



# Senate

General Assembly

**File No. 506**

January Session, 2023

Substitute Senate Bill No. 1180

*Senate, April 11, 2023*

The Committee on Labor and Public Employees reported through SEN. KUSHNER of the 24th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING RIDESHARE AND DELIVERY DRIVER  
MINIMUM STANDARDS.***

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

1 Section 1. (NEW) (*Effective July 1, 2023*) As used in this section and  
2 sections 2 to 5, inclusive, of this act:

3 (1) "Transportation network company" has the same meaning as  
4 provided in section 13b-116 of the general statutes;

5 (2) "Transportation network company driver" has the same meaning  
6 as provided in section 13b-116 of the general statutes;

7 (3) "Prearranged ride" has the same meaning as provided in section  
8 13b-116 of the general statutes;

9 (4) "Passenger" means an individual or individuals who use a digital  
10 network to connect with a transportation network company driver to  
11 receive a prearranged ride between points chosen by the individual or

12 individuals;

13 (5) "Third-party delivery company" means a company, corporation,  
14 partnership, trust, association, sole proprietorship or similar  
15 organization that operates in this state and uses a digital network to  
16 offer or arrange the sale and delivery of groceries, food, beverages,  
17 commercial goods or other items prepared by another entity and the  
18 delivery or pickup of food and beverages from not fewer than ten  
19 separately owned and operated food service establishments;

20 (6) "Third-party delivery company driver" means an individual who  
21 is not an employee of a third-party delivery company but uses the  
22 digital network of a third-party delivery company to provide  
23 prearranged deliveries of groceries, food, beverages, commercial goods  
24 or other items;

25 (7) "Digital network" has the same meaning as provided in section  
26 13b-116 of the general statutes;

27 (8) "Network company" means a transportation network company or  
28 a third-party delivery company. "Network company" does not include  
29 a business entity that maintains a digital network where either (A) less  
30 than seven and one-half per cent of the services provided on such digital  
31 network are rideshare services, or (B) less than ten thousand service  
32 requests fulfilled on such digital network are for rideshare services;

33 (9) "Network worker" means an individual who (A) is a  
34 transportation network company worker or a third-party delivery  
35 company worker, and (B) provides services for such transportation  
36 network company or third-party delivery company through a digital  
37 network;

38 (10) "Trip" means a transportation service where a network worker  
39 either (A) picks up a passenger at a location set up by such passenger  
40 and delivers such passenger to a different location requested by such  
41 passenger, or (B) picks up items selected by a user of a digital network  
42 from a business or private residence and delivers such items to another

43 location requested by such user;

44 (11) "Passenger transport time" means the period of time during  
45 which a driver is actively transporting a passenger in the transportation  
46 network company vehicle;

47 (12) "Delivery transit time" means the period of time between the (A)  
48 network worker's acceptance of a delivery trip on the digital network,  
49 and (B) delivery of items to the user's requested location;

50 (13) "Dispatch time" means the period of time a driver spends  
51 traveling from a dispatch location to a pick-up location, but does not  
52 include any time when a passenger cancels a trip or the transportation  
53 network driver begins a trip or service through the digital platform, and  
54 for shared rides;

55 (14) "Dispatch platform time" means the period a driver spends  
56 traveling from the first dispatch location to the first passenger or item  
57 pick-up location;

58 (15) "Active solicitation time" means the period of time a network  
59 worker spends logged in to the digital platform, if a network company  
60 engage in the practice of logging workers out of the digital platform,  
61 immediately upon the completion of a trip. "Active solicitation time"  
62 includes the period of time a network worker spends returning to a  
63 location where such worker may solicit another trip or delivery;

64 (16) "Multi-apping" means the act by a network worker where such  
65 worker logs in to multiple digital networks in order to solicit trips or  
66 deliveries from multiple network companies;

67 (17) "Return time" means the period of time when a network worker  
68 is returning to the state after a passenger or delivery drop-off in a  
69 neighboring state without a passenger or delivery; and

70 (18) "User" means an individual or individuals who use a digital  
71 network to connect with a third-party delivery company driver to  
72 receive a prearranged delivery of groceries, food, beverages,

73 commercial goods or other items between points chosen by the  
74 individual or individuals.

