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3 SENATE T& M COMMITTEE SUBSTITUTE FOR SB271
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8 SYNOPSIS: This bill would require transportation
9 network companies to obtain a permit from the
10 Public Service Commission, maintain an agent for
11 service of process, provide fare transparency, and
12 implement a nondiscrimination policy.

13 This bill would require drivers and vehicles
14 that provide rides through transportation network
15 companies to meet certain safety and consumer
16 protection requirements.

17 This bill would require transportation
18 network companies to collect a local assessment fee
19 for each trip fare and remit it to the Public
20 Service Commission and require the commission to
21 distribute a portion of the fee to the municipality
22 or county where a ride originates.

23 This bill would specify the duties of the
24 Public Service Commission with regard to regulating
25 transportation network companies and drivers.

1 This bill would prohibit municipalities and
2 certain authorities from imposing taxes or business
3 licenses on transportation network companies or
4 transportation network company drivers or vehicles.

5 This bill would specify penalties for
6 violations.

7 This bill would also authorize
8 municipalities to prohibit transportation network
9 companies and transportation network company
10 drivers and vehicles from operating within the
11 corporate limits of the municipality.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to transportation network companies; to
18 require transportation network companies to obtain a permit
19 from the Public Service Commission, maintain an agent for
20 service of process, provide fare transparency, and implement a
21 nondiscrimination policy; to require drivers and vehicles that
22 provide rides through transportation network companies to meet
23 certain safety and consumer protection requirements; to
24 require transportation network companies to collect a local
25 assessment fee for each trip fare and remit it to the Public
26 Service Commission and require the commission to distribute a

1 portion of the fee to the municipality or county where a ride
2 originates; to specify the duties of the Public Service
3 Commission with regard to regulating transportation network
4 companies and drivers; to prohibit municipalities and certain
5 authorities from imposing taxes or business licenses on
6 transportation network companies or transportation network
7 company drivers or vehicles; to specify penalties for
8 violations; and to authorize municipalities to prohibit
9 transportation network companies and transportation network
10 company drivers and vehicles from operating within the
11 corporate limits of the municipality.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. As used in this act, the following words
14 shall have the following meanings:

15 (1) COMMISSION. The Public Service Commission.

16 (2) DIGITAL NETWORK. Digital network, as defined in
17 Section 32-7C-1, Code of Alabama 1975.

18 (3) GROSS TRIP FARE. The total charge, including the
19 base fare and any time or distance charges, for a prearranged
20 ride. The term does not include any additional fees, including
21 airport or venue fees.

22 (4) TNC. A transportation network company, as
23 defined in Section 32-7C-1, Code of Alabama 1975.

24 (5) TNC DRIVER. A TNC driver as defined in Section
25 32-7C-1, Code of Alabama 1975.

1 (6) TNC RIDER. A TNC rider as defined in Section
2 32-7C-1, Code of Alabama 1975.

3 (7) TNC VEHICLE. A personal vehicle, as defined in
4 Section 32-7C-1, Code of Alabama 1975. The term may include a
5 vehicle that is let or rented to another person for
6 consideration.

7 (8) PREARRANGED RIDE. Prearranged ride, as defined
8 in Section 32-7C-1, Code of Alabama 1975.

9 Section 2. (a) A TNC or TNC driver is not a common
10 carrier, contract carrier, or motor carrier, as defined in
11 Section 37-3-2, Code of Alabama 1975, does not provide taxi or
12 for-hire vehicle services, and is not subject to the Alabama
13 Motor Carrier Act, Chapter 3, Title 37, Code of Alabama 1975.

14 (b) A TNC driver is not required to register the
15 vehicle that the TNC driver uses to provide prearranged rides
16 under this act as a commercial motor vehicle or for-hire
17 vehicle under the Alabama Motor Carrier Act, Chapter 3, Title
18 37, Code of Alabama 1975.

19 Section 3. A person may not operate a TNC in the
20 state without first having obtained a permit from the
21 commission, provided that any TNC operating in the state
22 before the effective dates of this act may continue operating
23 until the commission creates a permit process and sets a
24 registration deadline.

25 Section 4. (a) A TNC shall collect a local
26 assessment fee equal to one percent of the gross trip fare on

1 behalf of a TNC driver for all prearranged rides that
2 originate in the state in accordance with this section.

