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General Assembly

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Substitute House Bill No. 7126
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 15, 2017

AN ACT REGULATING TRANSPORTATION NETWORK COMPANIES AND TAXICABS.

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

1 Section 1. (NEW) (*Effective October 1, 2017*) As used in this section
2 and sections 2 to 5, inclusive, of this act:

3 (1) "Transportation network company" means a company,
4 corporation, partnership, trust, association, sole proprietorship or
5 similar organization that operates in this state and uses a digital
6 network to connect transportation network company riders to
7 transportation network company drivers to provide prearranged rides.
8 "Transportation network company" does not include the holder of a
9 certificate of public convenience and necessity issued under the
10 provisions of section 13b-97 of the general statutes to operate a taxicab
11 or the holder of a permit issued under the provision of section 13b-103
12 of the general statutes, as amended by this act, to operate a motor
13 vehicle in livery service.

14 (2) "Transportation network company driver" or "driver" means an

15 individual who is not an employee of a transportation network
16 company, but who uses a transportation network company vehicle to
17 provide prearranged rides.

18 (3) "Transportation network company rider" or "rider" means an
19 individual or individuals who use a digital network to connect with a
20 transportation network company driver to receive a prearranged ride
21 between points chosen by the individual or individuals.

22 (4) "Potential transportation network company rider" or "potential
23 rider" means an individual or individuals who use a digital network to
24 request a prearranged ride but have not entered the transportation
25 network company vehicle.

26 (5) "Digital network" means any online-enabled application, web
27 site or system offered or utilized by a transportation network company
28 that enables the provision of prearranged rides.

29 (6) "Prearranged ride" means transport by a transportation network
30 company driver of a transportation network company rider, (A)
31 beginning when the driver accepts a request from the rider through a
32 digital network, (B) continuing while the driver transports the rider,
33 and (C) ending when the last rider exits the transportation network
34 company vehicle.

35 (7) "Transportation network company vehicle" means a motor
36 vehicle as described in subsection (h) of section 4 of this act that is
37 owned, leased or otherwise used by a transportation network
38 company driver when the driver is connected to a digital network or is
39 engaged in the provision of a prearranged ride.

40 Sec. 2. (NEW) (*Effective January 1, 2018*) (a) On and after January 1,
41 2018, each transportation network company shall register annually
42 with the Commissioner of Transportation on a form prescribed by the
43 commissioner. The registration form shall include: (1) The
44 transportation network company's name, business address and
45 telephone number; (2) if the company is registered in another state, the

46 name, address and telephone number of the company's agent for
47 service of process in this state; (3) the name, address and telephone
48 number of a person at the company who will serve as the main contact
49 person for the commissioner; and (4) information sufficient to
50 demonstrate, to the commissioner's satisfaction, that the company is in
51 compliance with the provisions of this section and sections 3 to 5,
52 inclusive, of this act and any regulations adopted pursuant to
53 subsection (j) of section 3 of this act. Each transportation network
54 company seeking initial registration shall submit with its registration
55 form filed under this section a nonrefundable registration fee of fifty
56 thousand dollars. Each registration shall be renewed annually. The
57 nonrefundable fee for such renewal shall be five thousand dollars. The
58 registrant shall file amendments to the registration reporting to the
59 commissioner any material changes in any information contained in
60 the registration not later than thirty calendar days after the registrant
61 knows or reasonably should know of the change.

62 (b) The commissioner may suspend, revoke or refuse to renew a
63 registration issued pursuant to this subsection if the commissioner
64 determines the transportation network company intentionally: (1)
65 Misled, deceived or defrauded the public or the commissioner; (2)
66 engaged in any untruthful or misleading advertising; (3) engaged in
67 unfair or deceptive business practices; or (4) violated any provision of
68 this section and sections 3 to 5, inclusive, of this act or any regulations
69 adopted pursuant to subsection (j) of section 3 of this act. Prior to the
70 suspension, revocation or nonrenewal of the registration, the
71 transportation network company shall be given notice and an
72 opportunity for a hearing. Such hearing shall be held in accordance
73 with the provisions of chapter 54 of the general statutes. Any
74 transportation network company whose registration has been
75 suspended may, after ninety days, apply to the commissioner to have
76 such registration reinstated.

77 (c) Any transportation network company that operates in this state
78 without a valid registration or when such registration has been
79 suspended shall be fined not more than fifty thousand dollars.

80 Sec. 3. (NEW) (*Effective October 1, 2017*) (a) (1) After a potential
81 transportation network company rider submits a request for a
82 prearranged ride, the transportation network company shall display to
83 the rider through its digital network a picture of the transportation
84 network company driver and the license plate number of the
85 transportation network company vehicle that will be used to provide
86 the prearranged ride before the rider enters such vehicle.

87 (2) A transportation network company driver shall display on a
88 transportation network company vehicle a removable decal at all times
89 when the driver is connected to a digital network or is engaged in the
90 provision of a prearranged ride. Such decal shall be: (A) Issued by the
91 transportation network company; (B) sufficiently large so as to be
92 readable during daylight hours at a distance of at least fifty feet; and
93 (C) reflective, illuminated or otherwise visible in darkness.

94 (b) (1) A transportation network company may charge a fare to a
95 transportation network company rider for a prearranged ride provided
96 the company discloses such fare to the rider through its digital
97 network: (A) The fare or fare calculation method; (B) the applicable
98 rates being charged; and (C) an option to receive an estimated fare
99 before a prearranged ride.

100 (2) Within a reasonable period of time following the completion of a
101 prearranged ride, a transportation network company shall transmit an
102 electronic receipt to the transportation network company rider on
103 behalf of the transportation network company driver that lists: (A) The
104 origin and destination of the prearranged ride; (B) the total time and
105 distance of the prearranged ride; and (C) an itemization of the total
106 fare paid, if any.

107 (3) No transportation network company driver shall solicit or accept
108 cash payments for fares from transportation network company riders.
109 Any payment for a prearranged ride shall be made only through the
110 transportation network company's digital network.

111 (4) (A) For the purposes of this subdivision, "dynamic pricing"

112 means offering a prearranged ride at a price that changes according to
113 the demand for prearranged rides and availability of transportation
114 network company drivers.

115 (B) If a transportation network company elects to implement
116 dynamic pricing, the transportation network company, through its
117 digital network, shall: (i) Provide notice to a potential transportation
118 network company rider that dynamic pricing is in effect before a
119 request for a prearranged ride may be submitted; (ii) provide a fare
120 estimator that enables the potential rider to estimate the cost of such
121 prearranged ride under dynamic pricing; and (iii) include a feature
122 that requires the potential rider to confirm that he or she understands
123 that dynamic pricing will be applied to the cost of such prearranged
124 ride.

125 (C) No transportation network company shall increase the price of a
126 prearranged ride to more than two and one-half times the usual price
127 charged for such prearranged ride in an area which is the subject of
128 any disaster emergency declaration issued by the Governor pursuant
129 to chapter 517 of the general statutes, any transportation emergency
130 declaration issued by the Governor pursuant to section 3-6b of the
131 general statutes or any major disaster or emergency declaration issued
132 by the President of the United States.

133 (c) A transportation network company shall adopt a policy of
134 nondiscrimination on the basis of the age, color, creed, destination,
135 intellectual or physical disability, national origin, race, sex, sexual
136 orientation or gender identity with respect to transportation network
137 company riders, potential transportation network company riders and
138 transportation network company drivers. A transportation network
139 company shall notify all drivers who use the company's digital
140 network of such policy.

