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3 T&M COMMITTEE SUBSTITUTE FOR HB283, AS ENGROSSED
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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.

26 This bill would prohibit municipalities and
27 certain authorities from imposing taxes or business

1 licenses on transportation network companies or
2 transportation network company drivers or vehicles.

3 This bill would specify penalties for
4 violations.

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

10
11 A BILL
12 TO BE ENTITLED
13 AN ACT
14

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

1 companies and drivers; to prohibit municipalities and certain
2 authorities from imposing taxes or business licenses on
3 transportation network companies or transportation network
4 company drivers or vehicles; to specify penalties for
5 violations; and to authorize municipalities to prohibit
6 transportation network companies and transportation network
7 company drivers and vehicles from operating within the
8 corporate limits of the municipality.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

12 (1) COMMISSION. The Public Service Commission.

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

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

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

21 (5) TNC DRIVER. A TNC driver as defined in Section
22 32-7C-1, Code of Alabama 1975.

23 (6) TNC RIDER. A TNC rider as defined in Section
24 32-7C-1, Code of Alabama 1975.

25 (7) TNC VEHICLE. A personal vehicle, as defined in
26 Section 32-7C-1, Code of Alabama 1975. The term may include a

1 vehicle that is let or rented to another person for
2 consideration.

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

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

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

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

21 Section 4. (a) A TNC shall collect a local
22 assessment fee equal to one percent of the gross trip fare on
23 behalf of a TNC driver for all prearranged rides that
24 originate in the state in accordance with this section.

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

1 a. The total local assessment fees collected by a
2 TNC.

3 b. For prearranged rides that originated within a
4 municipality, a report listing the percentage of the gross
5 trip fare that originated in each municipality during the
6 reporting period.

7 c. For prearranged rides that originated outside a
8 municipality, a report listing the percentage of the gross
9 trip fare that originated in the unincorporated portion of
10 each county during the reporting period.

11 (2) The TNC shall be responsible for determining
12 whether a prearranged ride originated within the boundaries of
13 a municipality or originated within the unincorporated portion
14 of a county.

15 (c) To ensure proper distribution of the local
16 assessment fee, the commission shall prepare and make
17 available for public use Geographic Information System (GIS)
18 data in the form of a file showing the state's county and
19 municipal boundaries. This file must be updated on a quarterly
20 basis, and published on the commission's website. In addition
21 to the requirements of this section, municipalities shall
22 provide annexation information to the commission within 30
23 days after the annexation is complete. Such information shall
24 include a written description of the boundary, along with a
25 map or plat that clearly defines the new territory added.

26 (d) The local assessment fees submitted to the
27 commission shall be administered by the commission and may

1 only be expended as provided in this section. The commission
2 may retain an amount necessary to cover the expenses derived
3 from regulation of TNCs and the collection, remittance, and
4 distribution of local assessment fees pursuant to this
5 section, provided the amount retained may not exceed 50
6 percent of the total local assessment fees collected.

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

18 (f) Any record maintained by a TNC or submitted to
19 the commission pursuant to this section shall be considered
20 tax information and may not be disclosed, as provided in
21 subsection (a) of Section 40-2A-10, Code of Alabama 1975.

22 Section 5. The commission shall do all of the
23 following:

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

26 (2) Regulate TNCs and TNC drivers as provided in
27 this act, which includes, but is not limited to adopting

1 reasonable rules with respect to adequate service,
2 transportation of passengers, records and reports,
3 preservation of records, qualifications and maximum hours of
4 service of TNC drivers, safety of operation, equipment
5 requirements, and other related matters as needed.

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

8 (4) Administer, execute, and enforce all provisions
9 of this act, which includes, but is not limited to prescribing
10 procedures for such administration and issuing orders as
11 necessary.