75 Sec. 2. (NEW) (*Effective July 1, 2023*) (a) On and after July 1, 2023, a  
76 network worker shall receive a minimum per-trip compensation  
77 equivalent to the greater of (1) eighty-five per cent of each fare charged  
78 to the passenger, provided any taxes, fees or surcharges imposed on  
79 trips and any tips paid to a network worker by a passenger or user shall  
80 not be included in the calculation of such compensation; or (2) the  
81 minimum pay provided in subsection (b) of this section.

82 (b) Except as otherwise provided in subsection (a) of this section,  
83 network companies shall compensate network workers in accordance  
84 with the following minimum pay: (1) For transportation network  
85 company drivers, the sum of (A) a minimum of one dollar and thirty  
86 cents per mile traveled by such driver during dispatch time and  
87 passenger transport time, and (B) a minimum of sixty cents per minute  
88 worked by such driver during dispatch time and passenger transport  
89 time; and (2) for third-party delivery service drivers, the sum of (A) a  
90 minimum of one dollar and thirty cents per mile traveled by such driver  
91 during dispatch time and until project completion time, and (B) a  
92 minimum of sixty cents per minute worked by such driver during  
93 dispatch time and until project completion time. Minimum pay  
94 established in this section shall also be provided to network workers for  
95 miles traveled and minutes worked during return time. For purposes of  
96 this subsection, return time shall end upon the arrival of the network  
97 worker in the state, or once a reasonable amount of time for the network  
98 worker to return to the state has elapsed.

99 (c) Not later than September 30, 2023, and annually thereafter, the  
100 Labor Commissioner shall examine the adequacy and need for revisions  
101 to the network worker minimum pay established in subsection (b) of  
102 this section. In conducting such examination, the commissioner shall  
103 take into account the (1) rate of inflation, (2) current consumer price  
104 index for urban wage earners and clerical workers, (3) current price per  
105 gallon for gas, and (4) current price for the charging of electric motor

106 vehicles. The commissioner shall submit an annual report of the results  
107 of such examination and any recommendations for legislation, in  
108 accordance with the provisions of section 11-4a of the general statutes,  
109 to the joint standing committee of the General Assembly having  
110 cognizance of matters relating to labor and public employees.

111 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) When a passenger or user  
112 cancels a trip, a network company shall compensate a network worker  
113 for any milage, fees, tolls and time incurred by such network worker  
114 from the acceptance of a trip until cancellation of such trip.

115 (b) A network company shall compensate a network worker for (1)  
116 any fees or costs incurred by a network worker for general wear and  
117 tear, any damage from passengers and cleaning fees for such network  
118 worker's motor vehicle, and (2) fees and tolls incurred by such network  
119 worker while traveling between states.

120 (c) (1) A network worker shall receive mileage reimbursement at a  
121 rate to be established by the Labor Commissioner.

122 (2) On and after July 1, 2023, and until the Labor Commissioner  
123 establishes reimbursement rates pursuant to subdivision (1) of this  
124 subsection, the mileage reimbursement standard for such network  
125 workers shall be (A) for a network worker's active solicitation time, the  
126 standard mileage rate established by the Internal Revenue Service, and  
127 (B) for all miles driven by a network worker during passenger transport  
128 time or delivery transport time, one hundred fifty per cent of such  
129 standard mileage rate.