141 (d) A transportation network company shall provide a potential
142 transportation network company rider with an opportunity to indicate
143 whether such rider requires a transportation network company vehicle

144 that is accessible by wheelchair. If a transportation network company
145 cannot arrange for a wheelchair-accessible transportation network
146 company vehicle to provide a prearranged ride, the company shall
147 direct the potential transportation network company rider to an
148 alternate provider of wheelchair-accessible transportation, if available.

149 (e) (1) A transportation network company shall maintain: (A) The
150 record of each prearranged ride for a period of not less than three
151 years from the date the prearranged ride was provided; (B) records
152 regarding each transportation network company driver for a period of
153 not less than three years from the date on which the transportation
154 network company driver last connected to the company's digital
155 network; and (C) records regarding each transportation network
156 company vehicle for a period of not less than three years from the date
157 on which the transportation network company vehicle was last used to
158 provide a prearranged ride.

159 (2) The Commissioner of Transportation or the commissioner's
160 designee, upon reasonable written notice and not more than four times
161 a year, may audit the records maintained by a transportation network
162 company pursuant to subdivision (1) of this subsection and
163 subdivision (3) of subsection (d) of section 4 of this act. Each such audit
164 shall occur at a transportation network company's place of business or
165 at a location in this state jointly selected by the commissioner or the
166 commissioner's designee and the transportation network company.
167 The commissioner or the commissioner's designee shall not require a
168 transportation network company to disclose information that identifies
169 or would tend to identify any transportation network company driver
170 or transportation network company rider, unless the identity of the
171 driver or rider is needed to resolve a complaint or investigate an audit
172 finding to ensure compliance with any provision of the general
173 statutes and any regulations adopted pursuant to subsection (j) of this
174 section.

175 (3) Any records obtained during an audit pursuant to subdivision
176 (3) of this subsection shall be confidential and not subject to disclosure

177 under the Freedom of Information Act, as defined in section 1-200 of
178 the general statutes, except that the Commissioner of Transportation
179 may disclose such records: (A) To law enforcement for law
180 enforcement purposes, provided such disclosure is made in
181 cooperation with the transportation network company, (B) to any state
182 or federal agency for any action undertaken by the commissioner to
183 enforce the provisions of this section or any regulation adopted
184 pursuant to subsection (j) of this section, (C) at the request of any state
185 or federal agency conducting an audit or investigation pursuant to
186 such agency's legal authority, provided the commissioner gives the
187 transportation network company an opportunity to object and propose
188 an alternative method of cooperation with such disclosure, or (D)
189 pursuant to a court order. If the commissioner discloses such records
190 pursuant to this subdivision, the commissioner shall (i) provide
191 written notice to the transportation network company prior to
192 disclosing such company's records, and (ii) redact any information that
193 is not required to be disclosed pursuant to subsection (b) of section 1-
194 210 of the general statutes, including, but not limited to, any trade
195 secret or commercial or financial information described in subdivision
196 (5) of said subsection, unless such disclosure is expressly required
197 under subparagraph (A), (B), (C) or (D) of this subdivision.

198 (f) A transportation network company shall not disclose any
199 transportation network company rider's personally identifiable
200 information, except pursuant to the publicly disclosed terms of the
201 company's privacy policy, if any. For any disclosure not governed by a
202 transportation network company's privacy policy, the company must
203 obtain a transportation network company rider's consent before the
204 company may disclose the rider's personally identifiable information.

205 (g) No transportation network company driver shall use a digital
206 network or provide prearranged rides for more than: (1) Fourteen
207 consecutive hours; or (2) sixteen hours within a twenty-four-hour
208 period.

209 (h) The Commissioner of Motor Vehicles shall not require a

210 transportation network company driver to: (1) Obtain a commercial
211 driver's license or commercial driver's instruction permit pursuant to
212 section 14-44c of the general statutes; or (2) register the driver's
213 transportation network company vehicle as a commercial vehicle.

214 (i) (1) For the purposes of this subsection, "certificate or permit
215 holder" means any person, association, limited liability company or
216 corporation that holds a certificate of public convenience and necessity
217 to operate a taxicab, as described in section 13b-97 of the general
218 statutes or holds a permit to operate a motor vehicle in livery service,
219 as described in section 13b-103 of the general statutes, as amended by
220 this act.

221 (2) In no event may a certificate or permit holder use or allow to be
222 used a motor vehicle operated as a taxicab or motor vehicle in livery
223 service to also be used or operated as a transportation network
224 company vehicle.

225 (j) The Commissioner of Transportation may adopt regulations, in
226 accordance with the provisions of chapter 54 of the general statutes, to
227 implement the provisions of this section.

228 Sec. 4. (NEW) (*Effective January 1, 2018*) (a) Prior to permitting an
229 individual to act as a transportation network company driver on its
230 digital network, the transportation network company shall: (1) Require
231 the individual to submit an application to the company that includes
232 information regarding the individual's name, address, date of birth,
233 motor vehicle operator's license number and motor vehicle
234 registration; (2) (A) conduct, or have a consumer reporting agency
235 regulated under the federal Fair Credit Reporting Act conduct, a
236 driving record check and a local, state and national criminal history
237 records check, including a search of state and national sexual offender
238 registry databases provided such databases are accessible to the public,
239 or (B) arrange for the fingerprinting of the individual to be submitted
240 to the Federal Bureau of Investigation for a national criminal history
241 records check and to the State Police Bureau of Identification for a state

242 criminal history records check conducted in accordance with section
243 29-17a of the general statutes; and (3) disclose to such individual,
244 electronically or in writing, (A) the insurance coverage, including the
245 types of coverage and any coverage limits, that the company provides
246 while a transportation network company driver is connected to the
247 company's digital network or is engaged in the provision of a
248 prearranged ride, and (B) that a transportation network company
249 driver's personal automobile insurance policy might not provide
250 coverage while such driver is connected to the company's digital
251 network, available to receive a request for a prearranged ride or
252 engaged in the provision of a prearranged ride.

253 (b) A transportation network company shall conduct, or have a
254 consumer reporting agency regulated under the federal Fair Credit
255 Reporting Act conduct, a local, state and national criminal history
256 records check, including a search of state and national sexual offender
257 registry databases, or arrange for the fingerprinting of the individual
258 to be submitted to the Federal Bureau of Investigation for a national
259 criminal history records check and to the State Police Bureau of
260 Identification for a state criminal history records check conducted in
261 accordance with section 29-17a of the general statutes, at least once
262 every three years after permitting an individual to act as a
263 transportation network company driver.

264 (c) (1) No transportation network company shall permit an
265 individual to act as a transportation network company driver on its
266 digital network if such individual: (A) Has, during the three years
267 prior to the date of such individual's application to be a transportation
268 network company driver, (i) committed more than three moving
269 violations, as defined in section 14-111g of the general statutes, (ii)
270 committed one serious traffic violation, as defined in section 14-1 of the
271 general statutes, or (iii) had his or her motor vehicle operator's license
272 suspended pursuant to section 14-227b of the general statutes; (B) has
273 been convicted, within seven years prior to the date of such
274 individual's application, of driving under the influence of drugs or
275 alcohol, fraud, sexual offenses, use of a motor vehicle to commit a

276 felony, acts of violence or acts of terror; (C) is included in the state
277 sexual offenders registry or the United States Department of Justice
278 National Sex Offender Public Website; (D) does not possess a motor
279 vehicle operator's license; (E) does not possess proof of registration for
280 each motor vehicle such individual proposes to use as a transportation
281 network company vehicle; or (F) is not at least nineteen years of age.

