

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 2319

(SENATE AUTHORS: FATEH, McEwen, Putnam, Kupec and Mann)

DATE	D-PG	OFFICIAL STATUS
03/01/2023	1198	Introduction and first reading Referred to Labor
03/08/2023	1419a	Comm report: To pass as amended and re-refer to Commerce and Consumer Protection
04/13/2023	4809a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety Joint rule 2.03, referred to Rules and Administration
04/18/2023	5224	Comm report: Adopt previous comm report Jt rule 2.03 suspended
05/11/2023	7403a	Comm report: Amended, No recommendation
	7410	Second reading
05/20/2023	10090a	Re-referred to for comparison with HF2369 Rule 45-amend, subst. General Orders HF2369, SF indefinitely postponed

1.1

A bill for an act

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relating to labor; establishing protections for transportation network company

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drivers; amending Minnesota Statutes 2022, section 65B.472, by adding a

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subdivision; proposing coding for new law as Minnesota Statutes, chapter 181C.

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

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Section 1. Minnesota Statutes 2022, section 65B.472, is amended by adding a subdivision

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to read:

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Subd. 7. **Occupational accident insurance.** (a) For purposes of this subdivision, a

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transportation network company driver is engaged on a network company's application or

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platform starting when the transportation network company driver accepts a rideshare request

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to when the transportation network company driver completes that rideshare request.

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(b) Network companies, within 240 days of the effective date of this act, shall purchase

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occupational accident insurance, as described in paragraph (d), for all transportation network

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company drivers who are engaged on a network company's platform within the state.

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(c) The occupational accident insurance policy required under paragraph (b) shall cover

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medical expenses and lost earnings resulting from injuries suffered while the transportation

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network company driver is engaged on the network company's online-enabled application

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or platform. Policies shall at a minimum include an aggregate limit of \$1,000,000 per

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accident and provide for payment of benefits to a covered individual as follows:

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(1) coverage for medical expenses incurred, up to at least \$250,000;

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(2) continuous weekly compensation of total disability payments, temporary total

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disability payments, and partial disability payments equal to 66 percent of the transportation

network company driver's average weekly earnings, as defined in subdivision 5, paragraph (a), clause (3), from all network companies as of the date of injury not to exceed the maximum weekly compensation rate, unless the transportation network company driver's average weekly earnings are less than the minimum weekly compensation rate, in which case the weekly compensation amount shall be equal to the transportation network company driver's average weekly wage; and

(3) for the benefit of spouses, children, or other dependents of a transportation network company driver, accidental death insurance for injuries suffered by a transportation network company driver while engaged on the network company's online-enabled application or platform that result in death. Accidental death insurance shall be in an amount equal to 66 percent of the transportation network company driver's average weekly earnings from all network companies as of the date of injury not to exceed the maximum weekly compensation rate, unless the transportation network company driver's average weekly earnings are less than the minimum weekly compensation rate, in which case the weekly compensation amount shall be equal to the transportation network company driver's average weekly wage, times 156 weeks.

(d) If a transportation network company driver engaged on a network company's application or platform is injured in an accident covered by occupational accident insurance maintained by more than one network company, the insurer of the network company against whom a claim is filed is entitled to contribution for the pro rata share of coverage attributable to one or more other network companies up to the coverages and limits in paragraph (b).

(e) Any benefits provided to a transportation network company driver under this subdivision shall be considered amounts payable under applicable workers' compensation law or disability insurance benefit for the purpose of determining amounts payable under any insurance provided under section 65B.49, subdivision 3a, or under any personal injury protection coverage, as provided in sections 65B.41 to 65B.71.

Sec. 2. [181C.01] DEFINITIONS.

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

(b) "Deactivation" means the suspension or termination of a driver's ability to receive connections to potential riders from a transportation network company.

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

(d) "Prearranged ride" or "ride" has the meaning given in section 65B.472, subdivision 1, paragraph (d).

(e) "Transportation network company" or "TNC" has the meaning given in section 65B.472, subdivision 1, paragraph (e), provided that the term does not include taxicabs, limousines, for-hire vehicles, or a private rider vehicle driven by a volunteer driver, as defined in section 65B.472, subdivision 1, paragraph (h).

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

(g) "Personal vehicle" has the meaning given in section 65B.472, subdivision 1, paragraph (c).

Sec. 3. **[181C.02] MINIMUM COMPENSATION.**

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

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

(1) at least \$1.85 per mile and \$0.25 per minute to all drivers, subject to paragraph (e), for the time transporting a passenger;

(2) when a cancellation occurs after the driver has already departed to pick up the rider, the TNC must provide 80 percent of the cancellation fee to the driver; and

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

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

(d) A TNC must provide to the applicable driver all tips that a passenger provides to the driver on the driver's next payment.

