



House of Representatives

General Assembly

File No. 328

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Substitute House Bill No. 7126

House of Representatives, March 30, 2017

The Committee on Insurance and Real Estate reported through REP. SCANLON of the 98th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING MOTOR VEHICLES IN LIVERY SERVICE,
TAXICABS AND TRANSPORTATION NETWORK COMPANIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2018*) As used in this section
2 and sections 2, 3, 4, 5, 12 and 16 of this act:

3 (1) "Digital network" means any online-enabled technology
4 application service, Internet web site or system offered or utilized by a
5 transportation network company that enables a transportation
6 network company to provide for a prearranged ride.

7 (2) "Motor vehicle" has the same meaning as provided in section 14-
8 1 of the general statutes.

9 (3) "Motor vehicle in livery service" has the same meaning as
10 provided in section 13b-101 of the general statutes, as amended by this
11 act.

12 (4) "Passenger motor vehicle" has the same meaning as provided in
13 section 14-1 of the general statutes.

14 (5) "Prearranged ride" means transportation by a transportation
15 network company driver of a transportation network company rider,
16 beginning when the transportation network company driver accepts a
17 request from the transportation network company rider through a
18 digital network, continuing while the transportation network company
19 driver transports the transportation network company rider and
20 ending when the transportation network company rider exits the
21 transportation network company vehicle. A "prearranged ride" does
22 not include transportation by (A) a taxicab, motor vehicle in livery
23 service or other for-hire motor vehicle, (B) a shared expense carpool or
24 vanpool, or (C) any other transportation service in which a driver
25 receives a fee that does not exceed the costs incurred by the driver in
26 providing such transportation.

27 (6) "Taxicab" has the same meaning as provided in section 13b-95 of
28 the general statutes, as amended by this act.

29 (7) "Transportation network company" means a company, including
30 a corporation, partnership, trust, association, sole proprietorship or
31 similar organization, operating in this state that uses a digital network
32 to connect transportation network company riders to transportation
33 network company drivers. "Transportation network company" does
34 not include a taxicab owner, motor vehicle in livery service owner or
35 other for-hire transportation service owner.

36 (8) "Transportation network company driver" means an individual
37 who is not an employee of a transportation network company, but
38 who uses a digital network and a transportation network company
39 vehicle to provide a prearranged ride and related services to a
40 transportation network company rider.

41 (9) "Transportation network company rider" means an individual
42 who uses a digital network to connect to a transportation network
43 company driver and receives a prearranged ride.

44 (10) "Transportation network company vehicle" means a passenger
45 motor vehicle owned, leased or otherwise used by a transportation
46 network company driver while such driver is using such passenger
47 motor vehicle to provide a prearranged ride. "Transportation network
48 company vehicle" does not include a taxicab or motor vehicle in livery
49 service.

50 Sec. 2. (NEW) (*Effective January 1, 2018*) (a) On and after July 1, 2018,
51 each transportation network company shall register annually with the
52 Commissioner of Transportation on a form prescribed by the
53 commissioner. The commissioner shall design a registration form to
54 include: (1) The transportation network company's name, business
55 address and telephone number; (2) if the company is registered in
56 another state, the name, address and telephone number of the
57 company's agent for service of process in this state; (3) the name,
58 address and telephone number of a person at the company who will
59 serve as the main contact person for the commissioner; and (4)
60 information sufficient to demonstrate, to the commissioner's
61 satisfaction, that the company is in compliance with the provisions of
62 this section and sections 3 to 5, inclusive, of this act. Each registrant
63 shall submit with each registration form filed under this section a
64 nonrefundable registration fee of five thousand dollars.

65 (b) (1) Each transportation network company shall display to each
66 potential transportation network company rider through its digital
67 network a picture of the transportation network company driver and
68 the license plate number of the transportation network company
69 vehicle that will be used to provide the prearranged ride before the
70 transportation network company rider enters the transportation
71 network company vehicle.

72 (2) A transportation network company driver shall display on a
73 transportation network company vehicle a consistent and distinctive
74 removable logo, insignia or emblem at all times when the
75 transportation network company driver is providing a prearranged
76 ride. Such logo, insignia or emblem shall be: (A) Sufficiently large so as

77 to be readable during daylight hours at a distance of at least fifty feet;
78 and (B) reflective, illuminated or otherwise visible in darkness.

79 (c) (1) A transportation network company may charge a fare to a
80 transportation network company rider for a prearranged ride if the
81 transportation network company discloses to the transportation
82 network company rider through its digital network: (A) The fare
83 calculation method; and (B) an option to receive an estimated fare
84 before a prearranged ride.

85 (2) Within a reasonable period of time following the completion of a
86 prearranged ride, a transportation network company shall transmit an
87 electronic receipt to the transportation network company rider on
88 behalf of the transportation network company driver that lists: (A) The
89 origin and destination of the prearranged ride; (B) the total time and
90 distance of the prearranged ride; and (C) an itemization of the total
91 fare paid, if any.

92 (3) (A) For the purposes of this subdivision, "dynamic pricing"
93 means offering a prearranged ride at a price that changes according to
94 the level of supply or demand for prearranged rides.

95 (B) If a transportation network company elects to implement
96 dynamic pricing, the transportation network company, through its
97 digital network, shall: (i) Provide notice to a potential transportation
98 network company rider that dynamic pricing is in effect prior to such
99 transportation network company rider requesting a prearranged ride;
100 (ii) include a feature that requires a potential transportation network
101 company rider to confirm that he or she understands that dynamic
102 pricing will be applied before such request for a prearranged ride may
103 be processed; and (iii) provide a fare estimator that enables the
104 potential transportation network company rider to estimate the cost of
105 such prearranged ride under dynamic pricing prior to requesting such
106 prearranged ride.

107 (C) Notwithstanding the provisions of subparagraph (B) of this
108 subdivision, during the period of any emergency declared by the

109 Governor or President of the United States, as described in section 42-
110 230 of the general statutes, no transportation network company shall
111 increase the price of a prearranged ride to more than two and one-half
112 times the usual price charged for such prearranged ride at any other
113 time.

114 (d) (1) A transportation network company shall adopt a policy of
115 nondiscrimination on the basis of age, color, creed, intellectual or
116 physical disability, national origin, race, religious belief or affiliation,
117 sex, sexual orientation, gender identity or ride destination with respect
118 to transportation network company riders and potential transportation
119 network company riders, and shall notify all transportation network
120 company drivers who use the company's digital network of such
121 policy.

122 (2) A transportation network company shall provide a potential
123 transportation network company rider with an opportunity to indicate
124 whether the potential transportation network company rider requires a
125 transportation network company vehicle that is accessible by
126 wheelchair. If a transportation network company cannot arrange for a
127 wheelchair-accessible transportation network company vehicle to
128 provide a prearranged ride, the company shall direct the potential
129 transportation network company rider to an alternate provider of
130 wheelchair-accessible transportation, if available.

131 (e) A transportation network company shall maintain: (1) Individual
132 trip records for at least three years after the date a prearranged ride
133 was provided; and (2) transportation network company driver records
134 for at least one year following the date on which a transportation
135 network company driver last accessed the company's digital network
136 to provide a prearranged ride.

137 (f) The Commissioner of Transportation or the commissioner's
138 designee, upon reasonable notice and not more than twice a year, may
139 audit the records maintained by a transportation network company
140 pursuant to subsection (e) of this section. Each such audit shall occur at
141 a transportation network company's place of business or at a location

142 in this state jointly selected by the commissioner and the
143 transportation network company. The commissioner shall not require
144 a transportation network company to disclose information tending to
145 identify any transportation network company driver or transportation
146 network company rider. Any information collected during an audit
147 shall be confidential. Except for law enforcement purposes or pursuant
148 to a court order, the commissioner shall not disclose to a third party
149 any records or information disclosed by a transportation network
150 company during an audit, and such records and information shall not
151 be subject to the Freedom of Information Act, as defined in section 1-
152 200 of the general statutes.

153 (g) A transportation network company shall not disclose any
154 transportation network company rider's personally identifiable
155 information except pursuant to the publicly disclosed terms of the
156 company's privacy policy, if any. For any disclosure not governed by a
157 transportation network company's privacy policy, the company must
158 obtain a transportation network company rider's consent before the
159 company may disclose the rider's personally identifiable information
160 to any third party.

161 (h) A transportation network company driver shall not transport,
162 nor shall any transportation network company require that a
163 transportation network company driver transport, any transportation
164 network company rider for more than sixteen consecutive hours
165 within any twenty-four-hour period.

166 (i) Neither a transportation network company nor a transportation
167 network company driver is a common carrier, contract carrier or motor
168 carrier, nor do they provide taxicab or motor vehicle in livery services.
169 Neither the Commissioner of Transportation nor the Commissioner of
170 Motor Vehicles shall require a transportation network company driver
171 to: (1) Obtain a commercial driver's license or commercial driver's
172 instruction permit pursuant to section 14-44c of the general statutes; or
173 (2) register such driver's transportation network company vehicle as a
174 commercial vehicle.

