

By: Schwertner

S.B. No. 176

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of transportation network companies;
requiring an occupational permit; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 14, Occupations Code, is amended by adding Chapter 2402 to read as follows:

CHAPTER 2402. TRANSPORTATION NETWORK COMPANIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2402.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Commission of Licensing and Regulation.

(2) "Department" means the Texas Department of Licensing and Regulation.

(3) "Digital network" means the online-enabled application, software, website, or system offered or used by a transportation network company to connect passengers and drivers.

(4) "Passenger vehicle" means a motor vehicle designed to carry fewer than 16 passengers, including the driver.

Sec. 2402.002. DEFINITION OF TRANSPORTATION NETWORK COMPANY. In this chapter, "transportation network company" means a corporation, sole proprietorship, or other entity that enables a passenger to prearrange a ride in a passenger vehicle with the driver of the vehicle exclusively through the company's digital network. The term does not include an entity that provides, in

1 addition to rides prearranged through a digital network:

2 (1) street-hail taxicab services; or

3 (2) limousine or other car services arranged by a
4 method other than through a digital network.

5 Sec. 2402.003. CONTROLLING AUTHORITY. Notwithstanding any
6 other provision of law, transportation network companies and
7 drivers accessing a transportation network company's digital
8 network are governed exclusively by this chapter. A municipality
9 or other local entity may not:

10 (1) impose a tax on or require a license for a
11 transportation network company or a driver who has access to a
12 transportation network company's digital network; or

13 (2) subject a transportation network company or a
14 driver who has access to a transportation network company's digital
15 network to the municipality's or other local entity's rate, entry,
16 operational, or other requirements.

17 SUBCHAPTER B. PERMIT REQUIRED

18 Sec. 2402.051. PERMIT REQUIRED. (a) A person may not
19 operate a transportation network company in this state without
20 obtaining and maintaining a permit issued under this chapter.

21 (b) The department shall issue a permit to each applicant
22 that meets the requirements of this chapter and pays the fee
23 required by Section 2402.052.

24 Sec. 2402.052. FEE. A transportation network company shall
25 annually pay a fee to the department to maintain a permit under this
26 chapter. The amount of the fee is:

27 (1) \$10,000 for a transportation network company whose

1 digital network is used by 50 or fewer drivers;

2 (2) \$30,000 for a transportation network company whose
3 digital network is used by 51-200 drivers;

4 (3) \$75,000 for a transportation network company whose
5 digital network is used by 201-1,000 drivers; and

6 (4) \$125,000 for a transportation network company
7 whose digital network is used by more than 1,000 drivers.

8 Sec. 2402.053. PERMIT APPLICATION. (a) An application for
9 a transportation network company permit must be on a form
10 prescribed by the department. The application must include
11 information that meets the requirements of this chapter and
12 information the commission by rule determines is necessary to
13 determine the applicant's qualifications to adequately serve the
14 public.

15 (b) The applicant shall notify the department of any
16 material change in the information included in an application not
17 later than the 10th calendar day after the date the change occurs.
18 The department shall prescribe a form for the disclosure of
19 material changes.

20 Sec. 2402.054. TERM; RENEWAL. (a) A permit issued under
21 this chapter is valid for two years. The department shall prescribe
22 the form and requirements necessary to apply for a renewal of a
23 permit.

24 (b) The department shall notify each person holding a permit
25 under this chapter of the date of permit expiration and the amount
26 of the fee required for permit renewal. The department shall send
27 the notice not later than the 30th day before the date of the permit

1 expiration.

2 SUBCHAPTER C. DRIVER REQUIREMENTS AND POLICIES

3 Sec. 2402.101. DRIVER PREREQUISITES. (a) Before allowing
4 an individual to act as a driver on the company's digital network, a
5 transportation network company must:

6 (1) require the individual to submit an application to
7 the company that includes information regarding the individual's
8 address, age, driver's license, driving history, motor vehicle
9 registration, motor vehicle liability insurance, and other
10 information required by the company;

11 (2) conduct, or have a third party conduct, a local and
12 national criminal background check for each individual that
13 includes the use of:

14 (A) a commercial multistate and
15 multijurisdiction criminal records locator with primary source
16 validation; and

17 (B) the national sex offender registry database
18 maintained by the United States Department of Justice or successor
19 agency; and

20 (3) obtain and review the individual's driving record.

21 (b) A transportation network company may not permit to act
22 as a driver on its digital network an individual who:

23 (1) has been convicted of:

24 (A) more than three offenses classified by the
25 Department of Public Safety as moving violations in the preceding
26 three-year period; or

27 (B) one of the following offenses in the

1 preceding three-year period:

2 (i) evading arrest or detention under
3 Section 38.04, Penal Code;

4 (ii) reckless driving under Section
5 545.401, Transportation Code;

6 (iii) driving without a valid driver's
7 license under Section 521.025, Transportation Code; or

8 (iv) driving with an invalid driver's
9 license under Section 521.457, Transportation Code;

10 (2) has been convicted, in the preceding five-year
11 period, of driving while intoxicated under Section 49.04 or 49.045,
12 Penal Code;

13 (3) has been convicted at any time of:

14 (A) fraud;

15 (B) a sexual offense;

16 (C) use of a motor vehicle to commit:

17 (i) a felony;

18 (ii) a crime involving property damage;

19 (iii) theft;

20 (iv) an act of violence; or

21 (v) an offense of making a terroristic
22 threat;

23 (D) an offense listed in Article 42A.054(a), Code
24 of Criminal Procedure; or

25 (E) invasive visual recording under Section
26 21.15, Penal Code;

27 (4) is a match in the national sex offender registry

1 database;

2 (5) does not possess a valid driver's license;

3 (6) does not possess proof of registration or
4 financial responsibility for the motor vehicle that will be used to
5 provide rides prearranged through the company's digital network; or

6 (7) is younger than 19 years of age.

