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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- TRANSPORTATION NETWORK  
COMPANY SERVICES

Introduced By: Senators Goodwin, and Miller

Date Introduced: March 31, 2016

Referred To: Senate Commerce

(Division of Public Utilities)

It is enacted by the General Assembly as follows:

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

3 CHAPTER 14.2

4 TRANSPORTATION NETWORK COMPANY SERVICES

5 **39-14.2-1. Definitions. --** Terms in this chapter shall be construed as follows, unless  
6 another meaning is expressed or is clearly apparent from the language or context:

7 (1) "Active TNC driver" means a TNC driver who has provided at least one prearranged  
8 ride through the TNC in the preceding ninety (90) days.

9 (2) "Administrator" means the administrator of the division of public utilities and  
10 carriers.

11 (3) "Digital network" means any online-enabled technology application service, website  
12 or system offered or utilized by a transportation network company that enables the  
13 prearrangement of rider transportation with transportation network company drivers.

14 (4) "Division" means the division of public utilities and carriers.

15 (5) "Partner" or "partnering" means the act of a TNC operator agreeing to the terms and  
16 conditions set forth by a TNC for access to the TNC's digital network for the purpose of being  
17 connected to potential TNC riders seeking TNC services.

18 (6) "Person" means and includes any individual, partnership, corporation or other

1 association of individuals.

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

4 (i) Designed to hold no more than seven (7) individuals, including the driver;

5 (ii) Owned, leased or otherwise authorized for use by the individual; and

6 (iii) Not a jitney, as defined in §39-13-1, a taxicab or limited public motor vehicle, as  
7 defined in §39-14-1, a public motor vehicle, as defined in §39-14.1-1, or a common carrier as  
8 defined in title 39.

9 (8) "Transportation network company" or "TNC" means an entity licensed by the division  
10 pursuant to this chapter that uses a digital network to connect transportation network company  
11 riders to transportation network operators who provide prearranged rides. A transportation  
12 network company shall not be deemed to control, direct or manage the personal vehicles or  
13 transportation network company drivers that connect to its digital network, except where agreed  
14 to by written contract.

15 (9) "Transportation network company affiliation placard" or "TNC affiliation placard"  
16 means a recognizable logo or decal issued by the TNC used to identify personal vehicles  
17 whenever such a vehicle is available to provide, or is providing, TNC services.

18 (10) "Transportation network operator" or "TNC operator" or "TNC driver" means an  
19 individual who:

20 (i) Receives connections to potential riders and related services from a transportation  
21 network company in exchange for payment of a fee to the transportation network company; and

22 (ii) Uses a personal vehicle to offer or provide a prearranged ride to TNC riders upon  
23 connection through a digital network controlled by a transportation network company in  
24 exchange for compensation or payment of a fee.

25 (11) "Transportation network company (TNC) rider" or "rider" means an individual or  
26 persons who uses a transportation network company's digital network to connect with a  
27 transportation network driver who provides prearranged rides to the rider in the driver's personal  
28 vehicle between points chosen by the rider.

29 (12) "Transportation network company services" or "prearranged ride" means the  
30 provision of transportation by a TNC driver to a TNC rider beginning when a TNC driver accepts  
31 a TNC rider's request for a ride made only through a digital network controlled by a  
32 transportation network company (TNC), continuing while the TNC driver transports the  
33 requesting TNC rider(s) and ending when the last requesting TNC rider(s) departs from the  
34 personal vehicle. TNC services and prearranged rides do not include transportation provided

1 using a jitney, as defined in §39-13-1, a taxicab or limited public motor vehicle, as defined in  
2 §39-14-1. A public motor vehicle, as defined in §39-14.1-1, a common carrier as defined in title  
3 39 of the general laws, or a regional transportation provider. TNC services and prearranged rides  
4 do not include a shared expense carpool or vanpool arrangement or service.

5 **39-14.2-2. Not other carriers.--** (a) TNCs or TNC drivers are not common carriers, as  
6 defined in title 39, jitneys, as defined in §39-13-1, taxicabs or limited public motor vehicles, as  
7 defined in §39-14-1, or public motor vehicles, as defined in §39-14.1-1.

8 (b) A TNC driver shall not be required to register the vehicle such driver uses for  
9 prearranged rides as a commercial or for-hire vehicle.

