BILL ANALYSIS

Senate Research Center 89R22356 AND-F H.B. 4215 By: Hunter (Schwertner) Business & Commerce 5/8/2025 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Delivery network companies (DNCs) utilize digital technology platforms to provide on-demand and highly automated delivery services. These services connect customers with willing drivers who use their personal vehicles to provide delivery of goods from local merchants. DNCs provide convenient delivery options for Texans with limited time and provide valuable assistance to Texans who are elderly, infirm, or have mobility issues. However, Texas lacks consistent and predictable statewide regulation for DNCs, leading to an inefficient and confusing patchwork of rules. This has resulted in confusion, and may inhibit the growth of DNCs, resulting in less access in certain areas to delivery services for groceries, prepared meals, and other goods. H.B. 4215 seeks to establish a uniform, rational statewide regulatory framework for DNCs by amending current law relating to the regulation of transportation network companies to include delivery network companies.

H.B. 4215 amends current law relating to the regulation of delivery network companies, requires an occupational permit, and authorizes a fee.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Chapter 2402, Occupations Code, to read as follows:

CHAPTER 2402. TRANSPORTATION NETWORK AND DELIVERY NETWORK COMPANIES

SECTION 2. Amends Section 2402.001, Occupations Code, by amending Subdivisions (1) and (2) and adding Subdivisions (1-a), (1-b), (1-c), (2-a), and (3-a) to define "delivery customer," "delivery network company," "delivery person," "digitally prearranged delivery," and "driver," and to redefine "digital network."

SECTION 3. Amends Section 2402.002, Occupations Code, as follows:

Sec. 2402.002. New heading: NATURE OF TRANSPORTATION NETWORK AND DELIVERY NETWORK COMPANIES, DRIVERS, DELIVERY PERSONS, AND VEHICLES. Provides that transportation network companies, delivery network companies, and drivers or delivery persons logged in to the company's digital network are not common carriers, contract carriers, or motor carriers.

SECTION 4. Amends Section 2402.003(a), Occupations Code, as follows:

(a) Provides that, notwithstanding any other provision of law, and except as provided by certain provisions, the regulation of transportation network companies, delivery network companies, drivers or delivery persons logged in to a digital network, and vehicles used to provide digitally prearranged rides or deliveries is an exclusive power and function of

this state and is prohibited from being regulated by a municipality or local entity, including by imposing certain requirements.

SECTION 5. Amends Section 2402.004, Occupations Code, as follows:

Sec. 2402.004. New heading: PROVISIONS APPLICABLE TO DRIVERS AND DELIVERY PERSONS LOGGED IN TO DIGITAL NETWORK. Makes conforming and nonsubstantive changes to this section.

SECTION 6. Amends Section 2402.051(a), Occupations Code, to prohibit a person from operating a transportation network company or delivery network company in this state without obtaining and maintaining a permit issued under this chapter.

SECTION 7. Amends Section 2402.052, Occupations Code, to make conforming changes.

SECTION 8. Amends Chapter 2402, Occupations Code, by adding Subchapter C-1, as follows:

SUBCHAPTER C-1. OPERATION OF DELIVERY NETWORK COMPANIES

Sec. 2402.131. INTOXICATING SUBSTANCE POLICY. (a) Requires a delivery network company to implement an intoxicating substance policy that prohibits a delivery person who is logged in to the company's digital network from any amount of intoxication.

- (b) Requires a delivery network company to include on its Internet website or digital network application a notice concerning the company's intoxicating substance policy and the means to make a complaint about a suspected violation of the policy.
- (c) Requires a delivery network company to maintain records relevant to a complaint for a period of at least two years after the date the complaint is received.

Sec. 2402.132. DELIVERY PERSON REQUIREMENTS. (a) Requires a delivery network company, before a delivery network company authorizes an individual to access the company's digital network as a delivery person, to:

- (1) confirm that the individual meets certain criteria;
- (2) conduct, or cause to be conducted, a local, state, and national criminal background check for the individual that includes the use of certain methods; and
- (3) if the individual indicates an intention to undertake digitally prearranged deliveries by motor vehicle, obtain and review the individual's driving record.
- (b) Prohibits a delivery network company from permitting an individual to log in as a delivery person on the company's digital network if:
 - (1) the individual has been convicted in the preceding seven-year period of any of certain offenses;
 - (2) the individual is found to be registered in the national sex offender public website maintained by the United States Department of Justice or a successor agency; or
 - (3) for an individual who is authorized to undertake digitally prearranged deliveries by motor vehicle, the individual has been convicted in the three-

year period preceding the issue date of the driving record obtained under Subsection (a)(3) of certain offenses.

- (c) Requires a delivery network company to conduct or cause to be conducted a criminal background check before authorizing a delivery person to access the company's digital network.
- (d) Requires a delivery network company to restrict a delivery person's access to the company's digital network at the request of law enforcement or on receipt of a court order.

Sec. 2402.133. NONDISCRIMINATION. (a) Requires a delivery network company to adopt a policy that prohibits a delivery person logged in to the company's digital network from discriminating on the basis of a delivery customer's or potential delivery customer's geographical location or destination, race, color, national origin, religious belief or affiliation, sex, disability, or age.

- (b) Defines "sex."
- (c) Requires a delivery network to notify each person authorized to log in as a delivery person on the company's digital network of the nondiscrimination policy. Requires a delivery person logged in to the company's digital network to comply with the nondiscrimination policy.
- (d) Prohibits a delivery network company from imposing an additional charge for delivery to individuals with physical disabilities because of those disabilities.

Sec. 2402.134. DELIVERY PERSONS AS INDEPENDENT CONTRACTORS. Provides that a delivery person is considered an independent contractor for all purposes, and not an employee of a delivery network company in any manner, if the company does not take certain actions and the company and the delivery person agree in writing that the delivery person is an independent contractor.

SECTION 9. Amends Section 2402.151, Occupations Code, to make a conforming change.

SECTION 10. Amends Section 2402.152, Occupations Code, to make conforming changes.

SECTION 11. Amends Section 2402.153, Occupations Code, as follows:

Sec. 2402.153. New heading: DISCLOSURE OF PASSENGER OR DELIVERY CUSTOMER INFORMATION. Makes conforming changes to this section.

SECTION 12. Amends Section 2402.154, Occupations Code, to make a conforming change.

SECTION 13. Amends Section 2402.201, Occupations Code, to make a conforming change.

SECTION 14. Effective date: September 1, 2025.