

JAN 27 2016

A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that transportation
2 network companies are entities that use a digital network to
3 connect riders with a transportation network company driver who
4 is offering services using the driver's personal vehicle.
5 Transportation network companies have become increasingly
6 popular throughout the country, including in Hawaii, and have
7 expanded transportation options for the benefit of the public.
8 Although the public has been receptive to this innovation in
9 transportation services, transportation network companies are
10 not currently regulated in Hawaii and therefore, there are no
11 consumer protections in place for members of the public who use
12 the services of transportation network companies.

13 The legislature further finds that concerns have been
14 raised about potential gaps in motor vehicle insurance coverage
15 associated with transportation network companies. In response
16 to these concerns, by the end of 2015, twenty-nine states
17 enacted legislation to establish insurance requirements covering



1 transportation network companies, thereby protecting
2 transportation network company drivers, their passengers, and
3 the public.

4 The legislature additionally finds that concerns have also
5 been raised about certain consumer protection aspects of the
6 taxicab industry in Hawaii. The policy of the State is to
7 promote safe and reliable privately-owned public passenger
8 vehicle service to provide the benefits of that service. In
9 furtherance of this policy, minimum consumer protection
10 requirements for taxicab companies and taxicab drivers,
11 including driver requirements, zero tolerance policies, and
12 anti-discrimination policies, should be established at the state
13 level and enforced and regulated by the counties. The
14 legislature notes that these requirements should also apply to
15 transportation network companies, as consumers in Hawaii should
16 be confident that similar consumer protections are available,
17 regardless of the type of transportation service a consumer
18 chooses to use.

19 Accordingly, the purpose of this Act is to establish
20 various consumer protection requirements for transportation
21 network companies and taxicab companies by:



- 1 (1) Requiring the counties to regulate transportation
2 network companies and transportation network company
3 drivers and issue permits to transportation network
4 companies;
- 5 (2) Require transportation network companies to pay an
6 annual airport permit fee to the department of
7 transportation, for purposes of authorizing
8 transportation network company drivers to pick up and
9 discharge riders at airports in the State;
- 10 (3) Establish insurance, qualifications, and other
11 requirements for transportation network companies and
12 transportation network company drivers; and
- 13 (4) Establish minimum standards for driver qualifications,
14 drug and alcohol policies, and antidiscrimination and
15 accessibility policies for taxicab companies and
16 taxicab drivers operating within each county.

17 SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended
18 by adding a new part to be appropriately designated and to read
19 as follows:

20 "PART . TRANSPORTATION NETWORK COMPANIES
21 §46-A Definitions. As used in this part:



1 "Department" means department of transportation.

2 "Digital network" means any online-enabled application,
3 software, website, or system offered or utilized by a
4 transportation network company that enables the prearrangement
5 of rides with transportation network company drivers.

6 "Personal vehicle" means a vehicle that is used by a
7 transportation network company driver and is:

- 8 (1) Owned, leased, or otherwise authorized for use by the
9 transportation network company driver; and
- 10 (2) Not a taxicab, limousine, or other for-hire vehicle.

11 "Prearranged ride" means the provision of transportation by
12 a driver to a rider, beginning when a driver accepts a ride
13 requested by a rider through a digital network controlled by a
14 transportation network company, continuing while the driver
15 transports a requesting rider, and ending when the last
16 requesting rider departs from the personal vehicle. A
17 prearranged ride shall not include transportation provided using
18 a taxicab, limousine, or other for-hire vehicle.

19 "Transportation network company" means a corporation,
20 partnership, sole proprietorship, or other entity that operates
21 in Hawaii and uses a digital network to connect transportation



1 network company riders to transportation network company drivers
2 who provide prearranged rides. A transportation network company
3 shall not be deemed to control, direct, or manage the personal
4 vehicles or transportation network company drivers that connect
5 to its digital network, except where agreed to by written
6 contract.

7 "Transportation network company driver" or "driver" means
8 an individual who:

- 9 (1) Receives connections to potential riders and related
10 services from a transportation network company in
11 exchange for payment of a fee to the transportation
12 network company; and
13 (2) Uses a personal vehicle to offer or provide a
14 prearranged ride to riders upon connection through a
15 digital network controlled by a transportation network
16 company in return for compensation or payment of a
17 fee.

