SF2704 REVISOR RSI S2704-2 2nd Engrossment

## SENATE STATE OF MINNESOTA NINETIETH SESSION

S.F. No. 2704

(SENATE AUTHORS: JASINSKI, Housley and Draheim)

D-PG	OFFICIAL STATUS
6200	Introduction and first reading
	Referred to Commerce and Consumer Protection Finance and Policy
6794	Withdrawn and re-referred to Local Government
6820a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety Finance and Policy
6930	Author stricken Tomassoni
7003a	Comm report: To pass as amended and re-refer to Transportation Finance and Policy
	6794 6820a 6930

1.1 A bill for an act

1.2 relating to consumer protection; regulating transportation network companies;
1.3 amending Minnesota Statutes 2016, sections 13.712, by adding a subdivision;
1.4 169.64, subdivision 2; 169.685, subdivision 6; 221.012, subdivisions 25, 38;
1.5 221.031, subdivision 3b; 221.091, subdivision 1; proposing coding for new law
1.6 in Minnesota Statutes, chapter 221.

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

- Section 1. Minnesota Statutes 2016, section 13.712, is amended by adding a subdivision to read:
- Subd. 6. Transportation network company. Data obtained by the commissioner from a transportation network company is governed by section 221.845, subdivision 12.
- Sec. 2. Minnesota Statutes 2016, section 169.64, subdivision 2, is amended to read:
- Subd. 2. **Colored light.** (a) Unless otherwise authorized by the commissioner of public safety, no vehicle shall be equipped, nor shall any person drive or move any vehicle or equipment upon any highway with any lamp or device displaying a red light or any colored light other than those required or permitted in this chapter or section 221.845.
  - (b) A vehicle manufactured for use as an emergency vehicle may display and use colored lights that are not otherwise required or permitted in this chapter, provided that the vehicle is owned and operated according to section 168.10, is owned and operated solely as a collector's item and not for general transportation purposes, and is registered under section 168.10, subdivision 1a, 1b, 1c, 1d, 1g, or 1h. A person may not activate the colored lights authorized under this paragraph on streets or highways except as part of a parade or other special event.

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Sec. 3. Minnesota Statutes 2016, section 169.685, subdivision 6, is amended to
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- Subd. 6. Exceptions. (a) This section does not apply to:
- (1) a person transporting a child in an emergency medical vehicle while in the performance of official duties and when the physical or medical needs of the child make the use of a child passenger restraint system unreasonable or when a child passenger restraint system is not available;
- (2) a peace officer transporting a child while in the performance of official duties and when a child passenger restraint system is not available, provided that a seat belt must be substituted;
- (3) a person while operating a motor vehicle for hire, including a taxi, airport limousine, and bus, but excluding a rented, leased, or borrowed motor vehicle; and
- (4) a person while operating a school bus that has a gross vehicle weight rating of greater than 10,000 pounds; and
  - (5) a TNC vehicle as defined in section 221.845, subdivision 1.
- (b) A child passenger restraint system is not required for a child who cannot, in the judgment of a licensed physician, be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability. A motor vehicle operator claiming exemption for a child under this paragraph must possess a typewritten statement from the physician stating that the child cannot be safely transported in a child passenger restraint system. The statement must give the name and birth date of the child, be dated within the previous six months, and be made on the physician's letterhead or contain the physician's name, address, and telephone number. A person charged with violating subdivision 5 may not be convicted if the person produces the physician's statement in court or in the office of the arresting officer.
- (c) A person offering a motor vehicle for rent or lease shall provide a child passenger restraint device to a customer renting or leasing the motor vehicle who requests the device. A reasonable rent or fee may be charged for use of the child passenger restraint device.
- Sec. 4. Minnesota Statutes 2016, section 221.012, subdivision 25, is amended to read: 2.28
- Subd. 25. Motor carrier. "Motor carrier" means a person engaged in the for-hire 2.29 transportation of property or passengers. "Motor carrier" does not include a person providing 2.30 transportation described in section 221.025, a building mover subject to section 221.81, or 2.31

Sec. 4. 2 a person providing limousine service as defined in section 221.84, or a person performing
or providing for transportation service under section 221.845.