282 (2) An individual who is permitted to act as a transportation
283 network company driver shall report to the transportation network
284 company not later than twenty-four hours after the occurrence of any
285 of the following incidents: (A) The commission of a fourth moving
286 violation, as defined in section 14-111g of the general statutes, during
287 the past three years; (B) the commission of one serious traffic violation,
288 as defined in section 14-1 of the general statutes; (C) the suspension of
289 his or her motor vehicle operator's license pursuant to section 14-227b
290 of the general statutes; (D) the conviction of driving under the
291 influence of drugs or alcohol, fraud, sexual offenses, use of a motor
292 vehicle to commit a felony, acts of violence or acts of terror; (E)
293 inclusion in the state sexual offenders registry or the United States
294 Department of Justice National Sex Offender Public Website; (F) failure
295 to possess an operator's license; or (G) failure to possess proof of
296 registration for a transportation network company vehicle. Each
297 transportation network company that receives a report pursuant to this
298 subdivision or becomes aware of such incident shall prohibit the
299 individual from acting as a transportation network company driver on
300 the company's digital network until the individual meets the
301 qualifications of this section to be a transportation network company
302 driver.

303 (d) (1) A transportation network company shall adopt a policy that a
304 transportation network company driver shall not use or be under the
305 influence of drugs or alcohol while the driver is connected to the
306 company's digital network or engaged in the provision of a
307 prearranged ride. The company shall provide notice of such policy on
308 its Internet web site, and include procedures for a transportation
309 network company rider to report a complaint about a driver whom the

310 rider reasonably suspects was using or under the influence of drugs or
311 alcohol while engaged in the provision of a prearranged ride.

312 (2) Upon the company's receipt of a complaint by a rider alleging a
313 violation of such policy, the company shall suspend the driver's access
314 to the company's digital network as soon as possible and conduct an
315 investigation into the reported incident. The suspension shall last until
316 completion of the investigation. If the investigation confirms the driver
317 used or was under the influence of drugs or alcohol while engaged in
318 the provision of a prearranged ride or while connected to the
319 company's digital network, the company shall ban the driver's access
320 to the digital network on a permanent basis.

321 (3) The company shall maintain all records related to the
322 enforcement of such policy for a period of not less than three years
323 from the date that a complaint by a rider is received by the company.

324 (e) A transportation network company shall adopt a policy that
325 prohibits a transportation network company driver from providing a
326 prearranged ride when such driver's ability to operate a transportation
327 network company motor vehicle is impaired by illness, fatigue or any
328 other condition that would likely preclude safe operation of such
329 vehicle.

330 (f) A transportation network company driver shall: (1) Comply with
331 all applicable laws regarding nondiscrimination against transportation
332 network company riders or potential transportation network company
333 riders on the basis of age, color, creed, destination, intellectual or
334 physical disability, national origin, race, sex, sexual orientation or
335 gender identity; (2) comply with all applicable laws relating to the
336 accommodation of service animals and accommodate service animals
337 without imposing additional charges for such accommodation; (3)
338 comply with the policies adopted by the transportation network
339 company pursuant to subsection (c) of section 3 of this act and
340 subsections (d) and (e) of this section; (4) not impose additional
341 charges for providing prearranged rides to persons with physical

342 disabilities because of such disabilities; and (5) not solicit or accept a
343 request for transportation unless the request is accepted through the
344 transportation network company's digital network.

345 (g) (1) Any person who holds himself or herself out to be a
346 transportation network company driver who is not permitted by a
347 transportation network company to use its digital network shall be
348 guilty of a class B misdemeanor.

349 (2) The state shall remit to a municipality fifty per cent of the fine
350 amount received for a violation of subdivision (1) of this subsection
351 with respect to each summons issued by such municipality. Each clerk
352 of the Superior Court or the Chief Court Administrator, or any other
353 official of the Superior Court designated by the Chief Court
354 Administrator, shall, on or before the thirtieth day of January, April,
355 July and October in each year, certify to the Comptroller the amount
356 due for the previous quarter under this subsection to each
357 municipality served by the office of the clerk or official.

358 (h) (1) A transportation network company vehicle shall (A) have
359 four doors; (B) not be older than twelve model years old; and (C) be
360 designed to transport no more than eight passengers, including the
361 driver.

362 (2) Before any motor vehicle is used by a transportation network
363 company driver as a transportation network company vehicle, and
364 every two years thereafter, the driver shall certify to the transportation
365 network company that the following equipment is in good working
366 order: (A) Foot brakes; (B) emergency brakes; (C) steering mechanism;
367 (D) windshield; (E) rear window and other glass; (F) windshield
368 wipers; (G) headlights; (H) tail lights; (I) turn indicator lights; (J) brake
369 lights; (K) front seat adjustment mechanism; (L) doors; (M) horn; (N)
370 speedometer; (O) bumpers; (P) muffler and exhaust system; (Q)
371 condition of tires, including tread depth; (R) interior and exterior
372 rearview mirrors; and (S) seat safety belts and air bags for driver and
373 passengers. The transportation network company shall maintain such

374 certification for not less than three years.

375 Sec. 5. (NEW) (*Effective January 1, 2018*) (a) A transportation network
376 company driver or a transportation network company on the driver's
377 behalf shall procure and maintain an automobile liability insurance
378 policy that recognizes that the driver is a transportation network
379 company driver and provides coverage for the driver as follows:

380 (1) For the period during which the driver is connected to the
381 transportation network company's digital network and is available to
382 receive requests for prearranged rides but is not engaged in the
383 provision of a prearranged ride: (A) Automobile liability insurance
384 coverage of at least (i) fifty thousand dollars for damages by reason of
385 bodily injury to, or the death of, any one person, (ii) one hundred
386 thousand dollars for damages by reason of bodily injury or death per
387 accident, and (iii) twenty-five thousand dollars for property damage;
388 and (B) uninsured and underinsured motorist coverage in accordance
389 with the provisions of section 38a-336 of the general statutes; and

390 (2) For the period during which the driver is engaged in the
391 provision of a prearranged ride: (A) Automobile liability insurance
392 coverage of at least one million dollars for damages by reason of
393 bodily injury, death or property damage per accident; and (B)
394 uninsured and underinsured motorist coverage in accordance with the
395 provisions of section 38a-336 of the general statutes.

396 (b) The coverage requirements of subsection (a) of this section may
397 be satisfied by an automobile liability insurance policy maintained by a
398 transportation network company driver or the transportation network
399 company or a combination of both. Nothing in this section shall be
400 construed to: (1) Require an insurance company that issues automobile
401 liability insurance policies in this state to issue automobile liability
402 insurance policies that provide the coverage specified under
403 subsection (a) of this section, or (2) preclude an insurance company
404 from providing primary or excess coverage by contract or
405 endorsement for a transportation network company vehicle.

