It is enacted by the General Assembly as follows:

SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND CARRIERS" is hereby amended by adding thereto the following chapter:

CHAPTER 14.2

TRANSPORTATION NETWORK COMPANY SERVICES

39-14.2-1. Definitions. -- (a) Terms used in this chapter shall be construed as follows, unless another meaning is expressed or is clearly apparent from the language or context:

(1) "Conviction" means, in addition to judgments of conviction entered by a court subsequent to a finding of guilty or a plea of guilty, those instances where the defendant has entered a plea of nolo contendere, regardless of the disposition of sentence, including a sentence of probation, and those instances where a defendant has entered into a deferred sentence agreement (filing) with the attorney general.

(2) "Division" means the division of public utilities and carriers;

(3) "Disqualifying information" means information produced by a criminal records check pertaining to conviction, for the following crimes will result in a letter to the applicant and the division disqualifying the applicant from issuance of a hackney operator's license: murder, voluntary manslaughter, involuntary manslaughter, first degree sexual assault, second degree sexual assault, third degree sexual assault, first degree child molestation sexual assault, second degree child molestation sexual assault, assault on persons sixty (60) years of age or older, assault
with intent to commit specified felonies (murder, robbery, rape, burglary, or the abominable and detestable crime against nature) felony assault, simple assault, assault, and/or battery if the
criminal act took place while the person was acting as a TNC driver, burglary, breaking and entering, first degree arson, robbery, felony drug offenses, credit card crimes, fraud,
misrepresentation, and misappropriation and/or conversion, larceny or driving under the influence of liquor or drugs.

(4) "Digital network" means any online-enabled application, software, website or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(5) "Driver" means a person required to hold a hackney operator's license who delivers passengers for hire as contemplated in chapters 14 and 14.1 of title 39.

(6) "Hackney operator's license" means a special license, commonly referred to as a "blue card" issued by the division, authorizing the holder thereof to transport passengers in a taxicab, limited public motor vehicle or public motor vehicle in accordance with §§39-14-20 or 39-14.1-8

(7) "Person" means and includes any individual, partnership, corporations, limited liability company or any other legal entity, or other association of individuals;

(8) "Personal vehicle" means a vehicle that is used by a transportation network company driver and is:

(i) Owned, leased or otherwise authorized for use by the transportation network company driver as a TNC vehicle; and

(ii) Not a taxicab and/or limited public motor vehicle or public motor vehicle.

(9) "Prearranged ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle.

(10) "Transportation network company" or "TNC" means an entity licensed pursuant to this chapter and operating in the state that uses a digital network or software application service to connect passengers to transportation network company services provided by the TNC drivers. A TNC is not automatically deemed to own, control, operate or manage the vehicles used by the TNC drivers. A TNC is allowed to own a fleet of vehicles and lease them to TNC drivers. A TNC is not a jitney, as defined in §39-13-1, a taxicab or limited public motor vehicle, as defined in §39-14-1, or a public motor vehicle, as defined in §39-14.1-1. A TNC is not a common carrier as defined in title 39;

(11) "Transportation network company services" or “TNC services” means transportation
of a passenger between points chosen by the passenger and prearranged with the TNC through the
use of a digital network or software application. TNC services shall begin when the TNC driver
accepts a request for transportation received through the digital network or software application
service, continue while the TNC driver transports the passenger in the vehicle, and end when the
passenger exits the vehicle. TNC service is not a jitney, taxicab, for-hire vehicle or street hail
service. TNC is not a "call and demand service". The only way to book the TNC must be through
the TNC software.

(12) "Transportation network driver" or "TNC driver" means an individual who operates
a motor vehicle that is:

(i) Owned, leased or otherwise authorized for use by the individual;

(ii) Not a jitney, a taxicab or limited public motor vehicle, or a public motor vehicle; and

(iii) Used to provide TNC services.

39-14.2-2. TNCs not designated as other carriers. -- TNCs or TNC drivers are not
common carriers, as defined in title 39; jitneys, as defined in §39-13-1; taxicabs or limited public
motor vehicles, as defined in §39-14-1; or public motor vehicles, as defined in §39-14.1-1. In
addition, a TNC driver shall not be required to register the vehicle such driver uses for TNC
services as a commercial or for-hire vehicle; provided, however, the TNC driver must register the
vehicle with the division, and provide insurance information and the name of the TNC that they
are affiliated with.

