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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION NETWORK COMPANIES.

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

1 PART I

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

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

12 SECTION 2. The Hawaii Revised Statutes is amended by  
13 adding a new chapter to be appropriately designated and to read  
14 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 defined in  
8 section 431:10C-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.

12 "Transportation network company" does not include a taxicab  
13 association or a for-hire vehicle owner.

14 "Transportation network company rider" or "rider" means an  
15 individual or persons who use a transportation network company's  
16 digital network to connect with a transportation network company  
17 driver who provides prearranged rides to the rider in a  
18 transportation network company vehicle between destination  
19 points chosen by the rider.

20 "Transportation network company vehicle" means a vehicle  
21 that is:



- 1           (1) A vehicle manufactured with seating accommodations for
- 2                   eight or fewer passengers;
- 3           (2) Not a truck, truck-tractor, tractor-semitrailer
- 4                   combination, or semitrailer, as those terms are
- 5                   defined in section 286-2;
- 6           (3) Used by transportation network company driver to
- 7                   provide a prearranged ride;
- 8           (4) Owned, leased, or otherwise authorized for use by the
- 9                   transportation network company driver; and
- 10          (5) Not operating as a taxicab, limousine, or other for-
- 11                   hire vehicle.

12           § -2 Relating 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 company

19 driver shall be required to register a transportation network

20 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 for existing transportation  
9 companies and sets a registration 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.** A transportation network  
16 company's fare structure shall be transparent and visible to a  
17 rider before the rider confirms a ride. To satisfy the  
18 requirements of this section, a transportation network company  
19 shall clearly display:

20       (1) The fare for the prearranged ride;



- 1           (2) The option to receive an estimated fare for the
- 2                   prearranged ride; or
- 3           (3) The basis and rate on which the fare is to be
- 4                   calculated, and any additional fees or charges that
- 5                   may apply.

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

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

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

- 19           (1) The origin and destination or destinations of the
- 20                   trip;
- 21           (2) The total time and distance of the trip; and



1           (3) The total fare paid.

2           § -8 Disclosure; limitations; insurance requirements.

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

6           § -9 Transportation network company driver requirements.

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

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

13           (A) The individual's address;

14           (B) The individual's age;

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

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

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



1 (F) Any other information deemed necessary by the  
2 transportation network company;

3 (2) The transportation network company shall conduct  
4 national and local criminal background checks for each  
5 applicant and each driver on an annual basis. The  
6 criminal background check shall include a review of:

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

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

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

17 (b) The transportation network company shall not permit an  
18 individual to act as a transportation network company driver on  
19 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 prior three years:
- 4                   (A) Attempting to evade the police;
- 5                   (B) Reckless driving; or
- 6                   (C) Driving on a suspended or revoked license;
- 7           (2) Within the prior seven years has been:
- 8                   (A) Convicted of any felony; or
- 9                   (B) Convicted of any other misdemeanor;
- 10          (3) Is registered on the United States Department of
- 11                   Justice national sex offender public website or any
- 12                   publicly accessible state sex offender registry;
- 13          (4) Does not possess a valid driver's license;
- 14          (5) Does not possess proof of a current and valid
- 15                   registration for the motor vehicle or vehicles used to
- 16                   provide prearranged rides;
- 17          (6) Does not possess proof of valid automobile liability
- 18                   insurance for the transportation network company
- 19                   vehicle; or
- 20          (7) Is not at least nineteen years of age.





1           §   -10 Non-discriminatory; accessibility. (a) The  
2 transportation network company shall adopt a policy of  
3 non-discrimination on the basis of destination, race, color,  
4 national origin, religious belief or affiliation, sex,  
5 disability, age, sexual orientation, or gender identity with  
6 respect to riders and potential riders and shall notify the  
7 transportation network company drivers of the policy.

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

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

18           (d) A transportation network company shall not impose  
19 additional charges for providing services to persons with  
20 physical disabilities.



1           §   -11   **Audit procedures; confidentiality of records.**   (a)

2   No more than annually, the department shall have the right to  
3   visually inspect a sample of records maintained by a  
4   transportation network company for the sole purpose of verifying  
5   that a transportation network company is in compliance with the  
6   requirements of this chapter. The sample shall be chosen  
7   randomly by the department in a manner agreeable to both  
8   parties. The audit shall take place at a mutually agreed upon  
9   location in the State. Any record furnished to the department  
10  shall exclude information that would tend to identify specific  
11  drivers or riders.

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



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

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

10 § -12 Uniform statewide regulation. (a) This chapter  
11 shall apply uniformly throughout the State and to all political  
12 subdivisions of the State.

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

19 PART II

20 SECTION 3. The legislature finds that Act 236, Session  
21 Laws of Hawaii 2016 (Act 236), was enacted to close the



1 insurance gaps associated with transportation network companies  
2 by establishing motor vehicle insurance requirements for  
3 transportation network companies and transportation network  
4 company drivers. Act 236 is scheduled to repeal on September 1,  
5 2021.

6 Accordingly, the purpose of this part is to repeal the  
7 sunset date of Act 236 and make permanent the motor vehicle  
8 insurance requirements for transportation network companies and  
9 transportation network company drivers.

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

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

16 PART III

17 SECTION 5. Statutory material to be repealed is bracketed  
18 and stricken.

19 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Transportation Network Companies; Insurance

**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. Effective 7/1/2050. (SD2)

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