130 Sec. 4. (NEW) (*Effective July 1, 2023*) (a) Upon the conclusion of each  
131 trip, each network company shall transmit an initial receipt and a  
132 finalized receipt to the network worker for such trip or portion of such  
133 trip. An initial receipt, containing an estimate of the information  
134 required pursuant to subdivisions (1) to (9), inclusive, of this subsection,  
135 shall be transmitted to a network worker not later than five minutes  
136 after completion of such trip. A receipt containing the finalized payment  
137 calculations of such information shall be transmitted to a network

138 worker not later than twenty-four hours after completion of such trip.  
139 Such electronic receipts shall include, but need not be limited to, the  
140 following information: (1) The total amount of passenger platform time,  
141 (2) the total mileage driven during such platform time, (3) the total  
142 mileage driven during passenger or delivery pick-up time, (4) the fare  
143 charged to the passenger or user, (5) the rate of pay, including, but not  
144 limited to, the rate per minute, rate per mile, percentage of passenger  
145 fare and any applicable price multiplier or variable pricing policy in  
146 effect for the trip, (6) tip compensation, (7) gross payment, (8) net  
147 payment after deductions, fees, tolls, surcharges, lease fees or other  
148 charges, and (9) itemized deductions or fees, including any tolls,  
149 surcharges, commissions, lease fees and other charges.

150 (b) Each network company shall maintain a digital copy of each initial  
151 receipt and finalized receipt and make such receipts available for  
152 download to the network worker to whom such receipts were  
153 transmitted, for a period of three years thereafter.

154 (c) A network company shall provide each network worker with a  
155 weekly summary of the trips such network worker made during the  
156 previous week. Such weekly summary shall contain the following  
157 information: (1) The network worker's total passenger or user platform  
158 time, (2) the total mileage driven by the network worker during  
159 passenger or user platform time, (3) the total amount of passenger or  
160 delivery fares, (4) the network worker's total tip compensation, (5) the  
161 network worker's gross compensation itemized by (A) rate per minute,  
162 including the average rate across all trips, (B) rate per mile, including  
163 the average rate across all trips, and (C) any other method used to  
164 calculate pay, including, but not limited to, base pay, percentage of  
165 passenger fare, or any applicable price multiplier or variable pricing  
166 policy in effect for the trip, (6) the network worker's net payment after  
167 deductions, fees, tolls, surcharges, lease fees or other charges, and (7)  
168 the itemized deductions or fees from the network worker's payment,  
169 including all tolls, surcharges, commissions, lease fees and other  
170 charges.

171 Sec. 5. (NEW) (*Effective July 1, 2023*) Each network company shall, not  
172 later than five minutes after a trip's completion for an initial electronic  
173 receipt and not later than twenty-four hours of a trip's completion for a  
174 finalized electronic receipt, transmit to the passenger or user receipts  
175 that list the following on behalf of the driver: (1) The date and time of  
176 the trip, (2) the passenger or delivery pick-up and passenger or delivery  
177 drop-off locations for the trip, (3) the total duration and distance of the  
178 trip, (4) the driver's first name, (5) the total fare paid, itemizing all  
179 charges and fees, and (6) the compensation paid to the driver, including  
180 all relevant factors contributing to compensation.

181 Sec. 6. (NEW) (*Effective July 1, 2023*) (a) Any network worker  
182 aggrieved by a violation of section 2 or 3 of this act may bring a civil  
183 action in the Superior Court to recover damages, civil penalties and such  
184 equitable and injunctive relief as the court deems appropriate. Any  
185 individual who prevails in such civil action may be awarded attorney's  
186 fees and costs to be taxed by the court.

187 (b) A network company that knowingly violates any provision of  
188 section 2 or 3 of this act shall be liable to the affected network worker in  
189 the amount of one hundred dollars per violation.

190 Sec. 7. (NEW) (*Effective July 1, 2023*) The Labor Commissioner may  
191 adopt regulations in accordance with chapter 54 of the general statutes  
192 to implement the provisions of sections 1 to 6, inclusive, and sections 8  
193 and 9 of this act.

