

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 55th Legislature (2015)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1614

 By: Henke

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8 COMMITTEE SUBSTITUTE

9 An Act relating to motor vehicles; enacting the
10 Oklahoma Transportation Network Company Services Act;
11 providing regulation of transportation network
12 companies, transportation network drivers and
13 transportation network services; defining terms;
14 excluding certain companies, drivers and services
15 from certain definitions; prohibiting certain acts;
16 requiring certain permitting; requiring certain
17 permit issuances by the Oklahoma Corporation
18 Commission; establishing certain fee amount;
19 requiring the promulgation of rules; requiring
20 certain in-state presence; providing certain fare-
21 setting procedures; requiring certain information be
22 provided to certain individuals; requiring certain
23 electronic receipt; requiring compliance with certain
24 insurance requirements; providing certain insurance
 requirements; establishing certain insurance coverage
 in certain circumstance; making determination related
 to satisfaction of financial responsibility
 requirements; requiring certain disclosures; allowing
 for certain liability insurance exclusions; requiring
 certain notifications; requiring the exchange of
 certain information; requiring certain policies
 related to use of drugs and alcohol; requiring
 certain complaint process; requiring certain
 recordkeeping; requiring certain application
 information; requiring certain background check;
 requiring certain research; disqualifying certain
 individuals from acting as transportation network
 drivers; requiring vehicles meet certain standards;
 prohibiting certain actions; requiring certain policy

1 related to cash payments; requiring adherence to
2 certain nondiscrimination policy; requiring certain
3 accommodations for the physically disabled; requiring
4 retention of certain records; prohibiting the
5 disclosure of certain information; providing
6 exceptions; exempting transportation network
7 companies and transportation network drivers from
8 political subdivision regulation and oversight;
9 providing for codification; and providing an
10 effective date.

11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1010 of Title 47, unless there
14 is created a duplication in numbering, reads as follows:

15 This act shall be known and may be cited as the "Oklahoma
16 Transportation Network Company Services Act".

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 1011 of Title 47, unless there
19 is created a duplication in numbering, reads as follows:

20 As used in the Oklahoma Transportation Network Company Services
21 Act:

22 1. "Transportation network company (TNC)" means an entity
23 licensed pursuant to this act and operating in Oklahoma that uses a
24 digital network or a software application service to connect
passengers to transportation network services provided by
transportation network company drivers. A TNC shall not be deemed

1 to own, control, operate or manage the vehicles used by TNC drivers.

2 A TNC is not a taxicab association or a for-hire vehicle owner;

3 2. "Transportation network company driver (TNC driver)" means
4 an individual who operates a motor vehicle that is:

5 a. owned, leased or otherwise authorized for use by the
6 individual,

7 b. not a taxicab or motor carrier of persons, and

8 c. used to provide transportation Network Company
9 Services; and

10 3. "Transportation network company services (TNC services)"
11 means transportation of a passenger between points chosen by the
12 passenger and prearranged with a TNC driver through the use of a TNC
13 digital network or software application. TNC services shall begin
14 when a TNC Driver accepts a request for transportation received
15 through the TNC's digital network or software application service,
16 continue while the TNC driver transports the passenger in the TNC
17 driver's vehicle, and end when the passenger exits the TNC driver's
18 vehicle. TNC service is not taxicab, for-hire vehicle or street-
19 hail service.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1012 of Title 47, unless there
22 is created a duplication in numbering, reads as follows:

23 TNCs or TNC drivers shall not be considered motor carriers of
24 persons as defined in Section 230.23 of Title 47 of the Oklahoma

1 Statutes, nor shall TNCs or TNC drivers be considered to provide
2 taxicab or for-hire vehicle service.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1013 of Title 47, unless there
5 is created a duplication in numbering, reads as follows:

6 A. A person shall not operate a TNC in Oklahoma without first
7 having obtained a permit from the Corporation Commission.

8 B. The Corporation Commission shall issue a permit to each
9 applicant that meets the requirements for a TNC set forth in this
10 act, and pays to the Corporation Commission an annual permit fee of
11 Five Thousand Dollars (\$5,000.00).