175 (j) The Commissioner of Transportation shall adopt regulations, in
176 accordance with chapter 54 of the general statutes, to implement the
177 provisions of this section.

178 Sec. 3. (NEW) (*Effective January 1, 2018*) (a) Prior to permitting an
179 individual to act as a transportation network company driver on its
180 digital network, a transportation network company shall: (1) Require
181 the individual to submit an application to the company that includes
182 information regarding the individual's name, address, age, operator's
183 license number, as described in section 14-1 of the general statutes,
184 driving history record and motor vehicle registration; (2) conduct, or
185 have a third-party consumer reporting agency regulated under the
186 federal Fair Credit Reporting Act conduct, a local, state and national
187 criminal history check, including a search of local, state and national
188 sexual offender registry databases, or arrange for the fingerprinting of
189 the individual to be submitted to the Federal Bureau of Investigation
190 for a national criminal history records check; and (3) disclose to such
191 individual, electronically or in writing, (A) the insurance coverage,
192 including the types of coverage and any coverage limits, that the
193 company provides while a transportation network company driver is
194 connected to the company's digital network or providing a
195 prearranged ride, and (B) that a transportation network company
196 driver's personal automobile insurance policy might not provide
197 coverage while such driver is connected to the company's digital
198 network, available to receive a request for a prearranged ride or
199 providing a prearranged ride.

200 (b) No transportation network company shall permit an individual
201 to act as a transportation network company driver on its digital
202 network if such individual: (1) Has, during the three years prior to the
203 date of such individual's application to be a transportation network
204 company driver, (A) more than three moving violations, as defined in
205 section 14-111g of the general statutes, (B) one or more serious traffic
206 violations, as defined in section 14-1 of the general statutes, or (C) had
207 his or her license suspended pursuant to section 14-227b of the general
208 statutes; (2) has been convicted, within seven years prior to the date of

209 such individual's application to be a transportation network company
210 driver, of driving under the influence of drugs or alcohol, fraud, sexual
211 assault, use of a motor vehicle to commit a felony, acts of violence or
212 acts of terror; (3) is listed in the state registry maintained pursuant to
213 chapter 969 of the general statutes or the Internet web site maintained
214 by the United States Department of Justice; (4) does not possess a valid
215 operator's license; (5) does not possess proof of registration for each
216 passenger motor vehicle such individual proposes to use as a
217 transportation network company vehicle; or (6) is not at least nineteen
218 years of age.

219 (c) A transportation network company driver shall: (1) Comply with
220 all applicable laws regarding nondiscrimination against transportation
221 network company riders or potential transportation network company
222 riders on the basis of age, color, creed, intellectual or physical
223 disability, national origin, race, religious belief or affiliation, sex, sexual
224 orientation, gender identity or ride destination; (2) comply with all
225 applicable laws relating to transportation of service animals; (3) not
226 impose additional charges for providing prearranged rides to persons
227 with physical disabilities because of such disabilities or related
228 accommodations; and (4) not solicit or accept a trip other than a
229 prearranged ride.

230 (d) (1) A transportation network company shall implement a zero-
231 tolerance policy on the use of drugs or alcohol while a transportation
232 network company driver is providing a prearranged ride, or is
233 connected to the company's digital network. Such company shall
234 provide notice of its zero-tolerance policy on its Internet web site, and
235 include procedures for a transportation network company rider to
236 report a complaint about a transportation network company driver
237 whom the transportation network company rider reasonably suspects
238 was under the influence of drugs or alcohol while providing a
239 prearranged ride.

240 (2) Upon its receipt of a transportation network company rider
241 complaint alleging a violation of such zero-tolerance policy, the

242 transportation network company shall suspend such driver's access to
243 the company's digital network as soon as possible and conduct an
244 investigation into the reported incident. The suspension shall last until
245 completion of the investigation.

246 (3) The company shall maintain all records related to the
247 enforcement of such zero-tolerance policy, including any
248 investigations under this section, for a period of not less than three
249 years from the date that a transportation network company rider
250 complaint is received by the company.

251 (e) A transportation network company shall implement a policy that
252 prohibits a transportation network company driver from providing a
253 prearranged ride when such driver's ability to operate a motor vehicle
254 is impaired by illness, fatigue or any other condition that would likely
255 preclude safe operation of a motor vehicle.

256 (f) The Commissioner of Motor Vehicles may adopt regulations, in
257 accordance with chapter 54 of the general statutes, to carry out the
258 purposes of this section.

259 Sec. 4. (NEW) (*Effective January 1, 2018*) (a) A motor vehicle in livery
260 service owner or operator, taxicab owner or operator, and
261 transportation network company or transportation network company
262 driver shall maintain, on behalf of such motor vehicle in livery service
263 operator, taxicab operator or transportation network company driver,
264 as the case may be, a primary automobile liability insurance policy
265 that: (1) Recognizes that such motor vehicle in livery service operator,
266 taxicab operator or transportation network company driver uses a
267 motor vehicle to transport individuals for compensation; and (2) meets
268 the minimum coverage requirements in subsection (b) of this section.

269 (b) (1) Each policy of the type specified in subsection (a) of this
270 section shall meet the following requirements for any time during
271 which a motor vehicle in livery service operator is connected to an
272 Internet software application but not transporting a passenger for hire,
273 a taxicab operator is connected to an Internet software application but

274 not providing taxicab services, or a transportation network company
275 driver is connected to a digital network but not providing a
276 prearranged ride: (A) Such policy shall provide coverage sufficient to
277 satisfy any claim for damages (i) by reason of personal injury to, or the
278 death of, any one person, of at least fifty thousand dollars, (ii) by
279 reason of personal injury to, or the death of, more than one person on
280 account of any accident, of at least one hundred thousand dollars, and
281 (iii) for damage to property of at least twenty-five thousand dollars;
282 and (B) uninsured and underinsured motorist coverage that meets the
283 minimum coverage requirements under section 38a-336 of the general
284 statutes.

285 (2) Each policy of the type specified in subsection (a) of this section
286 shall meet the following requirements for any time during which a
287 motor vehicle in livery service operator is transporting a passenger for
288 hire, a taxicab driver is providing taxicab services or a transportation
289 network company driver is providing a prearranged ride: (A) Such
290 policy shall provide coverage, sufficient to satisfy any claim for
291 damages by reason of personal injury to, or the death of, any one
292 person, personal injury to, or the death of, more than one person on
293 account of any accident and damage to property, of at least one million
294 dollars; and (B) uninsured and underinsured motorist coverage that
295 meets the minimum coverage requirements in section 38a-336 of the
296 general statutes.

297 (3) The coverage requirements of this subsection may be satisfied by
298 one or more automobile liability insurance policies maintained by: (A)
299 A motor vehicle in livery service owner or operator, or a combination
300 thereof; (B) a taxicab owner or operator, or a combination thereof; or
301 (C) a transportation network company or transportation network
302 company driver, or a combination thereof.

303 (c) If a primary automobile liability insurance policy maintained by
304 a motor vehicle in livery service operator, taxicab operator or
305 transportation network company driver pursuant to subsection (a) of
306 this section has lapsed or does not satisfy the requirements of this

307 section, the automobile liability insurance policy maintained by the
308 motor vehicle in livery service owner, taxicab owner or transportation
309 network company pursuant to subsection (a) of this section shall
310 provide coverage beginning with the first dollar of a claim, and the
311 insurer providing such coverage shall defend against the claim.
312 Coverage under an automobile liability insurance policy maintained
313 by a motor vehicle in livery service owner, taxicab owner or
314 transportation network company shall not be contingent on prior
315 processing or denial of a claim by an insurer providing an automobile
316 liability insurance policy to a motor vehicle in livery service operator,
317 taxicab operator or transportation network company driver.

318 (d) Each insurance policy of the type specified in subsection (a) of
319 this section shall be written by an insurer authorized to write
320 automobile liability insurance in this state or with a surplus lines
321 insurer eligible pursuant to section 38a-741 of the general statutes that
322 has a credit rating of not less than "A-" from A.M. Best, "A" from
323 Demotech or a similar rating from another rating agency recognized
324 by the Insurance Department.

325 (e) (1) Each motor vehicle in livery service operator, taxicab operator
326 and transportation network company driver shall carry a current
327 automobile insurance identification card, that may be in electronic
328 form, at all times while such operator or driver is connected to a
329 transportation network company's digital network or an Internet
330 software application offered or utilized by a motor vehicle in livery
331 service owner or taxicab owner, as the case may be.

332 (2) A motor vehicle in livery service operator, taxicab operator or
333 transportation network company driver shall, upon request of an
334 investigating state or municipal police officer or any person injured in
335 person or property by or while transported in a motor vehicle in livery
336 service, taxicab or transportation network company vehicle operated
337 by such driver or operator, disclose such automobile insurance card
338 and whether such driver or operator was connected to a digital
339 network or an Internet software application offered or utilized by a

340 motor vehicle in livery service owner or taxicab owner, or providing
341 for hire transportation in a motor vehicle in livery service, taxicab
342 services or a prearranged ride at the time of any accident or collision
343 resulting in injury to person or property.

