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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2882

03/15/2023

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The bill was read for the first time and referred to the Committee on Transportation Finance and Policy

1.1 A bill for an act

1.2 relating to transportation; governing transportation network companies, including

1.3 to impose an assessment and establishing reporting requirements; establishing an

1.4 account; appropriating money; amending Minnesota Statutes 2022, sections

1.5 221.012, subdivisions 25, 38; 221.031, subdivision 3b; proposing coding for new

1.6 law in Minnesota Statutes, chapter 221.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2022, section 221.012, subdivision 25, is amended to read:

1.9 Subd. 25. **Motor carrier.** "Motor carrier" means a person engaged in the for-hire

1.10 transportation of property or passengers. "Motor carrier" does not include a person providing

1.11 transportation described in section 221.025, a building mover subject to section 221.81, ~~or~~

1.12 a person providing limousine service as defined in section 221.84, or a person performing

1.13 or providing for transportation service under section 221.845.

1.14 Sec. 2. Minnesota Statutes 2022, section 221.012, subdivision 38, is amended to read:

1.15 Subd. 38. **Small vehicle passenger service.** (a) "Small vehicle passenger service" means

1.16 a service provided by a person engaged in the for-hire transportation of passengers in a

1.17 vehicle designed to transport seven or fewer persons, including the driver.

1.18 (b) In the metropolitan area as defined in section 473.121, subdivision 2, "small vehicle

1.19 passenger service" also includes for-hire transportation of persons who are certified by the

1.20 Metropolitan Council to use special transportation service provided under section 473.386,

1.21 in a vehicle designed to transport not more than 15 persons including the driver, that is

1.22 equipped with a wheelchair lift and at least three wheelchair securement positions.

2.1 (c) Small vehicle passenger service does not include a motor carrier of railroad employees,
 2.2 or service provided by a transportation network company, as defined in section 65B.472,
 2.3 subdivision 1.

2.4 Sec. 3. Minnesota Statutes 2022, section 221.031, subdivision 3b, is amended to read:

2.5 Subd. 3b. **Passenger transportation; exemptions.** (a) A person who transports
 2.6 passengers for hire in intrastate commerce, who is not made subject to the rules adopted in
 2.7 section 221.0314 by any other provision of this section, must comply with the rules for
 2.8 hours of service of drivers while transporting employees of an employer who is directly or
 2.9 indirectly paying the cost of the transportation.

2.10 (b) This subdivision does not apply to:

2.11 (1) a local transit commission;

2.12 (2) a transit authority created by law; or

2.13 (3) persons providing transportation:

2.14 (i) in a school bus as defined in section 169.011, subdivision 71;

2.15 (ii) in a Head Start bus as defined in section 169.011, subdivision 34;

2.16 (iii) in a commuter van;

2.17 (iv) in an authorized emergency vehicle as defined in section 169.011, subdivision 3;

2.18 (v) in special transportation service certified by the commissioner under section 174.30;

2.19 (vi) that is special transportation service as defined in section 174.29, subdivision 1,

2.20 when provided by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph

2.21 (h), operating a private passenger vehicle as defined in section 169.011, subdivision 52;

2.22 (vii) in a limousine the service of which is licensed by the commissioner under section

2.23 221.84; ~~or~~

2.24 (viii) in a taxicab, if the fare for the transportation is determined by a meter inside the

2.25 taxicab that measures the distance traveled and displays the fare accumulated; or

2.26 (ix) in a TNC vehicle as provided under section 221.845.

2.27 Sec. 4. **[221.845] TRANSPORTATION NETWORK COMPANIES; ASSESSMENT.**

2.28 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

2.29 the meanings given.

3.1 (b) "Digital network" has the meaning given in section 65B.472, subdivision 1.

3.2 (c) "Prearranged ride" has the meaning given in section 65B.472, subdivision 1.

