

STAND. COM. REP. NO. 927 -22

Honolulu, Hawaii

MAR 04 , 2022

RE: H.B. No. 1681
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1681, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION NETWORK COMPANIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Regulate the operations of transportation network companies in the State and establish a permitting process for these companies within the Department of Transportation; and
- (2) Make permanent the insurance requirements for transportation network companies and transportation network company drivers.

Your Committee received testimony in support of this measure from the Department of Transportation; Uber Technologies, Inc.; Hawaii Insurers Council; GEICO; and Lyft. Your Committee received comments on this measure from the Hawaii Transportation Association.

Your Committee finds that a passenger uses a transportation network company's digital network or software application service



to request transportation to a destination. Once the prearranged ride is set by the passenger, the transportation network company connects the passenger with a transportation network company driver to fulfill the prearranged ride using the driver's personal motor vehicle.

Your Committee further finds that statewide regulation of transportation network companies is needed to ensure the safety, reliability, and cost-effectiveness of rides provided by transportation network company drivers. This measure ensures that residents and visitors have enhanced access to important transportation options, while also ensuring uniform consumer protection throughout the State.

Your Committee also finds that Act 236, Session Laws of Hawaii 2016 (Act 236), established insurance requirements for transportation network companies and transportation network company drivers to ensure the protection of passengers and third parties. These insurance requirements are set to expire on September 1, 2023. Your Committee finds that Act 236 is accomplishing its intended goal and the insurance requirements should be made permanent.

Your Committee has amended this measure by:

- (1) Deleting the requirement that an applicant to become a transportation network company driver submit a copy of the applicant's general excise tax license;
- (2) Clarifying the offenses that would disqualify an individual from acting as a transportation network company driver;
- (3) Adding ancestry and gender expression as protected classes within the transportation network company's required non-discrimination policy;
- (4) Providing the Department of Transportation with the authority to adopt rules to regulate transportation network companies; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1681, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1681, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



