

CHAPTER 181C

TRANSPORTATION NETWORK COMPANIES

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181C.01 DEFINITIONS.

Subdivision 1. **Application.** For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Deactivation.** "Deactivation" means a TNC blocking a driver's access to a digital network, suspending a driver, or changing a driver's status from eligible to ineligible to provide prearranged rides for a TNC for more than 24 hours, or more than 72 hours when the TNC must investigate a claim against a driver. Deactivation does not include a driver's loss of access to the digital network that is contingent on a driver's compliance with licensing, insurance, or regulatory requirements or that can be resolved through unilateral action by the driver. For the purposes of this chapter, "prearranged ride" has the meaning given in section 65B.472, subdivision 1.

Subd. 3. **Digital network.** "Digital network" has the meaning given in section 65B.472, subdivision 1.

Subd. 4. **Driver time periods.** "Driver time periods" are divided into three exclusive segments which have the following meanings:

(1) "period 1" or "P1" means the time when a driver is logged into a TNC application, but has not accepted a ride offer;

(2) "period 2" or "P2" means the time when a driver is proceeding to pick up a rider after choosing to accept a ride offer; and

(3) "period 3" or "P3" means the time when a driver is transporting a rider from a pickup location to a drop-off location.

Subd. 5. **Personal vehicle.** "Personal vehicle" has the meaning given in section 65B.472, subdivision 1.

Subd. 6. **Transportation network company.** "Transportation network company" or "TNC" has the meaning given in section 65B.472, subdivision 1.

Subd. 7. **Transportation network company driver.** "Transportation network company driver," "TNC driver," or "driver" has the meaning given in section 65B.472, subdivision 1.

Subd. 8. **Transportation network company rider.** "Transportation network company rider," "TNC rider," or "rider" has the meaning given in section 65B.472, subdivision 1.

History: 2024 c 127 art 17 s 2

181C.02 NOTICE AND PAY TRANSPARENCY.

Subdivision 1. **Compensation notice.** (a) Upon initial or subsequent account activation, and annually each year while a driver continues to maintain an account with the TNC, a TNC must provide written notice of compensation, or a compensation policy, if any, to each driver containing the following information:

- (1) the right to legally required minimum compensation under section 181C.03;
- (2) the frequency and manner of a driver's pay;
- (3) the rights and remedies available to a driver for a TNC's failure to comply with legal obligations related to minimum compensation; and
- (4) the driver's right to elect coverage of paid family and medical leave benefits, as provided under chapter 268B.

(b) Notice under this subdivision must be provided in written plain language and made available in English, Amharic, Arabic, Hmong, Oromo, Somali, and Spanish. TNCs operating in Minnesota must consider updating the languages in which they offer the notice each year.

(c) The TNC must provide notice to a driver in writing or electronically of any changes to the driver's compensation policy at least 48 hours before the date the changes take effect.

Subd. 2. **Assignment notice.** When a TNC alerts a driver of a possible assignment to transport a rider, the ride offer must be available for sufficient time for the driver to review, and the TNC must indicate:

- (1) the estimated travel time and number of miles from the driver's current location to the pickup location for P2;
- (2) the estimated travel time and number of miles for the trip for P3; and
- (3) the estimated total compensation, before any gratuity.

Subd. 3. **Daily trip receipt.** Within 24 hours of each trip completion, the TNC must transmit a detailed electronic receipt to the driver containing the following information for each unique trip or portion of a unique trip:

- (1) the date, pickup, and drop-off locations. In describing the pickup and drop-off locations, the TNC shall describe the location by indicating the specific block in which the pick-up and drop-off occurred;
- (2) the time and total mileage traveled from pick up to drop off of a rider or riders for P3;
- (3) the time and total mileage traveled from acceptance of the assignment to completion for P2 and P3;
- (4) total fare or fee paid by the rider or riders; and
- (5) total compensation to the driver, specifying:
 - (i) any applicable rate or rates of pay, any applicable price multiplier, or variable pricing policy in effect;
 - (ii) any gratuity; and
 - (iii) an itemized list of all tolls, fees, or other pass-throughs from the rider charged to the driver.

