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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2369

- 03/02/2023 Authored by Hassan, Noor, Hussein, Jordan, Greenman and others
The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy
- 03/13/2023 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy
- 03/16/2023 By motion, recalled and re-referred to the Committee on Judiciary Finance and Civil Law
- 03/23/2023 Adoption of Report: Amended and re-referred to the Committee on Labor and Industry Finance and Policy
- 04/21/2023 By motion, recalled and re-referred to the Committee on Commerce Finance and Policy
- 04/27/2023 Adoption of Report: Placed on the General Register as Amended
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
- 05/01/2023 Adoption of Report: Placed on the General Register
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
Read for the Second Time
- 05/17/2023 Calendar for the Day, Amended
Bill was laid on the Table as Amended
- 05/18/2023 Bill was taken from the Table as Amended
Read Third Time as Amended
Passed by the House as Amended
- 05/21/2023 Passed by the Senate and returned to the House
- 05/25/2023 Presented to Governor
Governor Veto

1.1 A bill for an act

1.2 relating to labor; establishing protections for transportation network company

1.3 drivers; providing a civil action; providing criminal penalties; amending Minnesota

1.4 Statutes 2022, section 609.2231, subdivision 11; proposing coding for new law as

1.5 Minnesota Statutes, chapter 181C.

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

1.7 Section 1. 181C.01 DEFINITIONS.

1.8 (a) For the purposes of this chapter, the terms defined in this section have the meanings

1.9 given.

1.10 (b) "Deactivation" means the suspension or termination of a driver's ability to receive

1.11 connections to potential riders from a transportation network company.

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

1.13 (d) "Personal vehicle" has the meaning given in section 65B.472, subdivision 1.

1.14 (e) "Ride" means the provision of transportation by a driver to a rider, beginning when

1.15 a driver accepts a ride requested by a rider through a digital network controlled by a

1.16 transportation network company, continuing while the driver transports a requesting rider,

1.17 and ending when the last requesting rider departs from the personal vehicle. The term does

1.18 not include transportation provided using a taxicab, limousine, or other for-hire vehicle.

1.19 (f) "Seven-county metropolitan area" means the following counties: Anoka, Carver,

1.20 Dakota, Hennepin, Ramsey, Scott, and Washington.

1.21 (g) "Transportation network company" or "TNC" has the meaning given in section

1.22 65B.472, subdivision 1. The term does not include taxicabs, limousines, for-hire vehicles,

2.1 or a private rider vehicle driven by a volunteer driver, as defined in section 65B.472,
2.2 subdivision 1.

2.3 (h) "Transportation network driver" or "driver" has the meaning given in section 65B.472,
2.4 subdivision 1.

2.5 (i) "Trip" means any transportation by a driver for a rider through a digital network
2.6 controlled by a transportation network company.

2.7 **Sec. 2. [181C.03] MINIMUM COMPENSATION.**

2.8 (a) All fees provided in this section must be calculated on a per-trip or biweekly basis
2.9 and may not be combined.

2.10 (b) Minimum compensation paid by a TNC to a driver shall be as follows:

2.11 (1) for all trips that start in the seven-county metropolitan area, at least \$1.45 per mile
2.12 and \$0.34 per minute, subject to paragraph (f), for the time transporting a rider; or

2.13 (2) for all trips that start outside of the seven-county metropolitan area, at least \$1.25
2.14 per mile and \$0.34 per minute, subject to paragraph (f), for the time transporting a rider;
2.15 and

2.16 (3) if a cancellation occurs after the driver has already departed to pick up a rider the
2.17 TNC must provide 80 percent of the cancellation fee to the driver;

2.18 (4) a \$1.25 per mile and \$0.10 per minute fee if the TNC charges a fee for a long pickup.
2.19 The fee reverts to normal after the pickup; and

2.20 (5) a minimum fee of \$5.00 for any transportation of a rider by a driver.

2.21 (c) A TNC that uses its software or collection technology to collect fees or fares must
2.22 pay a driver the fees or fares earned by the driver, regardless of whether the fees or fares
2.23 are actually collected.

2.24 (d) A TNC may pay a driver the compensation required under this section over a
2.25 reasonable pay period not to exceed 14 calendar days.

2.26 (e) A TNC must provide a driver all tips that a rider provides to the applicable driver on
2.27 the driver's next payment.

2.28 (f) Beginning July 1, 2024, and each July 1 thereafter, the minimum compensation
2.29 amounts under paragraph (b), clauses (1) to (4), must be adjusted annually by the percentage
2.30 increase, if any, in the Consumer Price Index for all urban consumers published by the
2.31 United States Department of Labor.