18 "Transportation network company rider" or "rider" means an
19 individual or persons who use a transportation network company's
20 digital network to connect with a transportation network company



1 driver who provides prearranged rides to the rider in the
2 driver's personal vehicle between points chosen by the rider.

3 §46-B Relation to other laws. A transportation network
4 company shall be deemed to be a taxicab company for purposes of
5 county regulations.

6 §46-C Permit required. (a) No person shall operate a
7 transportation network company in the State without first
8 obtaining a permit from the appropriate county agency.

9 (b) A permit shall be issued to each application that:

10 (1) Meets the definition of a transportation network
11 company under section 46-A;

12 (2) Pays an annual airport permit fee of \$10,000 to the
13 department in accordance with subsection (d); and

14 (3) Submits to the department and the appropriate county
15 agency the following:

16 (A) The contact information, including name, address,
17 and telephone number, of the agent maintained for
18 service of process pursuant to section 46-D;

19 (B) A copy of the insurance policy for the
20 transportation network company that meets the
21 requirements of section 46-I;



1 (C) A copy of the disclosures required to be provided
2 to transportation network company drivers
3 pursuant to section 46-J; and

4 (D) An affidavit stating that the applicant will
5 operate consistent with the provisions of this
6 part.

7 (c) The department may adjust the fee amount established
8 under subsection (b) through rulemaking subject to chapter 91.

9 (d) The airport permit fees collected under subsections
10 (b) and (c) shall be deposited to the credit of the airports
11 division of the department for purposes of authorizing
12 transportation network company drivers to pick up and discharge
13 riders at airports in the State and ensuring transportation
14 network companies and transportation network company drivers
15 comply with all other applicable department rules regarding
16 motor vehicles for hire picking up and discharging passengers at
17 airports in the State.

18 §46-D Agent. A transportation network company shall
19 maintain an agent in the State for service of process.

20 §46-E Business registration. A transportation network
21 company driver shall register as a business entity with the



1 business registration division of the department of commerce and
2 consumer affairs.

3 §46-F Duration of fare; amount charged for fare. (a)

4 Transportation network company fare shall be deemed to:

- 5 (1) Commence when a transportation network company driver
6 begins to transport a rider in the transportation
7 network company driver's personal vehicle; and
8 (2) Conclude when the rider exits the transportation
9 network company driver's personal vehicle.

10 (b) On behalf of a transportation network company driver,
11 a transportation network company may charge riders; provided
12 that, if a fare is charged, the transportation network company
13 shall disclose to riders the fare calculation method on its
14 website or within the digital network. The transportation
15 network company shall also provide riders with the applicable
16 rates being charged and the option to receive an estimated fare
17 before the rider enters the transportation network company
18 driver's personal vehicle.

19 §46-G Identification of vehicles and drivers. In
20 accordance with applicable county ordinances or rules, the



1 transportation network company's digital network shall display a
2 picture of:

- 3 (1) The transportation network company driver; and
- 4 (2) The license plate number of the motor vehicle being
5 used for providing the prearranged ride,
6 before the rider enters the transportation network company
7 driver's vehicle.

8 §46-H Electronic receipt. In accordance with applicable
9 county ordinances or rules, within a reasonable period of time
10 following the completion of a trip, a transportation network
11 company shall transmit an electronic receipt to the rider that
12 specifies:

- 13 (1) The origin and destination of the trip;
- 14 (2) The total time and distance of the trip;
- 15 (3) An itemization of the total fare paid, if any; and
- 16 (4) The information required by section 46-G.

17 §46-I Transportation network company and transportation
18 network company driver; insurance requirements. (a) A
19 transportation network company and any transportation network
20 company driver shall maintain a primary motor vehicle insurance
21 policy that meets the requirements of this section.



1 (b) The primary motor vehicle insurance required under
2 this section shall recognize that the driver is a transportation
3 network company driver or otherwise uses a vehicle to transport
4 riders for compensation and covers the driver:

5 (1) While the driver is logged on to the transportation
6 network company's digital network; or

7 (2) While the driver is engaged in a prearranged ride.