344 (f) Any automobile liability insurance policy that satisfies the
345 requirements of this section shall be deemed to satisfy the
346 requirements of section 14-112 of the general statutes.

347 (g) The Insurance Commissioner may adopt regulations, in
348 accordance with chapter 54 of the general statutes, to carry out the
349 purposes of this section.

350 Sec. 5. (NEW) (*Effective January 1, 2018*) (a) An insurer licensed to
351 write automobile liability insurance in this state may exclude all
352 coverage afforded under a private passenger automobile liability
353 insurance policy for any loss or injury that occurs while a motor
354 vehicle in livery service operator is connected to an Internet software
355 application offered or utilized by a motor vehicle in livery service
356 owner or transporting a passenger, a taxicab operator is connected to
357 an Internet software application offered or utilized by a taxicab owner
358 or providing taxicab services, or a transportation network company
359 driver is connected to a transportation network company's digital
360 network or providing prearranged rides. Any exclusion authorized
361 under this subsection shall apply notwithstanding any requirements
362 under chapter 246 or 700 of the general statutes.

363 (b) In a claims coverage investigation, a motor vehicle in livery
364 service owner, taxicab owner or transportation network company shall
365 immediately disclose, upon a request by any person injured in person
366 or property by a motor vehicle in livery service, taxicab or
367 transportation network company vehicle, any insurer that provides a
368 policy of the type specified in subsection (a) of this section, or the
369 motor vehicle in livery service operator, taxicab operator or
370 transportation network company driver, if applicable, the precise times
371 that the insured was connected to and disconnected from the
372 transportation network company's digital network or the Internet

373 software application offered or utilized by the motor vehicle in livery
374 service owner or taxicab owner, as the case may be, in the twelve-hour
375 periods immediately preceding and following the loss or injury. An
376 insurer that issues a policy of the type specified in subsection (a) of
377 section 4 of this act shall, upon request, disclose to any other insurer
378 involved in a claim the applicable coverages, exclusions and limits of
379 such policy.

380 (c) An insurer that defends or indemnifies a claim against a motor
381 vehicle in livery service operator, taxicab operator or transportation
382 network company driver that the insurer has excluded from coverage
383 under subsection (a) of this section shall have a right of subrogation
384 against all other insurers that provide automobile insurance to the
385 motor vehicle in livery service operator, taxicab operator or
386 transportation network company driver as described in section 4 of
387 this act at the time of a loss.

388 (d) The Insurance Commissioner may adopt regulations, in
389 accordance with chapter 54 of the general statutes, to carry out the
390 purposes of this section.

391 Sec. 6. Section 13b-96 of the general statutes is repealed and the
392 following is substituted in lieu thereof (*Effective January 1, 2018*):

393 (a) Each person, association, limited liability company or
394 corporation owning or operating a taxicab is declared a common
395 carrier and subject to the jurisdiction of the Department of
396 Transportation. The Commissioner of Transportation is authorized to
397 prescribe adequate service and [reasonable rates and charges]
398 equipment, except for traditional taxi meters, to calculate rates and
399 charges including, but not limited to, cellular mobile telephones and
400 Internet software applications. The commissioner may adopt
401 regulations, in accordance with chapter 54, for the purpose of
402 establishing fares not calculated on a dynamic pricing basis, service,
403 operation and equipment as it deems necessary for the convenience,
404 protection and safety of passengers and the public. For the purposes of
405 this section, "dynamic pricing" means pricing that changes according

406 to the level of supply or demand for taxicab services.

407 (b) The rates and charges established pursuant to subsection (a) of
408 this section shall not apply to any person, association, or corporation
409 (1) operating a taxicab engaged in the transportation of passengers for
410 hire pursuant to a contract with, or a lower tier contract for, any
411 federal, state or municipal agency, (2) certified pursuant to section 13b-
412 97, as amended by this act, prior to May 22, 1998, and (3) registered
413 pursuant to section 13b-99, as amended by this act, prior to May 22,
414 1998.

415 (c) Notwithstanding the provisions of subsection (a) of this section
416 or any regulation adopted pursuant to said subsection (a) concerning
417 wheelchair accessibility requirements for motor vehicles, any motor
418 vehicle in compliance with the provisions of the Americans with
419 Disabilities Act 42 USC 12101 and the registration requirements of the
420 Connecticut Department of Motor Vehicles may be used to provide
421 taxicab service for persons requiring such wheelchair accessibility.

422 (d) Notwithstanding the provisions of subsection (a) of this section
423 or any regulation adopted pursuant to said subsection (a) concerning
424 wheel base requirements, any sedan or station wagon type vehicle
425 powered by a clean alternative fuel and having a wheel base of not less
426 than one hundred two inches may be used to provide taxicab service.

427 (e) (1) If demand for taxicab services is high, and the owner or
428 operator of a taxicab elects to implement dynamic pricing, the taxicab
429 owner or operator shall, through the taxicab owner's Internet web site
430 or software application, disclose to each passenger or prospective
431 passenger: (A) The fare calculation method; and (B) an option to
432 receive an estimated fare before the passenger or prospective
433 passenger incurs any cost for taxicab services.

434 (2) During the period of any emergency declared by the Governor
435 or President of the United States, as described in section 42-230, no
436 taxicab owner or operator shall increase fares for taxicab services to
437 more than two and one-half times the usual fare for such services at

438 any other time.

439 Sec. 7. Subsection (a) of section 13b-97 of the general statutes is
440 repealed and the following is substituted in lieu thereof (*Effective*
441 *January 1, 2018*):

442 (a) No person, association, limited liability company or corporation
443 shall operate a taxicab until such person, association, limited liability
444 company or corporation has obtained a certificate from the
445 Department of Transportation certifying that public convenience and
446 necessity require the operation of a taxicab or taxicabs for
447 transportation of passengers, the acceptance or solicitation of which
448 originates within the territory specified in such certificate except as
449 provided under subsection (d) of this section. No such certificate shall
450 be issued unless the department finds that the person, association,
451 limited liability company or corporation is suitable to operate a taxicab
452 service, after giving due consideration to, at a minimum, the following
453 factors: (1) Any convictions of the applicant under federal, state or
454 local laws relative to safety, motor vehicle or criminal violations; (2)
455 the number of taxicabs to be operated under the certificate, provided
456 no applicant for a new certificate shall operate fewer than three
457 taxicabs; (3) the adequacy of the applicant's financial resources to
458 operate the taxicab service; (4) the adequacy of insurance coverage and
459 safety equipment; and (5) the availability of qualified taxicab
460 operators. The commissioner shall request the state criminal history
461 records check for any person or any officer of any association, limited
462 liability company or corporation applying for such certificate from the
463 State Police Bureau of Identification. The commissioner shall [arrange
464 for the fingerprinting of any person or any officer of any association,
465 limited liability company or corporation applying for such certificate
466 and forward the fingerprints to said bureau which shall submit the
467 fingerprints] conduct, or have a third-party consumer reporting
468 agency regulated under the federal Fair Credit Reporting Act conduct,
469 a local, state and national criminal history records check, including a
470 search of state and national sexual offender registry databases, or may
471 arrange for the fingerprinting of such person or officer to be submitted

472 to the Federal Bureau of Investigation for a national criminal history
473 records check for any federal conviction specified in subdivision (1) of
474 this subsection. The commissioner shall charge a fee for each such
475 national criminal history records check [which] that shall be equal to
476 the fee charged by the Federal Bureau of Investigation for performing
477 such check. Such certificate shall be issued only after written
478 application, fingerprinting [and] or said criminal history records check
479 for the same has been made and public hearing held thereon. The
480 application shall be accompanied by a fee of two thousand dollars and
481 the fee for said criminal history records check. Upon receipt of such
482 application, the department shall fix a time and place of hearing
483 thereon, provided such hearing shall be held not earlier than three
484 months after such receipt, and shall promptly give written notice of the
485 pendency of such application and of the time and place of hearing
486 thereon to such applicant, the mayor of each city, the warden of each
487 borough or the first selectman of each town in which the applicant
488 desires to originate the transportation of such passengers, and to any
489 common carrier operating within the territory specified.
490 Notwithstanding any provision of this subsection, [to the contrary,] the
491 department may, upon receipt of a written application, amend an
492 existing certificate to increase the number of taxicabs [which] that may
493 be operated pursuant to the certificate without holding a hearing on
494 the application, provided the department issues a legal notice of such
495 application in a daily newspaper in accordance with the provisions of
496 section 1-2, gives written notice of the pendency of such application to
497 any common carrier operating within the territory specified and no
498 objection is filed with the department within thirty days of each such
499 notice.

500 Sec. 8. Section 13b-99 of the general statutes is repealed and the
501 following is substituted in lieu thereof (*Effective January 1, 2018*):

502 (a) Upon the granting of a certificate of public convenience and
503 necessity as provided in section 13b-97, as amended by this act, the
504 holder thereof may apply to the Commissioner of Motor Vehicles for
505 the registration of any taxicab [of which the holder is the owner or

506 lessee and which] or passenger motor vehicle, as defined in section 14-
507 1, that is to be used as specified in such certificate, and the
508 Commissioner of Motor Vehicles shall have jurisdiction over the
509 registration of any taxicab and its exterior lighting equipment and over
510 the licensing of its operator. Each registered taxicab and passenger
511 motor vehicle used as specified in a certificate of public convenience
512 and necessity shall have [a permanently] an attached electric rooftop
513 light. Each registered taxicab shall indicate, in three-inch type
514 [permanently] affixed to the outside of such taxicab, the phone number
515 of the company operating such taxicab.