3 (b) (1) No later than 30 days after the end of each
4 calendar quarter, a TNC shall submit to the commission all of
5 the following:

6 a. The total local assessment fees collected by a
7 TNC.

8 b. For prearranged rides that originated within a
9 municipality, a report listing the percentage of the gross
10 trip fare that originated in each municipality during the
11 reporting period.

12 c. For prearranged rides that originated outside a
13 municipality, a report listing the percentage of the gross
14 trip fare that originated in the unincorporated portion of
15 each county during the reporting period.

16 (2) The TNC shall be responsible for determining
17 whether a prearranged ride originated within the boundaries of
18 a municipality or originated within the unincorporated portion
19 of a county.

20 (c) To ensure proper distribution of the local
21 assessment fee, the commission shall prepare and make
22 available for public use Geographic Information System (GIS)
23 data in the form of a file showing the state's county and
24 municipal boundaries. This file must be updated on a quarterly
25 basis, and published on the commission's website. In addition
26 to the requirements of this section, municipalities shall

1 provide annexation information to the commission within 30
2 days after the annexation is complete. Such information shall
3 include a written description of the boundary, along with a
4 map or plat that clearly defines the new territory added.

5 (d) The local assessment fees submitted to the
6 commission shall be administered by the commission and may
7 only be expended as provided in this section. The commission
8 may retain an amount necessary to cover the expenses derived
9 from regulation of TNCs and the collection, remittance, and
10 distribution of local assessment fees pursuant to this
11 section, provided the amount retained may not exceed 50
12 percent of the total local assessment fees collected.

13 (e) No later than 60 days after the end of each
14 calendar quarter, the commission shall distribute the local
15 assessment fees collected for the preceding calendar quarter,
16 minus the amount retained pursuant to subsection (c), to each
17 municipality where a prearranged ride originated and to each
18 county where a prearranged ride originated in the
19 unincorporated portion of the county, during that calendar
20 quarter. The distribution shall be proportionate to the
21 percentage of the gross trip fare that originated in each
22 applicable municipality and unincorporated portion of a
23 county.

24 (f) Any record maintained by a TNC or submitted to
25 the commission pursuant to this section shall be considered

1 tax information and may not be disclosed, as provided in
2 subsection (a) of Section 40-2A-10, Code of Alabama 1975.

3 Section 5. The commission shall do all of the
4 following:

5 (1) Issue a permit to each applicant that meets the
6 requirements for a TNC under this act.

7 (2) Regulate TNCs and TNC drivers as provided in
8 this act, which includes, but is not limited to adopting
9 reasonable rules with respect to adequate service,
10 transportation of passengers, records and reports,
11 preservation of records, qualifications and maximum hours of
12 service of TNC drivers, safety of operation, equipment
13 requirements, and other related matters as needed.

14 (3) Regulate TNCs with regard to matters affecting
15 the relationship between TNCs and the public.

16 (4) Administer, execute, and enforce all provisions
17 of this act, which includes, but is not limited to prescribing
18 procedures for such administration and issuing orders as
19 necessary.

20 (5) Inquire into the organization of TNCs and into
21 the management of their business and keep informed as to the
22 manner and method in which their business is conducted.

23 (6) Upon receiving a written complaint by any
24 person, state board, or governing body, or upon its own
25 initiative without complaint, investigate whether any TNC or
26 TNC driver has failed to comply with any provision of this act

1 or with any rule adopted pursuant to this act. If the
2 commission finds, after notice and hearing, that a TNC or TNC
3 driver has failed to comply with any provision or rule, the
4 commission shall issue an appropriate order to compel the TNC
5 or TNC driver to come into compliance.

6 Section 6. A TNC must maintain an agent for service
7 of process in the state.

8 Section 7. If a fare is collected from a rider, the
9 TNC shall disclose to the rider the fare or fare calculation
10 on its website or within the online-enabled technology
11 application service before the beginning of the prearranged
12 ride. If the fare is not disclosed to the rider before the
13 beginning of the prearranged ride, the rider shall have the
14 option to receive an estimated fare before the beginning of
15 the prearranged ride. Surge, dynamic, and similar types of
16 fares are allowed except when prohibited by Sections 8-31-2 to
17 8-31-4, Code of Alabama 1975.

18 Section 8. The TNC's digital network shall display a
19 picture of the TNC driver and the license plate number of the
20 motor vehicle use for providing the prearranged ride before
21 the rider enters the TNC driver's vehicle.