8 (c) The primary motor vehicle insurance required under
9 this section shall include:

10 (1) Primary liability coverage of not less than \$100,000
11 per person, with an aggregate limit of \$200,000 per
12 accident, for all damages arising out of accidental
13 harm sustained as a result of any one accident and
14 arising out of ownership, maintenance, use, loading,
15 or unloading of a motor vehicle;

16 (2) Primary liability coverage of not less than \$50,000
17 for all damages arising out of damage to or
18 destruction of property including motor vehicles and
19 including the loss of use thereof, but not including
20 property owned by, being transported by, or in the
21 charge of the insured, as a result of any one accident



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1 arising out of ownership, maintenance, use, loading,
2 or unloading of the insured vehicle;

3 (3) Uninsured and underinsured motorist coverage for the
4 transportation network company driver and passengers
5 that shall be equal to the primary liability limits
6 specified in paragraphs (1) and (2);

7 (4) Personal injury protection coverage in an amount that
8 meets the requirements of section 431:10C-103.5 and
9 shall be equal to or greater than the coverage limits
10 for the personal motor vehicle insurance maintained by
11 the vehicle's owner and reported to the transportation
12 network company; and

13 (5) Collision and comprehensive coverage limits for the
14 transportation network company driver's vehicle that
15 shall be equal to or greater than the coverage limits
16 for the personal motor vehicle insurance maintained by
17 the vehicle's owner and reported to the transportation
18 network company.

19 (d) The requirements for the coverage specified in
20 subsection (c) may be satisfied by any of the following:

1 (1) Motor vehicle insurance maintained by a transportation
2 network company driver; provided that the
3 transportation network company verifies that the
4 policy is maintained by the transportation network
5 company driver and is specifically written to cover
6 the transportation network company driver's use of a
7 vehicle in connection with a transportation network
8 company's digital network;

9 (2) Motor vehicle insurance maintained by a transportation
10 network company; or

11 (3) Any combination of paragraphs (1) and (2).

12 (e) The insurer providing insurance under this section
13 shall have the duty to defend and indemnify the insured.

14 (f) Coverage under a transportation network company
15 insurance policy shall not be dependent on a personal motor
16 vehicle insurance policy first denying a claim nor shall a
17 personal motor vehicle insurance policy, including a personal
18 liability umbrella policy, be required to first deny a claim.

19 (g) In every instance where motor vehicle insurance
20 maintained by a transportation network company driver to fulfill
21 the insurance obligations of this section has lapsed or ceased



1 to exist, the transportation network company shall provide the
2 coverage required by this section beginning with the first
3 dollar of a claim.

4 (h) Nothing in this section shall be construed to require
5 a personal motor vehicle insurance policy to provide primary or
6 excess coverage while the driver is logged on to the
7 transportation network company's digital network or is engaged
8 in a prearranged ride. While a driver is logged on to the
9 transportation network company's digital network or is engaged
10 in a prearranged ride, and notwithstanding any other law to the
11 contrary, the following shall apply:

12 (1) The transportation network company driver's or the
13 vehicle owner's personal motor vehicle insurance
14 policy shall not be required to provide, nor shall it
15 provide, any coverage to any person or entity unless
16 the policy expressly provides for that coverage while
17 the driver is logged on to the transportation network
18 company's digital network or is engaged in a
19 prearranged ride, with or without a separate charge,
20 or the policy contains an amendment or endorsement to
21 provide coverage for when the driver is logged on to



1 the transportation network company's digital network
2 or is engaged in a prearranged ride, for which a
3 separately stated premium is charged; and

4 (2) The transportation network company driver's or the
5 vehicle owner's personal motor vehicle insurance
6 policy shall not have the duty to defend or indemnify
7 for the driver's activities in connection with the
8 transportation network company, unless the policy
9 expressly provides otherwise for when the driver is
10 logged on to the transportation network company's
11 digital network or is engaged in a prearranged ride,
12 with or without a separate charge, or the policy
13 contains an amendment or endorsement to provide
14 coverage for when the driver is logged on to the
15 transportation network company's digital network or is
16 engaged in a prearranged ride, for which a separately
17 stated premium is charged.