406 (c) If an automobile liability insurance policy maintained by a
407 transportation network company driver has lapsed or does not
408 provide the coverage required under subsection (a) of this section, the
409 transportation network company's automobile liability insurance
410 policy shall provide such coverage, beginning with the first dollar of a
411 claim, and the insurance company issuing such policy shall have the
412 duty to defend a claim that arises while the driver is connected to the
413 transportation network company's digital network or is engaged in the
414 provision of a prearranged ride.

415 (d) Coverage under an automobile liability insurance policy
416 maintained by a transportation network company shall not be
417 contingent on another insurance company first denying a claim, nor
418 shall such other insurance company be required to first deny a claim.

419 (e) A transportation network company may procure the coverage
420 required under subsection (a) of this section from: (1) An insurance
421 company authorized to do business in this state, or (2) a surplus lines
422 insurer that has at least an A minus credit rating by A.M. Best or an A
423 or similar credit rating by another rating agency approved by the
424 Insurance Commissioner. Any such insurance company or surplus
425 lines insurer shall comply with the provisions of subsection (a) of
426 section 38a-318a of the general statutes.

427 (f) (1) A transportation network company driver shall carry proof of
428 insurance satisfying the coverage required under subsection (a) of this
429 section at all times during the driver's use of a transportation network
430 company vehicle while connected to a transportation network
431 company's digital network or engaged in the provision of a
432 prearranged ride. The transportation network company shall ensure it
433 provides such proof of insurance to all of its drivers to whom such
434 transportation network company is providing such coverage.

435 (2) In the event of an accident, a transportation network company
436 driver shall provide such proof of insurance coverage to the directly
437 interested parties, insurance companies and investigating police

438 officers. A transportation network company driver shall disclose, upon
439 request, to directly interested parties, insurance companies and
440 investigating police officers whether the driver was connected to the
441 transportation network company's digital network or was engaged in
442 the provision of a prearranged ride at the time of the accident.

443 (3) In any claims coverage investigation, a transportation network
444 company shall immediately provide, upon a request from a directly
445 involved party or the transportation network company driver's
446 insurance company, the precise times the driver was connected to and
447 disconnected from the transportation network company's digital
448 network in the twelve-hour periods immediately preceding and
449 immediately following the accident. An insurance company providing
450 any coverage required under subsection (a) of this section shall
451 disclose, upon request by any other insurance company providing any
452 coverage required under said subsection, the applicable coverages,
453 exclusions and limits under the automobile liability insurance policy
454 issued to satisfy the coverage requirements under said subsection.

455 (g) Notwithstanding the provisions of sections 14-112, 38a-334, 38a-
456 335 and 38a-336 of the general statutes, an insurance company that
457 offers automobile liability insurance coverage in this state may offer
458 automobile liability insurance policies to individuals that exclude any
459 or all coverage afforded under such policies for any loss or injury that
460 occurs during the period an insured is connected to a transportation
461 network company's digital network and available to receive requests
462 for prearranged rides or engaged in the provision of a prearranged
463 ride. Such exclusions may include, but are not limited to: (1) Liability
464 coverage for bodily injury, death or property damage; (2) personal
465 injury protection coverage; (3) uninsured and underinsured motorist
466 coverage; (4) medical payments coverage; (5) collision physical
467 damage coverage; or (6) comprehensive physical damage coverage.
468 Nothing in this subsection shall be construed to require an insurance
469 company that clearly and conspicuously discloses such exclusions to
470 use any particular policy language or reference to this subsection to
471 exclude any or all coverage pursuant to this subsection.

472 (h) (1) An insurance company that excludes coverage pursuant to
473 subsection (g) of this section shall have no duty to defend or indemnify
474 any claim against a transportation network company driver for which
475 coverage is expressly excluded in such driver's automobile liability
476 insurance policy. If an insurance company defends or indemnifies a
477 claim against a transportation network company driver for which
478 coverage is expressly excluded in such driver's automobile liability
479 insurance policy, the insurance company shall have a right of
480 subrogation against other insurance companies that provide
481 automobile liability insurance coverage to such driver to satisfy the
482 requirements of subsection (a) of this section.

483 (2) Nothing in this section shall be construed to invalidate or limit
484 an exclusion contained in an automobile liability insurance policy,
485 including any such policy in use or approved for use in this state prior
486 to January 1, 2018, that excludes coverage for vehicles used to
487 transport property or passengers for a fee or available for hire by the
488 public.

489 (3) In the event of a claim against a transportation network company
490 driver in which there is disagreement between such driver's insurance
491 company and the transportation network company's insurance
492 company as to which insurance company has the duty to defend, the
493 insurance company issuing the transportation network company's
494 automobile insurance policy shall have the duty to defend such claim.

495 (i) Prior to initially permitting a transportation network company
496 driver to accept a rider request for a prearranged ride through the
497 transportation network company's digital network, a transportation
498 network company shall disclose, in writing, to such driver the
499 following:

500 (1) The insurance coverage, including the types of coverage and the
501 limits for each type of coverage, that the transportation network
502 company provides during the period such driver is using a
503 transportation network company vehicle while connected to the

504 transportation network company's digital network and available to
505 receive requests for prearranged rides or engaged in the provision of a
506 prearranged ride;

507 (2) A statement that such driver's automobile insurance policy
508 might not provide coverage while such driver is connected to the
509 transportation network company's digital network and available to
510 receive requests for prearranged rides or engaged in the provision of a
511 prearranged ride; and

512 (3) A statement that if such driver's transportation network
513 company vehicle has a lien on it, the use of such vehicle for such
514 purposes without physical damage coverage may violate the terms of
515 the contract with the lienholder.

516 Sec. 6. Section 13b-95 of the general statutes is repealed and the
517 following is substituted in lieu thereof (*Effective October 1, 2017*):

518 The term "taxicab" includes any motor vehicle operated upon any
519 street or highway or on call or demand accepting or soliciting
520 passengers indiscriminately for transportation for hire between such
521 points along streets or highways as may be directed by the passenger
522 or passengers being transported, provided nothing in this chapter shall
523 be construed to include, as a taxicab, a motor bus, as defined in section
524 14-1, [or] a motor vehicle in livery service when such motor vehicle is
525 hired for a specific trip or trips and is subject to the direction of the
526 person hiring the same, or a transportation network company vehicle,
527 as defined in section 1 of this act.

528 Sec. 7. Section 13b-101 of the general statutes is repealed and the
529 following is substituted in lieu thereof (*Effective October 1, 2017*):

530 The term "motor vehicle in livery service" includes every motor
531 vehicle used by any person, association, limited liability company or
532 corporation which represents itself to be in the business of transporting
533 passengers for hire, except (1) any motor bus and any taxicab operated
534 under a certificate of public convenience and necessity issued by the

535 Department of Transportation, (2) any school bus, as defined in section
536 14-275, or student transportation vehicle, as defined in section 14-212,
537 when used for the transportation of children under the age of twenty-
538 one years, (3) any school bus, as defined in section 14-275, when used
539 for the transportation of passengers (A) by virtue of a contract with
540 any public or private institution of higher education, (B) pursuant to a
541 contract for service to a special event held at a location or facility
542 which is not open for business on a daily basis throughout the year,
543 not to exceed a period of ten days, or (C) pursuant to a contract with a
544 municipality for which the carrier provides school transportation
545 service, (4) any motor vehicle operated by or through a community-
546 based regional transportation system for the elderly established
547 pursuant to section 55 of public act 05-280, [and] (5) any motor vehicle
548 operated by or through a community-based regional transportation
549 system for the visually impaired, and (6) any transportation network
550 company vehicle, as defined in section 1 of this act.