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

15 (6) Upon receiving a written complaint by any
16 person, state board, or governing body, or upon its own
17 initiative without complaint, investigate whether any TNC or
18 TNC driver has failed to comply with any provision of this act
19 or with any rule adopted pursuant to this act. If the
20 commission finds, after notice and hearing, that a TNC or TNC
21 driver has failed to comply with any provision or rule, the
22 commission shall issue an appropriate order to compel the TNC
23 or TNC driver to come into compliance.

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

26 Section 7. If a fare is collected from a rider, the
27 TNC shall disclose to the rider the fare or fare calculation

1 on its website or within the online-enabled technology
2 application service before the beginning of the prearranged
3 ride. If the fare is not disclosed to the rider before the
4 beginning of the prearranged ride, the rider shall have the
5 option to receive an estimated fare before the beginning of
6 the prearranged ride. Surge, dynamic, and similar types of
7 fares are allowed except when prohibited by Sections 8-31-2 to
8 8-31-4, Code of Alabama 1975.

9 Section 8. The TNC's digital network shall display a
10 picture of the TNC driver and the license plate number of the
11 motor vehicle use for providing the prearranged ride before
12 the rider enters the TNC driver's vehicle.

13 Section 9. Within a reasonable period of time
14 following the completion of a trip, a TNC shall transmit an
15 electronic receipt to the rider on behalf of the TNC driver
16 that lists all of the following:

- 17 (1) The origin and destination of the trip.
- 18 (2) The total time and distance of the trip.
- 19 (3) The total fare paid.

20 Section 10. A TNC driver or a TNC on the behalf of
21 the TNC driver shall maintain automobile insurance pursuant to
22 Chapter 7C of Title 32.

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

- 26 (1) The individual shall submit an application to
27 the TNC, that includes information regarding his or her

1 address, age, driver's license, motor vehicle registration,
2 and other information required by the TNC.

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

6 a. A multistate or multi-jurisdiction criminal
7 records locator or other similar commercial nationwide
8 database with validation.

9 b. A United State Department of Justice National Sex
10 Offender Public Website.

11 (3) The TNC shall obtain and review, or have a third
12 party obtain and review, a driving history report of each
13 applicant.

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

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

19 a. Fleeing or attempting to elude a law enforcement
20 officer.

21 b. Reckless driving.

22 c. Driving with a suspended or revoked license.

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

25 a. A felony.

1 b. Misdemeanor driving under the influence, reckless
2 driving, hit and run, or any other misdemeanor violent offense
3 or sexual battery.

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

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

7 (5) Does not possess proof of registration for the
8 motor vehicle or vehicles the applicant intends to use to
9 provide prearranged rides.

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

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

14 Section 12. A TNC shall establish and enforce a zero
15 tolerance policy that a driver may not operate a vehicle if
16 the driver is under the influence or uses any drug or
17 substance that renders the driver incapable of safely
18 operating a vehicle. A TNC shall make its policy, along with
19 contact information for the commission to report suspected
20 violators, available to the public on its website and mobile
21 application. A copy of a TNC's current zero tolerance policy
22 shall be submitted to and kept by the commission. If the
23 commission or a TNC receives a complaint and, following an
24 investigation, finds a TNC driver has violated the zero
25 tolerance policy, the TNC driver may be immediately suspended
26 from operating on any TNC.

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

3 Section 14. (a) The TNC shall adopt a policy of
4 nondiscrimination on the basis of destination, race, color,
5 national origin, religious belief or affiliation, sex,
6 disability, age, sexual orientation, or gender identity with
7 respect to riders and potential riders. The TNC shall notify
8 TNC drivers of the policy.

9 (b) TNC drivers shall comply with all applicable
10 laws regarding nondiscrimination against riders or potential
11 riders on the basis of destination, race, color, national
12 origin, religious belief or affiliation, sex, disability, age,
13 sexual orientation, or gender identity.

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

16 (d) A TNC may not impose additional charges for
17 providing services to individuals with physical disabilities
18 because of those disabilities.