18 (i) Notwithstanding any other law to the contrary, a
19 personal motor vehicle insurer may, at its discretion, offer a
20 motor vehicle liability insurance policy, or an amendment or
21 endorsement to an existing policy that covers a private



1 passenger vehicle, station wagon type vehicle, sport utility
2 vehicle, or similar type of vehicle with a passenger capacity of
3 eight persons or less, including the driver, while the driver is
4 logged on to the transportation network company's digital
5 network or is engaged in a prearranged ride if the policy
6 expressly provides for coverage when the driver is logged on to
7 the transportation network company's digital network or is
8 engaged in a prearranged ride, with or without a separate
9 charge, or the policy contains an amendment or an endorsement to
10 provide coverage when the driver is logged on to the
11 transportation network company's digital network or is engaged
12 in a prearranged ride, for which a separately stated premium may
13 be charged.

14 (j) In a claims coverage investigation, a transportation
15 network company or its insurer shall cooperate with insurers
16 that are involved in the claims coverage investigation to
17 facilitate the exchange of information, including the provision
18 of dates and times at which an accident occurred that involved a
19 transportation network company driver and the precise times that
20 the transportation network company driver logged on and off the
21 transportation network company's digital network.



1 (k) A transportation network company driver of a
2 transportation network company shall carry proof of insurance
3 coverage as required by this section within the vehicle at all
4 times when the vehicle is being used while the driver is logged
5 on to the transportation network company's digital network or is
6 engaged in a prearranged ride. In the event of an accident, a
7 transportation network company driver shall provide this
8 insurance coverage information to any other party involved in
9 the accident, and to a police officer, upon request. The owner
10 of the vehicle may display the motor vehicle insurance
11 identification card or the proof of insurance card in electronic
12 format on a mobile electronic device, as that term is defined in
13 section 291C-137.

14 (l) Notwithstanding any other law affecting whether one or
15 more policies of insurance that may apply with respect to an
16 occurrence is primary or excess, this section shall determine
17 the obligations under insurance policies issued to
18 transportation network companies and, if applicable,
19 transportation network company drivers using a personal vehicle
20 while the drivers are logged on to the transportation network
21 company's digital network or are engaged in prearranged rides.



1 §46-J Disclosures. A transportation network company shall
2 disclose in writing to transportation network company drivers,
3 before the drivers are allowed to accept a request for a
4 prearranged ride on the transportation network company's digital
5 network:

6 (1) The insurance coverage, including the types of
7 coverage and limits for each coverage, that the
8 transportation network company provides while the
9 transportation network company driver uses a personal
10 vehicle in connection with a transportation network
11 company's digital network; and

12 (2) That the transportation network company driver's own
13 motor vehicle insurance policy might not provide any
14 coverage while the driver is logged on to the
15 transportation network company's digital network and
16 is available to receive transportation requests or is
17 engaged in a prearranged ride, depending on the terms
18 of the motor vehicle insurance policy.

19 §46-K Zero tolerance for drug or alcohol use. (a) In
20 addition to any applicable county ordinances or rules, the
21 transportation network company shall implement a zero tolerance



1 policy on the use of drugs or alcohol while a transportation
2 network company driver is providing a prearranged ride or is
3 logged into the transportation network company's digital
4 network, even if not providing a prearranged ride, and shall
5 provide notice of the zero tolerance policy on its website, as
6 well as procedures for reporting a complaint about a driver with
7 whom a rider was matched and who the rider reasonably believes
8 was under the influence of drugs or alcohol during the course of
9 the trip.

10 (b) Upon receipt of a rider complaint alleging a violation
11 of the zero tolerance policy, the transportation network company
12 shall immediately suspend the transportation network company
13 driver's access to the transportation network company's digital
14 network and shall conduct an investigation into the reported
15 incident. The suspension shall last for the duration of the
16 investigation; provided that the investigation shall be
17 conducted in a reasonably expeditious manner.

18 (c) The transportation network company shall maintain
19 records relevant to a reported incident for a period of at least
20 two years from the date that a rider complaint is received by
21 the transportation network company.