194 Sec. 8. (NEW) (*Effective July 1, 2023*) (a) Not later than January 1, 2024,  
195 and annually thereafter, each network company shall register with the  
196 Labor Department, in a form and manner prescribed by the Labor  
197 Commissioner. Such registration shall include, (1) the network  
198 company's name, business address and telephone number, (2) if the  
199 network company is registered in another state, the name, address and  
200 telephone number of the company's agent for service of process in this  
201 state, (3) the name, address and telephone number of a person at the  
202 network company who will serve as the main contact for the Labor  
203 Commissioner, (4) information sufficient to demonstrate that the

204 network company is in compliance with the provisions of this section  
205 and sections 2 and 3 of this act, and any regulations adopted pursuant  
206 to section 7 of this act, and (5) trip and revenue data described in  
207 subsection (b) of this section.

208 (b) Each network company shall submit trip and revenue data as part  
209 of its annual registration that includes:

210 (1) For each trip dispatch by the network company, (A) the motor  
211 vehicle license plate number used by a network worker to complete such  
212 trip, (B) the date, time and location in which either the passenger or the  
213 delivery was picked up by a network worker, and the date, time and  
214 location in which such passenger or delivery was subsequently dropped  
215 off by such network worker, (C) the total number of passengers or  
216 deliveries picked up by a network worker from the location described  
217 in subparagraph (B) of this subdivision, (D) the total mileage driven by  
218 the network worker during such trip, (E) the date and time such trip was  
219 requested by a passenger or user, (F) the total number of stops and  
220 deliveries made during such trip, and (G) an itemized fare for such trip  
221 including, (i) the amount of the fare, (ii) any toll, surcharge, commission  
222 rate or other deduction, (iii) any tip, and (iv) a breakdown of the amount  
223 the passenger or user paid for the trip;

224 (2) The total payment, or hourly paid rate, each network worker  
225 received for each trip that such network worker completed;

226 (3) The total amount of time each network worker's motor vehicle is  
227 connected to the digital network each day; and

228 (4) The amount of time spent by each network worker transporting  
229 passengers or deliveries, as well as the time spent each day by such  
230 network worker traveling to such passengers or deliveries and time  
231 spent by each network worker between trips but not traveling to pick  
232 up a passenger or delivery.

233 (c) Each network company shall submit a nonrefundable registration  
234 fee with its registration in an amount, to be determined by the Labor



235 Commissioner, that is sufficient to cover all costs incurred by the Labor  
236 Department in carrying out the requirements of this section.

237 (d) If a network company needs to amend any information contained  
238 in its registration that is incorrect or needs to be changed, such network  
239 company shall amend its registration by submitting an amendment to  
240 the department, in a form and manner prescribed by the Labor  
241 Commissioner, not later than thirty days after such network company  
242 discovers or reasonably should have known of such change.

243 (e) Any personally and identifiable information or data included in a  
244 network company's registration pursuant to subsection (a) of this  
245 section shall not be subject to disclosure under section 1-210 of the  
246 general statutes, except the Labor Commissioner shall make redacted  
247 versions of such data available on the Labor Department's Internet web  
248 site for analysis by the public.

249 Sec. 9. (NEW) (Effective July 1, 2023) Not later than January 1, 2024,  
250 the Commissioner of Transportation shall communicate with the chief  
251 transportation official of New York, Massachusetts, Rhode Island and  
252 New Jersey to establish a reciprocity agreement for the purposes of  
253 allowing Connecticut network workers to pick up passengers in such  
254 other states and to allow network workers of such other states to pick  
255 up passengers in Connecticut.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	New section
Sec. 2	July 1, 2023	New section
Sec. 3	July 1, 2023	New section
Sec. 4	July 1, 2023	New section
Sec. 5	July 1, 2023	New section
Sec. 6	July 1, 2023	New section
Sec. 7	July 1, 2023	New section
Sec. 8	July 1, 2023	New section
Sec. 9	July 1, 2023	New section