516 (b) Each such taxicab and passenger motor vehicle shall be
517 inspected, biennially, at the time of renewal of registration of such
518 taxicab or passenger motor vehicle, by a repairer or limited repairer
519 licensed and authorized by the Commissioner of Motor Vehicles to
520 perform such inspections. The commissioner shall set a fee for such an
521 inspection.

522 (c) Each such taxicab shall be exempt from the provisions of
523 subsection (d) of section 14-100a.

524 (d) The Commissioner of Motor Vehicles shall adopt regulations, in
525 accordance with chapter 54, to carry out the purposes of this section.

526 Sec. 9. Section 13b-102 of the general statutes is repealed and the
527 following is substituted in lieu thereof (*Effective January 1, 2018*):

528 (a) (1) Each person, association, limited liability company or
529 corporation owning or operating a motor vehicle in livery service shall
530 be subject to the jurisdiction of the Department of Transportation, and
531 the department may prescribe adequate service and reasonable rates
532 and charges not calculated on a dynamic pricing basis, and prescribe
533 and establish such reasonable regulations with respect to fares not
534 calculated on a dynamic pricing basis, service, operation and
535 equipment as it deems necessary for the convenience, protection,
536 safety and best interests of passengers and the public. For the purposes
537 of this section, "dynamic pricing" means pricing that changes

538 according to the level of supply or demand for services provided by
539 motor vehicles in livery service.

540 (2) Notwithstanding the provisions of subdivision (1) of this
541 subsection with respect to reasonable rates and charges, each person,
542 association, limited liability company or corporation operating a motor
543 vehicle in livery service having a seating capacity of ten or more adults
544 shall file a schedule of reasonable maximum rates and charges with the
545 Department of Transportation. The provisions of subdivision (1) of this
546 subsection with respect to rates and charges shall not apply to any
547 person, association, limited liability company or corporation operating
548 a motor vehicle engaged in the transportation of passengers for hire by
549 virtue of a contract with, or a lower tier contract for, any federal, state
550 or municipal agency.

551 (b) Each person, association, limited liability company or
552 corporation operating a motor vehicle by virtue of authorization issued
553 by the Federal Highway Administration for charter and special
554 operation shall register such authorization for interstate operation with
555 the Department of Transportation if such person, association, limited
556 liability company or corporation maintains a domicile or principal
557 office in the state. Each person operating a motor vehicle by virtue of
558 authorization issued by the Federal Highway Administration for
559 charter and special operation shall, prior to such registration, submit to
560 a state and national criminal history records check, conducted in
561 accordance with section 29-17a, and provide the results of such records
562 check to the Department of Transportation.

563 (c) (1) If demand for services provided by motor vehicles in livery
564 service is high, and the owner or operator of a motor vehicle in livery
565 service elects to implement dynamic pricing, such owner or operator
566 shall, through its Internet web site or software application, disclose to
567 each passenger or prospective passenger: (A) The fare calculation
568 method; and (B) an option to receive an estimated fare before the
569 passenger or prospective passenger incurs any cost for services.

570 (2) During the period of any emergency declared by the Governor

571 or President of the United States, as described in section 42-230, no
572 owner or operator of a motor vehicle in livery service shall increase
573 fares for services provided by a motor vehicle in livery service to more
574 than two and one-half times the usual fare for such services at any
575 other time.

576 Sec. 10. Section 14-29 of the general statutes is repealed and the
577 following is substituted in lieu thereof (*Effective January 1, 2018*):

578 (a) The commissioner shall not register any motor bus, [taxicab,]
579 school bus, [motor vehicle in livery service,] student transportation
580 vehicle or service bus and no person may operate or cause to be
581 operated upon any public highway any such motor vehicle until the
582 owner or lessee thereof has procured insurance or a bond satisfactory
583 to the commissioner, which insurance or bond shall indemnify the
584 insured against any legal liability for personal injury, the death of any
585 person or property damage, which injury, death or damage may result
586 from or have been caused by the use or operation of such motor
587 vehicle described in the contract of insurance or such bond. Such
588 insurance or bond shall not be required from (1) a municipality which
589 the commissioner finds has maintained sufficient financial
590 responsibility to meet legal liability for personal injury, death or
591 damage resulting from or caused by the use or operation of a service
592 bus owned or operated by such municipality, or (2) the owner or lessee
593 of such class of motor vehicle, other than a taxicab or motor vehicle in
594 livery service, who holds a certificate of public necessity and
595 convenience from the Department of Transportation if such owner or
596 lessee has procured from the department a certificate that the
597 department has found that such owner or lessee is of sufficient
598 financial responsibility to meet legal liability for personal injury, death
599 or property damage resulting from or caused by the use or operation
600 of such motor vehicle. The Department of Transportation may issue
601 such certificate upon presentation of evidence of financial
602 responsibility that is satisfactory to it.

603 (b) (1) The amount of insurance or of such bond which each such

604 vehicle owner or lessee shall carry as insurance or indemnity against
605 claims for personal injury or death shall be not less than (A) fifty
606 thousand dollars for one person subject to that limit per person; (B) for
607 all persons in any one accident where the carrying capacity is seven
608 passengers or less, one hundred thousand dollars; (C) eight to twelve
609 passengers, inclusive, one hundred fifty thousand dollars; (D) thirteen
610 to twenty passengers, inclusive, two hundred thousand dollars; (E)
611 twenty-one to thirty passengers, inclusive, two hundred fifty thousand
612 dollars; and (F) thirty-one passengers or more, three hundred
613 thousand dollars; and such policy or such bond shall indemnify the
614 insured against legal liability resulting from damage to the property of
615 passengers or of others to the amount of ten thousand dollars.

616 (2) In lieu of the foregoing, a single limit of liability shall be allowed
617 as insurance or indemnity against claims for personal injury or death
618 and legal liability resulting from damage to the property of passengers
619 or of others for any one accident (A) where the carrying capacity is
620 seven passengers or less, not less than one hundred thousand dollars;
621 (B) eight to twelve passengers, inclusive, not less than one hundred
622 fifty thousand dollars; (C) thirteen to twenty passengers, inclusive, not
623 less than two hundred thousand dollars; (D) twenty-one to thirty
624 passengers, inclusive, not less than two hundred fifty thousand
625 dollars; and (E) thirty-one passengers or more, not less than three
626 hundred thousand dollars. The provisions of this subsection shall not
627 apply to (i) a municipality which the commissioner has found to have
628 sufficient financial responsibility to meet legal liability for damages as
629 provided in subsection (a) of this section or (ii) the owner or lessees of
630 any such motor vehicle holding a certificate of public convenience and
631 necessity issued by the Department of Transportation whom the
632 department has found to be of sufficient financial responsibility to
633 meet legal liability for damages as provided in subsection (a).

634 (c) Any person or company issuing any such insurance or
635 indemnity bond shall file with the Commissioner of Motor Vehicles a
636 certificate in such form as he prescribes, and no such insurance or
637 bond shall lapse, expire or be cancelled while the registration is in

638 force until the commissioner has been given at least ten days' written
639 notice of an intention to cancel and until he has accepted other
640 insurance or another indemnity bond and has notified the person or
641 company seeking to cancel such insurance or bond that such other
642 insurance or bond has been accepted or until the registration of such
643 motor vehicle described in such insurance policy or bond has been
644 suspended or cancelled.

645 (d) Any person injured in person or property by any such motor
646 vehicle may apply to the commissioner for the name and description of
647 the insurer of the vehicle causing such injury or the name of the surety
648 upon any indemnity bond of any such owner or the name of the holder
649 of a certificate of financial responsibility.

650 (e) Any person who violates any provision of this section shall be
651 fined not more than five hundred dollars or imprisoned not more than
652 one year or both.

653 [(f) Notwithstanding the provisions of this section, any person,
654 association or corporation operating a motor vehicle in livery service
655 under the provisions of sections 13b-101 to 13b-109, inclusive, shall
656 carry insurance or indemnity against claims for personal injury or
657 death and legal liability resulting from damage to the property of
658 passengers or of others for any one accident in an amount not less than
659 one million five hundred thousand dollars for vehicles with a seating
660 capacity of fourteen passengers or less and five million dollars for
661 vehicles with a seating capacity of fifteen passengers or more.]