551 Sec. 8. Section 13b-97b of the general statutes is repealed and the
552 following is substituted in lieu thereof (*Effective October 1, 2017*):

553 (a) Any person who (1) operates a taxicab, or advertises taxicab
554 services, without obtaining a certificate from the Department of
555 Transportation pursuant to section 13b-97 or obtaining authority to
556 operate a taxicab from a holder of such a certificate, or (2) allows an
557 unauthorized person to operate a taxicab, which is under such person's
558 control, shall be guilty of a class A misdemeanor.

559 (b) The state shall remit to a municipality fifty per cent of the fine
560 amount received for a violation of this section with respect to each
561 summons issued by such municipality. Each clerk of the Superior
562 Court or the Chief Court Administrator, or any other official of the
563 Superior Court designated by the Chief Court Administrator, shall, on
564 or before the thirtieth day of January, April, July and October in each
565 year, certify to the Comptroller the amount due for the previous
566 quarter under this subsection to each municipality served by the office
567 of the clerk or official.

568 Sec. 9. Subsection (e) of section 13b-103 of the general statutes is
569 repealed and the following is substituted in lieu thereof (*Effective*
570 *October 1, 2017*):

571 (e) (1) Any person who holds [him] himself or herself out to be the
572 operator of a motor vehicle in livery service who has not received a
573 permit under this section [or with the intent to injure or defraud
574 another] shall be guilty of a class B misdemeanor.

575 (2) The state shall remit to a municipality fifty per cent of the fine
576 amount received for a violation of subdivision (1) of this subsection
577 with respect to each summons issued by such municipality. Each clerk
578 of the Superior Court or the Chief Court Administrator, or any other
579 official of the Superior Court designated by the Chief Court
580 Administrator, shall, on or before the thirtieth day of January, April,
581 July and October in each year, certify to the Comptroller the amount
582 due for the previous quarter under this subsection to each
583 municipality served by the office of the clerk or official.

584 Sec. 10. Section 13b-389 of the general statutes is repealed and the
585 following is substituted in lieu thereof (*Effective October 1, 2017*):

586 (a) No person shall operate any motor vehicle in the transportation
587 of household goods for hire as a household goods carrier without first
588 having obtained from the Commissioner of Transportation, after
589 hearing, a certificate of public convenience and necessity to so operate.

590 (b) (1) Any person, other than a household goods carrier who has
591 obtained such certificate, who holds himself or herself out as a
592 household goods carrier with intent to obtain a benefit or to injure or
593 defraud another, shall be guilty of a class B misdemeanor.

594 (2) The state shall remit to a municipality fifty per cent of the fine
595 amount received for a violation of subdivision (1) of this subsection
596 with respect to each summons issued by such municipality. Each clerk
597 of the Superior Court or the Chief Court Administrator, or any other
598 official of the Superior Court designated by the Chief Court

599 Administrator, shall, on or before the thirtieth day of January, April,
600 July and October in each year, certify to the Comptroller the amount
601 due for the previous quarter under this subsection to each
602 municipality served by the office of the clerk or official.

603 Sec. 11. Subsection (a) of section 13b-96 of the general statutes is
604 repealed and the following is substituted in lieu thereof (*Effective*
605 *January 1, 2018*):

606 (a) (1) Each person, association, limited liability company or
607 corporation owning or operating a taxicab is declared a common
608 carrier and subject to the jurisdiction of the Department of
609 Transportation. The Commissioner of Transportation is authorized to
610 prescribe adequate service, [and] reasonable rates and charges, and
611 standards for the equipment, including, but not limited to, a taxi meter
612 or cellular mobile telephone or other electronic device with online-
613 enabled application or access to an Internet web site used to calculate
614 such rates and charges. The commissioner [may] shall adopt
615 regulations, in accordance with chapter 54, for the purpose of
616 establishing fares, tiered rates, discounted rates, promotions, service,
617 operation and equipment as it deems necessary for the convenience,
618 protection and safety of passengers and the public. Such regulations
619 shall require any person, association, limited liability company or
620 corporation owning or operating a taxicab and using tiered rates to
621 post such tiered rates in the taxicab in a location visible to a passenger
622 and on the online-enabled application and Internet web site of such
623 person, association, company or corporation. For the purposes of this
624 subsection, "tiered rates" means separate premium and nonpremium
625 rates based on time periods, events or dates or any combination
626 thereof.

627 (2) Not later than October 1, 2018, the Commissioner of
628 Transportation shall submit regulations concerning the appearance,
629 identification and markings of taxicabs to the standing legislative
630 regulation review committee.

631 Sec. 12. Subsection (e) of section 14-44 of the general statutes is
632 repealed and the following is substituted in lieu thereof (*Effective*
633 *January 1, 2018*):

634 (e) (1) Prior to issuing an operator's license bearing a [school
635 endorsement or bearing the appropriate type of public passenger
636 endorsement for operation of a student transportation vehicle] public
637 passenger endorsement pursuant to subdivision (3) of subsection (a) of
638 this section, the Commissioner of Motor Vehicles shall require each
639 applicant to submit to state and national criminal history records
640 checks, conducted in accordance with section 29-17a, [and a check of
641 the state child abuse and neglect registry established pursuant to
642 section 17a-101k.] The Commissioner of Emergency Services and
643 Public Protection shall complete such state and national criminal
644 history records checks required pursuant to this section within sixty
645 days of receiving such a request for a check of such records. If notice of
646 a state or national criminal history record is received, the
647 Commissioner of Motor Vehicles may, subject to the provisions of
648 section 46a-80, refuse to issue an operator's license bearing such public
649 passenger endorsement and, in such case, shall immediately notify the
650 applicant, in writing, of such refusal. Each applicant for a public
651 passenger endorsement to operate a school bus or student
652 transportation vehicle shall submit to a check of the state child abuse
653 and neglect registry established pursuant to section 17a-101k. If
654 notification that the applicant is listed as a perpetrator of abuse on the
655 state child abuse and neglect registry [established pursuant to section
656 17a-101k] is received, the Commissioner of Motor Vehicles may refuse
657 to issue an operator's license bearing such public passenger
658 endorsement and, in such case, shall immediately notify the applicant,
659 in writing, of such refusal. The Commissioner of Motor Vehicles shall
660 not issue a temporary operator's license bearing a [school endorsement
661 or bearing the appropriate type of] public passenger endorsement for
662 operation of a school bus or student transportation vehicle.