- Sec. 5. Minnesota Statutes 2016, section 221.012, subdivision 38, is amended to read:
  - Subd. 38. **Small vehicle passenger service.** (a) "Small vehicle passenger service" means a service provided by a person engaged in the for-hire transportation of passengers in a vehicle designed to transport seven or fewer persons, including the driver.
    - (b) In the metropolitan area as defined in section 473.121, subdivision 2, "small vehicle passenger service" also includes for-hire transportation of persons who are certified by the Metropolitan Council to use special transportation service provided under section 473.386, in a vehicle designed to transport not more than 15 persons including the driver, that is equipped with a wheelchair lift and at least three wheelchair securement positions.
- (c) Small vehicle passenger service does not include a motor carrier of railroad employees
   or service provided by a transportation network company, as defined in section 65B.472,
   subdivision 1.
- Sec. 6. Minnesota Statutes 2016, section 221.031, subdivision 3b, is amended to read:
- Subd. 3b. **Passenger transportation; exemptions.** (a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the rules adopted in section 221.0314 by any other provision of this section, must comply with the rules for hours of service of drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.
- 3.21 (b) This subdivision does not apply to:
- 3.22 (1) a local transit commission;

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- 3.23 (2) a transit authority created by law; or
- 3.24 (3) persons providing transportation:
- 3.25 (i) in a school bus as defined in section 169.011, subdivision 71;
- 3.26 (ii) in a Head Start bus as defined in section 169.011, subdivision 34;
- 3.27 (iii) in a commuter van;
- 3.28 (iv) in an authorized emergency vehicle as defined in section 169.011, subdivision 3;
- (v) in special transportation service certified by the commissioner under section 174.30;

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

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when provided by a volunteer driver operating a private passenger vehicle as defined in 4.2 section 169.011, subdivision 52; 4.3 (vii) in a limousine the service of which is licensed by the commissioner under section 4.4 221.84; or 4.5 (viii) in a taxicab, if the fare for the transportation is determined by a meter inside the 4.6 taxicab that measures the distance traveled and displays the fare accumulated; or 4.7 (ix) in a TNC vehicle as provided under section 221.845. 4.8 Sec. 7. Minnesota Statutes 2016, section 221.091, subdivision 1, is amended to read: 4.9 Subdivision 1. Local authority over streets and highways. (a) Sections 221.012 to 4.10 221.291 do not authorize the use by a carrier of a public highway in a city of the first class 4.11 in violation of a charter provision or ordinance of the city in effect January 1, 1925, unless 4.12 the charter provision or ordinance is repealed after that date. In addition, sections 221.012 4.13 to 221.291 do not (1) curtail the right of a city to reasonably regulate or control the routing, 4.14 parking, speed, or safety of operation of a motor vehicle operated by a carrier under the 4.15 terms of those sections, (2) curtail the general police power of the city over its highways, 4.16 or (3) abrogate any provision of the city's charter requiring certain conditions to be complied 4.17 4.18 with before a carrier can use the highways of the city; and these rights and powers are expressly reserved and granted to the city. However, no 4.19 (b) A city shall must not prohibit or deny the use of the public highways within its 4.20 territorial boundaries by a carrier for: 4.21 (1) transporting passengers or property received within its boundaries to destinations 4.22 beyond the city's boundaries, or for; 4.23 (2) transporting passengers or property from points beyond the city's boundaries to 4.24 destinations within the city's boundaries;; or for 4.25 (3) transporting passengers or property from points beyond the city's boundaries through 4.26 the city to points beyond the city's boundaries, when the carrier is operating pursuant to a 4.27 certificate of registration, permit, or license issued under this chapter or a permit issued by 4.28 4.29 the commissioner under section 221.84.

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5.4 5.5 5.6 5.7 5.8 (4) displays a photo of the driver; 5.9 (5) displays an image of the make and model of the transportation network company 5.10 vehicle; and 5.11 (6) identifies the make and model, as well as the license plate number, of the TNC 5.12 vehicle. 5.13 (c) "Digital network" has the meaning given in section 65B.472, subdivision 1. 5.14 (d) "Prearranged ride" has the meaning given in section 65B.472, subdivision 1. 5.15 (e) "Transportation network company" or "TNC" has the meaning given in section 5.16 65B.472, subdivision 1. 5.17 (f) "Transportation network company driver" or "driver" has the meaning given in section 5.18 65B.472, subdivision 1. Transportation network company drivers are not common carriers. 5.19 (g) "Transportation network company rider" or "rider" has the meaning given in section 5.20 65B.472, subdivision 1. 5.21 (h) "Transportation network company vehicle" or "TNC vehicle" has the meaning given 5.22 to "personal vehicle" in section 65B.472, subdivision 1. 5.23 Subd. 2. Transportation network company account. (a) A transportation network 5.24 company account is established in the special revenue fund. The account consists of fees 5.25 collected under subdivision 3 and funds donated, allotted, transferred, or otherwise provided 5.26 to the account. 5.27 (b) Funds in the account are annually appropriated to the commissioner for administrative 5.28 5.29 costs related to this section.