3.3 (d) "Shared ride" means a prearranged ride in which, prior to the commencement of the
3.4 ride, a passenger requests through the digital network to share the ride with one or more
3.5 passengers and each passenger is charged a fare that is based on sharing the ride, regardless
3.6 of whether the passenger actually shares any part of the ride.

3.7 (e) "Transportation network company" or "TNC" has the meaning given in section
3.8 65B.472, subdivision 1.

3.9 (f) "Transportation network company driver" or "driver" has the meaning given in section
3.10 65B.472, subdivision 1. Transportation network company drivers are not common carriers.

3.11 (g) "Transportation network company rider" or "rider" has the meaning given in section
3.12 65B.472, subdivision 1.

3.13 (h) "Transportation network company vehicle" or "TNC vehicle" has the meaning given
3.14 to "personal vehicle" in section 65B.472, subdivision 1.

3.15 (i) "Vehicle miles traveled" means miles driven by a transportation network company
3.16 driver who is logged onto a digital network and is engaged in a prearranged ride.

3.17 (j) "Zero-emission vehicle" means a motor vehicle that does not emit exhaust gas or
3.18 produce emissions from the onboard source of vehicle power.

3.19 Subd. 2. **Transportation network company account; appropriation.** (a) A
3.20 transportation network company account is established in the special revenue fund. The
3.21 account consists of the amount deposited under subdivision 5 and funds donated, allotted,
3.22 transferred, or otherwise provided to the account.

3.23 (b) Funds in the account are annually appropriated to the commissioner for the
3.24 administrative costs to implement this section.

3.25 Subd. 3. **Assessment.** (a) An assessment is imposed for each prearranged ride at a rate
3.26 of:

3.27 (1) 1.5 percent of the total of the fares, for a shared ride;

3.28 (2) 1.5 percent of the fare, for a ride in a zero-emission vehicle; or

3.29 (3) two percent of the fare, for a ride other than as provided in clauses (1) and (2).

3.30 (b) A transportation network company may charge a rider for the cost or proportional
3.31 share of the assessment.

4.1 (c) The assessment must be rounded down to the nearest \$0.01.

4.2 Subd. 4. **TNC reporting and remittance.** (a) By the 21st of each month, a transportation
 4.3 network company must report the following information to the commissioner:

4.4 (1) the total number of rides during the previous month, with a breakout on rides that
 4.5 originated and rides that terminated in each city or town;

4.6 (2) the total vehicle miles traveled during the previous month, with breakouts on:

4.7 (i) miles traveled within each city or town; and

4.8 (ii) the time of day for each vehicle mile traveled; and

4.9 (3) the total amounts due for the previous month from the assessment under subdivision

4.10 3.

4.11 (b) By the 21st of each month, a transportation network company must remit to the
 4.12 commissioner the amount due from assessments under this section.

4.13 (c) A transportation network company must provide the information and remittance
 4.14 under this subdivision in the manner specified by the commissioner.

4.15 Subd. 5. **Distribution of funds.** The commissioner must deposit the revenue received
 4.16 under this section as follows:

4.17 (1) an amount in the transportation network company account that does not exceed the
 4.18 total annual cost of implementing this section in the fiscal year, including collection,
 4.19 administration, and enforcement; and

4.20 (2) of the remainder:

4.21 (i) 60 percent in the highway user tax distribution fund;

4.22 (ii) 36 percent in the metropolitan area transit account under section 16A.88; and

4.23 (iii) four percent in the greater Minnesota transit account under section 16A.88.

4.24 Subd. 6. **Information.** The commissioner must maintain on a department website
 4.25 information on: (1) transportation network company operations, including annual totals for
 4.26 rides originating and terminating in each city or town and vehicle miles traveled; and (2)
 4.27 prearranged ride assessments, including total annual deposits as provided under subdivision
 4.28 5.

4.29 **EFFECTIVE DATE.** This section is effective July 1, 2023, except that subdivision 3
 4.30 is effective January 1, 2024, and subdivision 4 is effective February 1, 2024.