

HCS HB 2330 -- TRANSPORTATION NETWORK COMPANIES

SPONSOR: Mathews

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Emerging Issues by a vote of 10 to 2. Voted "Do Pass with HCS" by the Select Committee on General Laws by a vote of 8 to 2.

This bill outlines the new regulatory treatment of transportation network companies (TNCs). It provides that TNCs are not common carriers or for-hire vehicle services, and that TNCs are not required to register any vehicle a driver may use to provide prearranged rides.

The bill further provides that, beginning August 28, 2016, a TNC will apply for an annual permit from the Department of Revenue to do business within the state of Missouri, and maintain the insurance coverage requirements provided.

A TNC driver or the TNC, on the driver's behalf, is required to maintain primary automobile insurance coverage as specified in the bill. The policy of insurance must recognize that the driver uses the vehicle to transport riders for compensation while logged onto the TNC's digital network.

The company is required to notify a TNC driver of the insurance coverage provided by the TNC and to also notify a driver that his or her own personal automobile insurance policy may not provide coverage because the driver uses a vehicle in connection with the TNC service.

Automobile insurers in Missouri may exclude or limit any and all insurance coverage provided to owner's or operator's of personal vehicles while logged into a TNC's digital network for the purpose of transporting persons or property for compensation.

A transportation network company can charge a fare for the services provided to riders, provided that the company discloses the fare calculation method, the applicable rates being charged and the option to receive an estimated fare.

The TNC shall display on its software application or website a picture of the driver and the license plate number of the vehicle for the prearranged ride or have clearly visible external markings on the front and back or both sides of the vehicle to make it easily identifiable.

A TNC will be required to conduct a local and national criminal

background check for each applicant to act as a driver. A TNC will not allow anyone to act as a TNC driver if he or she has more than three moving violations or one major violation in the past three years, has been convicted of any enumerated crimes in the past seven years, is on the National Sex Offender Registry, does not possess a driver's license, does not have proof of vehicle registration or automobile liability insurance, or is not at least 19 years old.

Drivers shall be independent contractors and not employees of the transportation network company if specific conditions are met. TNCs shall implement a zero tolerance policy for drugs and alcohol while a driver is providing prearranged rides. TNCs shall also adopt a nondiscrimination policy with respect to riders. All vehicles used to provide prearranged rides must meet inspection requirements.

A municipality or other local or state entity cannot impose a tax on or require a license relating to providing prearranged rides for a TNC or its drivers or vehicles.

This bill allows a taxicab driver or company to choose to follow the standards set out in this bill or the existing applicable municipal regulations. The bill specifies the insurance requirements for taxicab drivers or companies meeting the standards in the bill.

This bill is similar to HB 1563 (2015).

PROPOSERS: Supporters say that statewide standards for transportation network companies would encourage more TNCs to do business within the state and create job opportunities for Missouri residents. The growth rate of TNCs in Missouri has lagged behind other states due to overly burdensome restrictions and requirements implemented by Missouri cities.

Testifying for the bill were Representative Mathews; United For Missouri; Robert Kelman, Uber Technologies; Missouri Chamber Of Commerce; LYFT, Inc.; Ray Haug; and James Knew.

OPPOSERS: Those who oppose the bill say that TNC and taxi drivers perform substantially the same service and should therefore be subject to the same regulations. TNCs present a potential public safety risk and local municipalities should have the authority to implement whatever additional restrictions they deem necessary in order to protect their citizens.

Testifying against the bill were St. Louis Metropolitan Taxicab Commission; Laclede Cab Company; Jim Ready; KCTG; Basil Rudawsky,

St. Louis County Cab; Kevin McMannis, City Of Kansas City; Missouri Municipal League; ABC Cab Co; Melaku Thmil; Ibrahim Jimale; Molla Wassie; Joshua Ostto, Airport Taxi; Osman Mohamed, St. Louis Airport Taxi; Zerebrook Gebru, Metropolitan Taxicab Co; Gateway Express LLC; Ali Yusuf; Gennadij; and Dagnaw A Tiruneh, Gateway Express.