3.1 Sec. 3. [181C.04] DEACTIVATION.

3.2 (a) A TNC must have clear written rules stating the circumstances under which a driver
3.3 may be deactivated or sanctioned, either permanently or temporarily, and stating fair,
3.4 objective, and reasonable procedures for a driver to request a reconsideration of a
3.5 deactivation. These rules and any updates must be available both online and in written form
3.6 to the drivers at least 30 days before they are enforceable. The rules must clearly list the
3.7 circumstances that constitute minor infractions and major infractions, and indicate those
3.8 infractions that subject a driver to deactivation or other sanction and the corresponding
3.9 number of days or range of days of deactivation. A TNC's rules must provide that a driver
3.10 must be subject to permanent deactivation if the driver is convicted of or receives a stay of
3.11 adjudication for felony-level harassment or stalking under section 609.749, subdivision 3,
3.12 4, or 5. A TNC's rules must provide that a driver must be subject to permanent deactivation
3.13 if the driver is convicted of or receives a stay of adjudication for murder under section
3.14 609.185, 609.19, or 609.195. A TNC's rules must provide that a driver must be subject to
3.15 permanent deactivation if the driver is convicted of or receives a stay of adjudication for
3.16 violation of predatory offender registration requirements under section 243.166, subdivision
3.17 5. A TNC's rules must provide that a driver must be subject to permanent deactivation if
3.18 the driver is convicted of or receives a stay of adjudication for violating a harassment
3.19 restraining order under section 609.748. A TNC's rules must provide that a driver must be
3.20 subject to permanent deactivation if the driver is convicted of or receives a stay of
3.21 adjudication for possession of pornographic work involving minors under section 617.247.
3.22 A TNC's rules must provide that a driver must be subject to permanent deactivation if the
3.23 driver is convicted of or receives a stay of adjudication for criminal sexual conduct under
3.24 section 609.342, 609.343, 609.344, 609.345, or 609.3451, or for criminal sexual predatory
3.25 conduct under section 609.3453. A TNC's rules must provide that a driver must be subject
3.26 to permanent deactivation if the driver is convicted of or receives a stay of adjudication for
3.27 carjacking under section 609.247. A TNC's rules must provide that a driver must be subject
3.28 to permanent deactivation if the driver is convicted of or receives a stay of adjudication for
3.29 driving while impaired under section 169A.20. A TNC's rules must provide that a driver
3.30 must be subject to permanent deactivation if the driver is convicted of or receives a stay of
3.31 adjudication for kidnapping under section 609.25.

3.32 (b) A TNC must provide the driver with a written basis for any proposed deactivation
3.33 or other sanction, including the alleged infraction and the rule or rules the TNC alleges have
3.34 been violated. The driver has a right to a meeting with the TNC to reconsider the deactivation.
3.35 The deactivated driver must have an opportunity to present their position and any other

4.1 relevant information or witnesses regarding the alleged rule violation. The TNC must
4.2 consider any information presented by the driver. For a deactivation to be upheld, there
4.3 must be evidence under the totality of the circumstances to find that it is more likely than
4.4 not that a rule violation subjecting the driver to deactivation has occurred. A traffic ticket
4.5 or other traffic or criminal charge alone is not conclusive of a rule violation unless there
4.6 has been a conviction.

4.7 (c) Except as provided in paragraphs (f) to (h), a driver must request a deactivation
4.8 reconsideration meeting within 15 calendar days of receiving notice of a deactivation. A
4.9 deactivation reconsideration meeting must occur within 15 calendar days of receipt of a
4.10 driver's request for a deactivation reconsideration meeting. If a deactivation reconsideration
4.11 meeting does not occur within the required time period, and no continuance is agreed to,
4.12 the alleged violation must be dismissed and cannot form the basis of any further deactivation
4.13 or other sanction, unless the driver is later found guilty of a crime that endangers public
4.14 safety or of a violation that constitutes a major infraction.

4.15 (d) If a rule violation is not substantiated at the deactivation reconsideration meeting,
4.16 the TNC must immediately reinstate the driver's account.

4.17 (e) This section does not affect deactivations for economic reasons that are not targeted
4.18 at a particular driver or drivers.

4.19 (f) Any driver who has been deactivated by a TNC from January 1, 2021, until the day
4.20 of enactment, has the right to reapply for driver status and request a deactivation
4.21 reconsideration meeting, consistent with the procedures provided in this section, to determine
4.22 if there is a valid basis to uphold the deactivation, and whether the driver should be reinstated.

4.23 (g) By August 1, 2023, a TNC must provide notice of a right to a deactivation
4.24 reconsideration meeting to all drivers deactivated since January 1, 2021, by contacting the
4.25 drivers through the following means, in no particular order, until actual contact is made:

4.26 (1) emailing notice to the last known email address;

4.27 (2) texting notice to the last known cell phone number;

4.28 (3) mailing written notice to the last known home address; and

4.29 (4) calling the last known phone number of the deactivated driver.

4.30 (h) A deactivated driver notified under paragraph (g) has 90 days to request a deactivation
4.31 reconsideration meeting. If a driver requests a deactivation reconsideration meeting, the
4.32 procedures provided in this section apply.

5.1 Sec. 4. **[181C.05] DISCRIMINATION AND RETALIATION PROHIBITED.**

5.2 (a) A TNC may not discriminate against any of its drivers, qualified applicants to become
5.3 drivers, riders, or potential riders due to race, national origin, color, religion, age, gender,
5.4 disability, sexual orientation, or gender identity. Nothing in this language prohibits providing
5.5 a reasonable accommodation to a person with a disability, for religious reasons, due to
5.6 pregnancy, or to remedy previous discriminatory behavior.