10 **39-14.2-3. Powers of division. --** (a) Every person operating a licensed transportation  
11 network company or operating as a licensed transportation network company operator is declared  
12 to be subject to the jurisdiction of the division of public utilities and carriers. The division may  
13 prescribe rules and regulations consistent with this chapter that are necessary to assure adequate,  
14 safe and compliant service under this chapter. The division is further authorized to conduct  
15 investigations into complaints, conduct investigations initiated on its own, and to hold hearings as  
16 it deems necessary to fulfill the proper administration of this chapter.

17 (b) The division shall require transportation network companies to establish and  
18 implement a written policy capping dynamic pricing during disasters and relevant states of  
19 emergency and make this policy available on its website or application.

20 **39-14.2-4. Audit procedures.--** (a) For the sole purpose of verifying that a TNC is in  
21 compliance with the requirements of this chapter and no more often than annually, the division  
22 shall have the right to visually inspect a sample of records that the TNC is required to maintain.  
23 The sample shall be chosen randomly by the division in a manner agreeable to both parties. The  
24 audit shall take place at a mutually agreed upon location in Rhode Island. Any record furnished to  
25 the division may exclude information that would tend to identify specific drivers or riders.

26 (b) In addition to the provisions of subsection (a) of this section, in response to a specific  
27 complaint against any TNC driver, or upon reasonable suspicion that a violation of this chapter  
28 has occurred, the division is authorized to inspect records held by the TNC that are necessary to  
29 investigate and resolve the complaint. Any record furnished to the division and may exclude  
30 information that would tend to identify specific drivers or riders, unless the identity of a driver or  
31 rider is relevant to the complaint.

32 (c) Any records inspected by the division under this chapter shall be held confidential by  
33 the division and are not subject to disclosure to a third party by the division without prior written  
34 consent of the TNC, and are exempt from disclosure under the Rhode Island Access to Public

1 Records Act, chapter 2 of title 38. Nothing in this section shall be construed as limiting the  
2 applicability of any other exemptions under the Rhode Island Access to Public Records Act,  
3 chapter 2 of title 38.

4 **39-14.2-5. Permit required of transportation network company.--** (a) No person shall  
5 operate a TNC in the state until that person shall have applied for and obtained a permit from the  
6 division; provided, that any transportation network company operating in the state before the  
7 effective date of this chapter may continue to operate in the state until the division creates a  
8 permit process as required pursuant to this section, and provides a reasonable period in which to  
9 apply and obtain a permit.

10 (b) No application for a permit may be granted or renewed unless the division determines  
11 that at a minimum, each applicant for a permit has verified the following:

12 (1) That the applicant has a sufficient oversight process in place to ensure that every  
13 vehicle providing transportation network services through its digital network possesses adequate  
14 insurance coverage;

15 (2) That the applicant has submitted to the division information on the internal or third  
16 party background check entity and its data collection process to ensure compliance with the  
17 requirements established in §39-14.2-7 (b) and (c). The required information and the process for  
18 submitting such information shall be established through regulations promulgated by the division;

19 (3) That the applicant has sufficient oversight processes in place to ensure that each TNC  
20 driver using the applicant's digital network:

21 (i) Has submitted to a background check conducted by the applicant that includes a  
22 review of local and national criminal records, sex offender records and driving records associated  
23 with each driver; and

24 (ii) Submitted the application requirement of §39-14.2-7(b)(1).

25 (c) The application fee and annual renewal fee shall be five thousand dollars (\$5,000) for  
26 a TNC with fewer than 50 active TNC drivers, ten thousand dollars (\$10,000) for a TNC with at  
27 least 50 but fewer than 200 active TNC drivers, and thirty thousand dollars (\$30,000) for a TNC  
28 with at least 200 active TNC drivers at the time of application or permit renewal and only after  
29 the division satisfactorily determines that the applicant meets the requirements for a TNC set  
30 forth in this chapter, and as set forth in any rules or regulations promulgated in accordance with  
31 §39-14.2-3.

32 (d) All permits issued under this section shall be renewed before the close of business on  
33 December 31 of each calendar year. All revenue collected under this section shall be deposited  
34 into the transportation network services reserve account as provided in §39-14.2-6;

1 (e) Permits issued under this chapter shall not be transferred without the consent of the  
2 division.

