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

12 SECTION 2. The Hawaii Revised Statutes is amended by
13 adding a new chapter to title 15 to be appropriately designated
14 and to read as follows:

15 "CHAPTER

16 TRANSPORTATION NETWORK COMPANIES

17 § -1 Definitions. As used in this chapter:



1 "Department" means the department of transportation.

2 "Digital network" means any online-enabled technology
3 application service, 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 "Director" means the director of transportation.

7 "Prearranged ride" has the same meaning as in section 431:
8 10C-701.

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

- 13 (1) Does not control, direct, or manage the transportation
14 network company vehicles or transportation network
15 company drivers that connect to its digital network,
16 except where agreed to by written contract; and
- 17 (2) Is not a taxicab association or a for-hire vehicle
18 owner.

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



1 "Transportation network company rider" or "rider" means an
2 individual or person who uses a transportation network company's
3 digital network to connect with a transportation network company
4 driver who provides prearranged rides to the rider in a
5 transportation network company vehicle between destination
6 points chosen by the rider.

7 "Transportation network company vehicle" means a vehicle
8 that is:

- 9 (1) Used by a transportation network company driver to
10 provide a prearranged ride;
- 11 (2) Owned, leased, or otherwise authorized for use by the
12 transportation network company driver; and
- 13 (3) Not operating as a taxicab, limousine, or other for-
14 hire vehicle.

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



1 company driver shall be required to register a transportation
2 network company vehicle as a commercial or for-hire vehicle.

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

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

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

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



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

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

7 **§ -6 Identification of transportation network company**
8 **vehicles and drivers.** During a prearranged ride, a
9 transportation network company's digital network shall display a
10 picture of the transportation network company driver and the
11 license plate number of the transportation network company
12 vehicle.

13 **§ -7 Electronic receipt.** Following the completion of a
14 trip, the transportation network company shall transmit an
15 electronic receipt on behalf of the transportation network
16 company driver that shall include the following information:

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



1 **§ -8 Disclosure; limitations; insurance requirements.**

2 The requirements of section 431:10C-703 shall apply to
3 transportation network companies and transportation network
4 company drivers.

5 **§ -9 Transportation network company driver requirements.**

6 (a) Prior to allowing an individual to act as a transportation
7 network company driver and accept a request for a prearranged
8 ride through a transportation 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 motor vehicle insurance;
- 19 and
- 20 (F) Other information deemed necessary by the
21 transportation network company;

1 (2) The transportation network company shall each year
2 conduct, or have a third-party commercial background
3 check company accredited by the Professional
4 Background Screening Association (PBSA) conduct,
5 national and local criminal background checks for each
6 applicant and for each driver. The criminal
7 background check shall include a review of:

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

12 (B) The United States Department of Justice national
13 sex offender public website; and

14 (3) The transportation network company shall obtain and
15 review, or have a third-party entity obtain and
16 review, a driving history research report for the
17 individual.

18 (b) The transportation network company shall not permit an
19 individual to act as a transportation network company driver on
20 its digital network who:



- 1 (1) Has more than three moving violations within the prior
- 2 three years, or one of the following major violations
- 3 in the past three years:
- 4 (A) Attempting to evade police;
- 5 (B) Reckless driving; or
- 6 (C) Driving on a suspended or revoked license;
- 7 (2) Within the past seven years has been:
- 8 (A) Convicted of any felony; or
- 9 (B) Convicted of any misdemeanor relating to driving,
- 10 violent, or sexual offenses;
- 11 (3) Is registered on the United States Department of
- 12 Justice national sex offender public website or any
- 13 publicly accessible state sex offender registry;
- 14 (4) Does not possess a valid driver's license;
- 15 (5) Does not possess proof of a current and valid
- 16 registration for the motor vehicle or vehicles used to
- 17 provide prearranged rides;
- 18 (6) Does not possess proof of valid motor vehicle
- 19 insurance for the transportation network company
- 20 vehicle; or
- 21 (7) Is not at least nineteen years of age.