662 Sec. 11. Subsection (a) of section 14-44 of the general statutes is
663 repealed and the following is substituted in lieu thereof (*Effective*
664 *January 1, 2018*):

665 (a) (1) No person shall operate a commercial motor vehicle used for
666 passenger transportation on any public highway of this state until such
667 person has obtained a commercial driver's license with a public
668 passenger endorsement, as defined in section 14-1, from the
669 Commissioner of Motor Vehicles, except a nonresident who holds such

670 license with such endorsement issued by another state or, for a period
671 of not more than ninety days, a person who has submitted an
672 application for such endorsement for the purpose of operating a
673 taxicab or motor vehicle in livery service, provided the commissioner
674 has not denied the application and the person carries such application
675 while such person is providing taxicab services or operating a motor
676 vehicle in livery service. (2) No person shall operate a school bus until
677 such person has obtained a commercial driver's license with a school
678 bus endorsement, except that a person who holds such a license
679 without such endorsements may operate a school bus without
680 passengers for the purpose of road testing or moving the vehicle. (3)
681 No person shall operate a student transportation vehicle, as defined in
682 section 14-212, taxicab, motor vehicle in livery service, motor bus or
683 service bus until such person has obtained an operator's license of the
684 proper classification bearing an appropriate public passenger
685 endorsement from the Commissioner of Motor Vehicles, issued in
686 accordance with the provisions of this section and section 14-36a,
687 except that a person who holds an operator's license without such
688 endorsement may operate any such vehicle without passengers for the
689 purpose of road testing or moving the vehicle.

690 Sec. 12. (NEW) (*Effective January 1, 2018*) (a) The Department of
691 Transportation shall conduct a study to: (1) Identify the most suitable
692 means of implementing and funding a pilot program to promote
693 transportation services that are (A) provided by owners of motor
694 vehicles in livery service, taxicab owners and transportation network
695 companies, and (B) accessible by physically disabled persons; (2)
696 examine the viability and impact of implementing a per-trip surcharge
697 on trips provided by way of motor vehicles in livery service, taxicabs
698 and prearranged rides to fund the pilot program; (3) examine means of
699 reimbursing, or providing incentives to, owners of motor vehicles in
700 livery service, taxicab owners and transportation network company
701 drivers for costs associated with purchasing or converting motor
702 vehicles for use as wheelchair-accessible motor vehicles in livery
703 service, taxicabs and transportation network company vehicles; and (4)
704 examine means of providing compensation incentives to drivers of

705 motor vehicles in livery service, taxicab drivers and transportation
706 network company drivers who allot sufficient time to assist physically
707 disabled persons in boarding motor vehicles in livery service, taxicabs
708 and transportation network company vehicles.

709 (b) In conducting the study required under subsection (a) of this
710 section, the Department of Transportation may consult with
711 individuals with expertise in any aspect within the scope of such study
712 including, but not limited to, members of the faculty of The University
713 of Connecticut and representatives of the Disability Rights Education
714 and Defense Fund, American Association of People with Disabilities,
715 National Council of Independent Living, taxicab drivers and owners,
716 motor vehicle in livery service drivers and owners, transportation
717 network company drivers and transportation network companies.

718 (c) Not later than August 1, 2018, the Commissioner of
719 Transportation shall submit a preliminary report, in accordance with
720 the provisions of section 11-4a of the general statutes, on the study
721 performed under subsection (a) of this section to the joint standing
722 committee of the General Assembly having cognizance of matters
723 relating to transportation.

724 (d) Not later than January 1, 2019, the Commissioner of
725 Transportation shall submit a final report, in accordance with the
726 provisions of section 11-4a of the general statutes, on the study
727 performed under subsection (a) of this section to the joint standing
728 committee of the General Assembly having cognizance of matters
729 relating to transportation. Such report shall include the commissioner's
730 recommendations for legislation to implement the pilot program
731 described in subsection (a) of this section.

732 Sec. 13. Section 13b-95 of the general statutes is repealed and the
733 following is substituted in lieu thereof (*Effective January 1, 2018*):

734 The term "taxicab" includes any motor vehicle operated upon any
735 street or highway or on call or demand accepting or soliciting
736 passengers indiscriminately for transportation for hire between such

737 points along streets or highways as may be directed by the passenger
738 or passengers being transported, provided nothing in this chapter shall
739 be construed to include, as a taxicab, a motor bus, as defined in section
740 14-1, [or] a motor vehicle in livery service when such motor vehicle is
741 hired for a specific trip or trips and is subject to the direction of the
742 person hiring the same, or a passenger motor vehicle operated by a
743 transportation network company driver, as defined in section 1 of this
744 act.

745 Sec. 14. Section 13b-101 of the general statutes is repealed and the
746 following is substituted in lieu thereof (*Effective January 1, 2018*):

747 The term "motor vehicle in livery service" includes every motor
748 vehicle used by any person, association, limited liability company or
749 corporation [which] that represents itself to be in the business of
750 transporting passengers for hire, except (1) any motor bus and any
751 taxicab operated under a certificate of public convenience and
752 necessity issued by the Department of Transportation, (2) any school
753 bus, as defined in section 14-275, or student transportation vehicle, as
754 defined in section 14-212, when used for the transportation of children
755 under the age of twenty-one years, (3) any school bus, as defined in
756 section 14-275, when used for the transportation of passengers (A) by
757 virtue of a contract with any public or private institution of higher
758 education, (B) pursuant to a contract for service to a special event held
759 at a location or facility [which] that is not open for business on a daily
760 basis throughout the year, not to exceed a period of ten days, or (C)
761 pursuant to a contract with a municipality for which the carrier
762 provides school transportation service, (4) any motor vehicle operated
763 by or through a community-based regional transportation system for
764 the elderly established pursuant to section 55 of public act 05-280,
765 [and] (5) any motor vehicle operated by or through a community-
766 based regional transportation system for the visually impaired, and (6)
767 any passenger motor vehicle operated by a transportation network
768 company driver, as defined in section 1 of this act.

769 Sec. 15. Subsection (a) of section 14-26 of the general statutes is

770 repealed and the following is substituted in lieu thereof (*Effective*
771 *January 1, 2018*):

772 (a) Each owner or lessee of a motor bus, service bus, taxicab, school
773 bus or motor vehicle in livery service shall file in the office of the
774 commissioner a special application, containing his name, residence
775 and post-office address and a description of the motor vehicle owned
776 or leased by him, which shall include the name of the maker and such
777 other information as the commissioner may require. The commissioner
778 may register such motor vehicle as a motor bus or as a service bus or as
779 a taxicab or as a school bus or as a motor vehicle in livery service or as
780 a school bus used in part in livery service; but no such registration
781 shall be issued to the owner or lessee of any such motor vehicle unless
782 it is in suitable condition for carrying passengers and is equipped as
783 required by law. The registration number and certificate of registration
784 of each such vehicle shall be special, and such certificate of registration
785 shall contain such information as the commissioner may require. No
786 registration shall be issued to the owner or lessee of a motor bus who
787 has not obtained a certificate of public convenience and necessity from
788 the Department of Transportation, in accordance with the provisions
789 of section 13b-80. No registration shall be issued to the owner or lessee
790 of a taxicab who has not obtained a certificate of public convenience
791 and necessity from the Department of Transportation in accordance
792 with the provisions of section 13b-97. No such vehicle shall be
793 registered unless the owner thereof has complied with the provisions
794 of section 14-29 or sections 4 and 5 of this act, as applicable, and no
795 such vehicle shall be operated upon any highway without first being
796 registered in accordance with the provisions of section 14-49. The
797 commissioner may issue, to an applicant for registration of more than
798 one motor bus, a certificate or certificates of registration containing a
799 general distinguishing number and mark assigned to such applicant
800 upon application to him therefor, which application shall be made in
801 such form and contain such information as the commissioner may
802 determine. Each motor bus included in such registration shall be
803 regarded as registered under and having assigned to it such general
804 distinguishing number and mark. The commissioner may impose

805 upon the issuance and use of each such general registration such
806 conditions, limitations and restrictions as he may determine. Such
807 motor bus owners shall not be required to carry such certificates upon
808 the vehicles registered under the provisions of this section, but shall
809 keep a record of each person operating any motor bus so registered in
810 sufficient detail to promptly identify such person at any specified time,
811 which record shall be subject to the inspection of any officer
812 designated by the commissioner. If any such registrant fails to keep
813 such record or to produce it for inspection as hereinbefore provided,
814 such failure shall be sufficient cause for the commissioner to cancel or
815 suspend such registration. The commissioner may require of such
816 registrant a bond satisfactory to him in an amount not to exceed ten
817 thousand dollars, conditioned upon compliance with the laws of the
818 state and the regulations of the commissioner concerning the use of
819 such registration, number and mark, or otherwise conditioned as he
820 may direct, which bond shall be forfeited for any violation of the
821 conditions thereof. The commissioner may issue to the holder of any
822 such general motor bus or interstate registration one or more
823 registrations and number plates for motor vehicles in livery service
824 which may be used interchangeably with such motor bus or interstate
825 registration in accordance with such conditions and regulations as he
826 may impose, provided the number of interstate registrations and
827 number plates issued shall not exceed the number of intrastate
828 registrations and number plates authorized by the Department of
829 Transportation.