3 (f) The sale or other transfer of a controlling percentage of the capital stock or  
4 membership interests of a TNC, whether by merger, stock sale or otherwise, or the sale or transfer  
5 of more than fifty percent (50%) of the value of the assets of a TNC, shall be deemed a change of  
6 control, not a transfer, and shall not be subject to the restrictions in subsection (d) of this section.  
7 The phrase "controlling percentage" means the ownership of, and the right to vote, stock or  
8 interests possessing more than fifty percent (50%) of the total combined voting power of all  
9 classes of TNC's capital stock or interests issued, outstanding and entitled to vote for the election  
10 of directors.

11 **39-14.2-6. Transportation network services administrative reserve account-**  
12 **recovery of administration and enforcement expenses. --** There is hereby created a fund to be  
13 known as the transportation network services administration reserve account, a restricted-use  
14 account within the division of public utilities and carriers. Such account, hereinafter referred to as  
15 the "fund," shall be used for the purpose of providing the financial means for the division to fulfill  
16 its regulatory oversight of this chapter, enforcing relevant sections of this chapter, and any other  
17 administrative expense deemed necessary by the administrator.

18 **39-14.2-7. Transportation network company operators or TNC operators, TNC**  
19 **drivers.--** (a) No individual shall provide TNC services or transport TNC riders in a personal  
20 vehicle until the individual shall have first submitted to required periodic background checks  
21 conducted through the TNC in accordance with subsection (b) of this section.

22 (b) Prior to permitting an individual to accept trip requests through its digital network, a  
23 TNC shall:

24 (1) Require the individual to submit an application to the TNC. The application shall  
25 include the individual's name, address, age, driver's license number, photocopy or electronic copy  
26 of the driver's license, motor vehicle registration for the personal vehicle that the individual  
27 intends to use to provide prearranged rides, automobile liability insurance, and other information  
28 as may be required by the TNC.

29 (2) Conduct, or have a third party accredited by the national association of professional  
30 background screeners conduct, a local and national criminal background check for each applicant  
31 that shall include:

32 (i) Multi-state/multi-jurisdictional criminal records locator or other similar commercial  
33 nationwide database with validation (primary source search); and

34 (ii) Dru Sjodin National Sex Offender Public Website; and

1 (3) Obtain and review, or have a third party obtain and review, a driving history research  
2 report for such driving applicant.

3 (c) The TNC shall certify that the required background checks verify that the applicant  
4 meets the following criteria:

5 (1) Has not had more than three (3) moving violations in the prior three (3) year period,  
6 or one of the following major violations in the prior three (3) year period:

7 (i) Attempting to evade the police;

8 (ii) Reckless driving or driving on a suspended; or

9 (iii) Revoked license;

10 (2) Has not, in the past seven (7) years, been convicted of or pleaded nolo contendere to  
11 any of the following:

12 (i) Driving under the influence of drugs or alcohol;

13 (ii) Felony fraud;

14 (iii) Sexual offenses;

15 (iv) Use of a motor vehicle to commit a felony;

16 (v) Felony crimes involving property damage, and/or theft; or

17 (vi) Acts of violence or felony acts of terror;

18 (3) Is not a match in the Dru Sjodin National Sex Offender Public Website;

19 (4) Possesses a valid driver's license;

20 (5) Possesses proof of registration for the motor vehicle to be used to provide prearranged  
21 rides or TNC services;

22 (6) Possesses proof of automobile liability insurance, which satisfies the financial  
23 responsibility requirement for a motor vehicle under §31-47-2(13)(i)(A), for the motor vehicle(s)  
24 to be used to provide prearranged rides or TNC services; and

25 (7) Is at least nineteen (19) years of age.

26 (d) TNC operators may be affiliated with or may "partner" with more than one properly  
27 permitted transportation network company to provide TNC services.

28 **39-14.2-8. Solicitation and acceptance of TNC service requests.--** TNC operators shall  
29 be strictly prohibited from soliciting or accepting so-called "street hails."

