

HOUSE BILL No. 5951

November 12, 2014, Introduced by Reps. Kelly and Nesbitt and referred to the Committee on Energy and Technology.

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

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

1 through a digital network, continues while the transportation
2 network company driver transports the rider in a personal vehicle,
3 and ends when the rider departs from the personal vehicle.

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

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

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

21 (a) That the transportation network company maintains a
22 primary liability insurance policy covering each transportation
23 network company driver for incidents involving the transportation
24 network company driver at all times during a prearranged ride and
25 covering a minimum of \$1,000,000.00 per incident. The
26 transportation network company or transportation network company
27 driver shall provide documentation of the insurance coverage

1 required by this subdivision to the department.

2 (b) That contingent coverage of at least \$50,000.00 per person
3 for bodily injury, at least \$100,000.00 for bodily injury to 2 or
4 more persons per accident, and at least \$30,000.00 for property
5 damage per accident is provided during the time that a
6 transportation network company driver is providing transportation
7 services. The requirement of this subdivision may be satisfied by a
8 combination of insurance policies maintained by a transportation
9 network company or a transportation network company driver.

10 (c) That contingent coverage of at least \$20,000.00 per person
11 for bodily injury, at least \$40,000.00 for bodily injury to 2 or
12 more persons per accident, and at least \$10,000.00 for property
13 damage per accident is provided during the time that a
14 transportation network company driver is logged into the
15 transportation network company's digital network and available to
16 receive requests for transportation but is not providing
17 transportation services. The requirement of this subdivision may be
18 satisfied by a combination of insurance policies maintained by a
19 transportation network company or a transportation network company
20 driver.

21 (d) That personal protection insurance and property protection
22 insurance are in effect as required by chapter 31 of the insurance
23 code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

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

1 (f) That each transportation network company driver maintains
2 a valid chauffeur's license issued under the Michigan vehicle code,
3 1949 PA 300, MCL 257.1 to 257.923, and has obtained a commercial
4 vehicle registration plate under the Michigan vehicle code, 1949 PA
5 300, MCL 257.1 to 257.923, if the transportation network company
6 driver's vehicle has a capacity of 9 or more passengers.

7 (g) That the transportation network company has conducted a
8 local, state, and national background check of each transportation
9 network company driver, including a search of the national sex
10 offender database, and the transportation network company driver
11 has not been convicted of any of the following:

12 (i) Driving under the influence of drugs or alcohol, if the
13 conviction occurred within the 7 years prior to the date the
14 application is submitted.

15 (ii) Use of a motor vehicle to commit a felony.

16 (iii) A crime involving property damage.

17 (iv) Fraud.

18 (v) A sexual offense.

19 (vi) Theft.

20 (vii) An act of violence.

21 (viii) An act of terror.

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

1 subdivision, "major violation" includes, but is not limited to,
2 attempting to evade the police, reckless driving, or driving on a
3 suspended or revoked license.

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

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

1 (xviii) Interior and exterior mirrors.

2 (xix) Safety belts.

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

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

11 (b) The signage or emblem shall be reflective, illuminated, or
12 otherwise visible in darkness.

13 (c) The signage or emblem shall sufficiently identify a
14 vehicle as being associated with the transportation network company
15 for which the vehicle is transporting passengers.

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

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

20 (b) Refrain from disclosing to a third party any personal
21 information regarding a user of the transportation network
22 company's digital network without the user's consent.

23 (c) Provide all of the following to passengers:

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

25 (ii) Make and model of the transportation network company
26 driver's vehicle.

27 (iii) Method by which the transportation network company

1 calculates fares or the applicable rate being charged.

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

3 (d) Provide a receipt through electronic mail or text message
4 to a passenger upon completion of a prearranged ride.

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

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

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

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

13 (5) A transportation network company driver shall do all of
14 the following:

15 (a) Permit a service animal to accompany a passenger on a
16 prearranged ride.

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

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

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

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

26 (6) Both of the following apply to an insurance policy
27 described in section 3(a) to (d):

1 (a) The insurance policy may be placed with an insurer
2 licensed under chapter 4 of the insurance code of 1956, 1956 PA
3 218, MCL 500.402 to 500.480, or a surplus lines insurer eligible
4 under chapter 19 of the insurance code of 1956, 1956 PA 218, MCL
5 500.1901 to 500.1955.

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

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

13 (2) A transportation network company shall maintain a roster
14 of transportation network company drivers, categorized by
15 geographic location, used by the transportation network company and
16 make the roster available upon request to the department.

17 (3) After providing notice and the opportunity for a hearing,
18 the department may impose a fine or revoke a permit issued under
19 this act if a transportation network company fails to comply with
20 this act.

21 Sec. 9. A transportation network company shall not be
22 considered to own, control, operate, or manage a personal vehicle
23 operated by a transportation network company driver providing
24 transportation services to passengers matched through the
25 transportation network company digital network.

26 Sec. 11. A local unit of government shall not enact or enforce
27 an ordinance regulating a transportation network company.

1 Enacting section 1. The limousine transportation act, 1990 PA
2 271, MCL 257.1901 to 257.1939, is repealed.