
A BILL FOR AN ACT

RELATING TO TRANSPORTATION NETWORK COMPANIES.

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

1 SECTION 1. The legislature finds that statewide regulation
2 of transportation network companies is needed to ensure the
3 safety, reliability, and cost-effectiveness of rides provided by
4 transportation network company drivers as well as to preserve
5 and enhance access to important transportation options for
6 residents and visitors of the State.

7 The purpose of this Act is to provide statewide regulation
8 of transportation network companies to provide operational
9 consistency across the State and to establish a permitting
10 process within the department of transportation.

11 SECTION 2. The Hawaii Revised Statutes is amended by
12 adding a new chapter to be appropriately designated and to read
13 as follows:

14 "CHAPTER

15 TRANSPORTATION NETWORK COMPANIES

16 § -1 Definitions. As used in this chapter:



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

5 "Prearranged ride" has the same meaning as defined in
6 section 431:10C-701.

7 "Transportation network company" means an entity that uses
8 a digital network or software application service to connect
9 passengers to transportation network company drivers; provided
10 that the entity:

11 (1) Does not own, control, direct, or manage the
12 transportation network company vehicles or
13 transportation network company drivers that connect to
14 its digital network, except where agreed to by written
15 contract; and

16 (2) Is not a taxicab association or a for-hire vehicle
17 owner.

18 "Transportation network company driver" has the same
19 meaning as defined in section 431:10C-701.

20 "Transportation network company rider" or "rider" means an
21 individual or persons who use a transportation network company's



1 digital network to connect with a transportation network company
2 driver who provides prearranged rides to the rider in a
3 transportation network company vehicle between destination
4 points chosen by the rider.

5 "Transportation network company vehicle" means a vehicle
6 that is:

7 (1) Used by a transportation network company driver to
8 provide a prearranged ride;

9 (2) Owned, leased, or otherwise authorized for use by the
10 transportation network company driver; and

11 (3) Not a taxicab, limousine, or other for-hire vehicle.

12 **§ -2 Relation to other laws; commercial vehicle; for-**
13 **hire vehicle; registration; exemption.** For the purposes of this
14 chapter, neither a transportation network company nor a
15 transportation network company driver shall be deemed to be a
16 common carrier by motor vehicle, a contract carrier by motor
17 vehicle, a motor carrier as defined in section 271-4, a taxicab,
18 or a for-hire vehicle service. No transportation network
19 company driver shall be required to register a transportation
20 network company vehicle as a commercial or for-hire vehicle.



1 § -3 **Transportation network company; permit; required.**

2 (a) No person shall operate a transportation network company in
3 the State without first having obtained a permit from the
4 director of transportation, the application for which shall be
5 in a form to be determined by the director of transportation;
6 provided that any transportation network company operating in
7 the State before the effective date of this chapter may continue
8 operating until the director of transportation has established a
9 permitting process and sets a registration deadline.

10 (b) The director of transportation shall issue a permit to
11 each applicant that satisfies the requirements for a
12 transportation network company as set forth by the director of
13 transportation and shall collect an annual permit fee of
14 \$ from the applicant prior to the issuance of a permit.

15 § -4 **Fare transparency.** If a fare is collected from a
16 rider, the transportation network company shall disclose the
17 fare or fare calculation method to the rider on its website or
18 within the online-enabled technology application service before
19 the beginning of the prearranged ride. If the fare is not
20 disclosed to the rider before the beginning of the prearranged



1 ride, the rider shall have the option to receive an estimated
2 fare before the beginning of the prearranged ride.

3 § -5 Agent for service. Any transportation network
4 company in operation in the State shall maintain an agent for
5 service of process in the State.

6 § -6 Identification of transportation network company
7 vehicles and drivers. The transportation network company's
8 digital network shall display a picture of the transportation
9 network company driver and the license plate number of the
10 transportation network company vehicle.

11 § -7 Electronic receipt. Within a reasonable period of
12 time following the completion of a trip, the transportation
13 network company shall transmit an electronic receipt to the
14 rider on behalf of the transportation network company driver
15 that shall include the following information:

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



1 § -8 Disclosure; limitations; insurance requirements.

2 The requirements of section 431:10C-703 shall apply to all
3 entities and individuals covered under this chapter.

4 § -9 Transportation network company driver requirements.

5 (a) Prior to entering into a contract with an individual to be
6 a transportation network company driver and allowing the
7 individual to accept trip requests through a transportation
8 network company's digital network:

9 (1) The individual shall submit an application to the
10 transportation network company and shall include the
11 following information:

12 (A) The individual's address;

13 (B) The individual's age;

14 (C) A copy of the individual's valid driver's
15 license;

16 (D) A copy of the applicable motor vehicle
17 registration;

18 (E) A copy of the applicable automobile liability
19 insurance; and

20 (F) Other information deemed necessary by the
21 transportation network company;



1 (2) The transportation network company shall conduct, or
2 have a third-party entity conduct, a national and
3 local criminal background checks for each applicant
4 that shall include a review of:

5 (A) A multi-state and multi-jurisdictional criminal
6 records locator or other similar commercial
7 nationwide database with validation (primary
8 source search); and

9 (B) The national sex offender registry; and

10 (3) The transportation network company shall obtain and
11 review, or have a third-party entity obtain and
12 review, a driving history research report for the
13 individual.