30 **39-14.2-9. Vehicles to be utilized to provide TNC services.--** TNC operators may  
31 utilize a personal vehicle to provide licensed TNC services, provided:

32 (1) The vehicle is owned by, leased to or otherwise authorized by the legal owner/lessee  
33 to be used by a TNC operator to provide TNC services; and

34 (2) The vehicle is no older than fifteen (15) model years old and is designed to hold no

1 more than seven (7) individuals, including the driver; and

2 (3) The vehicle meets the vehicle safety inspection requirements for a private motor  
3 vehicle in Rhode Island or the state in which the vehicle is registered performed by a facility  
4 licensed by the state to conduct such inspections, and shall display an according inspection sticker  
5 on the vehicle's windshield if required to do so by applicable law; and

6 (4) The vehicle shall have met or surpassed sanitary/acceptability standards established  
7 by the TNC with which the TNC operator has "partnered"; and

8 (5) It shall be prohibited for a TNC operator to connect to a TNC's digital network for the  
9 purpose of accepting solicitations and providing TNC services in a personal vehicle other than a  
10 personal vehicle that the TNC operator has registered with the TNC pursuant to §39-14.2-11.

11 **39-14.2-10. Electronic identification of TNC vehicles and drivers by TNC.--** The  
12 TNC's digital network shall display to passengers requesting TNC services a picture of the TNC  
13 driver and the license plate number of the vehicle to be used to provide the requested services  
14 before the passenger enters the TNC operator's vehicle.

15 **39-14.2-11. Transportation network affiliation placards required.--** (a) No personal  
16 vehicle shall be utilized to provide TNC services until the TNC operator intending to utilize a  
17 personal vehicle to provide such TNC services has first registered the vehicle with the TNC and  
18 the owner has been issued by the TNC a transportation network affiliation placard.

19 (b) TNC operators shall be required to display the transportation network affiliation  
20 placard in a conspicuous place on the personal vehicle at all times when connected to a TNC's  
21 digital network.

22 **39-14.2-12. Fare charged for TNC services provided.--** (a) On behalf of a TNC  
23 operator, a TNC may charge a fare for the transportation services provided to the passengers;  
24 provided that, if a fare is charged, the TNC shall disclose to the riders the fare or fare calculation  
25 method on its website or within the digital network.

26 (b) The TNC shall provide the potential rider with the option to receive a reasonably  
27 accurate estimate of the expected total fare before the passenger enters the TNC operator's  
28 personal vehicle.

29 (c) Fares for TNC services shall not be paid in cash. Any payment for TNC services shall  
30 be made only electronically using the TNC's digital network or other application.

31 **39-14.2-13. Rights of TNC riders.--** (a) Within a reasonable period of time following the  
32 completion of a TNC service trip, a TNC shall transmit an electronic receipt to the rider that lists:

33 (1) The origin and destination of the trip;

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

1 (3) An itemization of the total fare paid, including any additional surcharges.

2 (b) A TNC shall be prohibited from disclosing a TNC rider's personally identifiable  
3 information to a third party, unless:

4 (1) Disclosure is pursuant to the publicly disclosed terms of the TNC's privacy policy or  
5 another consent mechanism to which the rider consents;

6 (2) Disclosure is required by a legal obligation; or

7 (3) Disclosure is required to protect or defend the terms of use of the service or to  
8 investigate violations of those terms. In addition to the foregoing, a TNC shall be permitted to  
9 share a rider's name and/or telephone number with the TNC operator providing prearranged rides  
10 or TNC services to such passenger in order to facilitate correct identification of the rider by the  
11 TNC operator or to facilitate communication between those two (2) parties.

12 (c) A TNC rider shall be afforded all of the anti-discrimination protections provided in  
13 §39-14.2-21.

14 **39-14.2-14. Proof of financial responsibility of transportation network companies.--**

15 (a) On or before ninety (90) days after the effective date of this chapter and thereafter, TNC  
16 drivers or a TNC on the driver's behalf shall maintain primary automobile insurance that:

17 (1) Recognizes that the driver is a transportation network company driver or otherwise  
18 uses a vehicle to transport riders for compensation and covers the driver:

19 (i) While the driver is logged on to the transportation network company's digital network;  
20 or

21 (ii) While the driver is engaged in a prearranged ride or providing transportation network  
22 company services.

23 (b) The following automobile liability insurance requirements shall apply during the time  
24 a TNC driver is logged into the TNC's digital network and available to receive requests for  
25 transportation but is not providing prearranged rides:

26 (1) Primary automobile liability insurance in the amount of at least fifty thousand dollars  
27 (\$50,000) for death and bodily injury per person, one hundred thousand dollars (\$100,000) or  
28 death and bodily injury per incident, and twenty-five thousand dollars (\$25,000) for property  
29 damage.