663 (2) For the purposes of this subdivision, "certificate or permit
664 holder" means any person, association, limited liability company or

665 corporation that holds a certificate of public convenience and necessity
666 to operate a taxicab, as described in section 13b-97 or holds a permit to
667 operate a motor vehicle in livery service, as described in section 13b-
668 103, as amended by this act. Any certificate or permit holder who seeks
669 to employ a person who has applied for a public passenger
670 endorsement to operate a taxicab or motor vehicle in livery service
671 under subdivision (1) of this subsection may permit such person to
672 operate a taxicab or motor vehicle in livery service prior to the
673 approval by the Commissioner of Motor Vehicles of the application for
674 such endorsement, but in no event for a period longer than ninety days
675 after the date of application for such endorsement, provided such
676 certificate or permit holder determines such person meets the
677 requirements to operate a taxicab or motor vehicle in livery service set
678 forth in regulations adopted by the commissioner pursuant to
679 subsection (f) of this section. In making such determination, such
680 certificate or permit holder shall (A) conduct, or have a consumer
681 reporting agency regulated under the federal Fair Credit Reporting Act
682 conduct, a local, state and national criminal history records check,
683 including a search of state and national sexual offender registry
684 databases, and (B) review such person's driving history record
685 maintained by the commissioner and dated not more than seven days
686 prior to the date of such review. A person who is approved by a
687 certificate or permit holder under this subdivision shall carry and
688 present, upon request, a copy of such person's application to the
689 commissioner and criminal history records check when such person is
690 operating a taxicab or motor vehicle in livery service.

691 Sec. 13. (*Effective July 1, 2018*) (a) The Commissioner of
692 Transportation shall study how to implement and fund a level of
693 service from taxicabs and transportation network companies to
694 individuals with disabilities that is substantially equivalent to the level
695 of service provided to other members of the general public. Such study
696 shall examine the viability of funding such level of service through a
697 per-trip surcharge on all rides provided by taxicabs, motor vehicles in
698 livery service and transportation network company drivers. Such

699 study shall examine and develop recommendations for how to: (1)
700 Assure equivalent service to individuals with disabilities from taxicabs
701 and transportation network companies with regard to the following
702 service parameters: (A) Response time, (B) fares, (C) geographic area of
703 service, and (D) hours and days of service; (2) provide for the
704 establishment of an accessibility program fund for the receipt of any
705 such per-trip surcharges and the disbursement of program funds to
706 transportation network companies and taxicab certificate holders for
707 the following purposes: (A) Reimbursement for costs associated with
708 converting or purchasing motor vehicles to be used as taxicabs or for
709 transportation network company prearranged rides that are fully
710 accessible by a wheelchair ramp or lift, and (B) compensation
711 incentives for taxicab and transportation network company drivers
712 who allot the requisite time to assist individuals with disabilities in
713 boarding such drivers' motor vehicles; and (3) initiate the use of
714 transportation network company prearranged rides for assembling
715 and managing a comprehensive transportation system for individuals
716 with disabilities within the Medicaid population that provides such
717 individuals with a transportation option for being transported to and
718 from medical care facilities.

719 (b) In conducting the study described in subsection (a) of this
720 section, the Commissioner of Transportation may consult with any
721 individual who has expertise in any aspect of such study's
722 requirements, as described in subsection (a) of this section, including,
723 but not limited to, members of the faculty of The University of
724 Connecticut and representatives of the Disability Rights Education and
725 Defense Fund, American Association of People with Disabilities,
726 National Council of Independent Living, taxicab drivers and owners,
727 motor vehicle in livery service drivers and owners, transportation
728 network company drivers and transportation network companies.

729 (c) Not later than January 1, 2019, the Commissioner of
730 Transportation shall submit such recommendations, in accordance
731 with the provisions of section 11-4a of the general statutes, to the joint
732 standing committee of the General Assembly having cognizance of

- 733 matters relating to transportation, in addition to any recommendations
- 734 for legislation to implement such recommendations.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2017</i>	New section
Sec. 2	<i>January 1, 2018</i>	New section
Sec. 3	<i>October 1, 2017</i>	New section
Sec. 4	<i>January 1, 2018</i>	New section
Sec. 5	<i>January 1, 2018</i>	New section
Sec. 6	<i>October 1, 2017</i>	13b-95
Sec. 7	<i>October 1, 2017</i>	13b-101
Sec. 8	<i>October 1, 2017</i>	13b-97b
Sec. 9	<i>October 1, 2017</i>	13b-103(e)
Sec. 10	<i>October 1, 2017</i>	13b-389
Sec. 11	<i>January 1, 2018</i>	13b-96(a)
Sec. 12	<i>January 1, 2018</i>	14-44(e)
Sec. 13	<i>July 1, 2018</i>	New section

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 \$
Resources of the General Fund	GF - Revenue Impact	Minimal	Minimal
Department of Transportation	GF - Revenue Gain	up to \$100,000	up to \$10,000

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 18 \$	FY 19 \$
All Municipalities	Revenue Gain	Potential Minimal	Potential Minimal

Explanation

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

Section 2 requires TNCs to pay an initial \$50,000 registration fee and then an annual \$5,000 registration fee to the Department of Transportation which is anticipated to result in a potential revenue gain of up to \$100,000 in FY 18 to the General Fund dependent on the number of TNCs registered in the state.

Section 4(g) creates a new offense of falsely identifying as a TNC driver and results in a potential revenue gain to the General Fund and various municipalities. The amendment requires that 50% of fines be remitted to the municipality in which the violation occurred.

Sections 4 and 5 update insurance requirements for transportation

network company drivers and results in no fiscal impact to the state.

Sections 6 and 7 exempt TNC's from all taxi and livery regulations which result in no fiscal impact as it is codifying current practice.

Sections 8-10 requires 50% of certain fines to be remitted the municipality in which the violation occurred and results in a minimal revenue loss to the General Fund and a minimal revenue gain to various municipalities. In FY 16, only one violation occurred that resulted in fine revenue of \$500.

To the extent that this change in the distribution of the fine results in increased law enforcement activity, the amendment may also result in a potential revenue gain to both the General Fund and various municipalities.

Section 13 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.

House "A" struck the underlying bill and the associated fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of TNC's in the state.

OLR Bill Analysis**sHB 7126 (as amended by House "A")******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 taxi and livery vehicle regulations to make them 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);
2. requires TNCs to obtain background checks on TNC drivers and prohibits them from allowing a person to be a TNC driver under certain conditions (e.g., if the person has certain criminal convictions);
3. establishes operating requirements for TNCs related to signage, driver identification, drug and alcohol policies, and fares, including dynamic pricing;
4. establishes insurance requirements and minimum coverage for TNC drivers; and
5. establishes requirements for TNCs related to nondiscrimination and accessibility for people with disabilities.

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

1. allows taxis to use cell phones or other devices with applications to calculate rates, subject to DOT standards;
2. requires DOT to adopt regulations (a) to allow taxis and livery vehicles to use tiered rates and offer discounts and (b) on taxi appearance, identification, and markings; and
3. allows "F" endorsement applicants to temporarily drive taxi or livery vehicles under certain conditions.

Finally, the bill requires (1) DOT to study for-hire accessible transportation for people with disabilities and (2) the state to remit to municipalities half of the collected fines related to certain for-hire transportation crimes.

*House Amendment "A" replaces the underlying bill, making the following changes, among other things: (1) moves up the date by which TNCs must register, increases the initial registration fee, and imposes conditions under which DOT can suspend or revoke a TNC permit; (2) imposes additional TNC driver requirements, including self-certification of TNC vehicle condition; (3) adds provisions regarding TNC insurance policy exclusions; (4) eliminates several provisions related to taxis, including insurance coverage modifications; (5) adds provisions remitting certain fines to towns; and (6) makes numerous minor and technical changes.

EFFECTIVE DATE: January 1, 2018, except provisions regarding (1) TNC definitions, TNC company requirements, and remitting certain taxi, livery, and household goods carrier violation fines to municipalities are effective October 1, 2017 and (2) the DOT accessible transportation study is effective July 1, 2018.