12 C. The Oklahoma Corporation Commission shall promulgate rules
13 as needed to implement the provisions of this act.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1014 of Title 47, unless there
16 is created a duplication in numbering, reads as follows:

17 TNCs shall maintain an agent for service of process in the State
18 of Oklahoma.

19 SECTION 6. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 1015 of Title 47, unless there
21 is created a duplication in numbering, reads as follows:

22 TNCs may determine and charge a fare for the services provided
23 to passengers; provided, that if a fare is charged the TNC shall
24 disclose to passengers the fare-calculation method on its website or

1 within the software application service. The TNC shall also provide
2 passengers with the applicable rates being charged and the option to
3 receive an estimated fare before the passenger enters the TNC
4 driver's vehicle.

5 SECTION 7. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1016 of Title 47, unless there
7 is created a duplication in numbering, reads as follows:

8 A TNC's software application or website shall display a picture
9 of the TNC driver and the license plate number of the motor vehicle
10 utilized for providing the TNC service before the passenger enters
11 the TNC driver's vehicle.

12 SECTION 8. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 1017 of Title 47, unless there
14 is created a duplication in numbering, reads as follows:

15 Within a reasonable period of time following the completion of a
16 trip, the TNC shall transmit an electronic receipt to the passenger
17 that lists:

- 18 1. The origin and destination of the trip;
- 19 2. The total time and distance of the trip; and
- 20 3. An itemization of the total fare paid, if any.

21 SECTION 9. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 1018 of Title 47, unless there
23 is created a duplication in numbering, reads as follows:

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1 A. On or before November 1, 2015, and thereafter, TNCs and TNC
2 drivers shall comply with the automobile liability insurance
3 requirements of this section.

4 B. The following automobile liability insurance requirements
5 shall apply during the time that a TNC driver is logged into the
6 TNC's digital network and available to receive requests for
7 transportation but is not providing TNC services:

8 1. Automobile liability insurance that meets the minimum
9 liability insurance limits, as defined by Section 7-103 of Title 47
10 of the Oklahoma Statutes; and

11 2. Automobile liability insurance in the amounts required in
12 paragraph 1 of this subsection shall be maintained by the TNC and
13 provide coverage in the event a participating TNC driver's own
14 automobile liability policy excludes coverage according to its
15 policy terms or does not provide coverage of at least the limits
16 required in paragraph 1 of this subsection.

17 C. 1. The following automobile liability insurance
18 requirements shall apply while a TNC driver is providing TNC
19 services:

20 a. primary automobile liability insurance that recognizes
21 the TNC driver's provision of TNC services, and

22 b. automobile liability insurance of at least One Million
23 Dollars (\$1,000,000.00) for death, personal injury and
24 property damage;

1 2. The coverage requirements of this subsection may be
2 satisfied by any of the following:

3 a. automobile liability insurance maintained by the TNC
4 driver,

5 b. automobile liability insurance maintained by the TNC,
6 or

7 c. any combination of subparagraphs a and b of this
8 paragraph.

9 D. In every instance where insurance maintained by a TNC driver
10 to fulfill the insurance requirements of this section has lapsed,
11 failed to provide the required coverage, denied a claim for the
12 required coverage or otherwise ceased to exist, insurance maintained
13 by the TNC shall provide the coverage required by this section
14 beginning with the first dollar of a claim.

15 E. Insurance required by this section may be placed with an
16 insurer authorized to do business in the state or with a surplus
17 lines insurer eligible under Section 1100 et seq. of Title 36 of the
18 Oklahoma Statutes.

19 F. Insurance required by this section shall be deemed to
20 satisfy the financial responsibility requirement for a motor vehicle
21 under Section 7-101 et seq. of Title 47 of the Oklahoma Statutes.

22 SECTION 10. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1019 of Title 47, unless there
24 is created a duplication in numbering, reads as follows:

1 A. TNCs shall disclose in writing to TNC drivers the following
2 before they are allowed to accept a request for TNC services on the
3 TNC's digital network:

4 1. The insurance coverage and limits of liability that the TNC
5 provides while the TNC driver uses a personal vehicle in connection
6 with a TNC's digital network; and

7 2. That the TNC driver's own insurance policy may not provide
8 coverage while the TNC driver uses a vehicle in connection with a
9 TNC's digital network depending on its terms.