30 (2) Uninsured and underinsured motorist coverage to the extent required by §27-7-2.1.

31 (3) The coverage requirements of subsection (b) of this section may be satisfied by any of  
32 the following:

33 (i) Automobile insurance maintained by the TNC driver; or

34 (ii) Automobile insurance maintained by the TNC; or

1 (iii) Any combination of subsections (b)(3)(i) and (ii) of this section.

2 (c) The following automobile liability insurance requirements shall apply while a TNC  
3 driver is providing prearranged rides:

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

6 (2) Uninsured and underinsured motorist coverage to the extent required by §27-7-2.1;

7 (3) The coverage requirements of this subsection (c) of this section may be satisfied by  
8 any of the following:

9 (i) Automobile liability insurance maintained by the TNC driver; or

10 (ii) Automobile liability insurance maintained by the TNC; or

11 (iii) Any combination of subsections (c)(3)(i) and (ii) of this section.

12 (d) If insurance maintained by a TNC driver to fulfill the insurance requirements of  
13 subsection (b) and (c) of this section has lapsed or does not provide the required coverage,  
14 insurance maintained by a TNC shall provide the coverage required by this section beginning  
15 with the first dollar of a claim and such insurer shall have the duty to defend such claim.

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

19 (f) Insurance required by this section may be placed with an insurer licensed under §27-  
20 2.4-1 et seq., or with a surplus lines insurer eligible under §27-3-40 that has a credit rating of no  
21 less than "A-" from A.M. Best or "A" from Demotech or similar rating from another rating  
22 agency recognized by the Rhode Island insurance division.

23 (g) Insurance required by this section shall be deemed to satisfy the financial  
24 responsibility requirement for a motor vehicle under §31-47-2(13)(i)(A).

25 (h) A TNC driver shall carry physical or electronic proof of coverage satisfying  
26 subsections (b) and (c) of this section with them at all times during their use of a vehicle in  
27 connection with a TNC's digital network. In the event of an accident, a TNC driver shall provide  
28 this insurance coverage information to the directly interested parties, automobile insurers and  
29 investigating police officers, upon request pursuant to §31-47-2(15). Upon such request, a TNC  
30 driver shall also disclose to directly interested parties, automobile insurers, and investigating  
31 police officers, whether they were logged on to the TNC's digital network or providing  
32 prearranged rides at the time of an accident.

33 **39-14.2-15. TNC and insurer disclosure requirements.--** (a) The TNC shall disclose in  
34 writing to TNC drivers the following before they are allowed to accept a request for prearranged

1 rides on the TNC' s digital network:

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

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

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

13 (1) Liability coverage for bodily injury and property damage;

14 (2) Uninsured and underinsured motorist coverage;

15 (3) Medical payments coverage;

16 (4) Comprehensive physical damage coverage;

17 (5) Collision physical damage coverage; and

18 (6) Personal injury protection.

19 Such exclusions shall apply notwithstanding any requirement under §31-47-2(13)(i)(A).  
20 Nothing in this section shall be construed as to require an insurer to use any particular policy  
21 language or reference to this section in order to exclude any and all coverage for any loss or  
22 injury that occurs while a driver is logged on to a TNC's digital network or while a TNC driver  
23 provides a prearranged ride.

24 Nothing in this section shall be deemed to preclude an insurer from providing primary or  
25 excess coverage by contract or endorsement for the TNC driver's personal vehicle while the TNC  
26 driver is logged on to a digital network or while the driver is engaged in a prearranged ride.

27 (c) Automobile insurers that exclude the coverage described in §39-14.2-14(b) and (c)  
28 shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in  
29 this chapter shall be deemed to invalidate or limit an exclusion contained in a policy including  
30 any policy in use or approved for use in Rhode Island prior to the enactment of this chapter that  
31 excludes coverage for vehicles used to carry persons or property for a charge or available for hire  
32 by the public. An automobile insurer that defends or indemnifies a claim against a driver that is  
33 excluded under the terms of its policy, shall have a right of contribution against other insurers that  
34 provide automobile insurance to the same driver in satisfaction of the coverage requirements of

1 §39-14.2-14(b) and (c) at the time of loss.