Subd. 4. **Weekly summary.** Each week, a TNC must transmit a weekly summary to a driver in writing or electronically containing the following information for the preceding calendar week:

- (1) total time the driver logged into the TNC application;
- (2) total time and mileage for P2 and P3 segments;
- (3) total fares or fees paid by riders; and
- (4) total compensation to the driver, including any gratuities.

Subd. 5. **Record keeping.** TNCs must maintain the trip receipts and weekly summaries required under this section for at least three years.

History: 2024 c 127 art 17 s 3

181C.03 MINIMUM COMPENSATION.

(a) Minimum compensation of a TNC driver under this paragraph must be adjusted annually as provided under paragraph (f), and must be paid in a per minute, per mile format, as follows:

- (1) \$1.28 per mile and \$0.31 per minute for any transportation of a rider by a driver;
- (2) if applicable, an additional \$0.91 per mile for any transportation of a rider by a driver in a vehicle that is subject to the requirements in sections 299A.11 to 299A.17, regardless of whether a wheelchair securement device is used;
- (3) if a trip request is canceled by a rider or a TNC after the driver has already departed to pick up a rider, 80 percent of any cancellation fee paid by the rider; and
- (4) at minimum, compensation of \$5.00 for any transportation of a rider by a driver.

(b) A TNC must pay a driver the minimum compensation required under this section over a reasonable earnings period not to exceed 14 calendar days. The minimum compensation required under this section guarantees a driver a certain level of compensation in an earnings period that cannot be reduced. Nothing in this section prevents a driver from earning, or a TNC from paying, a higher level of compensation.

(c) Any gratuities received by a driver from a rider or riders are the property of the driver and are not included as part of the minimum compensation required by this section. A TNC must pay the applicable driver all gratuities received by the driver in an earnings period no later than the driver's next scheduled payment.

(d) For each earnings period, a TNC must compare a driver's earnings, excluding gratuities, against the required minimum compensation for that driver during the earnings period. If the driver's earnings, excluding gratuities, in the earnings period are less than the required minimum compensation for that earnings period, the TNC must include an additional sum accounting for the difference in the driver's earnings and the minimum compensation no later than during the next earnings period.

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

(f) Beginning January 1, 2027, and each January 1 thereafter, the minimum compensation required under paragraph (a) must be adjusted annually by the same process as the statewide minimum wage under section 177.24, subdivision 1.

History: 2024 c 127 art 17 s 4

181C.04 DEACTIVATION.

Subdivision 1. **Deactivation policy; requirements.** (a) A TNC must maintain a written plain-language deactivation policy that provides the policies and procedures for deactivation. The TNC must make the deactivation policy available online, through the TNC's digital platform. Updates or changes to the policy must be provided to drivers at least 48 hours before they go into effect.

(b) The deactivation policy must be provided in English, Amharic, Arabic, Hmong, Oromo, Somali, and Spanish. TNCs operating in Minnesota must consider updating the languages in which they offer the deactivation policy each year.

(c) The deactivation policy must:

(1) state that the deactivation policy is enforceable as a term of the TNC's contract with a driver;

(2) provide drivers with a reasonable understanding of the circumstances that constitute a violation that may warrant deactivation under the deactivation policy and indicate the consequences known, including the specific number of days or range of days for a deactivation if applicable;

(3) describe fair and reasonable procedures for notifying a driver of a deactivation and the reason for the deactivation;

(4) describe fair, objective, and reasonable procedures and eligibility criteria for the reconsideration of a deactivation decision and the process by which a driver may request a deactivation appeal with the TNC, consistent with subdivision 5; and

(5) be specific enough for a driver to understand what constitutes a violation of the policy and how to avoid violating the policy.