1 §46-L Driver requirements. (a) Prior to permitting an
2 individual to act as a transportation network company driver on
3 its digital network, the transportation network company shall:

4 (1) Require the individual to submit an application to the
5 transportation network company, including information
6 regarding the individual's address, age, driver's
7 license, driving history, motor vehicle registration,
8 motor vehicle insurance, and other information
9 required by the transportation network company;

10 (2) Conduct, or have a third party conduct, a local and
11 national criminal background check for each applicant
12 that shall include:

13 (A) Multi-state/Multi-Jurisdiction Criminal Locator
14 or other similar commercial nationwide database
15 with validation (primary source search); and

16 (B) National Sex Offender Registry database;

17 (3) Obtain and review a traffic violations bureau
18 certified abstract for the individual;

19 (4) Require the individual to submit evidence of a
20 physical examination to determine the individual's



1 health and fitness to act as a transportation network
2 company driver every four years;

3 (5) Require the individual to have at least one year of
4 driving experience in Hawaii;

5 (6) Require the individual to submit fingerprints for
6 analysis by a local law enforcement agency; and

7 (7) Require the individual to use only a hands free device
8 when engaged in a prearranged ride.

9 (b) The transportation network company shall not permit an
10 individual to act as a transportation network company driver on
11 the transportation network company's digital network who:

12 (1) Has been found to have committed more than three
13 traffic infractions, as defined in section 291D-2, in
14 the prior three-year period, other than traffic
15 infractions involving parking, standing, equipment,
16 and pedestrian offenses;

17 (2) Has been convicted once in the prior three-year period
18 for the offense of resisting an order to stop a motor
19 vehicle, reckless driving, or driving with a suspended
20 or revoked driver license;



- 1 (3) Has been convicted in the prior seven-year period of
- 2 driving under the influence of drugs or alcohol;
- 3 (4) Has been convicted at any time of fraud, any sexual
- 4 offense, any domestic violence offense, use of a motor
- 5 vehicle to commit a felony, or a crime involving
- 6 property damage, theft, stalking, acts of violence, or
- 7 acts of terrorism;
- 8 (5) Is a match in the National Sex Offender Registry
- 9 database;
- 10 (6) Does not possess a valid driver's license;
- 11 (7) Does not possess proof of registration or other
- 12 authorization for the motor vehicle used to provide
- 13 prearranged rides;
- 14 (8) Does not possess proof of motor vehicle insurance for
- 15 the motor vehicles used to provide prearranged rides;
- 16 or
- 17 (9) Is not at least twenty-one years of age.
- 18 (c) The requirements of this section shall be the minimum
- 19 requirements that a transportation network company shall divulge
- 20 to the counties and the department. Nothing in this section



1 shall prohibit a transportation network company from adopting
2 stricter driver requirements.

3 §46-M Vehicle safety. The transportation network company
4 shall require that any motor vehicle that a transportation
5 network company driver uses to provide prearranged rides meets
6 the inspection requirements of section 286-26.

7 §46-N No street hails. A transportation network company
8 driver shall only accept rides booked through a transportation
9 network company's digital network and shall not solicit or
10 accept street hails.

11 §46-O No cash trips. The transportation network company
12 shall adopt a policy prohibiting solicitation or acceptance of
13 cash payments from riders and notify transportation network
14 company drivers of the policy. Transportation network company
15 drivers shall not solicit or accept cash payments from riders.
16 Any payment for prearranged rides shall be made only
17 electronically, using the transportation network company's
18 digital network.

19 §46-P No discrimination; accessibility. (a) The
20 transportation network company shall adopt a policy of non-
21 discrimination on the basis of destination, race, color,



1 national origin, religious belief or affiliation, sex,
2 disability, age, sexual orientation, or gender identity with
3 respect to riders and potential riders and notify transportation
4 network company drivers of the policy.

5 (b) A transportation network company shall not impose any
6 additional charges for providing services to persons with
7 physical disabilities because of those disabilities.

8 (c) A transportation network company shall provide riders
9 an opportunity to indicate whether they require a wheelchair-
10 accessible vehicle. If a transportation network company cannot
11 arrange a wheelchair-accessible prearranged ride in any
12 instance, the transportation network company shall direct the
13 rider to an alternate provider of wheelchair-accessible service,
14 if available.

15 (d) Transportation network company drivers shall comply
16 with all applicable laws regarding non-discrimination against
17 riders or potential riders on the basis of destination, race,
18 color, national origin, religious belief or affiliation, sex,
19 disability, age, sexual orientation, or gender identity.



1 (e) Transportation network company drivers shall comply
2 with all applicable laws relating to accommodation of service
3 animals.