(e) Beginning July 1, 2024, and each July 1 thereafter, the fares and fees provided in paragraph (b), clauses (1) to (3), are subject to an automatic annual adjustment equal to the cost-of-living percentage published by the United States Department of Labor.

4.1 Sec. 4. [181C.03] DEACTIVATION.

4.2 (a) A TNC must have clear written rules stating the circumstances under which a driver
4.3 may be deactivated or sanctioned, either permanently or temporarily, and stating fair,
4.4 objective, and reasonable appeals procedures for the handling of driver appeals under
4.5 paragraph (d). These rules and any updates must be available both online and in written
4.6 form to drivers at least 30 days before they are enforceable. The rules must clearly list the
4.7 circumstances that constitute minor infractions and major infractions, and indicate those
4.8 infractions that subject a driver to deactivation and the corresponding number of days or
4.9 range of days of deactivation.

4.10 (b) A TNC must provide the driver with a written account of the basis for any proposed
4.11 deactivation or other sanction, including the rule or rules the TNC claims have been violated.
4.12 The driver must have the opportunity to present their position and any other relevant
4.13 information or witnesses regarding the alleged infraction prior to deactivation or a sanction
4.14 being imposed. The TNC must consider any information provided by the driver. The burden
4.15 of persuasion for any rule violation is more likely than not and must be based on substantial,
4.16 credible evidence. For a deactivation to occur, it must be a reasonable action based on the
4.17 totality of the circumstances. A deactivation hearing must occur within ten days of a TNC
4.18 becoming aware of an alleged violation. A traffic ticket or other traffic or criminal charge
4.19 is not conclusive evidence of a violation unless there has been a conviction.

4.20 (c) An appeal under paragraph (d) must occur prior to any deactivation or other sanction
4.21 being applied, except that a TNC may temporarily deactivate a driver for a major infraction
4.22 that endangers public safety. In such instances, if the violation is not substantiated, the TNC
4.23 must immediately reinstate the driver. If no appeal under paragraph (d) occurs within the
4.24 required time period, and no continuance is agreed to, the alleged claim of a violation must
4.25 be dismissed and cannot form the basis of any further deactivation or other sanction.

4.26 (d) A driver may appeal a deactivation hearing decision under paragraph (b) to the TNC,
4.27 if the decision would result in the deactivation of a driver or a suspension of more than ten
4.28 days.

4.29 (e) This provision does not affect layoffs for economic reasons that are not targeted at
4.30 a particular driver or drivers.

4.31 (f) A driver who has previously been deactivated may reapply for driver status. The
4.32 mere fact of a previous deactivation does not disqualify an applicant. The TNC shall notify
4.33 an applicant of the reason for the denial of the application and give the applicant an
4.34 opportunity to respond to the reason for the denial.

(g) A TNC may not retaliate against or discipline a driver for making a complaint, or pursuing enforcement of the provisions of this chapter.

Sec. 5. **[181C.04] DISCRIMINATION PROHIBITED.**

A TNC may not discriminate against any of its drivers, qualified applicants to become drivers, riders, or potential riders due to race, national origin, color, religion, age, gender, disabilities, sexual orientation, or gender identity. Nothing in this language prohibits providing reasonable accommodations to people with disabilities, for religious reasons, due to pregnancy, or to remedy previous discriminatory behavior.

Sec. 6. **[181C.05] CIVIL ACTION.**

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

Sec. 7. **[181C.06] REVOCATION OF LICENSE.**

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

Sec. 8. **[181C.07] TRANSPARENCY.**

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

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

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

(3) the minimum fare compensation for the trip.

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

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

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

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

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

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

(c) Each driver must be provided with a detailed and itemized explanation communicated either in writing or electronically of how the driver's compensation is calculated. The communication must specify:

(1) all factors that impact a driver's compensation or reimbursement; and

(2) on average, the percentage of the total collected fees and costs incurred by the TNC that are allocated to the drivers.

(d) Any changes in the criteria, formula, or method of calculating the total compensation to drivers must be provided to drivers in writing at least 30 days prior to taking effect.

(e) A TNC may not use assignment of rides to favor or disfavor any driver for any reason. The assignments must be on a nonpreferential basis. A TNC must not withhold or change assignments to a driver because a driver refused potential dispatches. All dispatches must be made on a driver-neutral basis. A TNC is prohibited from promising preferential treatment in rider assignments if a driver agrees to refrain from joining an organization of drivers or for any other reason.

Sec. 9. [181C.08] COLLECTIVE BARGAINING AGREEMENTS; EMPLOYMENT STATUS.

Nothing in this chapter prohibits collective bargaining or is a basis to conclude whether a driver is an employee or independent contractor.

Sec. 10. [181C.09] DRIVER CONTRACT REQUIREMENTS.

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

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

7.2 Notwithstanding any other provision of law regarding independent contractors or

7.3 employee status, nothing in this chapter affects whether a TNC is an employer of a driver,

7.4 nor whether a TNC driver is an employee of the TNC.