6.1	Subd. 3. Transportation network company; license; general requirements. (a) In
6.2	order to operate in Minnesota, a transportation network company must obtain a license from
6.3	the commissioner.
6.4	(b) The commissioner must issue a license to a transportation network company that
6.5	submits an application in the form and manner provided by the commissioner, meets the
6.6	requirements of this section, and pays an annual fee of \$5,000. The annual fee covers all of
6.7	a transportation network company's drivers. The commissioner is prohibited from requiring
6.8	a per-driver or per-vehicle fee.
6.9	(c) A license issued under this section is not assignable or transferable and is valid until
6.10	it expires or is suspended, revoked, or canceled, whichever occurs first. A license is valid
6.11	for one year from the date issued, and the expiration date is unchanged on a suspended
6.12	license that is restored.
6.13	(d) A revoked license under subdivision 13 must not be reinstated. For a period of one
6.14	year from the date of revocation, the commissioner must not issue a new license to a
6.15	transportation network company for whom a license was revoked.
6.16	(e) A transportation network company must:
6.17	(1) be authorized or registered to do business in Minnesota; and
6.18	(2) maintain an agent for service of process in Minnesota.
6.19	(f) Notwithstanding paragraph (a), a transportation network company operating in the
6.20	state prior to the effective date of this section may continue to operate in the state until the
6.21	commissioner issues a written decision regarding the transportation network company's
6.22	permit application. A transportation network company operating in any political subdivision
6.23	in the state shall apply to the commissioner for a permit pursuant to this subdivision on or
6.24	before the 30th day after the commissioner begins accepting permit applications.
6.25	Subd. 4. Transportation network company; fare requirements. (a) A transportation
6.26	network company may charge a fare for a prearranged ride provided to a rider if the
6.27	transportation network company discloses the fare or fare calculation method to the rider
6.28	via the digital network. If the fare is not disclosed to the rider before the prearranged ride
6.29	begins, the transportation network company must provide the rider with the option to receive
6.30	an estimated fare before the rider enters a TNC vehicle.
6.31	(b) Any payment by a rider for a prearranged ride by a driver must be made electronically
6.32	through the digital network.

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(2) has been convicted of a violation under any of the following within the past three

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years:

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subdivision 1, within the past three years;

8.1	(i) section 609.487, subdivision 3 or 4; or
8.2	(ii) section 171.24;
8.3	(3) has had a driver's license revoked pursuant to section 171.17, subdivision 1, or
8.4	suspended pursuant to section 171.18, subdivision 1, within the past three years;
8.5	(4) has been convicted of any of the following within the past seven years:
8.6	(i) a felony;
8.7	(ii) a misdemeanor or gross misdemeanor violation of chapter 152;
8.8	(iii) any violation of section 169.09, subdivision 14; 169.13; 169.21, subdivision 2,
8.9	paragraph (c); 169.444, subdivision 2, paragraph (b); 169A.20, subdivision 1 or 2; or
8.10	<u>169A.31; or</u>
8.11	(iv) a misdemeanor or gross misdemeanor violation of section 518B.01, subdivision 14;
8.12	609.2113; 609.2231; 609.224; 609.2242; 609.231; 609.2325; 609.233; 609.255; 609.324;
8.13	609.3243; 609.3451; 609.377; 609.378; 609.50; 609.52; 609.5631; 609.5632; 609.582;
8.14	609.591; 609.593; 609.594; 609.595; 609.596; 609.597; 609.66; 609.661; 609.665; 609.71;
8.15	609.713; 609.746; 609.748; 609.749; 609.7495; 609.78; 609.79, subdivision 1, clause (1),
8.16	item (i); or 629.75, subdivision 2; or
8.17	(5) is listed on the U.S. Department of Justice national sex offender public Web site, or
8.18	the Web site maintained by the commissioner of corrections under section 244.052,
8.19	subdivision 4b.
8.20	Subd. 6. Driver operating requirements. (a) A driver is prohibited from:
8.21	(1) providing prearranged rides for a transportation network company unless the
8.22	transportation network company has a license under subdivision 3;
8.23	(2) providing prearranged rides unless the rider has been matched to the driver through
8.24	the digital network;
8.25	(3) soliciting a ride or accepting a street hail request for a ride; or
8.26	(4) soliciting or accepting cash payments for a fare from a rider.
8.27	(b) A driver must display a consistent and distinctive sign or emblem on the TNC vehicle
8.28	at all times while the driver is active on the digital network.
8.29	(c) A driver may not, at the time the driver picks up a rider, refuse to transport an orderly
8.30	rider, unless the driver has good reason to fear for the driver's personal safety or the safety
8.31	of any other riders or the driver is prohibited by law from transporting the rider.