4 §46-Q Records. (a) A transportation network company
5 shall maintain:

6 (1) Electronic records of each prearranged ride provided
7 by a transportation network company driver for at
8 least one year from the date each prearranged ride was
9 provided; and

10 (2) Transportation network company driver records at least
11 until the one year anniversary of the date on which a
12 transportation network company driver's activation on
13 the transportation network company digital network has
14 ended.

15 (b) A transportation network company shall make the
16 records in subsection (a) available for inspection, upon request
17 by a county or the department.

18 §46-R Personally identifiable information. (a) A
19 transportation network company shall not disclose a rider's
20 personally identifiable information to a third party unless:

21 (1) The rider consents;



1 (2) Disclosure, including disclosure to the counties or
2 the department, is required by law; or

3 (3) Disclosure is required to protect or defend the terms
4 of use of the service or to investigate violations of
5 those terms.

6 (b) A transportation network company may share a rider's
7 name or telephone number with the transportation network company
8 driver providing a prearranged ride to the rider in order to
9 facilitate correct identification of the rider by the
10 transportation network company driver or to facilitate
11 communication between the rider and the transportation network
12 company driver.

13 §46-S Controlling authority. Notwithstanding any other
14 provision of law, transportation network companies and
15 transportation network company drivers shall be regulated by
16 this part, any rules adopted pursuant to this part by the
17 department pursuant to chapter 91, and any ordinances or rules
18 adopted by the counties. Nothing in this part shall prevent a
19 county from imposing stricter requirements on a transportation
20 network company or a transportation network company driver."



1 SECTION 3. Section 46-16.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§46-16.5 Public passenger vehicle regulation. (a) The
4 legislature finds and declares the following:

- 5 (1) The orderly regulation of vehicular traffic on the
6 streets and highways of Hawaii is essential to the
7 welfare of the State and its people;
- 8 (2) Privately-operated public passenger vehicle service
9 provides vital transportation links within the State.
10 Public passenger vehicle service operated in the
11 counties enables the State to provide the benefits of
12 privately-operated, demand-responsive transportation
13 services to its people and to persons who travel to
14 the State for business or tourist purposes;
- 15 (3) The economic viability and stability of privately-
16 operated public passenger vehicle service is
17 consequently a matter of statewide importance;
- 18 (4) The policy of the State is to promote safe and
19 reliable privately-operated public passenger vehicle
20 service to provide the benefits of that service. In
21 furtherance of this policy, the legislature recognizes



1 and affirms that the regulation of privately-operated
2 public passenger vehicle service is an essential
3 governmental function;

4 (5) The policy of the State is to require that counties
5 regulate privately-operated public passenger vehicle
6 service and not subject a county or its officers to
7 liability under the federal antitrust laws;

8 (6) The policy of the State is to further promote
9 privately-operated public passenger vehicle service,
10 including but not limited to, the picking up and
11 discharge of passengers from various unrelated
12 locations by taxicabs; and

13 (7) The policy of the State is to further promote
14 privately-operated public passenger vehicle service by
15 requiring jitney services not regulated by the
16 counties to be under the jurisdiction of the public
17 utilities commission. For the purposes of this
18 paragraph, "jitney services" means public
19 transportation services utilizing motor vehicles that
20 have seating accommodations for six to twenty-five



1 passengers, operate along specific routes during
2 defined service hours, and levy a flat fare schedule.

3 (b) Any other law to the contrary notwithstanding, where
4 not within the jurisdiction of the public utilities commission,
5 every county may provide rules to protect the public health,
6 safety, and welfare by licensing, controlling, and regulating,
7 by ordinance or resolution, public passenger vehicle service
8 operated within the jurisdiction of the county; provided that
9 the counties shall promote the policies set forth in subsection
10 (a) [-] and ensure the requirements in subsections (d), (e), (f),
11 and (g) are met by all taxicab drivers and taxicab companies
12 operating within the jurisdiction of the county.

13 (c) Every county is empowered to regulate:

14 (1) Entry into the business of providing public passenger
15 vehicle service within the jurisdiction of that
16 county.

17 (2) The rates charged for the provision of public
18 passenger vehicle service.

19 (3) The establishment of stands to be employed by one or a
20 limited number of providers of public passenger
21 vehicle service.



