

**SUBSTITUTE FOR  
HOUSE BILL NO. 5951**

A bill to regulate transportation network companies in this state; to provide for the powers and duties of certain state officers and entities; and to prescribe penalties and provide remedies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. As used in this act:

2           (a) "Department" means the department of state.

3           (b) "Personal vehicle" means a motor vehicle that has been  
4 approved to be used by a transportation network company driver to  
5 perform rides arranged through a transportation network company  
6 digital platform and that meets the requirements of this act.

7           (c) "Prearranged ride" means a period of time that begins when  
8 a transportation network company driver accepts a requested ride  
9 through a digital network, continues while the transportation

1 network company driver transports the rider in a personal vehicle,  
2 and ends when the rider departs from the personal vehicle.

3 (d) "Ridesharing arrangement" means an arrangement for the  
4 transportation of not more than 8 passengers, not including the  
5 driver, by motor vehicle that satisfies 1 of the following:

6 (i) The arrangement is for a purpose incidental to another  
7 purpose of the driver, and the driver does not charge or receive a  
8 fee, other than money paid to reimburse the driver or owner of the  
9 vehicle for his or her operating expenses on a not-for-profit  
10 basis.

11 (ii) The passengers and the driver are traveling between their  
12 homes and places of employment, or places convenient to their homes  
13 or places of employment, and the driver does not charge or receive  
14 a fee, other than money paid to reimburse the driver or owner of  
15 the vehicle for his or her operating expenses on a not-for-profit  
16 basis.

17 (e) "Taxi" or "taxicab" means an on-demand motor vehicle that  
18 satisfies all of the following:

19 (i) The vehicle may be hailed or prearranged by a passenger.

20 (ii) The vehicle has a seating capacity of 1 to 8 passengers,  
21 including the driver.

22 (iii) The vehicle is used in the transportation of passengers  
23 for hire and charges a rate based on a meter installed in the  
24 vehicle or a flat fare.

25 (iv) The vehicle is identified with the words "taxi" or "cab"  
26 on the vehicle and is equipped with a permanently affixed rooftop  
27 sign that displays the words "taxi" or "cab", the company name, or

1 the company phone number.

2 (f) "Transportation network company" means a person operating  
3 in this state that uses a digital network to connect riders to  
4 transportation network company drivers for the purpose of providing  
5 transportation. Transportation network company does not include  
6 taxi service, transportation service arranged through a  
7 transportation broker, a ridesharing arrangement, or a  
8 transportation service using fixed routes at regular intervals.

9 (g) "Transportation network company driver" means an  
10 individual who uses his or her personal vehicle to provide  
11 transportation services for riders that are matched to that  
12 individual through a transportation network company's digital  
13 network, regardless of whether the individual is employed by a  
14 transportation network company.

15 Sec. 3. A transportation network company shall not operate in  
16 this state unless the transportation network company has submitted  
17 an application on an annual basis to the department providing proof  
18 of all of the following:

19 (a) That the transportation network company maintains a  
20 primary insurance policy covering each transportation network  
21 company driver for incidents involving the transportation network  
22 company driver at all times during a prearranged ride and providing  
23 all of the following types of coverage:

24 (i) Bodily injury and property damage liability insurance with  
25 a minimum combined single limit of \$1,000,000.00 for all persons  
26 injured or property damage.

27 (ii) Personal protection insurance and property protection

1 insurance in the amounts and types of coverage required by chapter  
2 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to  
3 500.3179.

4 (b) The transportation network company or transportation  
5 network company driver shall provide documentation of the insurance  
6 coverage required by subdivision (a) to the department.

7 (c) That insurance of at least the amounts and types of  
8 coverage required by chapter 31 of the insurance code of 1956, 1956  
9 PA 218, MCL 500.3101 to 500.3179, is provided during the time that  
10 a transportation network company driver is logged into the  
11 transportation network company's digital network and available to  
12 receive requests for transportation but is not providing a  
13 prearranged ride. The requirement of this subdivision may be  
14 satisfied by a combination of insurance policies maintained by a  
15 transportation network company or a transportation network company  
16 driver.