39-14.2-3. Permit required of Transportation Network Company. -- (a) No person
shall operate a TNC in the state until that person shall have applied for and obtained a permit
from the division.

(b) The permit shall be issued only after written application for the permit accompanied
by an application fee of fifteen thousand dollars ($15,000) and only after the division
satisfactorily determines that the applicant meets the requirements for a TNC set forth in this
chapter and as set forth in any rules or regulations promulgated in accordance with §39-14.2-19,
provided that no hearing on the application shall be required, but provided, further, however, that
the division shall reserve the right to require a hearing on the application if it deems the same to
be in the public interest.

(c) Each permit issued shall entitle the permitted TNC to one hundred (100) TNC vehicle
identification devices. The permit should include vehicle registration and name of TNC as the
sponsor. In the event there are more than one hundred (100) vehicles operating under the same
TNC permit, there shall be an additional annual charge of one hundred fifty dollars ($150) for
each vehicle in excess of the one hundred (100) vehicles authorized under the permit. Drivers
shall not be allowed to drive for multiple TNCs under the same permit.

(d) All permits, and accompanying TNC identification devices issued under this chapter shall be renewed before the close of business on December 31 of each calendar year. The annual renewal fee shall be fifteen thousand dollars ($15,000).

(e) All revenues received under this chapter shall be deposited as general revenues.

(f) Permits issued under this chapter shall not be transferrable.

39-14.2-4. Agent. -- The TNC must maintain an agent for service of process in the state.

39-14.2-5. Fare charged for services provided. -- A TNC may charge a fare for the services provided to the passengers; provided that, if a fare is charged, the TNC shall disclose to the passengers the fare calculation method on its website or within the software application service. The TNC shall also provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC driver's vehicle. Notice of the use of "surge pricing" and/or "dynamic pricing" shall be clearly provided.

39-14.2-6. Identification of TNC vehicles and TNC drivers. -- The TNC's software application or website shall display a picture of the TNC driver, and the license plate number of the vehicle utilized for providing the TNC service before the passenger enters the TNC driver's vehicle. The TNC driver shall also display a picture identification card or placard and the permit (blue card) suspended from the vehicle's rear view mirror, as well as any other licenses or identification, as determined by the division. Furthermore, there shall be some type of marking attached or affixed to the vehicle, even if only on a temporary basis, while it is engaged in TNC activity. No driver's vehicle, transporting senior citizens, shall be marked with a sign that says "Senior Transportation".

39-14.2-7. Electronic receipt. -- Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists:

(1) The origin and destination of the trip;

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

(3) An itemization of the total fare paid, if any.

39-14.2-8. Proof of financial responsibility. -- (a) On or before December 31, 2016, and thereafter, a transportation network company driver or transportation network company on the driver's behalf shall maintain primary automobile insurance that:

(1) Recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the driver;

(i) While the driver is logged on to the transportation network company's digital network;
(ii) While the driver is engaged in a prearranged TNC ride.

(2) The following automobile insurance requirements shall apply while a participating transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests, but is not engaged in a prearranged ride:

(i) Primary automobile liability insurance in the amount of at least fifty thousand dollars ($50,000) for death and bodily injury per person, one hundred thousand dollars ($100,000) for death and bodily injury per incident, and twenty-five thousand dollars ($25,000) for property damage.

(ii) The coverage requirements of this section may be satisfied by any of the following:

(A) Automobile insurance maintained by the transportation network company driver; or
(B) Automobile insurance maintained by the transportation network company; or
(C) Any combination of subsections (a)(2)(ii)(A) and (a)(2)(ii)(B) herein.

(3) The following automobile insurance requirements shall apply while a transportation network company driver is engaged in a prearranged ride:

(i) Primary automobile liability insurance that provides at least one million five hundred dollars ($1,500,000) for death, bodily injury and property damage;

(ii) The coverage requirements of this subsection may be satisfied by any of the following:

(A) Automobile insurance maintained by the transportation network company driver; or
(B) Automobile insurance maintained by the transportation network company; or
(C) Any combination of subsections (a)(3)(ii)(A) and (a)(3)(ii)(B).

(4) If insurance maintained by the driver has lapsed or does not provide the required coverage, insurance maintained by a transportation network company providing the service shall provide the coverage beginning with the first dollar of a claim and have the duty to defend such claim.