2 (d) In a claims coverage investigation, a TNC shall immediately provide upon request by  
3 directly involved parties or any insurer of the transportation network company driver, if  
4 applicable, the precise times that a transportation network company driver logged on and off of  
5 the TNC's digital network in the twelve (12) hour periods immediately preceding and  
6 immediately following the accident. Any insurer providing coverage under §39-14.2-14(b) and  
7 (c) shall disclose upon request by any other such insurer involved in the particular claim, the  
8 applicable coverage, exclusions, and limits provided under any automobile insurance maintained  
9 under §39-14.2-14(b) and (c).

10 **39-14.2-16. Limitations on TNCs.--** TNC drivers shall be independent contractors and  
11 not employees of the TNC if all of the following conditions are met:

12 (1) The TNC does not prescribe specific hours during which a TNC driver must be  
13 logged into the TNC's digital platform;

14 (2) The TNC imposes no restrictions on the TNC driver's ability to utilize digital  
15 platforms from other TNCs;

16 (3) The TNC does not assign a TNC driver a particular territory in which to operate;

17 (4) The TNC does not restrict a TNC driver from engaging in any other occupation or  
18 business; and

19 (5) The TNC and TNC driver agree in writing that the TNC driver is an independent  
20 contractor of the TNC.

21 **39-14.2-17. Alcohol/Drug use strictly prohibited.--** (a) The TNC shall implement a zero  
22 tolerance policy regarding a TNC driver's activities while accessing the TNC's digital network.  
23 The zero tolerance policy shall address the use of drugs or alcohol while a TNC driver is  
24 providing prearranged rides or is logged into the TNC's digital network but is not providing  
25 prearranged rides, and the TNC shall provide notice of this policy on its website or mobile  
26 application, as well as procedures to report a complaint about a TNC driver with whom a rider  
27 was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol  
28 during the course of the trip.

29 (b) TNCs shall provide notice on its website or digital network how a rider may report a  
30 complaint about a TNC operator who the passenger reasonably suspects was under the influence  
31 of drugs or alcohol during the course of a recently completed prearranged trip.

32 (c) Upon receipt of such a rider complaint alleging a violation of the zero tolerance  
33 policy. The TNC shall suspend such TNC operator's access to the digital network as soon as  
34 possible and shall conduct an investigation into the reported incident. The suspension of access

1 shall last until the investigation is complete. The TNC shall maintain records relevant to the  
2 enforcement of this requirement for a period of at least two (2) years from the date that a rider  
3 complaint is received by the TNC.

4 **39-14.2-18. Controlling authority.--** All provisions of this chapter, with the exception of  
5 §39-14.2-14, are hereby declared to be the sole jurisdiction of the division, §39-14.2-14 is hereby  
6 declared to be the sole jurisdiction of the division and the department of business regulation.  
7 Cities, towns, and other local entities in the state are expressly prohibited from:

8 (1) Establishing any licensing or registration requirement or imposing any charge, fee or  
9 tax on transportation network companies, transportation network company operators or personal  
10 vehicles;

11 (2) Requiring a TNC driver to obtain a business license or any other type of similar  
12 authorization to operate within the jurisdiction; or

13 (3) Subjecting transportation network companies to the city, town, or local entity's rate,  
14 entry, operation, or other requirements; provided, however, that cities and towns may continue to  
15 impose excise taxes upon the legal owners of vehicles used to provide TNC services in a manner  
16 consistent with previous such taxation of private motor vehicles.

17 **39-14.2-19. Airport Corporation Authority.--** Notwithstanding the provisions of §39-  
18 14.2-18, the Rhode Island airport corporation, or any successor entity authorized to oversee and  
19 control the property of T.F. Green airport and any other state airport, shall have the authority to  
20 establish reasonable regulations governing TNC operators offering TNC services on airport  
21 property through proper amendment of the corporation's ground transportation rules or by  
22 entering into operating agreements with TNCs.

23 **39-14.2-20. Business records to be maintained, retained by transportation network**  
24 **companies.--** (a) A TNC shall maintain individual trip records that detail the date, time, pick-up  
25 location, drop-off location, distance traveled, length of time of the trip and total fare charged for  
26 every TNC service it coordinates in the state. Such records shall be maintained for a minimum of  
27 two (2) years from December 31 of the calendar year in which the services were rendered.