1 (c) A transportation network company driver shall be
2 considered an independent contractor, and not an employee of a
3 transportation network company, if all of the following
4 conditions are met:

5 (1) The transportation network company does not prescribe
6 the specific hours during which the transportation
7 network company driver is required to be logged in to
8 the transportation network company's digital network;

9 (2) The transportation network company does not impose any
10 restrictions upon the transportation network company
11 driver's ability to use other transportation network
12 companies' digital networks;

13 (3) The transportation network company does not restrict a
14 transportation network company driver from engaging in
15 any other occupation or business; and

16 (4) The transportation network company and the
17 transportation network company driver agree in writing
18 that the transportation network company driver is an
19 independent contractor.

20 (d) A transportation network company shall not control,
21 direct, or manage the transportation network company vehicles or



1 transportation network company drivers that connect to its
2 digital network, unless a written contract expressly provides
3 otherwise.

4 **§ -10 Non-discrimination; accessibility.** (a) The
5 transportation network company shall adopt a policy of non-
6 discrimination on the basis of destination, race, color,
7 national origin, religious belief or affiliation, sex,
8 disability, age, sexual orientation, or gender identity with
9 respect to riders and potential riders and shall notify the
10 transportation network company drivers of the policy.

11 (b) In addition to any policy established pursuant to
12 subsection (a), transportation network company drivers shall
13 comply with all applicable laws regarding nondiscrimination
14 against riders or potential riders on the basis of destination,
15 race, color, national origin, religious belief or affiliation,
16 sex, disability, age, sexual orientation, or gender identity.

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

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



1 (d) A transportation network company shall not impose
2 additional charges for providing services to persons with
3 physical disabilities.

4 § -11 **Audit procedures; confidentiality of records.** (a)
5 Not more than annually, the department may visually inspect a
6 sample of records maintained by a transportation network company
7 for the sole purpose of verifying that a transportation network
8 company complies with this chapter. The sample shall be chosen
9 randomly by the department in a manner agreeable to both
10 parties. The audit shall take place at a mutually agreed
11 location in the State. Any record furnished to the department
12 shall exclude information that would tend to identify specific
13 drivers or riders.

14 (b) In response to a specific complaint against any
15 transportation network company driver or transportation network
16 company, the department may inspect records held by the
17 transportation network company that are necessary to investigate
18 and resolve the complaint. The department and transportation
19 network company shall conduct the inspection at a mutually
20 agreed upon location in the State. Any record furnished to the
21 department shall exclude information that would tend to identify



1 specific transportation network company drivers or riders,
2 unless the identity of a transportation network company driver
3 or rider is relevant to the complaint.

4 (c) Any records inspected by the department under this
5 section shall be confidential, are not subject to disclosure to
6 a third party by the department without the prior written
7 consent of the transportation network company, and shall be
8 exempt from disclosure under chapter 92F. Nothing in this
9 section shall be construed as limiting the applicability of any
10 other exemptions under chapter 92F.

11 **§ -12 Uniform statewide regulation.** (a) This chapter
12 shall apply uniformly throughout the State and in all political
13 subdivisions of the State.

14 (b) This chapter shall supersede any ordinance or other
15 rule adopted by a political subdivision that specifically
16 governs transportation network companies, transportation network
17 company drivers, or transportation network company vehicles,
18 including those adopted before the effective date of this
19 chapter."

20 SECTION 3. Act 236, Session Laws of Hawaii 2016, is
21 amended by amending section 6 to read as follows:



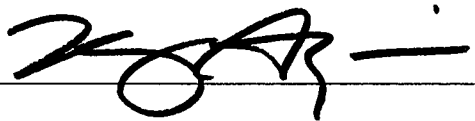
1 "SECTION 6. This Act shall take effect upon its approval;
2 provided that section 2 of this Act shall take effect on
3 September 1, 2016[; ~~provided further that this Act shall be~~
4 ~~repealed on September 1, 2021~~]."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken.

7 SECTION 5. This Act shall take effect upon its approval.

8

INTRODUCED BY:



A handwritten signature in black ink, appearing to be 'J. A. ...', is written over a horizontal line.

JAN 17 2020



H.B. NO. 2002

Report Title:

Transportation Network Companies; Regulation; Permitting

Description:

Establishes requirements and permitting procedures for transportation network companies operating in the State. Makes permanent insurance requirements for transportation network companies and transportation network drivers.

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