10 B. Insurers that write automobile liability insurance in
11 Oklahoma may exclude any and all coverage and the duty to defend
12 afforded under the owner's insurance policy for any loss or injury
13 that occurs while an insured vehicle provides or is available to
14 provide TNC services, provided such exclusion is expressly set forth
15 in the policy and approved for sale in Oklahoma. This right to
16 exclude coverage and the duty to indemnify and defend may apply to
17 any coverage included in an automobile liability insurance policy
18 including, but not limited to:

- 19 1. Liability coverage for bodily injury and property damage;
- 20 2. Uninsured and underinsured motorist coverage;
- 21 3. Medical payments coverage;
- 22 4. Comprehensive physical damage coverage; and
- 23 5. Collision physical damage coverage,

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1 provided the insurer notifies an insured after a loss that the
2 insurer has no duty to defend or indemnify any person or
3 organization for liability for a loss that is properly excluded
4 pursuant to the terms of the applicable primary or excess insurance
5 policy.

6 C. In a claims coverage investigation, TNCs and any insurer
7 providing coverage under Section 9 of this act shall cooperate to
8 facilitate the exchange of information, including the precise times
9 that a TNC driver logged on and off of the TNC's digital network in
10 the twenty-four-hour period immediately preceding the accident and
11 disclose to one another a clear description of the coverage,
12 exclusions and limits provided under any insurance policy each party
13 issued or maintained.

14 SECTION 11. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 1020 of Title 47, unless there
16 is created a duplication in numbering, reads as follows:

17 A. TNCs shall implement a zero-tolerance policy on the use of
18 drugs or alcohol while a TNC driver is providing TNC services or is
19 logged into the TNC's digital network but is not providing TNC
20 services, and shall provide notice of this policy on its website, as
21 well as procedures to report a complaint about a driver with whom a
22 passenger was matched and whom the passenger reasonably suspects was
23 under the influence of drugs or alcohol during the course of the
24 trip.

1 B. Upon receipt of such passenger complaint alleging a
2 violation of the zero-tolerance policy, the TNC shall immediately
3 suspend such TNC driver's access to the TNC's digital platform, and
4 shall conduct an investigation into the reported incident. The
5 suspension shall last the duration of the investigation.

6 C. TNCs shall maintain records relevant to the enforcement of
7 this requirement for a period of at least two (2) years from the
8 date that a passenger complaint is received by the TNC.

9 SECTION 12. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 1021 of Title 47, unless there
11 is created a duplication in numbering, reads as follows:

12 A. Prior to permitting an individual to act as a TNC driver on
13 its digital platform, the TNC shall:

14 1. Require the individual to submit an application to the TNC,
15 which includes information regarding his or her address, age, driver
16 license, driving history, motor vehicle registration, automobile
17 liability insurance, and other information required by the TNC;

18 2. Conduct, or have a third party conduct, a local and national
19 criminal background check for each applicant that shall include a
20 check of:

21 a. the Multi-State/Multi-Jurisdiction Criminal Records
22 Locator or other similar commercial nationwide
23 database with validation through a primary source
24 search, and

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 b. the National Sex Offender Registry database; and

2 3. Obtain and review a driving history research report for such
3 individual.

4 B. TNCs shall not permit an individual to act as a TNC driver
5 on its digital platform who:

6 1. Has had more than three moving violations in the prior
7 three-year period, or one major violation, including but not limited
8 to attempting to evade the police, reckless driving, or driving on a
9 suspended or revoked license, in the prior three-year period;

10 2. Has been convicted, within the past seven (7) years, of
11 driving under the influence of drugs or alcohol, fraud, sexual
12 offenses, use of a motor vehicle to commit a felony, a crime
13 involving property damage, theft, acts of violence, or acts of
14 terror;

15 3. Is a match in the National Sex Offender Registry database;

16 4. Does not possess a valid driver license;

17 5. Does not possess proof of registration for the motor
18 vehicle(s) used to provide TNC services;

19 6. Does not possess proof of automobile liability insurance for
20 the motor vehicle(s) used to provide TNC services; or

21 7. Is not at least nineteen (19) years of age.