1 (d) Prior to being authorized to operate within a county,
2 each taxicab company operating within the jurisdiction of the
3 county shall:

4 (1) Implement a zero tolerance policy on the use of drugs
5 or alcohol by a taxicab driver, while the taxicab
6 driver is providing a ride to a passenger for hire or
7 searching for or soliciting a passenger for hire, and
8 shall provide notice of the zero tolerance policy on
9 its website, as well as procedures for reporting a
10 complaint about a taxicab driver with whom a passenger
11 for hire reasonably believes was under the influence
12 of drugs or alcohol during the course of a ride;

13 (2) Conduct an investigation into a reported incident upon
14 receipt of a passenger for hire complaint alleging a
15 violation of the zero tolerance policy; and

16 (3) Maintain records relevant to a reported incident for a
17 period of at least two years from the date that a
18 passenger for hire complaint is received by the
19 taxicab company.



1 (e) An individual shall not be authorized or hired to act
2 as a taxicab driver for a taxicab company operating within the
3 jurisdiction of the county until each taxicab company:

4 (1) Requires the individual to submit an application to
5 the taxicab company, including information regarding
6 the individual's address, age, driver's license,
7 driving history, motor vehicle registration, motor
8 vehicle insurance, and other information required by
9 the taxicab company;

10 (2) Conducts, or has a third party conduct, a local and
11 national criminal background check for each applicant
12 that shall include:

13 (A) Multi-state/Multi-Jurisdiction Criminal Locator
14 or other similar commercial nationwide database
15 with validation (primary source search); and

16 (B) National Sex Offender Registry database;

17 (3) Obtains and reviews a traffic violations bureau
18 certified abstract for the individual;

19 (4) Requires the individual to submit evidence of a
20 physical examination to determine the individual's



- 1 health and fitness to act as a taxicab driver every
- 2 four years;
- 3 (5) Requires the individual to have at least one year of
- 4 driving experience in Hawaii;
- 5 (6) Requires the individual to submit fingerprints for
- 6 analysis by a local law enforcement agency; and
- 7 (7) Requires the individual to use only a hands free
- 8 device when engaged in a ride for hire.
- 9 (f) An individual shall not be authorized to act as a
- 10 taxicab driver for any taxicab company operating within the
- 11 jurisdiction of the county if the individual:
- 12 (1) Has been found to have committed more than three
- 13 traffic infractions, as defined in section 291D-2, in
- 14 the prior three-year period, other than traffic
- 15 infractions involving parking, standing, equipment,
- 16 and pedestrian offenses;
- 17 (2) Has been convicted once in the prior three-year period
- 18 for the offense of resisting an order to stop a motor
- 19 vehicle, reckless driving, or driving with a suspended
- 20 or revoked driver license;



- 1 (3) Has been convicted in the prior seven-year period of
- 2 driving under the influence of drugs or alcohol;
- 3 (4) Has been convicted at any time of fraud, any sexual
- 4 offense, any domestic violence offense, use of a motor
- 5 vehicle to commit a felony, or a crime involving
- 6 property damage, theft, stalking, acts of violence, or
- 7 acts of terrorism;
- 8 (5) Is a match in the National Sex Offender Registry
- 9 database;
- 10 (6) Does not possess a valid driver's license;
- 11 (7) Does not possess proof of registration or other
- 12 authorization for the motor vehicle used to provide
- 13 rides for hire;
- 14 (8) Does not possess proof of motor vehicle insurance for
- 15 the motor vehicles used to provide rides for hire; or
- 16 (9) Is not at least twenty-one years of age.
- 17 (g) Prior to being authorized to operate within a county,
- 18 each taxicab company operating within the jurisdiction of the
- 19 county shall:
- 20 (1) Adopt a policy of non-discrimination on the basis of
- 21 destination, race, color, national origin, religious



1 belief or affiliation, sex, disability, age, sexual
2 orientation, or gender identity with respect to
3 passengers for hire and potential passengers for hire
4 and notify taxicab drivers of the policy;

5 (2) Ensure no additional charges are imposed for providing
6 services to persons with physical disabilities because
7 of those disabilities;

8 (3) Provide potential passengers for hire an opportunity
9 to indicate whether they require a wheelchair-
10 accessible vehicle; provided that if a taxicab company
11 cannot arrange a wheelchair-accessible ride in any
12 instance, the taxicab company shall direct the
13 potential passenger for hire to an alternate provider
14 of wheelchair-accessible service, if available;

15 (4) Ensure taxicab drivers comply with all applicable laws
16 regarding non-discrimination against passengers for
17 hire and potential passengers for hire on the basis of
18 destination, race, color, national origin, religious
19 belief or affiliation, sex, disability, age, sexual
20 orientation, or gender identity; and



1 (5) Ensure taxicab drivers comply with all applicable laws
2 relating to accommodation of service animals.