(5) Coverage under an automobile insurance policy maintained by the transportation network company shall not be dependent on a personal automobile insurer first denying a claim, nor shall a personal automobile insurance policy be required to first deny a claim.

(6) Insurance required by this section may be placed with an insurer licensed by the state or with a surplus lines insurer licensed by the state.

(7) Insurance satisfying the requirements of this section shall be deemed to satisfy the financial responsibility requirement for a motor vehicle under chapter 32 of title 31.

(8) A transportation network company driver shall carry proof of coverage at all times.
during use of a vehicle in connection with a transportation network company's digital network. In
the event of an accident, a transportation network company driver shall provide this insurance
coverage information to the directly interested parties, automobile insurers and investigating
police officers, upon request. Upon such request, a transportation network company driver shall
also disclose to directly interested parties, automobile insurers, and investigating police officers,
whether they were logged on to the transportation network company's digital network or on a
prearranged ride at the time of an accident.

39-14.2-9. TNC and insurer disclosure requirements.-- (a) The transportation network
company shall disclose in writing to transportation network company drivers the following before
they are allowed to accept a request for a prearranged ride on the transportation network
company's digital network:

(1) The insurance coverage, including the types of coverage and the limits for each
coverage, that the transportation network company provides while the transportation network
driver uses a personal vehicle in connection with a transportation network company's
digital network; and

(2) That the transportation network company driver's own automobile insurance policy
might not provide any coverage while the driver is logged on to the transportation network
company's digital network and is available to receive transportation requests or is engaged in a
prearranged ride, depending on its terms.

(b) Insurers that write automobile insurance in this state may exclude any and all
coverage afforded under the policy issued to an owner or operator of a personal vehicle for any
loss or injury that occurs while a driver is logged on to a transportation network company's digital
network or while a driver provides a prearranged ride. This right to exclude all coverage may
apply to any coverage included in an automobile insurance policy including, but not limited to:

(1) Liability coverage for bodily injury and property damage;
(2) Personal injury protection coverage;
(3) Uninsured and underinsured motorist coverage;
(4) Medical payments coverage;
(5) Comprehensive physical damage coverage; and
(6) Collision physical damage coverage.

Such exclusions shall apply notwithstanding any requirement under chapter 32 of title 31.
Nothing in this section implies or requires that a personal automobile insurance policy provide
coverage while the driver is logged on to the transportation network company's digital network,
while the driver is engaged in a prearranged ride or while the driver otherwise uses a vehicle to
transport passengers for compensation.

Nothing shall be deemed to preclude an insurer from providing coverage for the transportation network company driver's vehicle, if it so chose to do so by contract or endorsement.

(c)(1) Automobile insurers that exclude the coverage shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this section shall be deemed to invalidate or limit an exclusion contained in a policy including any policy in use or approved for use in this state prior to the enactment of this chapter that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

(2) An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy, shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of this section at the time of loss.

(d) In a claims coverage investigation, transportation network companies and any insurer potentially providing coverage under this section shall cooperate to facilitate the exchange of relevant information with directly involved parties and any insurer of the transportation network company driver if applicable, including the precise times that a transportation network company driver logged on and off of the transportation network company's digital network in the twelve (12) hour period immediately preceding and in the twelve (12) hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions and limits provided under any automobile insurance maintained under this section.

39-14.2-10. Zero tolerance for drug and alcohol use. -- (a) The TNC shall implement a zero tolerance policy on the use of drugs or alcohol or of the carrying of a firearm, or the acquisition of a concealable weapons permit solely on the premise of being a TNC driver and while engaged in TNC activity or is logged on to the digital network, but is not providing TNC services, and shall provide notice of this policy on its website, as well as procedures to report a complaint about a TNC driver with whom a passenger was matched and who the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(b) Upon receipt of such passenger complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend such TNC driver's access to the digital network and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation. The TNC shall immediately give notice to the division of a receipt of a zero tolerance complaint, so that the division can investigate if it so chooses.

(c) The TNC shall maintain records relevant to the enforcement of this requirement for a
period of at least two (2) years from the date that a passenger complaint is received by the TNC.