22 SECTION 13. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 1022 of Title 47, unless there
24 is created a duplication in numbering, reads as follows:

1 TNCs shall require that any motor vehicle(s) that a TNC driver
2 will use to provide TNC services meets the equipment standards
3 required of private motor vehicles under Section 12-101 et seq. of
4 Title 47 of the Oklahoma Statutes.

5 SECTION 14. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 1023 of Title 47, unless there
7 is created a duplication in numbering, reads as follows:

8 A TNC driver shall exclusively accept rides booked through a
9 TNC's digital network or software application service and shall not
10 solicit or accept street hails.

11 SECTION 15. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1024 of Title 47, unless there
13 is created a duplication in numbering, reads as follows:

14 TNCs shall adopt a policy prohibiting solicitation or acceptance
15 of cash payments from passengers and notify TNC drivers of such
16 policy. TNC drivers shall not solicit or accept cash payments from
17 passengers. Any payment for TNC services shall be made only
18 electronically using the TNC's digital network or software
19 application.

20 SECTION 16. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 1025 of Title 47, unless there
22 is created a duplication in numbering, reads as follows:

23 A. TNCs shall adopt a policy of nondiscrimination on the basis
24 of destination, race, color, national origin, religious belief,

1 religious affiliation, sex, disability, age, sexual orientation, or
2 gender identity with respect to passengers and potential passengers
3 and notify TNC drivers of such policy.

4 B. TNC drivers shall comply with all applicable laws regarding
5 nondiscrimination against passengers or potential passengers on the
6 basis of destination, race, color, national origin, religious
7 belief, religious affiliation, sex, disability, age, sexual
8 orientation, or gender identity.

9 C. TNC drivers shall comply with all applicable laws relating
10 to accommodation of service animals.

11 D. TNCs shall not impose additional charges for providing
12 services to persons with physical disabilities because of those
13 disabilities.

14 E. TNCs shall provide passengers an opportunity to indicate
15 whether they require a wheelchair-accessible vehicle. If a TNC
16 cannot arrange wheelchair-accessible TNC service in any instance, it
17 shall direct the passenger to an alternate provider of wheelchair-
18 accessible service, if available.

19 SECTION 17. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 1026 of Title 47, unless there
21 is created a duplication in numbering, reads as follows:

22 TNCs shall maintain:

23 1. Individual trip records for at least one (1) year from the
24 date each trip was provided; and

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 2. TNC driver records at least until the one-year anniversary
2 of the date on which a TNC driver's activation on the TNC digital
3 network has ended.

4 SECTION 18. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 1027 of Title 47, unless there
6 is created a duplication in numbering, reads as follows:

7 TNCs shall not disclose a passenger's personally identifiable
8 information to a third party unless:

- 9 1. The passenger consents;
- 10 2. Disclosure is required by a legal obligation; or
- 11 3. Disclosure is required to protect or defend the terms of use
12 of the service or to investigate violations of those terms.

13 In addition, a TNC shall be permitted to share a passenger's name
14 and telephone number with the TNC driver providing TNC services to
15 such passenger in order to facilitate correct identification of the
16 passenger by the TNC driver, or to facilitate communication between
17 the passenger and the driver.

18 SECTION 19. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1028 of Title 47, unless there
20 is created a duplication in numbering, reads as follows:

21 Notwithstanding any other provision of law, TNCs and TNC drivers
22 are governed exclusively by the Oklahoma Transportation Network
23 Company Services Act and any rules promulgated by the Oklahoma
24 Corporation Commission consistent with the Oklahoma Transportation

1 Network Company Services Act. Neither a TNC nor a TNC driver shall
2 be subject to regulation or oversight by political subdivisions of
3 the state, and no political subdivision of the state may impose a
4 tax on, or require a license for, a TNC or a TNC driver or subject a
5 TNC to the political subdivision's rate requirement, entry
6 requirement, operational requirement or other requirements.

7 SECTION 20. This act shall become effective November 1, 2015.

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9 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, LABOR, AND RETIREMENT
10 LAWS, dated 02/26/2015 - DO PASS, As Amended.

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