17 (d) That each transportation network company driver is at  
18 least 21 years of age and, except as provided in subdivision (e),  
19 maintains a valid operator's license issued under the Michigan  
20 vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

21 (e) That each transportation network company driver maintains  
22 a valid chauffeur's license issued under the Michigan vehicle code,  
23 1949 PA 300, MCL 257.1 to 257.923, and has obtained a commercial  
24 vehicle registration plate under the Michigan vehicle code, 1949 PA  
25 300, MCL 257.1 to 257.923, if the transportation network company  
26 driver's personal vehicle has a capacity of 9 to 15 passengers.

27 (f) That the transportation network company has conducted a

1 local, state, and national background check of each transportation  
2 network company driver, including a search of the national sex  
3 offender database, and the transportation network company driver  
4 has not been convicted within 7 years before the date the  
5 application is submitted of any of the following:

6 (i) Driving under the influence of drugs or alcohol.

7 (ii) A violation of chapter XI of the Michigan penal code, 1931  
8 PA 328, MCL 750.81 to 750.90h.

9 (iii) A violation of chapter XXXI of the Michigan penal code,  
10 1931 PA 328, MCL 750.174 to 750.182a.

11 (iv) A violation of chapter XLIII of the Michigan penal code,  
12 1931 PA 328, MCL 750.271 to 750.300a.

13 (v) A violation of chapter LII of the Michigan penal code,  
14 1931 PA 328, MCL 750.356 to 750.367c.

15 (vi) A violation of chapter LVI of the Michigan penal code,  
16 1931 PA 328, MCL 750.377a to 750.395.

17 (vii) A violation of chapter LXI of the Michigan penal code,  
18 1931 PA 328, MCL 750.412 to 750.421c.

19 (viii) A violation of chapter LXXVI of the Michigan penal code,  
20 1931 PA 328, MCL 750.520a to 750.520n.

21 (ix) A violation of section 543m of the Michigan penal code,  
22 1931 PA 328, 750.543m.

23 (g) That each transportation network company driver has  
24 submitted a driving history report to the transportation network  
25 company before providing transportation services showing that the  
26 transportation network company driver has not had more than 3  
27 moving violations or a major violation in the 3-year period before

1 the date of the driving history report. As used in this  
2 subdivision, "major violation" includes, but is not limited to,  
3 attempting to evade the police, reckless driving, or driving on a  
4 suspended or revoked license.

5 (h) That each transportation network company driver's vehicle  
6 has undergone a safety inspection conducted annually by a mechanic  
7 licensed by this state before being used to provide transportation  
8 services. Each transportation network company driver shall provide  
9 to the transportation network company documentation of the  
10 inspection required by this subdivision showing that all of the  
11 following vehicle components were inspected:

- 12 (i) Foot brakes.
- 13 (ii) Parking brakes.
- 14 (iii) Steering mechanism.
- 15 (iv) Windshield.
- 16 (v) Rear window and other glass.
- 17 (vi) Windshield wipers.
- 18 (vii) Headlights.
- 19 (viii) Taillights.
- 20 (ix) Brake lights.
- 21 (x) Front seat adjustment mechanism.
- 22 (xi) Doors.
- 23 (xii) Turn signal lights.
- 24 (xiii) Horn.
- 25 (xiv) Speedometer.
- 26 (xv) Bumpers.
- 27 (xvi) Muffler and exhaust system.

- 1 (xvii) Tires, including tread depth.
- 2 (xviii) Interior and exterior mirrors.
- 3 (xix) Safety belts.
- 4 (xx) Defrosting system.

5 Sec. 5. (1) A personal vehicle shall display a consistent and  
6 distinctive signage or emblem that is approved by the department at  
7 all times while the transportation network company driver is  
8 engaged in a prearranged ride. The signage or emblem shall satisfy  
9 all of the following:

10 (a) The signage or emblem shall be sufficiently large and  
11 color-contrasted to be readable during daylight hours from a  
12 distance of at least 50 feet.

13 (b) The signage or emblem shall be reflective.

14 (c) The signage or emblem shall sufficiently identify the  
15 transportation network company with which the vehicle is  
16 affiliated.

17 (2) A transportation network company shall do all of the  
18 following:

19 (a) Provide a customer support telephone number and electronic  
20 mail address on its digital network or website for rider inquiries.

21 (b) Except as provided in subdivision (c), refrain from  
22 disclosing a passenger's personally identifiable information to a  
23 third party unless 1 or more of the following apply:

24 (i) The passenger consents.

25 (ii) Disclosure is required by a legal obligation.

26 (iii) Disclosure is required to process an insurance claim.

27 (iv) Disclosure is required to protect or defend the terms of

1 the use of the service or to investigate violations of those terms.

