

HCS HB 130 -- TRANSPORTATION NETWORK COMPANIES

SPONSOR: Mathews

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on General Laws by a vote of 12 to 1. Voted "Do Pass" by the Rules - Legislative Oversight Committee by a vote of 14 to 0.

This bill outlines the new regulatory treatment of transportation network companies (TNCs).

The bill further provides that, beginning April 28, 2018, 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. Criteria for fare charges and customer receipts are specified in the bill.

The bill specifies what information and display a TNC shall display on its software application or website and vehicles.

A TNC will be required to conduct a local and national criminal background check for each applicant to act as a driver. Drivers shall be independent contractors and not employees of the transportation network company if specific conditions are met. 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 exemption does not apply to earnings taxes.

This bill authorizes Kansas City to audit a TNC, no more than twice a year, to ensure compliance with the provisions of this bill. Each licensed TNC may be charged for the costs of the audit, not to exceed \$5,000 per year. If any violations are discovered, Kansas City can fine the TNC up to \$500 per violation.

If a TNC learns that a TNC driver has been convicted of an offense of sexual misconduct, assault, or battery, the TNC shall immediately revoke the driver's ability to accept trip requests and notify the Department of Revenue. A TNC shall also report to the Department any TNC driver involved in a traffic accident or incident that resulted in serious bodily injury or fatality. The department shall have to implement a process to provide such information to all other TNCs in this state.

PROPOSERS: Supporters say that this bill will create new job

opportunities and promote economic development. Residents of this state, as well as businesses and tourists have requested greater access to TNCs throughout Missouri. The availability of TNCs can reduce the incidents of drunk driving.

Testifying for the bill were Representative Mathews; Missouri Chamber of Commerce; Rena Davis, Lyft, Inc.; Steve Ehlmann, St. Charles County; Missouri Century Foundation; Uber Technologies; The City of Springfield; Raymond Morrison; Greg Prestemon, EDC of St. Charles County; Graham Renz, Show Me Institute; Leonard Steinman; Scott Tate, Greater St. Charles County Chamber of Commerce; and Erin Williams, O'Fallon Chamber of Commerce.

OPPONENTS: Those who oppose the bill say that this bill does not promote fair competition. TNC drivers perform the same service as taxicab drivers but under this bill TNCs and TNC drivers will be subject to substantially fewer regulations and fees. Taxicab companies and drivers should be regulated in the same manner as TNCs and TNC companies.

Testifying against the bill was Basil Rudowsky, St. Louis County Cab Company.

OTHERS: Others testifying on the bill say the St. Louis Metropolitan Taxicab Commission was formed by the General Assembly in response to complaints from the public. In order to ensure parity, would suggest that TNC and taxicab drivers be subject to the same requirements and oversight. They also suggest the audit provisions should be extended to the entire state, not just Kansas City.

Testifying on the bill was St. Louis Metropolitan Taxi Commission.