
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:

17 "Department" means the department of transportation.



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 "Director" means the director of transportation.

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

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

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

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

18 "Transportation network company driver" or "driver" has the
19 same 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 operating as a taxicab, limousine, or other for-
12 hire vehicle.

13 § -2 Relation to other laws; commercial vehicle; for-
14 hire vehicle; registration; exemption. Solely for the purposes
15 of this chapter, neither a transportation network company nor a
16 transportation network company driver shall be deemed to be a
17 common carrier by motor vehicle, a contract carrier by motor
18 vehicle, a motor carrier as defined in section 271-4; a taxicab;
19 or a for-hire vehicle service. No transportation network
20 company driver shall be required to register a transportation
21 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. The application shall be in a form and content as
5 prescribed by the director; provided that any transportation
6 network company operating in the State before the effective date
7 of this chapter may continue operating until the director has
8 established a permitting process and sets a registration
9 deadline.

10 (b) The director shall issue a permit to each applicant
11 that satisfies the requirements for a transportation network
12 company as set forth by the director and shall collect an annual
13 permit fee of up to \$25,000 from the applicant prior to the
14 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 digital network before the beginning of the
19 prearranged ride. If the fare is not disclosed to the rider
20 before the beginning of the prearranged ride, the rider shall



1 have the option to receive an estimated fare before the
2 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.** During a prearranged ride, a
8 transportation network company's digital network shall display a
9 picture of the transportation network company driver and the
10 license plate number of the transportation network company
11 vehicle.

12 **§ -7 Electronic receipt.** Following the completion of a
13 trip, the transportation network company shall transmit an
14 electronic receipt on behalf of the transportation network
15 company driver 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.

20 **§ -8 Disclosure; limitations; insurance requirements.**

21 The requirements of section 431:10C-703 shall apply to



1 transportation network companies and transportation network
2 company drivers.

3 § -9 Transportation network company driver requirements.

4 (a) Prior to allowing an individual to act as a transportation
5 network company driver and accept a request for a prearranged
6 ride through a transportation network company's digital network:

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

- 10 (A) The individual's address;
- 11 (B) The individual's age;
- 12 (C) A copy of the individual's valid driver's
- 13 license;
- 14 (D) A copy of the applicable motor vehicle
- 15 registration;
- 16 (E) A copy of the applicable automobile liability
- 17 insurance; and
- 18 (F) Other information deemed necessary by the
- 19 transportation network company;

20 (2) The transportation network company shall conduct
21 national and local criminal background checks for each



1 applicant and each driver on an annual basis. The
2 criminal background check shall include a review of:

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

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

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

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

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

19 (A) Attempting to evade the police;

20 (B) Reckless driving; or

21 (C) Driving on a suspended or revoked license;



- 1 (2) Within the past seven years has been:
- 2 (A) Convicted of any felony; or
- 3 (B) Convicted of any other misdemeanor relating to
- 4 driving, violent, or sexual offenses;
- 5 (3) Is registered on the United States Department of
- 6 Justice national sex offender public website or any
- 7 publicly accessible state sex offender registry;
- 8 (4) Does not possess a valid driver's license;
- 9 (5) Does not possess proof of a current and valid
- 10 registration for the motor vehicle or vehicles used to
- 11 provide prearranged rides;
- 12 (6) Does not possess proof of valid automobile liability
- 13 insurance for the transportation network company
- 14 vehicle; or
- 15 (7) Is not at least nineteen years of age.
- 16 (c) A transportation network company driver shall be
- 17 considered an independent contractor, and not an employee of a
- 18 transportation network company, if all of the following
- 19 conditions are met:
- 20 (1) The transportation network company does not prescribe
- 21 the specific hours during which the transportation



1 network company driver is required to be logged into
2 the transportation network company's digital network;

3 (2) The transportation network company does not impose any
4 restrictions on the transportation network company
5 driver's ability to use other transportation network
6 companies' digital networks;

7 (3) The transportation network company does not restrict a
8 transportation network company driver from engaging in
9 any other occupation or business; and

10 (4) The transportation network company and the
11 transportation network company driver agree in writing
12 that the transportation network company driver is an
13 independent contractor.

14 (d) The transportation network company shall not control,
15 direct, or manage the transportation network company vehicles or
16 transportation network company drivers that connect to its
17 digital network, except where expressly agreed to by written
18 contract.

19 § -10 **Non-discrimination; accessibility.** (a) The
20 transportation network company shall adopt a policy of
21 non-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 shall notify the
4 transportation network company drivers of the policy.

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

11 (c) Transportation network company drivers shall comply
12 with all applicable laws to accommodate service animals. For
13 purposes of this subsection, "service animal" shall have the
14 same meaning as that term is defined in section 347-2.5.

15 (d) A transportation network company shall not impose
16 additional charges for providing services to persons with
17 physical disabilities.

18 § -11 **Audit procedures; confidentiality of records.** (a)

19 No more than annually, the department shall have the right to
20 visually inspect a sample of records maintained by a
21 transportation network company for the sole purpose of verifying



1 that a transportation network company is in compliance with the
2 requirements of this chapter. The sample shall be chosen
3 randomly by the department in a manner agreeable to both
4 parties. The audit shall take place at a mutually agreed
5 location in the State. Any record furnished to the department
6 shall exclude information that would tend to identify specific
7 drivers or riders.

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

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



1 the transportation network company, and shall be exempt from
2 disclosure under chapter 92F. Nothing in this section shall be
3 construed as limiting the applicability of any other exemptions
4 under chapter 92F.

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

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

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

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

20 SECTION 4. Statutory material to be repealed is bracketed
21 and stricken.



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



H.B. NO. 2002
H.D. 2
S.D. 2

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. (SD2)

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

