

## **BILL ANALYSIS**

H.B. 100  
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Transportation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that recently adopted municipal ordinances regulating transportation network companies have resulted in a patchwork of regulations across the state, making it difficult for these companies to maintain uniform policies and procedures. H.B. 100 seeks to remedy this situation by implementing uniform requirements and operational standards for these companies statewide.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 100 amends the Occupations Code to prohibit a person from operating a transportation network company in Texas without obtaining and maintaining a permit issued by the Texas Department of Licensing and Regulation (TDLR) under the bill's provisions. The bill requires TDLR to issue the permit to each applicant that meets the applicable requirements and pays a required annual permit maintenance fee of \$5,000 to TDLR. The bill prohibits TDLR from imposing a fee for drivers authorized to use a transportation network company's digital network or for vehicles used to provide digitally prearranged rides. The bill defines "transportation network company" as a corporation, partnership, sole proprietorship, or other entity that, for compensation, enables a passenger to prearrange with a driver, exclusively through the entity's digital network, a digitally prearranged ride and defines "digitally prearranged ride" as a ride in a personal vehicle between points chosen by the passenger that is prearranged through a digital network. The bill expressly excludes from the meaning of "transportation network company" an entity that provides street-hail taxicab services, limousine or other car services arranged by a method other than through a digital network, shared expense carpool or vanpool arrangements, or a type of ride service that meets certain criteria with respect to the fee received by the driver and number of round-trips per day. The bill establishes that transportation network companies and drivers logged in to the company's digital network are not common carriers, contract carriers, or motor carriers.

H.B. 100 makes Insurance Code requirements relating to transportation network company drivers applicable to transportation network companies and drivers logged in to a digital network. The bill authorizes a digitally prearranged ride to be wholly or partly shared by multiple passengers if the passengers consent to sharing the ride. The bill requires a transportation network company that charges a fare for a digitally prearranged ride to disclose to

passengers the fare calculation method on the digital network and to provide through the digital network to the passenger requesting the ride the applicable rates being charged and the option to receive an estimated fare before the passenger enters the vehicle for the ride. The bill requires a transportation network company, before a passenger enters a vehicle for a digitally prearranged ride, to provide through the company's digital network to the passenger requesting the ride the driver's first name and picture and the make, model, and license plate number of the driver's vehicle. The bill restricts the acceptance of payment for a digitally prearranged ride provided by a driver to payment through the digital network and requires the transportation network company whose digital network was used to prearrange the ride, within a reasonable time following the completion of the ride and through electronic mail or text message, to transmit a receipt to the passenger that includes the origin and destination of the ride, the total time and distance of the ride, and an itemization of the total fare paid, if any. The bill requires a transportation network company to implement an intoxicating substance policy that prohibits a driver who is logged in to the company's digital network from any amount of intoxication and sets out requirements relating to the policy and to the investigation and retention of a passenger complaint of a driver in violation of the policy.

H.B. 100 requires a transportation network company, before permitting an individual to log in as a driver on the company's digital network, to confirm that the individual is at least 18 years of age, maintains a valid driver's license, and possesses proof of registration and automobile financial responsibility for each motor vehicle to be used to provide digitally prearranged rides; to conduct, or cause to be conducted, a local, state, and national criminal background check for the individual that includes the use of certain criminal history record and sex offender registry databases; and to obtain and review the individual's driving record. The bill sets out the circumstances under which a transportation network company is prohibited from permitting an individual to log in as a transportation network driver on its digital network. The bill prohibits a driver who is logged in to a digital network from soliciting or providing a ride for compensation unless the passenger has been matched to the driver through the digital network. The bill prohibits a driver from soliciting or accepting cash payments from a passenger and restricts receipt of payment for a digitally prearranged ride to payment through the digital network. The bill authorizes a driver who has accepted a digitally prearranged ride to refuse to transport a passenger acting in an unlawful, disorderly, or endangering manner.

H.B. 100 requires a driver providing a digitally prearranged ride, on request of a law enforcement officer or a government official enforcing or administering the bill's provisions, to display the driver's digital identification and electronic proof that the ride was matched through the digital network but the bill expressly does not require a driver to relinquish possession of the electronic device containing the digital identification. The bill defines "digital identification" as information stored on a digital network that may be accessed by a driver and that serves as proof of the identity of the driver; serves as proof that the applicable insurance coverage requirements are satisfied; displays a photo of the driver; displays an image of the driver's vehicle; and identifies the make, model, and license plate number of the vehicle used by the driver. The bill requires a transportation network company, for each motor vehicle used by a driver to provide digitally prearranged rides through the company's digital network, to require the vehicle to meet the state's compulsory vehicle inspection requirements and to confirm that the vehicle has four doors and a maximum passenger capacity of not more than eight people, including the driver. The bill authorizes such a vehicle to be owned, leased, or rented by the driver and prohibits the vehicle from also being used to provide street-hail taxicab service, limousine service, or other similar for-hire service regulated by a municipality or a joint airport board.

H.B. 100 requires a transportation network company to adopt a policy of nondiscrimination with respect to passengers and potential passengers that prohibits a driver logged in to the company's digital network from discriminating on the basis of a passenger's or potential passenger's location or destination, race, color, national origin, religious belief or affiliation, sex, disability, or age and from refusing to provide service to a potential passenger with a service animal unless the driver has a medically documented condition that prevents the driver from transporting animals.

The bill requires a transportation network company to notify each person authorized to log in as a driver on the company's digital network of the policy, requires the driver to comply with the policy, and sets out further requirements and prohibited actions of a transportation network company regarding the accommodation of passengers with service animals and physical disabilities. The bill establishes that a driver who is authorized to log in to a transportation network company's digital network is considered an independent contractor and not an employee of the company if the company does not place certain restrictions on the driver's activities and the company and driver agree in writing that the driver is an independent contractor.

H.B. 100 sets out provisions relating to the retention, submission, collection, use, and disclosure of records, passenger information, personally identifiable information of drivers, and other transportation network company information, including the collection, use, or disclosure of such information by a public entity. The bill authorizes TDLR to suspend or revoke a permit issued to a transportation network company that violates a provision of the bill. The bill establishes that the regulation of transportation network companies, drivers logged in to a digital network, and vehicles used to provide digitally prearranged rides is an exclusive power and function of the state and prohibits any such regulation of a transportation network company, drivers logged in to a digital network, and vehicles used to provide digitally prearranged rides by a municipality or other local entity, including the imposition of a tax, additional license or permit requirements, rate setting, the imposition of operational or entry requirements, or the imposition of other requirements. The bill authorizes an airport owner or operator to impose regulations, including a reasonable fee, on a transportation network company that provides digitally prearranged rides to or from the airport but prohibits those regulations from conflicting with the requirements of the bill or including requirements for drivers in addition to the bill's provisions. The bill establishes that a provision of the bill that applies to a driver logged in to a digital network applies while the driver is logged in to receive requests for digitally prearranged rides and while the driver is logged in and providing a digitally prearranged ride. The bill makes void and ineffective on the bill's effective date any municipality's or other local entity's ordinance or policy related to transportation network companies or drivers authorized to access transportation network companies' digital networks that contradicts or is otherwise inconsistent with the bill.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.