
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. Solely for the purposes
14 of this 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
15 permit.

16 § -4 **Fare transparency.** If a fare is collected from a
17 rider, the transportation network company shall disclose the
18 fare or fare calculation method to the rider on its website or
19 within the online-enabled technology application service before
20 the beginning of the prearranged ride. If the fare is not
21 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 No more than annually, the department of transportation shall
16 have the right to visually inspect a sample of records
17 maintained by a transportation network company for the sole
18 purpose of verifying that a transportation network company is in
19 compliance with the requirements of this chapter. The sample
20 shall be chosen randomly by the department of transportation in
21 a manner agreeable to both parties. The audit shall take place



1 at a mutually agreed location in the State. Any record
2 furnished to the department of transportation shall exclude
3 information that would tend to identify specific drivers or
4 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. Act 236, Session Laws of Hawaii 2016, is
13 amended by amending section 6 to read as follows:

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17 ~~repealed on September 1, 2021]~~."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken.

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

21



Report Title:

Transportation Network Companies; Regulation; Permitting

Description:

Establishes rules, regulations, and permitting procedures for transportation network companies operating in the State. Makes permanent insurance requirements for transportation network companies and transportation network drivers. (SD1)

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