28 (b) A TNC shall maintain detailed TNC operator records that include the dates and times  
29 the operator "logs into" and "logs out of" the TNC's digital network, the number of TNC service  
30 trips the operator performs through the TNC's digital network, and the total miles driven and fares  
31 collected. Additionally, the TNC shall maintain records of all passenger complaints lodged  
32 against each TNC operator and the results of any investigation or actions taken as a result of such  
33 complaints. Such records shall be maintained for a minimum of two (2) years from December 31  
34 of the calendar year in which the services were rendered.

1           **39-14.2-21. Anti-discrimination-Handicapped accessibility.--** (a) A transportation  
2 network company shall adopt a policy of non-discrimination based on the rider's race, color,  
3 national origin, religious belief or affiliation, gender, physical disability, age, sexual  
4 orientation/identity, gender identity, or the pick-up location or drop-off location requested by the  
5 rider. TNCs and TNC operators shall not impose any additional charge(s) for providing services  
6 in compliance with this section.

7           (b) TNC drivers shall comply with all applicable laws regarding non-discrimination  
8 against riders or potential riders on the basis of the rider's race, color, national origin, religious  
9 belief or affiliation, gender, physical disability, age, sexual orientation/identity, gender identity,  
10 or the pick-up location or drop-off location requested by the rider.

11           (c) TNC operators shall not deny or refuse service to any rider accompanied by a service  
12 animal, nor shall a TNC operator impose any additional charge for the transportation of any such  
13 service animal accompanying a TNC rider. Such service animals shall be allowed to accompany  
14 the TNC rider in the passenger compartment of the vehicle without any conditions or restrictions,  
15 so long as the animal does not impede the safe operation of the vehicle.

16           **39-14.2-22. Penalties for violations by TNCs or TNC operators --** (a) The  
17 administrator may impose civil sanctions upon any TNC or TNC operator subject to the  
18 applicable provisions of this chapter and/or any rules and regulations promulgated under it, who  
19 shall knowingly or willfully cause to be done any act prohibited by applicable sections of this  
20 chapter, or who shall be guilty of any violation of this chapter or the rules and regulations. The  
21 sanctions may include a civil penalty (fine) or the suspension or revocation of the TNC's license.

22           (b) If the division finds that a TNC has failed to comply with the provisions of §39-14.2-  
23 7, the division shall conduct an audit of an additional sample of TNC records as determined by  
24 the division.

25           (1) Upon a TNC's first violation of §39-14.2-7, the division shall fine the TNC five  
26 thousand dollars (\$5,000). Upon any additional violations after a three (3) year period during  
27 which the TNC has not violated §39-14.2-7, the division shall fine the TNC seven thousand five  
28 hundred dollars (\$7,500).

29           (2) Upon a TNC's second violation of §39-14.2-7 within three (3) years, the division shall  
30 fine the TNC ten thousand dollars (\$10,000) and shall require the TNC to produce a remediation  
31 plan to meet the requirements of §39-14.2-7.

32           (3) Upon a TNC's third violation of §39-14.2-7 within three (3) years, the division shall  
33 assume responsibility for implementing the provisions of §39-14.2-7 on behalf of the TNC for at  
34 least six (6) months and until the TNC has provided a remediation plan and the division has

1 determined that the TNC will successfully achieve full compliance with this chapter. At  
2 minimum, and subject to such other requirements as the division may establish by regulation, the  
3 division shall conduct required background checks for the TNC's drivers. Any additional costs  
4 incurred by the division as a result of implementing this section shall be reimbursed by the TNC.

5 (c) Nothing in this section shall be construed to limit the division's authority to fine TNCs  
6 or TNC drivers or suspend or revoke TNC licenses.

7 SECTION 2. This act shall take effect one hundred twenty (120) days after passage.

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LC005448/SUB A/2  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- TRANSPORTATION NETWORK  
COMPANY SERVICES

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1           This act would create regulatory provisions for operators and drivers of transportation  
2 network companies (TNC) to be administered by the division of public utilities and carriers. It  
3 also would require them to obtain permits, and certain background checks, and would set  
4 minimum insurance requirements.

5           This act would take effect one hundred twenty (120) days after passage.

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LC005448/SUB A/2  
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