§§ 1, 6 & 7 — DEFINITIONS

The bill defines a TNC as a company, corporation, partnership, trust, association, sole proprietorship, or similar organization that operates in the state and uses a digital network to connect TNC riders to TNC drivers to provide prearranged rides. The definition does not

include a taxicab certificate holder or livery permit holder.

The bill 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 last TNC rider exits the TNC vehicle. It defines “digital network” as any online-enabled application, website, or system offered or used by a TNC to enable the provision of prearranged rides.

Under the bill, a TNC driver is anyone who (1) uses a TNC vehicle to provide a prearranged ride and (2) is not a TNC employee. A TNC vehicle is a vehicle that is owned, leased, or otherwise used by a TNC driver while he or she is connected to a digital network or providing a prearranged ride. TNC vehicles must have four doors, be no older than 12 model years, and be designed to transport eight passengers or fewer, including the driver. The bill specifically excludes TNC vehicles from the definition of “taxicab” and “motor vehicle in livery service.”

The bill defines a (1) TNC rider as anyone who uses a digital network to connect to a TNC driver and receives a prearranged ride between points chosen by the rider and (2) potential TNC rider as anyone who uses a digital network to request a prearranged ride but who has not yet entered the TNC vehicle.

§§ 2-5 — TRANSPORTATION NETWORK COMPANIES

The bill establishes a regulatory structure for TNCs separate from that which applies to taxis and livery vehicles under current law.

Registration

Beginning January 1, 2018, the bill requires TNCs to annually register with DOT and pay a nonrefundable (1) \$50,000 initial fee and then (2) \$5,000 annual renewal fee. The registration form 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; and
4. information that demonstrates, to the DOT commissioner's satisfaction, that the TNC meets the bill's TNC requirements and any regulations DOT adopts to implement the bill's provisions.

Registered TNCs must file registration amendments to report to DOT any material changes in any information contained within the registration within 30 calendar days after they reasonably should know about the change

Revoking or Suspending Registration. Under the bill, the commissioner may suspend, revoke, or refuse to renew a TNC's registration if he determines the TNC has intentionally done the following:

1. misled, deceived, or defrauded the public or the DOT commissioner;
2. engaged in untruthful or misleading advertising;
3. engaged in unfair or deceptive business practices; or
4. violated any of the bill's TNC provisions or corresponding regulations.

Before such enforcement actions, the TNC must be notified and given an opportunity for a hearing. The hearing must be held according to the Uniform Administrative Procedures Act. Any TNC whose registration has been suspended may apply to DOT for reinstatement after 90 days.

Fine. Any TNC that operates in the state without a valid registration or with a suspended registration must be fined up to

\$50,000.

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, date of birth, driver's license number, and motor vehicle registration.

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

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

Under the bill, a TNC must run or arrange for one of the above checks to be done at least once every three years after permitting a person to act as a TNC driver.

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

TNCs are also prohibited from approving the application of anyone who:

1. has been convicted, in the seven years before applying, of driving under the influence, fraud, sexual offenses, using a motor vehicle to commit a felony, acts of violence, or acts of terror;
2. is included on the state sex offender registry or National Sex Offender Public Website;
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.

No Commercial License or Registration Required. Under the bill, the Department of Motor Vehicles (DMV) commissioner may not require TNC drivers to hold commercial driver's licenses or instruction permits or register a TNC vehicle as a commercial vehicle.

Self-Reporting of Disqualifying Occurrences. Under the bill, a TNC driver must report to a TNC any violation, suspension, conviction, or other incident that would disqualify him or her under the criteria above within 24 hours of the incident. A TNC that receives such a report or becomes aware of such an incident must prohibit the person from acting as a TNC driver until he or she meets the above qualifications.

Vehicle Safety Certification. Before using a vehicle as a TNC vehicle, the bill requires a TNC driver to certify to a TNC that the following equipment is in good working condition: foot brakes; emergency brakes; steering mechanism; windshield; rear window and other glass; windshield wipers; headlights; tail lights; turn indicator lights; brake lights; front seat adjustment mechanism; doors; horn; speedometer; bumpers; muffler and exhaust system; condition of tires, including tread depth; interior and exterior rearview mirrors; seat safety belts; and air bags for driver and passengers. TNC drivers must recertify every two years, and a TNC must maintain certifications for at least three years.

Penalties. Under the bill, any person who holds himself or herself out to be a TNC driver without being authorized by a TNC to use its digital network is guilty of a class B misdemeanor. (Class B misdemeanors are punishable by a fine of up to \$1,000, up to six months in prison, or both.)

The bill requires the state to remit, to the municipality that issued a summons for such a violation, 50% of the fines it collects from the violation. Each clerk of the Superior Court or the Chief Court Administrator, or any other official the administrator designates, must certify to the comptroller, by the 30th of January, April, July, and October, the amount due for the previous quarter to the towns it serves.

TNC Operating Requirements

Identification and Signage. After a potential TNC rider submits a prearranged ride request, the bill requires a TNC to provide the 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 or connected to a digital network, a TNC driver must display a TNC-issued removable decal, 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 the fare or how the fare is calculated and the rates being charged 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 demand for prearranged rides and availability of TNC riders). Specifically, it prohibits a TNC from increasing the price of a ride by more than two

and one half times the usual price during a disaster emergency or transportation emergency declaration by the governor or an emergency declaration by the 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 before the request can be submitted,
2. provide a fare estimator that allows the potential TNC rider to estimate the ride's cost under dynamic pricing, and
3. include a feature that requires a potential TNC rider to confirm that he or she understands that dynamic pricing will be applied.

Payment and 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.

Under the bill, TNCs may not accept or solicit cash payments from TNC riders, and prearranged ride payments must be made through a digital network.

Street Hails. Under the bill, TNC drivers are prohibited from soliciting or accepting a request for transportation that is not accepted through a digital network (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, potential riders, and TNC drivers on the basis of age, color, creed, destination, intellectual or physical disability, national origin, race, sex, sexual orientation, or gender identity. 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 and accommodate them with no extra charge.

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.

Drug and Alcohol Policy. Under the bill, a TNC must implement a policy that prohibits TNC drivers from using, or being under the influence of, drugs or alcohol while connected to a digital network or providing a prearranged ride, and a TNC driver must comply with the policy. 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 drug and alcohol 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. If the investigation confirms that the driver violated the policy, the TNC must permanently ban the driver's access to the digital network.

Fatigued or Impaired Driving. The bill requires TNCs to implement, and TNC drivers to comply with, 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 also prohibits a TNC driver from using a digital network or providing prearranged rides for more than 14 consecutive hours or 16 hours in a 24 hour period.

Insurance Provisions

The bill requires TNC drivers to be covered by automobile insurance that (1) recognizes that the driver is a TNC driver 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 or an "A" or similar rating from another rating agency approved 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 and available to receive prearranged ride requests but is 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 minimum coverage that is 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 personal injury, death, 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 first.

Proof of Coverage. The bill requires (1) a TNC driver, whenever he or she is connected to the digital network or providing a prearranged ride, to carry proof of insurance coverage that satisfies the bill's requirements and (2) a TNC that provides coverage to a driver to provide the driver with such proof. In the event of an accident, a TNC driver must disclose directly to interested parties, insurance companies, and investigating police officers (1) his or her insurance card and (2), upon request, whether he or she was connected to a digital network at the time of the accident or collision.