830 Sec. 16. (NEW) (*Effective January 1, 2018*) Any person who (1)
831 provides prearranged rides without using a transportation network
832 company's digital network, or (2) is not a transportation network
833 company driver, authorized to operate a taxicab under chapter 244a of
834 the general statutes or authorized to operate a motor vehicle in livery
835 service under chapter 244b of the general statutes and provides for-
836 hire transportation in a passenger motor vehicle for compensation that
837 exceeds the cost of such transportation, shall be guilty of a class A
838 misdemeanor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2018</i>	New section
Sec. 2	<i>January 1, 2018</i>	New section
Sec. 3	<i>January 1, 2018</i>	New section
Sec. 4	<i>January 1, 2018</i>	New section
Sec. 5	<i>January 1, 2018</i>	New section
Sec. 6	<i>January 1, 2018</i>	13b-96
Sec. 7	<i>January 1, 2018</i>	13b-97(a)
Sec. 8	<i>January 1, 2018</i>	13b-99
Sec. 9	<i>January 1, 2018</i>	13b-102
Sec. 10	<i>January 1, 2018</i>	14-29
Sec. 11	<i>January 1, 2018</i>	14-44(a)
Sec. 12	<i>January 1, 2018</i>	New section
Sec. 13	<i>January 1, 2018</i>	13b-95
Sec. 14	<i>January 1, 2018</i>	13b-101
Sec. 15	<i>January 1, 2018</i>	14-26(a)
Sec. 16	<i>January 1, 2018</i>	New section

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Department of Motor Vehicles	TF - Revenue Loss	Potential	Potential
Resources of the General Fund	GF - Potential Revenue Gain	less than \$20,000	less than \$20,000
Department of Transportation	TF - Revenue Gain	up to \$20,000	up to \$20,000

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact: None

Explanation

The bill creates new regulations for transportation network companies (TNC) consisting of market entry, services standards, insurance, driver licensure and operations.

Section 2 of the bill requires TNCs to pay an annual \$5,000 registration fee to the Department of Transportation which is anticipated to result in a potential revenue gain of up to \$20,000 per year to the General Fund dependent on the number of TNCs registered in the state.

Sections 4 and 5 of this bill update insurance requirements for motor vehicle in livery service operator, taxicab operator or transportation network company driver. The bill gives the Department of Insurance (DOI) Commissioner the authority to adopt regulations to carry out section 4 and 5 of this bill. It results in no fiscal impact to the state or municipalities because the DOI has the expertise to adopt such regulations.

Section 8 of the bill allows vehicles operated under a taxi certificate to be registered as either a taxi or a passenger motor vehicle. Currently a taxi registration is \$266 and a passenger motor vehicle registration is \$80 which may result in a revenue loss to the Department of Motor Vehicles. The revenue loss is dependent on how many taxis choose to register as a passenger motor vehicle. There are currently 1,114 registered taxis in Connecticut.

Section 12 requires DOT to study the accessibility of transportation services for individuals with disabilities which will not result in a fiscal impact as DOT has the expertise to complete the study.

Lastly, the bill results in a potential revenue gain by creating a new class A misdemeanor. It is anticipated that this will result in a revenue gain of less than \$20,000 from fines.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future.

OLR Bill Analysis**sHB 7126*****AN ACT CONCERNING MOTOR VEHICLES IN LIVERY SERVICE, TAXICABS AND TRANSPORTATION NETWORK COMPANIES.*****SUMMARY**

This bill (1) creates a new regulatory structure for transportation network companies (TNCs) (e.g., Uber and Lyft) and (2) modifies certain aspects of the current taxi and livery service regulatory structure, making it more similar to the structure the bill creates for TNCs.

Regarding TNCs, the bill does the following, among other things:

1. requires TNCs to annually register with the Department of Transportation (DOT) and pay a \$5,000 nonrefundable fee;
2. requires TNCs to obtain background checks on people who apply to be TNC drivers and prohibits them from allowing a person to be a TNC driver under certain conditions (e.g., if the person was convicted of certain crimes);
3. establishes operating requirements for TNCs related to signage, driver identification, and fares, including limiting dynamic pricing in declared emergencies;
4. establishes insurance requirements for TNC drivers;
5. establishes requirements for TNCs related to nondiscrimination and accessibility for people with disabilities;
6. establishes requirements related to TNC drivers and impaired driving, including requiring TNCs to adopt a zero-tolerance drug and alcohol policy; and

7. requires TNCs to retain certain records and prohibits them from disclosing a rider's personally identifiable information.

Regarding taxis and livery vehicles, the bill does the following, among other things:

1. limits the extent to which DOT can regulate taxi fares and livery service rates;
2. prohibits taxis from using traditional taxi meters;
3. eliminates current taxi and livery service insurance requirements and subjects them to the bill's requirements for TNCs and TNC drivers, which may create gaps in coverage requirements;
4. allows taxi owners to register a vehicle they use as a taxi as a passenger motor vehicle (the effect of this change on the applicability and enforcement of laws that apply to registered taxis is unclear);
5. allows applicants for a taxi certificate of public convenience and necessity to have DOT or a third party conduct a national criminal records check, instead of the FBI; and
6. creates an exception to the prohibition on driving certain commercial vehicles without a public passenger endorsement in order to temporarily allow certain endorsement applicants to drive taxi and livery vehicles (see COMMENT).

Finally, the bill (1) requires DOT to study for-hire transportation for people with disabilities and (2) makes it a crime to operate unauthorized for-hire transportation.

EFFECTIVE DATE: January 1, 2018

§ 1, 13 & 14 — DEFINITIONS

The bill defines a TNC as a company, including a corporation, partnership, trust, association, sole proprietorship, or similar

organization, that (1) is operating in the state and (2) uses a digital network to connect TNC riders to TNC drivers. The definition does not include a taxicab owner, motor vehicle in livery service owner, or other for-hire transportation service owner. (Presumably, “owner” means a holder of a taxi certificate of public convenience and necessity or livery permit (CGS §§ 13b-97 & -103).)

It defines “digital network” as any online-enabled technology application service, website, or system offered or used by a TNC to provide for a prearranged ride.

Under the bill, a TNC driver is anyone who (1) uses a digital network and a TNC vehicle to provide a prearranged ride and related services to a TNC rider and (2) is not a TNC employee. The bill defines a TNC vehicle as a passenger motor vehicle that is owned, leased, or otherwise used by a TNC driver while he or she is providing a prearranged ride. It does not include a taxi or livery vehicle, and the bill correspondingly excludes TNC vehicles from the definition of “taxicab” and “motor vehicle in livery service.”

The bill defines a TNC rider as anyone who uses a digital network to connect to a TNC driver and receives a prearranged ride. It defines “prearranged ride” as the transportation by a TNC driver of a TNC rider that (1) begins when the TNC driver accepts a request from the TNC rider through a digital network, (2) continues while the TNC driver transports the TNC rider, and (3) ends when the TNC rider exits the TNC vehicle. It does not include (1) any transportation by a taxi, livery vehicle, or other for-hire motor vehicle; (2) a shared expense carpool or vanpool; or (3) any other service in which a driver receives a fee that does not exceed the cost of providing the ride.

§§ 2-6 — TRANSPORTATION NETWORK COMPANIES

The bill establishes a regulatory structure for TNCs largely separate from that which applies to taxis and livery vehicles. In doing so, it states that (1) neither TNCs nor TNC drivers are common carriers, contract carriers, motor carriers, or taxi or livery services, and (2) the

DOT and Department of Motor Vehicles (DMV) commissioners may not require TNC drivers to hold commercial driver's licenses or instruction permits or register a TNC vehicle as a commercial vehicle.

Registration

Beginning July 1, 2018, the bill requires TNCs to annually register with DOT and pay a nonrefundable \$5,000 fee. The registration form, which the commissioner must prescribe, must include the following:

1. the TNC's name, address, and phone number;
2. if the company is registered out-of-state, the name, address, and phone number of the TNC's in-state agent for service of process;
3. the name, address, and phone number for the TNC's main contact for DOT;
4. information that demonstrates, to the DOT commissioner's satisfaction, that the TNC meets the bill's TNC requirements.

TNC Driver Requirements

Application and Background Check. Under the bill, before allowing a person to act as a TNC driver on its digital network, a TNC must require the person to submit an application that includes his or her name, address, age, driver's license number, driving record, and motor vehicle registration.

The TNC must also obtain a background check on the person by doing one of the following:

1. conducting, or having a third party consumer reporting agency regulated under the federal Fair Credit Reporting Act conduct, a local, state, and national criminal history check, including a search of local, state, and national sex offender registries or
2. arranging for the person's fingerprints to be submitted to the FBI for a national criminal record check.

Disqualification. The bill prohibits a TNC from allowing a person to act as a TNC driver on its network if he or she, in the three years prior to applying, has:

1. more than three moving violations;
2. one or more serious traffic violations; or
3. had his or her license suspended for refusing a chemical analysis (e.g., breathalyzer test).

Under the bill, a TNC must not employ anyone who:

1. has been convicted, in the seven years before applying, of driving under the influence, fraud, sexual assault, using a motor vehicle to commit a felony, acts of violence, or acts of terror;
2. is listed on the state's sex offender registry or the website maintained by the U.S. Department of Justice;
3. does not hold a valid (a) driver's license or (b) registration for each vehicle he or she plans to use as a TNC vehicle; or
4. is under age 19.