19 Section 15. (a) A TNC shall maintain the following
20 records:

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

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

26 (b) For the sole purpose of verifying that a TNC is
27 in compliance with the requirements of Section 11 of this act

1 and this section and no more than annually, or biannually in
2 the event that the commission demonstrates that there is good
3 cause, the commission may visually inspect a random sample of
4 up to twenty percent of the records that the TNC is required
5 to maintain. All samples shall include records sufficient to
6 verify the TNC's compliance with the background check
7 requirements and standards set forth in Section 11. The audit
8 shall take place at a mutually agreed location in Montgomery,
9 Alabama. Any record furnished to the commission may exclude
10 information that would identify specific TNC drivers or
11 riders, unless the commission demonstrates that there is good
12 cause to inspect such identifying information. The commission
13 shall publish on its website the findings of any audit
14 conducted under this section.

15 (c) To the extent that a municipality enacted a TNC
16 ordinance prior to May 1, 2017 and a TNC operated within the
17 corporate limits of the municipality as of May 1, 2017, the
18 governing body of the municipality may specifically request
19 from the commission an analysis regarding the TNC's compliance
20 with Section 11 as it applies to that municipality. If the
21 requested analysis reveals a TNC is not in compliance with
22 Section 11, the commission shall notify the municipality and
23 work in coordination with the municipality to bring the TNC
24 into compliance.

25 (d) In response to a specific complaint against any
26 TNC Driver or TNC, the commission is authorized to inspect
27 records held by the TNC that are necessary to investigate and

1 resolve the complaint. The TNC and agency shall endeavor to
2 have the inspection take place at a mutually agreed location
3 in Montgomery, Alabama. Any record furnished to the commission
4 may exclude information that would identify specific drivers
5 or riders, unless the identity of a driver or rider is
6 relevant to the complaint.

7 (e) Any records, including any information contained
8 therein that would identify specific TNC drivers or riders,
9 inspected by the commission under this section are not public
10 records and are not subject to disclosure to a third party by
11 the commission without prior written consent of the
12 transportation network company, and are exempt from disclosure
13 under Section 36-12-40, Code of Alabama 1975. Nothing in this
14 section shall be construed as limiting the applicability of
15 any other exemptions under Section 36-12-40, Code of Alabama
16 1975, or the validity of any court order.

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

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

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

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

13 Section 19. (a) It is the intent of the Legislature
14 to provide for uniformity of laws governing TNCs, TNC drivers,
15 and TNC vehicles throughout the state, and to provide that
16 TNCs, TNC drivers, and TNC vehicles be governed exclusively by
17 state law, including Chapter 7C of Title 32, Code of Alabama
18 1975 governing insurance requirements for TNCs and TNC
19 drivers, and any rules adopted by the commission consistent
20 with this act; provided, however, the governing body of a
21 municipality must affirmatively elect by ordinance to allow
22 the operation of TNCs within its corporate limits.

23 (b) A TNC may not operate within the corporate
24 limits of a municipality that has not affirmatively elected to
25 allow the operation of TNCs within its corporate limits.

1 (c) A county, municipality, special district,
2 airport authority, port authority, or other local governmental
3 entity or subdivision may not do any of the following:

4 (1) Impose a tax on, or require a business license
5 for, a TNC or a TNC driver or TNC vehicle if the tax or
6 business license relates to providing prearranged rides, or
7 subjects a TNC, TNC driver, or TNC vehicle to any rate, entry,
8 operation, or other requirement of the county, municipality,
9 special district, airport authority, port authority, or other
10 local governmental entity or subdivision.

11 (2) Require a TNC or a TNC driver to obtain a
12 business license or any other type of similar authorization to
13 operate within the jurisdiction.

14 (3) Subject a TNC or a TNC driver to a rate, entry,
15 operation, or other requirement of the county, municipality,
16 special district, airport authority, port authority, or other
17 local governmental entity.

18 (d) This section does not prohibit an airport from
19 charging reasonable pickup fees at that airport, for use of
20 the airport's facilities or designating locations for staging,
21 pickup, and other similar operations at the airport.

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

26 Section 20. This act shall become effective November
27 1, 2017.

