

JAN 21 2022

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# A BILL FOR AN ACT

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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 Accordingly, the purpose of this part is to provide  
9 statewide regulation of transportation network companies to  
10 provide operational consistency across the State and to establish  
11 a permitting 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 driver" has the same  
15 meaning as in section 431:10C-701.

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



1 "Transportation network company vehicle" means a vehicle  
2 that is:

3 (1) A vehicle manufactured with seating accommodations for  
4 eight or fewer passengers;

5 (2) Not a truck, truck-tractor, tractor-semitrailer  
6 combination, or semitrailer, as those terms are  
7 defined in section 286-2;

8 (3) Used by a transportation network company driver to  
9 provide a prearranged ride;

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

12 (5) Not operating as a taxicab, limousine, or other  
13 for-hire vehicle.

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



1 register a transportation network company vehicle as a  
2 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 as prescribed 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 for existing  
11 transportation companies and sets a permitting 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 up to \$25,000 from the applicant prior to the  
16 issuance of a permit. The fees collected pursuant to this  
17 subsection shall be deposited into the state highway fund  
18 established by section 248-9.

19       **§ -4 Fare transparency.** Prior to a rider confirming a  
20 ride, each transportation network company shall clearly display  
21 its fare structure and:



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

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

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

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

- 20 (1) The origin and destination or destinations of the
- 21 trip;



(2) The total time and distance of the trip; and

(3) The total fare paid.

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

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

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

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

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

(A) The individual's address;

(B) The individual's age;

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

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

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



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

(2) The transportation network company shall each year conduct national and local criminal background checks for each applicant and each driver. The criminal background check shall include a review of:

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

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

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

(b) The transportation network company shall not permit an individual to act as a transportation network company driver on 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 automobile liability  
19 insurance for the transportation network company  
20 vehicle; or

21 (7) Is not at least nineteen years of age.





1           **§ -10 Nondiscrimination; accessibility.** (a) The  
2 transportation network company shall adopt a policy of  
3 nondiscrimination 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 nondiscrimination  
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.

16           For purposes of this subsection, "service animal" has 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   Not more than annually, the department may visually inspect and  
3   audit a sample of records maintained by a transportation network  
4   company for the sole purpose of verifying that a transportation  
5   network company complies with the requirements of this chapter.  
6   The sample shall be chosen randomly by the department in a  
7   manner agreeable to both parties. The audit shall take place at  
8   a mutually agreed upon location in the State. Any record  
9   furnished to the department shall exclude information that would  
10   tend to identify specific drivers or riders.

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



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

8 **§ -12 Uniform statewide regulation.** (a) This chapter  
9 shall apply uniformly throughout the State and in all political  
10 subdivisions of the State.

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

17 PART II

18 SECTION 3. The legislature finds that Act 236, Session  
19 Laws of Hawaii 2016 (Act 236), was enacted to close the  
20 insurance gaps associated with transportation network companies  
21 by establishing motor vehicle insurance requirements for



1 transportation network companies and transportation network  
2 company drivers. Act 236 is scheduled to repeal on September 1,  
3 2021.

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

8 SECTION 4. Act 236, Session Laws of Hawaii 2016, as  
9 amended by Act 132, Session Laws of Hawaii 2021, is amended by  
10 amending section 6 to read as follows:

11 "SECTION 6. This Act shall take effect upon its approval;  
12 provided that section 2 of this Act shall take effect on  
13 September 1, 2016[~~; provided further that this Act shall be~~  
14 ~~repealed on September 1, 2023]~~."

15 PART III

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

18 SECTION 6. This Act shall take effect on July 1, 2022.

19  
INTRODUCED BY: 



**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.

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