TNC Operating Requirements

Identification and Signage. Under the bill, a TNC must provide a potential TNC rider, through its digital network, with a picture of the TNC driver and license plate number of the TNC vehicle that will be used to provide the prearranged ride before the rider enters the TNC vehicle. While providing a prearranged ride, a TNC driver must display a consistent and distinctive removable logo, insignia, or emblem which must be (1) large enough to be read at least 50 feet away from the vehicle during daylight hours and (2) reflective, illuminated, or otherwise visible in the dark.

Fares and Dynamic Pricing. Under the bill, a TNC may charge a fare for a prearranged ride only if the TNC, through its digital

network, (1) shows the potential TNC rider how the fare is calculated and (2) allows the potential rider to receive a fare estimate before a prearranged ride.

The bill restricts a TNC's use of dynamic pricing (i.e., offering prearranged rides at differing prices according to supply or demand). Specifically, it prohibits a TNC from increasing the price of a ride by more than two and one half times the usual price during any emergency declared by the governor or U.S. president. It also requires a TNC that implements dynamic pricing to do the following through its digital network:

1. notify potential TNC riders when dynamic pricing is in effect prior to the rider's request for a prearranged ride,,
2. include a feature that requires a potential TNC rider to confirm that he or she understands that dynamic pricing will be applied, and
3. provide a fare estimator that allows the potential TNC rider to estimate the ride's cost under dynamic pricing.

Receipts. The bill requires a TNC to provide a TNC rider on behalf of the TNC driver with an electronic receipt within a reasonable period of time after a prearranged ride. The receipt must include (1) the ride's origin, destination, duration, and distance and (2) an itemization of the total fare paid.

Street Hails. Under the bill, TNC drivers are prohibited from soliciting or accepting a trip that is not a prearranged ride (e.g., TNC drivers cannot accept street hails).

Nondiscrimination and Accessibility for People with Disabilities. The bill requires a TNC to adopt, and notify all TNC drivers of, a policy that prohibits discrimination against TNC riders and potential riders on the basis of age, color, creed, intellectual or physical disability, national origin, race, religious belief or affiliation, sex, sexual orientation, gender identity, or ride destination. It also

requires TNC drivers to comply with all applicable laws on nondiscrimination against TNC riders or potential riders.

It prohibits TNC drivers from charging an additional fee for providing prearranged rides to a person with physical disabilities because of the person's disabilities or related accommodations. Drivers must also comply with all applicable laws related to transporting service animals.

The bill requires TNCs to provide potential TNC riders with an opportunity to indicate that they need a wheelchair-accessible TNC vehicle. If the TNC cannot arrange such a ride, it must direct the potential rider to an alternative provider of wheelchair-accessible transportation, if available.

Zero-Tolerance Drug and Alcohol Policy. Under the bill, a TNC must implement a zero-tolerance policy on TNC drivers' use of drugs or alcohol while connected to a digital network or providing a prearranged ride. A TNC must provide notice of the policy on its website, including procedures for a TNC rider to report a TNC driver whom the rider reasonably suspects was under the influence of drugs or alcohol while providing a prearranged ride.

If a TNC receives a report that a TNC driver violated its zero-tolerance policy, it must suspend, as soon as possible, a driver's access to its digital network and investigate the incident. The driver must be suspended until the investigation is complete.

Fatigued or Impaired Driving. The bill requires TNCs to implement a policy that prohibits a TNC driver from providing prearranged rides when his or her driving ability is impaired by illness, fatigue, or any other condition likely to inhibit safe driving.

The bill prohibits (1) a TNC driver from transporting any TNC rider for more than 16 consecutive hours in a 24-hour period and (2) a TNC from requiring a TNC driver to do so. It is unclear whether this restriction applies to a single ride or the total amount of time a TNC

driver provides rides in a 24-hour period.

Insurance Provisions

The bill requires TNC drivers to be covered by primary automobile insurance that (1) recognizes that the driver transports people for compensation and (2) meets the bill's minimum coverage requirements. This insurance requirement may be satisfied by one or more insurance policies maintained by a TNC, a TNC driver, or a combination of both. Under the bill, the insurance must be provided by (1) an insurer authorized to write auto insurance policies in the state or (2) a surplus lines insurer that has a credit rating of at least "A-" from A.M. Best, "A" from Demotech, or a similar rating from another rating agency recognized by the Insurance Department.

Coverage Requirements. The bill requires different coverage requirements for different activities of a TNC driver. When a TNC driver is connected to a digital network but not providing a prearranged ride ("period one"), the insurance must provide sufficient coverage to satisfy a claim for damages (1) for personal injury to or death of one person of at least \$50,000; (2) for personal injury to or death of more than one person due to one accident of at least \$100,000; (3) for property damage of at least \$25,000; and (4) by uninsured and underinsured motorists, as required under state law. By law, uninsured and underinsured motorist coverage must provide the same coverage minimums that are required for passenger motor vehicle insurance (i.e., for injury to or death of one person, at least \$20,000; for injury to or death of more than one person due to any accident, at least \$40,000; and for property damage, at least \$10,000).

While a TNC driver is providing a prearranged ride ("period two"), the insurance must provide sufficient coverage to satisfy a claim for damages (1) for the personal injury to or death of one person, the personal injury to or death of more than one person due to any accident, and any property damage, at least \$1 million and (2) by uninsured and underinsured motorists, as required under state law.

Under the bill, if a TNC driver's policy has lapsed or does not meet the bill's requirements, the TNC's policy must provide coverage beginning with the first dollar of the claim, and the insurer that provides the coverage must defend the claim. Coverage under a TNC's insurance policy cannot be contingent on a TNC driver's insurer processing or denying the claim.

The bill states that any policy that meets the bill's requirements also meets the general automobile insurance requirements under state law.

Proof of Coverage. The bill requires a TNC driver, whenever he or she is connected to the digital network or providing a prearranged ride, to carry a current automobile insurance card, which may be electronic. A TNC driver must, upon request of an investigating police officer or any person that was injured or had his or her property damaged by a TNC driver, (1) present his or her insurance card and (2) disclose whether he or she was connected to a digital network at the time of the accident or collision.

Exclusions and Disclosures. The bill allows insurers to exclude from coverage under a private passenger insurance policy any loss or injury that occurs while a TNC driver is connected to a digital network or providing a prearranged ride.

A TNC must disclose the following to a person, in writing or electronically, before he or she may act as a TNC driver on its digital network:

1. the insurance coverage the TNC provides while TNC drivers are connected to the digital network and providing prearranged rides, including the types of coverage and any limits and
2. that a TNC driver's personal auto insurance policy might not cover the driver when he or she is connected to the digital network or providing a prearranged ride.

In a claims coverage investigation, the bill requires TNCs to immediately disclose, upon request, the exact times a TNC driver

connected to and disconnected from a digital network in the 12 hours prior to and immediately following an accident to the following parties: (1) any person who was injured or had his or her property damaged by a TNC vehicle, (2) any insurer that provides passenger motor vehicle insurance to the TNC driver that excludes coverage during the time that a TNC driver is connected to a digital network or providing prearranged rides, or (3) the TNC driver. Insurers that write TNC policies must disclose the applicable coverage, exclusions, and limits to any other insurers involved in a claim upon request.

Right of Subrogation. The bill grants insurers that defend or indemnify claims against a TNC driver whom the insurer excluded under the policy the right to sue any other insurers that provided insurance to the TNC driver at the time of the loss to recover what they paid (i.e., “right of subrogation”).

TNC Record Retention

The bill requires TNCs to maintain (1) individual trip records for at least three years after the prearranged ride was provided and (2) TNC drivers’ records for at least one year following the date the driver last accessed the digital network to provide a prearranged ride.

A TNC must also keep all records related to zero-tolerance policy enforcement, including any investigations, for at least three years from the receipt of the complaint.

Audit. The bill allows the DOT commissioner or his designee to audit a TNC’s trip and driver records (except those related to the zero tolerance policy) up to twice a year. DOT must provide reasonable notice of any audit, and the audit must occur at the TNC’s place of business or at an in-state location jointly selected by the TNC and DOT. DOT cannot require a TNC to disclose information tending to identify any TNC driver or rider.

Under the bill, information disclosed for purposes of or collected during the audit is confidential and DOT cannot disclose the information to a third party, except for law enforcement purposes or

pursuant to a court order. The information and records are not subject to the Freedom of Information Act.

Personal Information Disclosure

The bill prohibits a TNC from disclosing any TNC rider's personally identifiable information unless doing so is permitted under the TNC's publicly-disclosed privacy policy, if any. If a disclosure is not covered by the policy, a TNC must obtain a TNC rider's consent before disclosing the information to a third party.

Regulations

The bill requires the DOT commissioner to adopt regulations to implement some of the bill's TNC provisions, including TNC registration, fares, record retention, nondiscrimination, and accessibility.

The bill also allows the commissioners of (1) DMV to adopt regulations related to TNC driver requirements, among other things, and (2) the Insurance Department to adopt regulations related to the bill's insurance provisions.