39-14.2-11. National criminal records check. -- (a) Starting on September 1, 2016, all first-time applicants for a division-issued hackney operator's license shall undergo a one-time national criminal records check. Individuals who possess an active division-issued hackney operator's license on September 1, 2016, shall undergo a one-time national criminal records check at the time they next seek to renew their hackney operator's license. Any former hackney operator licensee seeking to renew or reactivate a hackney operator's license that has been expired for more than twelve (12) months shall be treated as a first-time applicant and shall undergo a one-time national criminal records check.

(b) The person shall apply to the bureau of criminal identification (BCI), department of the attorney general, state police or local police department where they reside, for a national criminal records check. Fingerprinting shall be required. Upon the discovery of any disqualifying information, the bureau of criminal identification, state police or local police department shall inform the applicant in writing of the nature of the disqualifying information and, without disclosing the nature of the disqualifying information will notify the division in writing that disqualifying information has been discovered.

(c) In those situations in which no disqualifying information has been found, the bureau of criminal identification, state police or local police department shall inform the applicant and the division in writing of this fact.

(d) An applicant against whom disqualifying information has been found may provide a copy of the national criminal records check to the division. The division shall make an independent judgment regarding the licensing of the applicant based on any and all information provided, and in accordance with rules and regulations adopted by the division.

(e) The division shall maintain on file evidence that criminal records checks have been initiated on all applicants after September 1, 2016, and the results of the checks.

(f) The applicant shall be responsible for the costs of the national criminal records check. However, any applicant required to provide a national criminal background check to the division shall not be required to provide a Rhode Island statewide criminal background check during the same application process.

39-14.2-12. Safety and sanitary condition of vehicles. -- A TNC shall require that any motor vehicle(s) that a TNC driver will use to provide TNC services meets the vehicle safety and/or emissions requirements for a private motor vehicle in Rhode Island or the state in which the vehicle is registered.

booked through a TNC's digital network or software application service and shall not solicit or accept street hails, or by direct phone calls to the driver, including call and demand service. Any person who shall knowingly or willfully cause to be done any act prohibited by this section shall be deemed guilty of a misdemeanor and shall, upon conviction, be subject to a fine not to exceed one thousand dollars ($1,000) or imprisonment for a term not exceeding one year, or both for each offense. A TNC shall be prohibited from providing service to any other digital network or software application service organization.

39-14.2-14. No cash trips. -- The TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from passengers and notify TNC drivers of such policy. TNC drivers shall not solicit or accept cash payments from passengers. Any payment for TNC services shall be made only electronically using the digital network or software applications. Any person who shall knowingly or willfully cause to be done any act prohibited by this section shall be deemed guilty of a misdemeanor and shall, upon conviction, be subject to a fine not to exceed one thousand dollars ($1,000) or imprisonment for a term not exceeding one year, or both for each offense.

39-14.2-15. No discrimination - Accessibility. -- (a) The TNC shall adopt a policy of non-discrimination on the basis of pick up location, destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation/identity, or gender identity with respect to passengers and potential passengers and notify TNC drivers of such policy.

(b) TNC drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of pick up location, destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(c) TNC drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair accessible vehicle. If a TNC cannot arrange wheelchair accessible TNC service in any instance, it shall direct the passenger to an alternate provider of wheelchair accessible service, if available.

39-14.2-16. Accessible transportation fund. -- There shall be established and set up on the books of the state a separate fund to be known as the Rhode Island accessible transportation fund. The fund shall consist of an annual surcharge fee of no more than ten thousand dollars

LC005401 - Page 9 of 13
($10,000) per year by any TNC that does not provide wheelchair-accessible service and all other
monies credited or transferred to the fund from any other source under law. The division shall be
the trustee of the fund and may only expend monies in the fund, without further appropriation, to
enhance wheelchair-accessible service within the TNC industry.

39-14.2-17. Records. -- A TNC shall maintain:
(1) Individual trip records for at least three (3) years from the date each trip was
provided; and
(2) TNC driver records at least until the three (3) year anniversary of the date on which a
TNC driver's activation on the digital network has ended.

39-14.2-18. Personally identifiable information. -- A TNC shall not disclose a
passenger's personally identifiable information to a third party unless: the passenger consents,
disclosure is required by a legal obligation, or disclosure is required to protect or defend the terms
of use of the service or to investigate violations of those terms. In addition to the foregoing, a
TNC shall be permitted to share a passenger's name and/or telephone number with the TNC
driver providing TNC services to such passenger in order to facilitate correct identification of the
passenger by the TNC driver or to facilitate communication between the passenger and the TNC
driver.