**Statement of Legislative Commissioners:**

Section 1 was rewritten for consistency with standard drafting conventions, in Section 2(a) "said per cent" was replaced with "such compensation" for clarity; in Section 2(b) "Network" was replaced with "Except as otherwise provided in subsection (a) of this section, network" for consistency with standard drafting conventions, and "drivers" was changed to "workers" for internal consistency; in Section 2(c) "adjustment" was replaced with "revisions" for consistency with standard drafting conventions, and "a" was replaced with "an annual" for clarity; in Section 3(c)(2) "drivers" was changed to "workers", "driver's" was changed to "worker's", and "driver" was changed to "worker" for internal consistency; Section 4(a) was rewritten for clarity; in Section 4(c) "notice" was replaced with "weekly summary" for internal consistency; in Section 4(c)(1) "or user" was added after "passenger" for consistency with other sections; Section 4(c)(7) "driver's" was changed to "network worker's" for internal consistency; in Section 5 "within" was replaced with "not later than" for consistency with standard drafting conventions; in Section 8(b) "with the" was replaced with "as part of its" for consistency with standard drafting conventions; and in Section 9 "drivers" was changed to "workers" for internal consistency.

**LAB**      *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 24 \$	FY 25 \$
Labor Dept.	GF - Cost	2,380,049	435,550
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	94,225	96,581
Labor Dept.	GF - Revenue Gain	Indeterminate	Indeterminate

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill, which establishes minimum pay standards and registration/reporting requirements for transportation network and third-party delivery companies, results in a cost to (1) the Department of Labor (DOL) of \$2,380,049 in FY 24 and \$435,550 in FY 25 and (2) the State Comptroller- Fringe Benefits account of \$94,225 in FY 24 and \$96,581 in FY 25, as well as an indeterminate revenue gain from registration fees.<sup>2</sup>

**Administration**

In order to accommodate the anticipated workload in administering the bill's provisions, DOL would require one Wage Enforcement Agent (\$89,177 for salary and \$38,186 for fringe benefits), one Fiscal Administrative Manager (\$74,487 for salary and \$31,895 for fringe

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

<sup>2</sup> Under the bill, network companies must pay a nonrefundable registration fee that the labor commissioner must determine.

benefits) and one part-time Staff Attorney (\$56,385 for salary and \$24,144 for fringe benefits) along with associated equipment/overhead costs of \$20,000.

In addition, the agency would incur significant information technology implementation and maintenance costs for a data records collection system. Specifically, a one-time \$1.9 million cost is estimated in FY 24 for application development and associated consulting costs, along with ongoing maintenance costs of \$190,000 in FY 24 and annually thereafter.<sup>3</sup>

### **Annual Study**

**Section 2** requires the labor commissioner to annually examine and report on the adequacy of minimum pay and whether it should be revised, including consideration of inflation, the consumer price index for various workers, gas prices, and the cost to charge an electric vehicle. As the agency does not have expertise in all these areas, there is a one-time consulting cost estimated at \$50,000 in FY 24 only.<sup>4</sup>

### **Enforcement**

**Section 6** allows network workers to bring civil action in the Superior court for violations of this bill's provisions which does not result in any fiscal impact to the state or municipalities. The court system disposes of over 250,000 cases annually and the number of cases is not anticipated to be great enough to need additional resources.

### ***The Out Years***

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

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<sup>3</sup> The estimated one-time development cost is based on the cost for building a Salesforce application of similar size and scope.

<sup>4</sup> It is anticipated that the consulting contract would specify that DOL would retain ownership of the sources and methodology for producing the report so that existing agency staff could update the report in subsequent years

**OLR Bill Analysis****sSB 1180*****AN ACT CONCERNING RIDESHARE AND DELIVERY DRIVER MINIMUM STANDARDS.*****SUMMARY**

This bill creates new minimum pay standards, registration, and reporting requirements for transportation network companies (TNCs, e.g., Uber and Lyft) and third-party delivery companies (e.g., DoorDash).