14 (b) The transportation network company shall not permit an
15 individual to act as a transportation network company driver on
16 its digital network who:

17 (1) Has more than three moving violations within the prior
18 three years, or one of the following major violations
19 in the past three years:

20 (A) Attempting to evade the police;

21 (B) Reckless driving; or



- 1 (C) Driving on a suspended or revoked license;
- 2 (2) Within the past seven years has been:
 - 3 (A) Convicted of any felony; or
 - 4 (B) Convicted of any other misdemeanor relating to
 - 5 driving, violent, or sexual offenses;
- 6 (3) Is registered on the national sex offender registry or
- 7 any state sex offender registry;
- 8 (4) Does not possess a valid driver's license;
- 9 (5) Does not possess proof of registration for the motor
- 10 vehicle or vehicles used to provide prearranged rides;
- 11 (6) Does not possess proof of automobile liability
- 12 insurance for the motor vehicle or vehicles used to
- 13 provide prearranged rides; or
- 14 (7) Is not at least nineteen years of age.

15 § -10 Non-discrimination; accessibility. (a) The
16 transportation network company shall adopt a policy of non-
17 discrimination on the basis of destination, race, color,
18 national origin, religious belief or affiliation, sex,
19 disability, age, sexual orientation, or gender identity with
20 respect to riders and potential riders and shall notify the
21 transportation network company drivers of the policy.



1 (b) In addition to any policy established pursuant to
2 subsection (a), transportation network company drivers shall
3 comply with all applicable laws regarding non-discrimination
4 against riders or potential riders on the basis of destination,
5 race, color, national origin, religious belief or affiliation,
6 sex, disability, age, sexual orientation, or gender identity.

7 (c) Transportation network company drivers shall comply
8 with all applicable laws to accommodate service animals.

9 For purposes of this subsection, "service animal" has the
10 same meaning as in section 347-2.5.

11 (d) A transportation network company shall not impose
12 additional charges for providing services to persons with
13 physical disabilities.

14 **§ -11 Audit procedures; confidentiality of records. (a)**

15 For the sole purpose of verifying that a transportation network
16 company is in compliance with the requirements of this chapter,
17 and no more than annually, the department of transportation
18 shall have the right to visually inspect a sample of records
19 that the transportation network company is required to maintain
20 pursuant to section 431:10C-704. The sample shall be chosen
21 randomly by the department of transportation in a manner



1 agreeable to both parties. The audit shall take place at a
2 mutually agreed location in the State. Any records furnished to
3 the department of transportation shall exclude information that
4 would tend to identify specific drivers or riders.

5 (b) In response to a specific complaint against any
6 transportation network company driver or transportation network
7 company, the department of transportation shall be authorized to
8 inspect records held by the transportation network company that
9 are necessary to investigate and resolve the complaint. The
10 department of transportation and transportation network company
11 shall conduct the inspection at a mutually agreed upon location
12 in the State. Any record furnished to the department of
13 transportation shall exclude information that would tend to
14 identify specific transportation network company drivers or
15 riders, unless the identity of a transportation network company
16 driver or rider is relevant to the complaint.

17 (c) Any records inspected by the department of
18 transportation under this section shall be confidential, are not
19 subject to disclosure to a third party by the department of
20 transportation without prior written consent of the
21 transportation network company, and shall be exempt from



1 disclosure under chapter 92F. Nothing in this section shall be
2 construed as limiting the applicability of any other exemptions
3 under chapter 92F.

4 § -12 Uniform statewide regulation. (a) This chapter
5 shall apply uniformly throughout the State and in all political
6 subdivisions of the State.

7 (b) This chapter shall supersede any ordinance or other
8 regulation adopted by a political subdivision that specifically
9 governs transportation network companies, transportation network
10 drivers, or transportation network vehicles, including those
11 adopted before the effective date of this chapter."

12 SECTION 3. Section 271-4, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "§271-4 Definitions. As used in this chapter:

15 [~~1~~] "Chapter" means the Motor Carrier Law.

16 [~~2~~] "Commission" means the public utilities commission.

17 [~~3~~] "Person" or "persons" means any individual, firm,
18 copartnership, corporation, company, association, or
19 joint stock association; and includes any trustee,
20 receiver, assignee, or personal representative
21 thereof.



1 [~~4~~] "Certificate" means a certificate of public
2 convenience and necessity issued under this chapter to
3 common carriers by motor vehicle.