§§ 4-11 & 15 — TAXIS AND LIVERY VEHICLES

The bill modifies certain aspects of the current taxi and livery service regulatory structure, making it more similar to the structure the bill creates for TNCs.

Under current law, a "taxicab" (i.e., taxi) includes any motor vehicle operated upon any street or highway on call or on demand accepting or soliciting passengers indiscriminately for transportation for-hire between points along streets or highways as directed by the passenger.

The term "motor vehicle in livery service" (i.e., livery vehicle) includes motor vehicles used by an entity which represents itself to be in the business of transporting passengers for-hire, except, among other things, taxi cabs or motor buses.

Taxi and Livery Rates and Charges (§§ 6 & 9)

Current law allows DOT to prescribe reasonable rates and charges for taxis and livery vehicles. The bill limits the extent to which DOT can regulate taxi and livery charges.

Under DOT regulations, taxi certificate holders and livery permit holders must (1) file a schedule of rates and charges with DOT, which cannot be changed without DOT approval and (2) not charge more than the approved rates. The regulations also require (1) taxis to display a decal that lists the rates and (2) livery services to calculate rates from their headquarters (Conn. Agency Regs. §§ 13b-96-37 & 16-325-7).

Under the bill, DOT can only regulate taxi and livery fares that are not calculated on a dynamic pricing basis (i.e., pricing that changes according to the level of supply and demand). If demand for taxi or livery services is high, and the owner or operator elects to implement dynamic pricing, the owner or operator must provide notice through the owner's or operator's website or software application. The notice must include (1) the fare calculation method and (2) an option to receive an estimated fare before the passenger or prospective passenger incurs any costs for the services.

Unlike TNCs, (which by definition use a digital network to receive requests for rides and therefore generally know the number of available drivers and potential riders at a given time), taxi and livery vehicles (1) receive requests in several ways (e.g., by phone or street hail or at a taxi stand) and (2) do not necessarily use internet software applications ("apps"). It is therefore unclear (1) who would determine what constitutes periods of high demand for taxi and livery services and (2) how they would do so. It also does not appear that the bill requires taxi or livery vehicles to notify passengers who request rides through means other than a website or app that dynamic pricing is in effect or allow them the opportunity to receive an estimated fare.

As with TNCs, the bill limits how much a taxi or livery service owner or operator may increase fares during a declared emergency to two and one half times the usual fare.

Taxi Fare Calculation Equipment. Current DOT regulations require taxis to have a functioning taxi meter with which to calculate fares (Conn. Agency Regs. § 13b-96-38). The bill instead allows DOT to prescribe adequate equipment for taxis including the use of mobile telephones and internet software applications, but it may not prescribe traditional taxi meters. Presumably this prohibits taxis from using traditional taxi meters.

Certificate Holder Background Checks (§ 7)

By law, any person, association, limited liability company, or corporation that wishes to operate a taxi company must obtain a certificate of public convenience and necessity from DOT. Before granting a certificate, DOT must certify that an applicant is suitable to operate a taxi service by, among other things, (1) requesting a state criminal history records check from the State Police Bureau of Identification and (2) arranging for the fingerprints of any applicant to be submitted to the FBI for a national criminal records check. The bill allows DOT, instead of submitting an applicant's fingerprints to the FBI, to conduct, or have a third party accredited under the federal Fair Credit Report Act conduct, a local, state, and national criminal history records check, including a search of state and national sexual offender registry databases.

By law, DOT may charge a fee for the national criminal records check that is equal to the FBI fee. It is unclear whether DOT can charge for a background check by a third party.

Registering Taxis as Passenger Motor Vehicles (§ 8)

Under current law, any vehicle operated under a taxi certificate is considered a taxi and must be registered as such with DMV. The bill appears to allow vehicles operated under a taxi certificate to be registered as either a taxi or a passenger motor vehicle. This appears to create a system where whether a vehicle is a taxi depends on how it is being used at the moment, regardless of how it is registered.

Given this change, it is unclear (1) whether taxi laws and regulations

that apply to vehicles registered as taxis also apply to vehicles registered as passenger motor vehicles but used as taxis (e.g., inspection requirements) and (2) if those laws and regulations do apply, how DOT and DMV will enforce them on vehicles used as taxis but registered as passenger vehicles.

Taxicab Identification. By law, registered taxicabs must (1) have a permanently attached rooftop light and (2) indicate, in three-inch permanently-affixed type, the taxi company's phone number. Under the bill, the rooftop light does not have to be permanently attached for taxis or passenger motor vehicles used as taxis. For vehicles registered as taxis, the phone number may also be temporary. (It is unclear whether a passenger motor vehicle used as a taxi needs to have the company's phone number displayed on the vehicle, temporarily or otherwise.)

Taxi and Livery Vehicle Insurance (§§ 4, 5 & 10)

Current law sets insurance coverage requirements for taxis and livery vehicles as follows:

1. \$50,000 for injury to or death of one person;
2. \$100,000 to \$300,000, depending on the passenger capacity of the vehicle, for the injury to or death of more than one person in any accident; and
3. \$10,000 for property damage.

Under current law, vehicles operating under a livery permit must carry insurance with coverage for the injury to or death of passengers or damage to property of at least (1) \$1.5 million dollars for vehicles that seat 14 or fewer passengers and (2) \$5 million for vehicles that seat 15 or more passengers. This requirement corresponds to the requirement in federal law for interstate livery vehicles (49 C.F.R. § 387.33).

The bill repeals these requirements and subjects taxi and livery

owners and operators to the same requirements and provisions that apply to TNCs and TNC drivers (see “Insurance Provisions” above). Minimum coverage required under these provisions is generally (1) higher than what is required for taxis under current law, but (2) lower than what is currently required for livery vehicles.

The coverage requirements that apply to TNC drivers during period one apply to taxi and livery drivers while they are connected to an internet software application, which the bill does not define, but not currently transporting a passenger. The coverage requirements that apply to TNCs during period two apply to taxi and livery drivers when they are transporting a passenger.

Because the bill repeals current taxi and livery insurance coverage requirements, it is unclear what requirements, if any, apply to vehicles when they are operating as taxi or livery vehicles but not currently transporting a passenger. Although period one coverage minimums apply when taxi and livery drivers are connected to an app, neither the bill nor current law requires taxis and livery vehicles to be connected to an app at all times while they are available to transport passengers for hire.

Temporarily Driving without “F” Endorsement (§ 11)

By law, in order to drive a taxi or livery vehicle, a person must hold (1) the proper class of license for the vehicle he or she intends to operate and (2) the applicable public passenger endorsement (i.e., an “F” endorsement for taxi and livery vehicles).

The law also prohibits anyone from driving a commercial motor vehicle used for passenger transportation without a commercial driver’s license and a public passenger endorsement. The bill adds an exception to this requirement, stating that a person who has submitted an application for an endorsement to operate a taxi or livery vehicle may drive such a commercial vehicle for 90 days as long as (1) DMV has not denied the application and (1) the person carries the application while he or she is driving a taxi cab or livery vehicle (see

COMMENT).

§ 12 — DOT STUDY ON ACCESSIBLE TRANSPORTATION

The bill requires DOT to study a number of different policies related to the accessibility of transportation services for people with disabilities. Specifically, DOT must:

1. identify the most suitable way to fund and implement a pilot program to promote services offered by taxis, livery vehicles, and TNCs that are accessible to people with disabilities;
2. examine the viability and impact of a per-trip surcharge on taxi, livery, and TNC services to fund such pilot program;
3. examine ways to reimburse or provide incentives to taxi, livery, and TNC drivers for costs associated with purchasing or converting vehicles to wheelchair-accessible vehicles; and
4. examine ways to provide compensation incentives to taxi, livery, and TNC drivers who give sufficient time to help people with physical disabilities board their vehicles.

DOT may consult with any experts within the study's scope, including (1) UConn faculty members; (2) representatives of the Disability Rights Education and Defense Fund, American Association of People with Disabilities, and National Council of Independent Living; and (3) taxi drivers and owners, livery vehicle drivers and owners, and TNCs and TNC drivers.

DOT must submit to the Transportation Committee a (1) preliminary report by August 1, 2018 and (2) final report, including recommendations for legislation to implement the pilot program, by January 1, 2019.

§ 16 — PENALTIES

The bill makes it a class A misdemeanor, punishable by up to one year imprisonment, up to a \$2,000 fine, or both, to provide unauthorized for-hire transportation that exceeds the cost of the

transportation. Under current law, anyone who provides taxi or livery services without proper authorization faces civil penalties (e.g., fines ranging from \$500 to \$2,000).

The bill also makes providing TNC services without being a TNC driver or without being connected to a digital network a class A misdemeanor.

COMMENT

Conflicting Provisions on Taxi and Livery Endorsement Requirements

The bill creates an exception to the prohibition on operating a commercial vehicle for passenger transportation in order to allow a person who has applied for a taxi or livery vehicle endorsement to temporarily drive for 90 days before final DMV approval. However, it retains a provision that prohibits a person from driving a taxi or livery vehicle without obtaining the proper public passenger license endorsement.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 3 (03/15/2017)