7 Sec. 2402.102. DRIVER DRUG AND ALCOHOL USE POLICY. (a) A
8 transportation network company shall adopt and implement a policy
9 prohibiting drivers from using or being under the influence of
10 drugs or alcohol when the driver is logged on to the company's
11 digital network, regardless of whether the driver is providing a
12 ride prearranged through the network.

13 (b) A transportation network company shall post on the
14 company's Internet website:

15 (1) notice of the drug and alcohol policy; and

16 (2) procedures to report a complaint about a driver
17 with whom a passenger was matched through the digital network and
18 who the passenger reasonably suspects was using or was under the
19 influence of drugs or alcohol during the course of the trip.

20 Sec. 2402.103. DISCRIMINATION POLICY. (a) A transportation
21 network company shall adopt and implement a policy prohibiting
22 driver discrimination against passengers and individuals
23 requesting rides using the company's digital network based on:

24 (1) a characteristic protected from discrimination
25 under state or federal law, including race, color, national origin,
26 religion, sex, disability, age, sexual orientation, or gender
27 identity or expression; or

1 (2) the geographic location of a person requesting a
2 ride.

3 (b) A policy adopted under Subsection (a) must include
4 provisions prohibiting drivers from:

5 (1) refusing to accept a ride request based on the
6 geographic location of the person requesting a ride if the
7 passenger's destination is 30 miles or less from the passenger's
8 departure point;

9 (2) refusing to accommodate service animals; and

10 (3) charging an additional fee or higher rate based on
11 a factor described by Subsection (a).

12 (c) A transportation network company shall post on the
13 company's Internet website:

14 (1) notice of the discrimination policy; and

15 (2) procedures to report a complaint about a driver
16 who:

17 (A) accepted or declined a person's ride request;

18 and

19 (B) the person reasonably suspects discriminated
20 against the person on a basis described by Subsection (a).

21 Sec. 2402.104. POLICY ENFORCEMENT. (a) On receipt of a
22 complaint alleging a violation by a driver of the drug and alcohol
23 policy under Section 2402.102 or the discrimination policy under
24 Section 2402.103, the transportation network company shall:

25 (1) conduct an investigation into the reported
26 incident;

27 (2) immediately suspend the driver's access to the

1 company's digital network for the duration of the investigation;
2 and

3 (3) permanently suspend the driver's access if the
4 company determines that the driver has violated the policy.

5 (b) The transportation network company shall maintain
6 records relevant to a complaint for a period of at least two years
7 after the date the complaint is received.

8 Sec. 2402.105. NO STREET HAILS. Unless authorized by other
9 law, including Section 215.004, Local Government Code, a driver
10 authorized to access a transportation network company's digital
11 network may not solicit or accept street hails.

12 SUBCHAPTER D. TRANSPORTATION NETWORK COMPANY REQUIREMENTS

13 Sec. 2402.151. DISCLOSURE OF RATES; ESTIMATED FARES. A
14 transportation network company shall, before a passenger enters a
15 driver's vehicle, provide the passenger with:

16 (1) the applicable rates being charged for the ride;
17 and

18 (2) the option to receive an estimated fare.

19 Sec. 2402.152. ELECTRONIC RECEIPT. Within a reasonable
20 period of time following the completion of a ride, a transportation
21 network company shall transmit an electronic receipt to the
22 passenger that lists:

23 (1) the origin and destination of the ride;

24 (2) the total time and distance of the ride; and

25 (3) an itemization of the total fare paid, if any.

26 Sec. 2402.153. IDENTIFICATION OF VEHICLES AND DRIVERS. A
27 transportation network company's digital network must display to a

1 passenger, before the passenger enters the vehicle:

2 (1) a picture of the driver; and

3 (2) the vehicle's license plate number.

4 Sec. 2402.154. ACCESSIBLE TRANSPORTATION; SURCHARGE. (a) A
5 transportation network company shall provide passengers an
6 opportunity to indicate whether they require a
7 wheelchair-accessible vehicle. If a transportation network company
8 is unable to arrange wheelchair-accessible service, the company
9 shall direct the passenger to an alternate provider of
10 wheelchair-accessible service, if available.

11 (b) The department may impose a fee, not to exceed \$20,000
12 annually, on transportation network companies that have more than
13 200 drivers and that do not provide, at a minimum level determined
14 by commission rule, wheelchair-accessible service. The department
15 shall remit the fees to the comptroller for deposit in a trust fund
16 outside the state treasury to be held by the comptroller and
17 administered by the department to provide grants to transportation
18 network companies to provide wheelchair-accessible service.

19 (c) A grant distributed under Subsection (b):

20 (1) may be in an amount not to exceed \$15,000; and

21 (2) may be distributed only to a company that meets the
22 minimum level of wheelchair-accessible service as determined by
23 commission rule.

24 Sec. 2402.155. RECORDS. A transportation network company
25 shall maintain:

26 (1) individual ride records for at least two years
27 after the date the ride was provided; and

1 (2) driver records at least until the second
2 anniversary of the date on which a driver's activation on the
3 company's digital network has ended.

4 SECTION 2. This Act takes effect September 1, 2017.