(d) Serious misconduct must be clearly defined in the TNC deactivation policy.

Subd. 2. **Prohibitions for deactivation.** A TNC must not deactivate a driver for:

(1) a violation not reasonably understood as part of a TNC's written deactivation policy;

(2) a driver's ability to work a minimum number of hours;

(3) a driver's acceptance or rejection of a ride, as long as the acceptance or rejection is not for a discriminatory purpose;

(4) a driver's good faith statement regarding compensation or working conditions made publicly or privately; or

(5) a driver asserting their legal rights under any local, state, or federal law.

Subd. 3. **Written notice and warning.** (a) The TNC must provide notice at the time of the deactivation or, for deactivations based on serious misconduct, notice within three days of the deactivation. A written notice must include:

(1) the reason for deactivation;

(2) anticipated length of the deactivation, if known;

(3) what day the deactivation started on;

(4) an explanation of whether or not the deactivation can be reversed and clear steps for the driver to take to reverse a deactivation;

(5) instructions for a driver to challenge the deactivation and information on their rights under the appeals process provided under subdivision 5; and

(6) a notice that the driver has a right to assistance and information on how to contact a driver advocacy group as provided in subdivision 4 to assist in the deactivation appeal process, including the telephone number and website information for one or more driver advocacy groups.

(b) The TNC must provide a warning to a driver if the driver's behavior could result in a future deactivation. A TNC does not need to provide a warning for behavior that constitutes serious misconduct.

Subd. 4. Driver advocacy organizations. (a) A TNC must contract with a driver's advocacy organization to provide services to drivers under this section. A driver advocacy group identified in the notice must be an independent, not-for-profit organization operating without excessive influence from the TNC. The TNC must not have any control or influence over the day-to-day operations of the advocacy organization or the organization's staff or management or have control or influence over who receives assistance on specific cases or how assistance is provided in a case. The organization must have been established and operating in Minnesota continuously for at least two years and be capable of providing culturally competent driver representation services, outreach, and education.

(b) The driver advocacy groups must provide, at no cost to the drivers, assistance with:

(1) deactivation appeals;

(2) education and outreach to drivers regarding the drivers' rights and remedies available to them under the law; and

(3) other technical or legal assistance on issues related to providing services for the TNC and riders.

Subd. 5. Request for appeal. (a) The deactivation policy must provide the driver with an opportunity to appeal the deactivation upon receipt of the notice and an opportunity to provide information to support the request. An appeal process must provide the driver with no less than 30 days from the date the notice was provided to the driver to appeal the deactivation and allow the driver to have the support of an advocate or attorney.

(b) Unless the TNC or the driver requests an additional 15 days, a TNC must review and make a final decision on the appeal within 15 days from the receipt of the requested appeal and information to support the request. A TNC may use a third party to assist with appeals.

(c) The TNC must consider any information presented by the driver under the appeal process. For a deactivation to be upheld, there must be evidence under the totality of the circumstances to find that it is more likely than not that a rule violation subjecting the driver to deactivation has occurred.

(d) This section does not apply to deactivations for economic reasons or during a public state of emergency that are not targeted at a particular driver or drivers.

(e) When an unintentional deactivation of an individual driver occurs due to a purely technical issue and is not caused by any action or fault of the driver, the driver, upon request, must be provided reasonable compensation for the period of time the driver was not able to accept rides through the TNC capped at a maximum of 21 days. For the purposes of this paragraph, "reasonable compensation" means compensation

for each day the driver was deactivated using the driver's daily average in earnings from the TNC for the 90 days prior to the deactivation.

Subd. 6. **Prior deactivations.** Consistent with the deactivation policy created under this section, a driver who was deactivated after January 1, 2021, but before November 1, 2024, and who has not been reinstated may request an appeal of the deactivation under this section, if the driver provides notice of the appeal within 90 days of the date of enactment. The TNC may take up to 90 days to issue a final decision.