Exclusions. The bill allows insurers to exclude from coverage under an automobile insurance policy any loss or injury that occurs while a TNC driver is (1) connected to a digital network and available to receive requests for prearranged rides or (2) providing a prearranged ride. Exclusions may include liability coverage for bodily injury, death, or property damage; personal injury protection; uninsured and underinsured motorist coverage; medical payments coverage; collision physical damage coverage; or comprehensive physical damage coverage. The bill specifies that it does not (1) require insurers to use specific policy language or to reference the bill to exclude such coverage, as long as they clearly and conspicuously disclose the exclusions or (2) invalidate or limit any for-hire transportation exclusions contained in an automobile insurance policy, including policies used or approved for use in the state before January 1, 2018.

Under the bill, an insurer that excludes such coverage has no duty to defend or indemnify a claim against a TNC driver that is expressly excluded in a insurance policy. 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”). If there is disagreement between a TNC driver’s insurer and a TNC insurer over which company must defend a claim, the TNC’s insurer has the duty to defend the claim.

Disclosures. 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 or providing prearranged rides, including the types of coverage and any limits;
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; and
3. that if the TNC driver’s vehicle has a lien on it, the use of the vehicle without physical damage coverage may violate the contract terms with the lienholder.

In a claims coverage investigation, the bill requires TNCs to immediately disclose, upon request from a directly involved party or the TNC driver’s insurance company, 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. Insurers that write TNC policies must disclose, upon request by any other insurance company providing coverage, the applicable coverage, exclusions, and limits to any other insurers involved in a claim.

TNC Record Retention

The bill requires TNCs to maintain (1) prearranged ride records for at least three years after the ride was provided, (2) TNC drivers’ records for at least three years following the date the driver last accessed the digital network to provide a prearranged ride, and (3) TNC vehicles’ records for at least three years after the vehicles were last used to provide prearranged rides.

A TNC must also keep all records related to drug and alcohol 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 the records TNCs must maintain under the bill up to four times a year. DOT must provide reasonable written 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 that identifies or would tend to identify any TNC driver or rider, unless the rider's or driver's identity is needed to resolve a complaint or investigate an audit finding to ensure compliance with the bill's TNC-related requirements and any corresponding regulations.

Under the bill, records obtained during an audit are generally confidential and not subject to the Freedom of Information Act (FOIA). However, the DOT commissioner may disclose such records under the following circumstances:

1. to law enforcement for law enforcement purposes, as long as they are disclosed in cooperation with the TNC;
2. to any state or federal agency for any action taken by the DOT commissioner to enforce the bill's TNC requirements or corresponding regulations;
3. at the request of a state or federal agency conducting an audit or investigation under their legal authority, as long as the DOT commissioner gives the TNC the opportunity to object and propose an alternative means of cooperating with disclosure; or
4. pursuant to a court order.

If the commissioner discloses these records, he must provide written notice to the TNC before disclosing its records and redact any information that is not required to be disclosed under FOIA, including

trade secret and commercial and financial information.

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.

Regulations

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

§§ 8-10 — REMITTING CERTAIN FINES TO MUNICIPALITIES

The bill requires the state to remit 50% of the fines it collects for the following crimes to the municipality that issued the summons:

1. operating a taxi or advertising taxicab services without a taxi certificate, or allowing an unauthorized person to operate a taxi the certificate holder controls (class A misdemeanor, punishable by a fine of up to \$2,000, one year in prison, or both);
2. holding oneself out as a livery vehicle operator without a livery permit (class B misdemeanor, punishable by a fine of up to \$1,000, six months in prison, or both); and
3. holding oneself out as a household goods carrier without a certificate and with the intent to obtain a benefit or to injure or defraud another (class B misdemeanor).

Each Superior Court clerk or the chief court administrator, or any other official the administrator designates, must certify to the comptroller, by the 30th of January, April, July, and October, the amount due for the previous quarter to the towns it serves.

It also removes language specifying that holding oneself out to be a livery vehicle operator with the intent to injure or defraud another is a class B misdemeanor.

§§ 3, 11 & 12 — 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.

By 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, taxis or motor buses.

Taxi and Livery Regulations

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 standards for taxi fare calculation equipment, including taxi meters or a cell phone or electronic device with an online-enabled application or access to a website used to calculate rates and charges.

Rates and Charges. Current law allows DOT to prescribe reasonable rates and charges for taxis and livery vehicles. Under the bill, DOT must adopt regulations to allow taxis to charge fares at tiered rates (i.e., separate premium and non-premium rates based on time periods, events, or dates) and to offer discounts or promotions for the convenience, protection, and safety of passengers and the public. The regulations must require any taxi owner or operator who uses tiered rates to post the rates (1) on its website and online-enabled application and (2) in the taxi in a location visible to the passenger.

Under current 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).

Markings. By October 1, 2018, DOT must submit regulations on taxi appearance, identification, and markings to the Regulation Review Committee.

Public Passenger Endorsements

Temporarily Driving without an “F” Endorsement. 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).

Under the bill, a taxi certificate holder or livery permit holder who is seeking to employ a person who has applied for an "F" endorsement may, under certain conditions, allow the person to drive a taxi or livery vehicle, for up to 90 days after the application's date, before DMV approves the application.

To do so, a certificate or permit holder must confirm that the person meets the requirements to hold an "F" endorsement under DMV regulations by (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 records check on the person, including a search of state and national sex offender registries and (2) reviewing the person's official DMV driving record that is dated no more than seven days before the review. If approved by the certificate or permit holder, a person must carry and present, upon request, a copy of his or her application and background check while driving a taxi or livery vehicle.

Codifying Regulations. Under current DMV regulations, all applicants for public passenger license endorsements, such as endorsements to drive a motor bus, service bus, or taxi or livery vehicle, must be fingerprinted and background checked. However, current statute only requires such a check for school transportation-related endorsements. This bill codifies the requirement that all public passenger endorsement applicants be fingerprinted and background checked.

Using Taxis or Livery Vehicles as TNC Vehicles (§ 3 (i))

The bill prohibits taxi certificate holders and livery permit holders from using or allowing someone to use a taxi or livery vehicle as a TNC vehicle.

§ 13 — DOT STUDY ON ACCESSIBLE TRANSPORTATION

The bill requires DOT to study how to implement and fund a level of service from taxis and TNCs to people with disabilities that is equivalent to the level of service provided to the general public. Specifically, DOT must examine and develop recommendations regarding:

1. the viability of a per-trip surcharge on taxi, livery, and TNC services to fund the level of service;
2. assuring equivalent taxi and TNC service for people with disabilities with regard to response times, fares, geographic areas of service, and hours and days of service;
3. establishing an accessibility program fund to hold any surcharge revenue and disbursing it to TNCs and taxis to (a) reimburse them for the costs of converting or purchasing vehicles to provide fully wheelchair accessible rides and (b) compensate taxi and TNC drivers who allot the time necessary to assist people with boarding the accessible vehicles; and
4. initiating the use of prearranged rides for assembling and managing a comprehensive transportation system for people

with disabilities within the Medicaid population that provides an option for transportation to medical facilities.

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 its findings and recommendations to the Transportation Committee by January 1, 2019.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 3 (03/15/2017)