2 (c) A transportation network company may share a passenger's  
3 name or telephone number to a transportation network company driver  
4 providing a prearranged ride to that passenger to facilitate the  
5 correct identification of the passenger by the transportation  
6 network company driver or to facilitate communication between the  
7 passenger and the transportation network company driver.

8 (d) Provide all of the following to passengers:

9 (i) The transportation network company driver's first name.

10 (ii) Make, model, and color of the transportation network  
11 company driver's vehicle.

12 (iii) Method by which the transportation network company  
13 calculates fares or the applicable rate being charged.

14 (iv) The option to receive an estimated fare.

15 (e) Provide a receipt through electronic mail or text message  
16 to a passenger upon completion of a prearranged ride.

17 (f) Disclose in writing as part of its agreement with  
18 transportation network drivers providing services for the  
19 transportation network company all of the following:

20 (i) The insurance coverage and limits of liability that the  
21 transportation network company provides while the transportation  
22 network company driver uses a vehicle in connection with the  
23 transportation network company's online-enabled application or  
24 platform.

25 (ii) That, depending on the terms of the policy, the  
26 transportation network company driver's automobile or vehicle  
27 insurance policy may not provide coverage while he or she uses a

1 vehicle in connection with a transportation network company's  
2 digital network.

3 (iii) That the transportation network company driver must  
4 consult his or her own insurance company or insurance agent for  
5 information about coverage provided by his or her personal  
6 insurance policy.

7 (3) A transportation network company or a transportation  
8 network company driver shall not do any of the following:

9 (a) Solicit passengers or service through a street hail.

10 (b) Pick up or discharge a passenger at a designated taxicab  
11 stand, no stopping or standing zone, or other restricted area.

12 (4) A transportation network company driver may refuse to  
13 transport a passenger if the passenger is acting in an unlawful,  
14 disorderly, or endangering manner.

15 (5) A transportation network company driver shall do all of  
16 the following:

17 (a) Permit a service animal to accompany a passenger on a  
18 prearranged ride.

19 (b) Take the most direct route to the passenger's destination  
20 unless otherwise authorized by the passenger.

21 (c) If an accident involving a personal vehicle occurs while  
22 the vehicle is being used to provide transportation network company  
23 services, the transportation network company driver shall do all of  
24 the following:

25 (i) Provide proof of insurance information to the other party  
26 involved in the accident.

27 (ii) Notify the transportation network company of the accident.

1 (iii) Notify his or her insurance company of the accident.

2 (6) Both of the following apply to an insurance policy  
3 described in section 3(a) to (c):

4 (a) The insurance policy may be placed with an insurer  
5 licensed under chapter 4 of the insurance code of 1956, 1956 PA  
6 218, MCL 500.402 to 500.480, or a surplus lines insurer eligible  
7 under chapter 19 of the insurance code of 1956, 1956 PA 218, MCL  
8 500.1901 to 500.1955.

9 (b) The insurance policy satisfies the financial  
10 responsibility requirement described in chapter V of the Michigan  
11 vehicle code, 1949 PA 300, MCL 257.501 to 257.532.

12 Sec. 7. (1) The department shall issue a permit to allow a  
13 transportation network company to operate in this state if the  
14 transportation network company meets all requirements of this act  
15 and pays a fee determined by the department.

16 (2) A transportation network company shall maintain a roster  
17 of transportation network company drivers, categorized by  
18 geographic location, used by the transportation network company and  
19 make the roster available in electronic format upon request to the  
20 department.

21 (3) If a transportation network company driver cancels the  
22 insurance coverage required under this act for any reason, the  
23 department shall notify the transportation network company to  
24 remove the transportation network company driver from its roster.

25 (4) After providing notice and the opportunity for a hearing,  
26 the department may impose a fine or revoke a permit issued under  
27 this act if a transportation network company fails to comply with

1 this act.

2       Sec. 9. A transportation network company shall not be  
3 considered to own, control, operate, or manage a personal vehicle  
4 operated by a transportation network company driver providing  
5 transportation services to passengers matched through the  
6 transportation network company digital network.

7       Sec. 11. A local unit of government shall not enact or enforce  
8 an ordinance regulating a transportation network company. A local  
9 unit of government may issue a civil infraction to a transportation  
10 network company driver for a violation of section 5(1), 5(3), or  
11 5(5) (a) or (c).