History: 2024 c 127 art 17 s 5

181C.05 ENFORCEMENT.

(a) Except as provided under section 181C.06, the commissioner of labor and industry has exclusive enforcement authority and may issue an order under section 177.27, subdivision 4, requiring a TNC to comply with sections 181C.02 and 181C.03 under section 177.27, subdivision 4.

(b) A provision in a contract between a TNC and a driver that violates this chapter is void and unenforceable. Unless a valid arbitration agreement exists under section 181C.08, a driver may bring an action in district court seeking injunctive relief and any applicable remedies available under the contract if a provision of a contract between a TNC and a driver violates this chapter.

(c) A TNC must not retaliate against or discipline a driver for (1) raising a complaint under this chapter, or (2) pursuing enactment or enforcement of this chapter. A TNC must not give less favorable or more favorable rides to a driver for making public or private comments supporting or opposing working conditions or compensation at a TNC.

History: 2024 c 127 art 17 s 6

181C.06 DISCRIMINATION PROHIBITED.

(a) A TNC must not discriminate against a TNC driver or a qualified applicant to become a driver, due to race, national origin, color, creed, religion, sex, disability, sexual orientation, marital status, or gender identity as provided under section 363A.11. Nothing in this section prohibits providing a reasonable accommodation to a person with a disability, for religious reasons, due to pregnancy, or to remedy previous discriminatory behavior.

(b) A TNC driver injured by a violation of this section is entitled to the remedies under sections 363A.28 to 363A.35.

History: 2024 c 127 art 17 s 7

181C.07 COLLECTIVE BARGAINING; EMPLOYMENT STATUS.

Notwithstanding any law to the contrary, nothing in this chapter prohibits collective bargaining or shall be construed to determine whether a TNC driver is an employee.

History: 2024 c 127 art 17 s 8

181C.08 ARBITRATION; REQUIREMENTS.

(a) A TNC must provide a driver with the option to opt out of arbitration. Upon a driver's written election to pursue remedies through arbitration, the driver must not seek remedies through district court based on the same alleged violation.

(b) The rights and remedies established in this chapter must be the governing law in an arbitration between a driver operating in Minnesota and a TNC. The application of the rights and remedies available under chapter 181C cannot be waived by a driver prior to or at the initiation of an arbitration between a driver and a TNC. To the extent possible, a TNC shall use Minnesota as the venue for arbitration with a Minnesota driver. If an arbitration cannot take place in the state of Minnesota, the driver must be allowed to appear via phone or other electronic means and apply the rights and remedies available under chapter 181C. Arbitrators must be jointly selected by the TNC and the driver using the roster of qualified neutrals provided by the Minnesota supreme court for alternative dispute resolution. Consistent with the rules and guidelines provided by the American Arbitrators Association, if the parties are unable to agree on an arbitrator through the joint selection process, the case manager may administratively appoint the arbitrator or arbitrators.

(c) 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.

History: 2024 c 127 art 17 s 9

181C.09 REVOCATION OF LICENSE.

A local unit of government may refuse to issue a license or may revoke a license and right to operate issued to a TNC by the local unit of government for a TNC's failure to comply with the requirements of this chapter. Notwithstanding section 13.39, the commissioner of labor and industry may provide data collected related to a compliance order issued under section 177.27, subdivision 4, to a local unit of government for purposes of a revocation under this section.

History: 2024 c 127 art 17 s 10

181C.10 STATEWIDE REGULATIONS.

Notwithstanding any other provision of law and except as provided in section 181C.09 no local governmental unit of this state may enact or enforce any ordinance, local law, or regulation that: (1) regulates any matter relating to transportation network companies or transportation network company drivers addressed in section 65B.472 or chapter 181C; or (2) requires the provision of data related to section 65B.472 or chapter 181C.

History: 2024 c 127 art 17 s 11