4 [~~5~~] "Permit" means a permit issued under this chapter to
5 contract carriers by motor vehicle.

6 [~~6~~] "Transportation of persons" includes every service in
7 connection with or incidental to the safety, comfort,
8 or convenience of persons transported and the receipt,
9 carriage, and delivery of these persons and their
10 baggage.

11 [~~7~~] "Transportation of property" includes every service in
12 connection with or incidental to the transportation of
13 property, including in particular its receipt,
14 delivery, elevation, transfer, carriage, ventilation,
15 refrigeration, icing, dunnage, storage in transit,
16 handling, and its consolidation for the purposes of
17 forwarding within the State.

18 [~~8~~] "Motor vehicle" means any vehicle, machine, tractor,
19 trailer, or semitrailer propelled or drawn by
20 mechanical power and used upon the highways in the
21 transportation of passengers or property, or any



1 combination thereof determined by the commission, but
2 does not include any vehicle, locomotive, or car
3 operated exclusively on a rail or rails or a trolley
4 bus operated by electric power derived from a fixed
5 overhead wire, furnishing local passenger
6 transportation similar to street-railway service.

7 [~~9~~] "Highway" means the public roads, highways, streets,
8 and ways in this State.

9 [~~10~~] "Rates" includes rates, fares, tolls, rentals, and
10 charges of whatever kind and nature unless the context
11 indicates otherwise; provided that for transportation
12 by motor vehicle of passengers, where the provision of
13 transportation is part of a package that may include
14 air fare, meals, attractions, and other services,
15 "rates" shall only include the charges for the
16 provision of transportation by motor vehicle.

17 [~~11~~] "Common carrier by motor vehicle" means any person
18 that holds itself out to the general public to engage
19 in the transportation by motor vehicle of passengers
20 or property or any class or classes thereof for
21 compensation. "Common carrier by motor vehicle" shall



1 not include a transportation network company or a
2 transportation network company driver as those terms
3 are defined in section -1.

4 [~~12~~] "Contract carrier by motor vehicle" means any person
5 that engages in transportation by motor vehicle of
6 passengers or property for compensation [~~+~~]other than
7 [~~transportation referred to in paragraph (11)~~] as a
8 common carrier under continuing contracts with one
9 person or a limited number of persons either: for the
10 furnishing of transportation services through the
11 assignment of motor vehicles for a continuing period
12 of time to the exclusive use of each person served; or
13 for the furnishing of transportation services designed
14 to meet the distinct need of each individual customer.

15 "Contract carrier by motor vehicle" shall not include
16 a transportation network company or a transportation
17 network company driver as those terms are defined in
18 section -1.

19 [~~13~~] "Motor carrier" includes both a common carrier by
20 motor vehicle and a contract carrier by motor vehicle.

21 "Motor carrier" shall not include a transportation



1 network company or a transportation network company
2 driver as those terms are defined in section -1.

3 [~~14~~] "Private carrier of property by motor vehicle" means
4 any person not included in the terms "common carrier
5 by motor vehicle" or "contract carrier by motor
6 vehicle", who or that transports by motor vehicle
7 property of which the person is the owner, lessee, or
8 bailee, when such transportation is for the purpose of
9 sale, lease, rent, or bailment, or in the furtherance
10 of any commercial enterprise.

11 [~~15~~] "Enforcement officer" means any person employed and
12 authorized by the commission to investigate any matter
13 on behalf of the commission. The term also means a
14 motor vehicle safety officer employed and assigned,
15 pursuant to section 271-38, by the department of
16 transportation to enforce sections 271-8, 271-12, 271-
17 13, 271-19, and 271-29 through the assessment of civil
18 penalties as provided in section 271-27(h), (i), and
19 (j)."

20 SECTION 4. Act 236, Session Laws of Hawaii 2016, is
21 amended by amending section 6 to read as follows:



1 "SECTION 6. This Act shall take effect upon its approval;
2 provided that section 2 of this Act shall take effect on
3 September 1, 2016 [~~; provided further that this Act shall be~~
4 ~~repealed on September 1, 2021]~~."

5 SECTION 5. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so much
7 thereof as may be necessary for fiscal year 2019-2020 and the
8 same sum or so much thereof as may be necessary for fiscal year
9 2020-2021 for the administration and implementation of the
10 purposes of this Act, including the hiring of any personnel to
11 oversee the new permitting and inspection requirements.

12 The sums appropriated shall be expended by the department
13 of transportation for the purposes of this Act.

14 SECTION 6. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect on July 1, 2050.



Report Title:

Transportation Network Companies; Regulation; Permitting

Description:

Establishes rules, regulations, and permitting procedures for transportation network companies operating in the State. Specifies that transportation network companies and drivers are excluded from the Motor Carrier Law. Makes permanent insurance requirements for transportation network companies and transportation network drivers. Appropriates funds. (HB1093 HD2)

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