22 Section 9. Within a reasonable period of time
23 following the completion of a trip, a TNC shall transmit an
24 electronic receipt to the rider on behalf of the TNC driver
25 that lists all of the following:

- 26 (1) The origin and destination of the trip.

1 (2) The total time and distance of the trip.

2 (3) The total fare paid.

3 Section 10. A TNC driver or a TNC on the behalf of
4 the TNC driver shall maintain automobile insurance pursuant to
5 Chapter 7C of Title 32.

6 Section 11. (a) Before allowing an individual to
7 accept trip requests through a TNC's digital network as a TNC
8 driver, all of the following must occur:

9 (1) The individual shall submit an application to
10 the TNC, that includes information regarding his or her
11 address, age, driver's license, motor vehicle registration,
12 and other information required by the TNC.

13 (2) The TNC shall conduct, or have a third party
14 conduct, a local and national criminal background check for
15 each applicant that shall include a review of the following:

16 a. A multistate or multi-jurisdiction criminal
17 records locator or other similar commercial nationwide
18 database with validation.

19 b. A United State Department of Justice National Sex
20 Offender Public Website.

21 (3) The TNC shall obtain and review, or have a third
22 party obtain and review, a driving history report of each
23 applicant.

24 (b) The TNC may not permit an individual to act as a
25 TNC driver on its digital network who:

1 (1) Has had more than three moving violations in the
2 prior three-year period, or one of the following major
3 violations in the prior three-year period:

4 a. Fleeing or attempting to elude a law enforcement
5 officer.

6 b. Reckless driving.

7 c. Driving with a suspended or revoked license.

8 (2) Has been convicted, within the past seven years,
9 of any of the following:

10 a. A felony.

11 b. Misdemeanor driving under the influence, reckless
12 driving, hit and run, or any other misdemeanor violent offense
13 or sexual battery.

14 (3) Is a match in the U.S. Department of Justice
15 National Sex Offender Public Website.

16 (4) Does not possess a valid driver's license.

17 (5) Does not possess proof of registration for the
18 motor vehicle or vehicles the applicant intends to use to
19 provide prearranged rides.

20 (6) Does not maintain proof of or possess personal
21 insurance as required under Chapter 7C of Title 32, Code of
22 Alabama 1975.

23 (7) Is under the age of 21 years.

24 Section 12. A TNC shall establish and enforce a zero
25 tolerance policy that a driver may not operate a vehicle if
26 the driver is under the influence or uses any drug or

1 substance that renders the driver incapable of safely
2 operating a vehicle. A TNC shall make its policy, along with
3 contact information for the commission to report suspected
4 violators, available to the public on its website and mobile
5 application. A copy of a TNC's current zero tolerance policy
6 shall be submitted to and kept by the commission. If the
7 commission or a TNC receives a complaint and, following an
8 investigation, finds a TNC driver has violated the zero
9 tolerance policy, the TNC driver may be immediately suspended
10 from operating on any TNC.

11 Section 13. A TNC driver may not accept a trip other
12 than a trip arranged through a TNC's digital network.

13 Section 14. (a) The TNC shall adopt a policy of
14 nondiscrimination on the basis of destination, race, color,
15 national origin, religious belief or affiliation, sex,
16 disability, age, sexual orientation, or gender identity with
17 respect to riders and potential riders. The TNC shall notify
18 TNC drivers of the policy.

19 (b) TNC drivers shall comply with all applicable
20 laws regarding nondiscrimination against riders or potential
21 riders on the basis of destination, race, color, national
22 origin, religious belief or affiliation, sex, disability, age,
23 sexual orientation, or gender identity.

24 (c) TNC drivers shall comply with all applicable
25 laws relating to the transportation of service animals.

1 (d) A TNC may not impose additional charges for
2 providing services to individuals with physical disabilities
3 because of those disabilities.

4 Section 15. (a) A TNC shall maintain the following
5 records:

6 (1) Individual trip records for at least one year
7 from the date each trip was provided.

8 (2) Individual records of TNC drivers at least one
9 year from the date on which a TNC driver's relationship with
10 the TNC ended.