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(19) safety belts.

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Subd. 9. **Zero-tolerance intoxicating substance policy.** (a) A transportation network

company must implement a zero-tolerance intoxicating substance policy for drivers that

prohibits any amount of driver intoxication while providing a prearranged ride. The

transportation network company must include on its Web site a notice concerning the

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transportation network company's intoxicating substance policy and include a means for a rider or another individual to submit a complaint regarding a suspected violation of the policy.

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- (b) Upon receipt of a rider complaint alleging a violation of the intoxicating substance policy, the transportation network company must immediately suspend the driver's access to the digital network and conduct an investigation into the reported incident. At a minimum, the suspension must last for the duration of the investigation.
- Subd. 10. Nondiscrimination and accessibility. (a) A transportation network company must implement a policy that prohibits discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to all potential riders. The policy must also prohibit drivers from refusing to provide service to an individual with a service animal.
- (b) A transportation network company must notify all drivers of the nondiscrimination policy. All drivers must comply with the nondiscrimination policy.
- (c) A transportation network company is prohibited from imposing any additional charge on a rider with a physical disability because of the disability.
- (d) A transportation network company must provide a rider an opportunity to indicate whether the rider requires a wheelchair-accessible vehicle. If a wheelchair-accessible vehicle cannot be provided, the transportation network company must direct the requesting rider to an alternate provider of wheelchair-accessible service, if one is available.
- Subd. 11. **Records; retention; inspections.** (a) A transportation network company must maintain records that document compliance with the requirements of this section for two years from the date of documentation.
- (b) For the sole purpose of verifying that a transportation network company is in compliance with the requirements of this section, the commissioner may visually inspect a random sample of records that the transportation network company is required to maintain under this subdivision. Except for an inspection under paragraph (c), the commissioner must not perform more than one inspection of a transportation network company each year.
- (c) In response to a specific complaint made to the commissioner against a driver or a transportation network company for a violation of this section or upon reasonable suspicion that a violation of this section has occurred, including as a result of an inspection conducted under paragraph (b), the commissioner may inspect records maintained by the transportation network company under this subdivision that are necessary to investigate and resolve the

(3) disclosure is required to protect or defend the terms of use of the transportation 12.21 network company service or to investigate violation of the terms; or 12.22

(4) disclosure is as provided in paragraph (d).

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- (d) A transportation network company may share a rider's name with the driver transporting the rider in order to facilitate identification of the rider, or to facilitate communication between the rider and the driver.
- (e) A transportation network company is not civilly or criminally liable for a violation 12.27 12.28 of chapter 13 by the commissioner.

12.29 Subd. 13. Violations; enforcement. (a) The commissioner may issue an order that requires violations of this section by a transportation network company to be corrected, 12.30 assesses a penalty of up to \$500 for each violation that the transportation network company 12.31

the fee relates to (i) providing prearranged rides, (ii) entry into the jurisdiction of the political

(2) requiring a transportation network company or driver to obtain a business license or

other similar authorization to operate within the political subdivision's jurisdiction.

subdivision, or (iii) operations of the transportation network company; or

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- (3) adopt reasonable regulations governing the operation of TNC vehicles at the airport,
   including procedures governing staging, dropping off or picking up passengers at the airport,
   or use of airport facilities.
- 14.11 (e) This section shall not be construed to prohibit peace officers from enforcing applicable
  14.12 penal or traffic laws.

## 14.13 Sec. 9. **EFFECTIVE DATE.**

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This act is effective January 1, 2019, and applies to transportation network companies in operation on or after that date.

Sec. 9. 14