-keeping. For-hire transportation services would've had to pay a $50 fee for any new vehicle entered into service that is non-accessible. The revenue would've been placed in the Wheelchair-Accessible For-Hire Vehicle Service Fund, with funds used for the purchase, operation, training and use of wheelchair-accessible for-hire vehicles in the District. Tax credits of up to $10,000 would've been made available to for-hire drivers that upgraded to a wheelchair accessible vehicle or purchased a wheelchair accessible vehicle.

Washington City Paper article on bill - http://www.washingtoncitypaper.com/blogs/citydesk/2014/11/20/ubers-next-fight-with-the-d-c-council-a-wheelchair-accessibility-bill/.

Georgia

Georgia HB 907 (failed) would have regulated transportation referral service providers such as UberX and Lyft; including stipulations for registration of the provider, insurance, vehicle safety inspections, etc. The legislation provided the transportation referral service provider the option of having their driver's register with the Department of Driver Services, or conducting criminal and driver background checks themselves and sharing the information with the Department. The bill also would have established a legislative committee to study the best method of taxation for taxi services, limousine carriers, and ride share drivers. The Department of Revenue would have had to provide the study committee with information on taxi services, limousine carriers, and ride share drivers in the state and the amount of sales tax paid respectively.

Maryland

In Maryland Uber is arguing that they should not regulated by the state's Public Service Commission (PSC). The PSC rules in August that UberBlack and UberSUV are common carriers. The ruling does not apply to low-cost options such as UberX, or Lyft, but the PSC is expected to rule on those services as well at some point. In order to see all of the ongoing legal arguments and documents from Uber, the cab companies and the PUC, type in Uber in the "company" search box on the bottom of this page: http://webapp.psc.state.md.us/intranet/psc/proceedings_new.cfm

Article on Maryland situation: http://technical.ly/baltimore/2013/11/06/lyft-uber-ridesharing-baltimore/ and http://articles.baltimoresun.com/2014-08-06/business/bs-bz-uber-common-carrier-20140806_1_maryland-public-service-commission-uber-technologies-new-regulations.

In an attempt to clarify these business models, in 2014 the state legislature debated SB 919 and HB 1160, but they both failed. They would have defined that companies like Uber are not common carriers or transportation companies, and created a separate regulatory system for transportation network companies to be administered by the PSC; including establishment of a regulatory framework requiring background checks, commercial insurance, and vehicle safety inspections for services like UberX.

Fiscal and Policy Note for SB 919 provides helpful background and summaries of current and the failed law.

New Jersey

The New Jersey introduced legislation, AB 3362 in 2014, but the bill was withdrawn from consideration. The bill would have directed the New Jersey Motor Vehicle Commission, in consultation with the Division of State Police in the Department of Law and Public Safety and the Department of Banking and Insurance, to promulgate rules and regulations concerning safety and insurance requirements for transportation network companies.

The bill would have prohibited a TNC from arranging a trip in the state until the commission had issued the TNC a permit to operate, and required a TNC to submit to the commission a certificate of insurance, which is to include uninsured and underinsured motorist coverage, from an insurance company duly licensed to

transact business under the insurance laws of this State, in an amount not less than $1,000,000 for each incident involving a driver during a trip.

Under the proposed bill, in order for a TNC to maintain a permit to conduct business, the TNC would have to fulfill a number of driver, background and vehicle checks, as well as implement a zero tolerance drug and alcohol policy that would prohibit a driver from being under the influence and consuming drugs or alcohol while providing a trip.

Oklahoma

The state of Oklahoma introduced SB 1703 (failed) by Senator Clark Jolley, which aimed to install a statewide regulatory structure around rideshare activities such as UberX. The bill clarifies liability, vehicle standards, and background check requirements for rideshare operators, and assures transparency of rates.

These operators would be regulated by the Oklahoma Corporation Commission, and would supersede local rideshare regulation, which is also being pursued by Oklahoma City.

Pennsylvania

Lyft and Uber both have applications before the state of Pennsylvania to obtain certificates of public convenience to operate their services in Pittsburgh, as does Yellow Cab, which is seeking to launch its own version of a ride share, called Yellow X. The earliest the PUC would rule on the matter is its next public hearing May 22. http://www.post-gazette.com/business/2014/04/26/PUC-cracks-down-on-Lyft-Uber-drivers/stories/201404250181#ixzz32O7WdwsI

The Pennsylvania legislature introduced HB 2446, which would have defined and regulated TNCs, but the bill failed.

OTHER STATE REGULATORY ACTIONS

Massachusetts

The Massachusetts Division of Standards granted Uber permission to operate in the state in 2012, after initially indicating otherwise.
The Division cited an ongoing study by the National Institute of Standards and Technology (NIST) to determine whether Taximeter code should be amended to address new systems equipped with associated equipment such as global-positioning systems, point of sale and mobile data terminals. Uber was issued a provisional approval, pending the results of the NIST study and the establishment of any standards for such systems.
See the Division of Standards statement on issuing Operating Certificate to Uber for more information:
http://www.mass.gov/ocabr/docs/dos/massachusetts-gives-green-light-for-uber-technologies.pdf
Article on decision: http://techcrunch.com/2012/08/15/uber-boston-green-light/
Article on unsuccessful lawsuit to overturn decision:
http://www.boston.com/business/innovation/blogs/inside-the-hive/2013/06/25/drive-cambridge-loses-lawsuit-keep-uber-off-the-roads/k4wRr243CwSoRG1kAjDKSI/blog.html

Virginia

Virginia DMV orders Lyft, Uber to stop operating
Virginia Repeals Ban on Uber and Lyft

On February 9, the Virginia Department of Motor Vehicles confirmed ride-sharing companies such as Lyft and Uber can continue operating in the state until legislators adopt permanent regulations.