5.7 (b) A TNC may not retaliate against or discipline a driver for raising a complaint or
5.8 pursuing enforcement of the provisions of this chapter.

5.9 Sec. 5. **[181C.06] CIVIL ACTION.**

5.10 A driver or a driver's beneficiaries may bring a civil action for damages for
5.11 noncompliance or a violation of this chapter against a TNC in district court. An action
5.12 brought under this section shall be commenced within two years.

5.13 Sec. 6. **[181C.07] REVOCATION OF LICENSE.**

5.14 Failure to comply with the requirements of this chapter subjects a TNC to revocation of
5.15 any license and right to operate issued by a local unit of government.

5.16 Sec. 7. **[181C.08] TRANSPARENCY.**

5.17 (a) When a TNC alerts a driver of a possible assignment to transport a rider, the TNC
5.18 must indicate:

5.19 (1) the number of miles and likely travel time from the driver's current location to the
5.20 pickup;

5.21 (2) the length and likely travel time of the trip; and

5.22 (3) the minimum fare compensation for the trip.

5.23 (b) Within 24 hours of each trip completion, the TNC must transmit a detailed electronic
5.24 receipt to the driver containing the following information for each unique trip or portion of
5.25 a unique trip:

5.26 (1) the date, location, total distance traveled, and time spent from acceptance of the
5.27 assignment to its completion;

5.28 (2) the time taken and total distance traveled from pickup to drop-off of the rider;

5.29 (3) an itemization of the total fare or fee paid by the rider;

6.1 (4) the total compensation to the driver specifying the rate or rates of pay, the rate per
6.2 minute, rate per mile, any applicable price multiplier or variable pricing policy in effect,
6.3 tip compensation, and a specifically itemized list of all costs and reimbursements to, or
6.4 charged to, the driver; and

6.5 (5) any other information necessary to implement this chapter.

6.6 (c) To the extent the information has not been provided under paragraph (b), the TNC
6.7 must also provide the driver with a detailed and itemized explanation of how the driver's
6.8 total compensation is calculated in writing or electronically, including on average, the
6.9 percentage of the total collected fees and costs incurred by the TNC that are allocated to
6.10 the driver.

6.11 (d) The TNC must provide notice to drivers of any changes to the drivers' total
6.12 compensation in writing or electronically prior to the date the changes take effect.

6.13 **Sec. 8. [181C.09] COLLECTIVE BARGAINING AGREEMENTS; EMPLOYMENT**
6.14 **STATUS.**

6.15 Notwithstanding any law to the contrary, nothing in this chapter prohibits collective
6.16 bargaining or shall be used as a basis to conclude whether a driver is an employee or
6.17 independent contractor.

6.18 **Sec. 9. [181C.10] DRIVER CONTRACT REQUIREMENTS.**

6.19 A copy of this chapter must be attached to every driver contract for drivers in this state.
6.20 The rights and remedies established in this chapter are not required to be pursued through
6.21 arbitration and shall be at the election of the driver. Contracts that have already been executed
6.22 must have an addendum provided to each driver that includes a copy of this chapter and
6.23 notice that a driver may elect to pursue the remedies provided in this chapter, rather than
6.24 through arbitration. For cases that go to arbitration, the rights and damages that drivers are
6.25 entitled to in an arbitration proceeding shall be as provided in this chapter.

6.26 **Sec. 10. [181C.11] RELATIONSHIP OF THE PARTIES.**

6.27 Notwithstanding any other provision of law regarding independent contractors or
6.28 employee status, nothing in this chapter affects whether a TNC is an employer of a driver,
6.29 nor whether a TNC driver is an employee of the TNC.

7.1 Sec. 11. Minnesota Statutes 2022, section 609.2231, subdivision 11, is amended to read:

7.2 Subd. 11. **Transit operators.** (a) A person is guilty of a gross misdemeanor if (1) the
7.3 person assaults a transit operator, or intentionally throws or otherwise transfers bodily fluids
7.4 onto a transit operator; and (2) the transit operator is acting in the course of the operator's
7.5 duties and is operating a transit vehicle, aboard a transit vehicle, or otherwise responsible
7.6 for a transit vehicle. A person convicted under this paragraph may be sentenced to
7.7 imprisonment for not more than one year or to payment of a fine of not more than \$3,000,
7.8 or both.

7.9 (b) For the purposes of this subdivision, "transit operator" means a driver or operator of
7.10 a transit vehicle that is used to provide any of the following services:

7.11 (1) public transit, as defined in section 174.22, subdivision 7;

7.12 (2) light rail transit service;

7.13 (3) special transportation service under section 473.386, whether provided by the
7.14 Metropolitan Council or by other providers under contract with the council; ~~or~~

7.15 (4) commuter rail service; or

7.16 (5) transportation network company drivers.