39-14.2-19. Powers of division. -- Every person operating a licensed transportation
network company or operating as a licensed transportation network operator is declared to be
subject to the jurisdiction of the division of public utilities and carriers. The division may
promulgate any rules and regulations that it deems proper to ensure adequate, safe and compliant
service under this title, under this chapter, and in the public interest. The division is further
authorized to conduct investigations into complaints, appoint peace officers to conduct
investigations and initiate charges on its own, and to hold hearings as it deems necessary to fulfill
the proper administration of this chapter. Furthermore, the division may require that TNCs
produce any and all records required under §39-14.2-17 whenever it deems necessary.

39-14.2-20. TNCs subject to taxation. -- All TNCs and TNC services shall be subject to
the same taxes as taxicabs and public motor vehicles, including, but not limited to, sales and use
taxes. The TNC shall collect and pay any taxes and fees on behalf of its drivers. Noncompliance
shall result in revocation of the TNC license. These taxes shall be paid to the state as prescribed.

39-14.2-21. Other assessments and fees. -- The TNC shall be subject to any and all
assessments and fees issued pursuant to chapter 14 of title 39, or the division, pertaining to
taxicabs, public motor vehicles and limited public motor vehicles.

Motor Vehicles’ is hereby amended to read as follows:

39-14.1-5. Safety and sanitary condition of vehicles. -- Inspection. The division of motor vehicles shall have jurisdiction over the lighting, equipment, safety, and sanitary condition of all public motor vehicles and shall cause an inspection of it to be made before registering it, and from time to time thereafter, as it shall deem necessary for the convenience, protection and safety of passengers and of the public. A fee of twenty-five dollars ($25.00) shall be paid to the division of motor vehicles for each annual inspection. All public motor vehicles and taxis shall meet the vehicle safety and/or emissions requirements for a private motor vehicle in Rhode Island or the state in which the vehicle is registered, but no additional safety or sanitary inspections shall be required.

SECTION 3. Section 12-7-21 of the General Laws in Chapter 12-7 entitled "Arrest" is hereby amended to read as follows:

12-7-21. "Peace officer" defined. -- “Peace officer”, as used within this chapter, means the following individuals or members of:

(1) Rhode Island state police;
(2) Any member of a municipal or local police department;
(3) Rhode Island airport corporation police;
(4) Rhode Island park police;
(5) Rhode Island capitol police;
(6) Rhode Island conservation officers;
(7) Rhode Island department of environmental management officers;
(8) Rhode Island fire marshals;
(9) Brown University police officers;
(10) University of Rhode Island campus police officers;
(11) Rhode Island College campus security;
(12) Campus security at the Community College of Rhode Island;
(13) Rhode Island sheriff's department;
(14) The investigators of the department of attorney general appointed pursuant to § 42-9-8.1;
(15) Any federal law enforcement officer;
(16) Correctional investigators and correctional officers of the Rhode Island department of corrections;
(17) The witness protection coordinator of the department of attorney general;
(18) The warden, associate wardens, majors, captains, lieutenants, sergeants, correctional
officers and investigators employed by a project operated by a municipal detention facility
corporation, including, but not limited to, the Donald W. Wyatt Detention Facility; provided, such
parties listed in this subsection (18) herein shall be deemed to be peace officers while in
performance of their duties for the municipal detention facility only, and shall not be deemed to
be peace officers at any time when they are not in performance of said duties;
(19) Retired non-permanent sworn members of any municipal police department shall be
deemed to be peace officers only while in the performance of their duties for any municipal
police department, and shall be permitted to carry their firearm while in the performance of their
duties for the municipal police department, and shall be subject to in-service training
requirements of title 42, chapter 28;
(20) Auto theft investigators appointed pursuant to § 31-50-1;
(21) Providence fire department arson investigators; provided, that the arson investigator
is a graduate of a police-training academy; and
(22) Rhode Island School of Design police officers; and
(23) Rhode Island division of public utilities officers.
SECTION 4. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIERS -- TRANSPORTATION NETWORK COMPANY SERVICES

***
1 This act would create a comprehensive regulatory scheme for motor vehicle passenger
2 services provided by transportation network companies which use digital network as software
3 application services to connect passengers to transportation providers.
4 This act would take effect upon passage.

==========
LC005401
==========