11 (b) For the sole purpose of verifying that a TNC is
12 in compliance with the requirements of this act and no more
13 than annually, or biannually in the event that the commission
14 demonstrates that there is good cause, the commission may
15 visually inspect a random sample of up to twenty percent of
16 the records that the TNC is required to maintain. The audit
17 shall take place at a mutually agreed location in Montgomery,
18 Alabama. Any record furnished to the commission may exclude
19 information that would tend to identify specific drivers or
20 riders, unless the commission demonstrates that there is good
21 cause to inspect such identifying information.

22 (c) In response to a specific complaint against any
23 TNC Driver or TNC, the commission is authorized to inspect
24 records held by the TNC that are necessary to investigate and
25 resolve the complaint. The TNC and agency shall endeavor to
26 have the inspection take place at a mutually agreed location

1 in Montgomery, Alabama. Any record furnished to the commission
2 may exclude information that would tend to identify specific
3 drivers or riders, unless the identity of a driver or rider is
4 relevant to the complaint.

5 (d) Any records inspected by the commission under
6 this section are not public records and are not subject to
7 disclosure to a third party by the commission without prior
8 written consent of the transportation network company, and are
9 exempt from disclosure under Section 36-12-40, Code of Alabama
10 1975. Nothing in this section shall be construed as limiting
11 the applicability of any other exemptions under Section
12 36-12-40, Code of Alabama 1975, or the validity of any court
13 order.

14 Section 16. A TNC may not control, direct, or manage
15 the personal vehicle or the TNC driver who connects to its
16 digital network, except where agreed to by written contract.

17 Section 17. (a) The failure of a TNC to comply with
18 any provision of this act or rule adopted pursuant to this act
19 or commission order issued pursuant to this act may result in
20 the revocation of the TNC's permit by the commission or the
21 assessment of a civil penalty, or both, in accordance with
22 procedures established by the commission. The civil penalty
23 for TNCs may not exceed five hundred dollars (\$500) for each
24 violation for each day the violation persists.

25 (b) The failure of any TNC driver to comply with any
26 provisions of this act or rule adopted pursuant to this act or

1 commission order issued pursuant to this act may result in the
2 suspension of the TNC driver from operating on any TNC or the
3 assessment of a civil penalty, or both, in accordance with
4 procedures established by the commission. The civil penalty
5 for TNC drivers may not exceed one hundred dollars (\$100) for
6 each violation for each day the violation persists.

7 Section 18. The commission may adopt rules to
8 implement and enforce the requirements of this act in
9 accordance with its established rules of practice and
10 procedures.

11 Section 19. (a) It is the intent of the Legislature
12 to provide for uniformity of laws governing TNCs, TNC drivers,
13 and TNC vehicles throughout the state, and to provide that
14 TNCs, TNC drivers, and TNC vehicles be governed exclusively by
15 state law, including Chapter 7C of Title 32, Code of Alabama
16 1975 governing insurance requirements for TNCs and TNC
17 drivers, and any rules adopted by the commission consistent
18 with this act.

19 (b) A county, municipality, special district,
20 airport authority, port authority, or other local governmental
21 entity or subdivision may not do any of the following:

22 (1) Impose a tax on, or require a business license
23 for, a TNC or a TNC driver or TNC vehicle if the tax or
24 business license relates to providing prearranged rides, or
25 subjects a TNC, TNC driver, or TNC vehicle to any rate, entry,
26 operation, or other requirement of the county, municipality,

1 special district, airport authority, port authority, or other
2 local governmental entity or subdivision.

3 (2) Require a TNC or a TNC driver to obtain a
4 business license or any other type of similar authorization to
5 operate within the jurisdiction.

6 (3) Subject a TNC or a TNC driver to a rate, entry,
7 operation, or other requirement of the county, municipality,
8 special district, airport authority, port authority, or other
9 local governmental entity.

10 (c) This section does not prohibit an airport from
11 charging reasonable pickup fees at that airport, for use of
12 the airport's facilities or designating locations for staging,
13 pickup, and other similar operations at the airport.

14 (d) This section does not prohibit a municipality
15 from prohibiting, by ordinance, TNCs, TNC drivers, and TNC
16 vehicles to operate or to accept any prearranged ride that
17 originates within the corporate limits of the municipality.

18 (e) This section does not prohibit the Alabama State
19 Port Authority from regulating access to its properties and
20 facilities or from charging reasonable and necessary fees or
21 requiring credentials associated with maintaining security.

22 Section 20. This act shall become effective on the
23 first day of the third month following its passage and
24 approval by the Governor, or its otherwise becoming law.