3 (h) For purposes of subsections (d), (e), (f), and (g),
4 the following definitions shall apply:

5 "Passenger for hire" means a person transported in a
6 taxicab for consideration.

7 "Taxicab" means a vehicle, operated by a taxicab driver,
8 which is used in the movement of passengers for hire on the
9 public highways and which is directed to a destination by the
10 passenger for hire or on the passenger for hire's behalf and
11 which operates on call, on demand, or at a fixed stand.

12 "Taxicab company" means a person or entity which is
13 authorized and regulated by the county to provide taxicab
14 services, holds a license for one or more taxicabs, leases motor
15 vehicles to drivers to be used or operated as taxicabs, or
16 operates a central dispatch service for one or more taxicabs."

17 SECTION 4. Section 431:10C-107, Hawaii Revised Statutes,
18 is amended to read as follows:

19 "§431:10C-107 Verification of insurance: motor vehicles.

20 (a) Every insurer shall issue to its insureds a motor vehicle
21 insurance identification card for each motor vehicle for which



1 the basic motor vehicle insurance coverage is written. The
2 identification card shall contain the following:

3 (1) Name of make and factory or serial number of the motor
4 vehicle; provided that insurers of five or more motor
5 vehicles which are under common registered ownership
6 and used in the regular course of business shall not
7 be required to indicate the name of make and the
8 factory or serial number of each motor vehicle;

9 (2) Policy number;

10 (3) Names of the insured and the insurer; and

11 (4) Effective dates of coverage including the expiration
12 date.

13 (b) The identification card shall be in the insured motor
14 vehicle at all times and shall be exhibited to a law enforcement
15 officer upon demand.

16 (c) The identification card shall be resistant to forgery
17 by whatever means appropriate. The commissioner shall approve
18 the construction, form, and design of the identification card to
19 ensure that the card is forgery resistant.



1 (d) The commissioner shall issue a certificate of self-
2 insurance periodically, as necessary, for use in each motor
3 vehicle insured under section 431:10C-105.

4 (e) The identification card issued by an insurer shall not
5 be issued for a period exceeding the period for which premiums
6 have been paid or earned; provided that this subsection shall
7 apply only to the first application of a person for a motor
8 vehicle insurance policy and shall not apply to applications for
9 commercial and fleet vehicles.

10 (f) For transportation network company drivers engaged in
11 prearranged rides pursuant to part _____ of chapter 46, the
12 identification card required by this section may be provided in
13 paper or electronic format. Acceptable electronic formats
14 include display of electronic images on a cellular phone or any
15 other type of portable electronic device."

16 SECTION 5. In codifying the new sections added by section
17 2 of this Act, the revisor of statutes shall substitute
18 appropriate section numbers for the letters used in designating
19 the new sections in this Act.

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



S.B. NO. 2777

1 SECTION 7. This Act shall take effect on July 1, 2016.

2

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S.B. NO. 2777

Report Title:

Consumer Protection; Transportation Network Companies;
Transportation Network Company Drivers; Permit; Fee; Taxicab
Companies; Taxicab Drivers; Requirements; Qualifications;
Insurance; Policies

Description:

Requires the counties to regulate transportation network companies and transportation network company drivers and issue permits to transportation network companies. Requires transportation network companies to pay an annual airport permit fee to the department of transportation, for purposes of authorizing transportation network company drivers to pick up and discharge riders at airports in the State. Establishes insurance, qualifications, and other requirements for transportation network companies and transportation network company drivers. Establishes minimum standards for driver qualifications, drug and alcohol policies, and antidiscrimination and accessibility policies for taxicab companies and taxicab drivers operating within each county.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