Addressing TNCs and third-party delivery companies together under the term “network company,” the bill requires network companies to pay each of their drivers the greater of (1) 85% of each passenger fare charged not including taxes, fees, surcharges, or tips or (2) the minimum pay, as defined in the bill. The bill also requires network companies to pay drivers (1) the cost of any cancelled ride, (2) mileage reimbursement, and (3) other compensation in addition to the pay.

Under the bill, network companies must also do the following, among other things:

1. give receipts with specific information to both drivers and users after a trip or delivery is completed;
2. register with the Department of Labor (DOL) by January 1, 2024; and
3. pay a nonrefundable registration fee that the labor commissioner must determine.

The bill authorizes (1) civil action in Superior Court to enforce any

violations of the bill's provisions (§ 6) and (2) the labor commission to adopt related regulations (§ 7).

Lastly, the bill requires the transportation commissioner to communicate with his peers in New York, Massachusetts, Rhode Island, and New Jersey to make a network company reciprocity agreement (§ 9).

EFFECTIVE DATE: July 1, 2023

## **§ 1 — DEFINITIONS**

Under the bill, as under existing law, a “transportation network company” is a business entity that operates in Connecticut and uses a digital network to connect TNC riders to TNC drivers to provide prearranged rides; it does not include a taxicab certificate holder or livery permit holder. A “prearranged ride” is 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. A “passenger” is an individual or individuals who use a digital network to connect to a TNC driver and receive a prearranged ride between points the individual or individuals choose.

The bill defines a “third-party delivery company” as a business entity that operates in the state and uses a digital network to offer or arrange the (1) sale and delivery of groceries, food, beverages, commercial goods, or other items prepared by another entity and (2) delivery or pickup of food and beverages from at least 10 separately owned and operated food service establishments.

A “digital network” is an online-enabled application (“app”), website, or system offered or used by a TNC that enables the provision of prearranged rides.

A “network company” means a TNC or a third-party delivery company, but not a business entity that maintains a digital network

where either less than (1) 7.5% of the services provided on the digital network are rideshare services or (2) 10,000 service requests fulfilled on the network are for rideshare services.

A “network worker” means an individual who (1) is a TNC worker (presumably, TNC driver) or a third-party delivery company worker (presumably, third-party delivery driver), and (2) provides services for either type of company through a digital network.

## § 2 — MINIMUM DRIVER PAY

Beginning July 1, 2023, the bill requires network companies to pay each network worker the greater of (1) 85% of each fare charged to a passenger, not including taxes, fees, surcharges, or tips or (2) the minimum pay the bill establishes.

For TNC drivers, minimum pay is the sum of a minimum (1) of \$1.30 per mile the driver travels during “dispatch time” and “passenger transport time,” and (2) of 60 cents per minute worked by the driver during the same period. “Dispatch time” is the time period when a driver is traveling from a dispatch location to a pickup location, but it does not include any time when a passenger cancels a trip or the TNC driver begins a trip or service through the digital platform and for shared rides. “Passenger transport time” is the time period when a driver is actively transporting a passenger in the transportation network company vehicle.

For a third-party delivery service driver, minimum pay is the sum of (1) a minimum of \$1.30 per mile the driver travels during dispatch time and until project completion time, (which the bill does not define) and (2) a minimum of 60 cents per minute the driver works during the same period.

Minimum pay must also be given to network workers for miles traveled and minutes worked during return time (i.e., the time when a network worker is returning to the state after a drop off or delivery in a neighboring state without a passenger or delivery). The bill specifies that return time ends when the network worker arrives in the state, or

once a reasonable amount of time for the network worker to return to the state has passed. (It is not clear who determines what a reasonable amount of time is in this context.)

### ***Labor Commissioner Review for Possible Adjustments***

Under the bill, the labor commissioner must, annually by September 30, 2023, examine the minimum pay for adequacy and consider whether it should be revised. As part of this, the commissioner must consider:

1. the inflation rate,
2. current consumer price index for urban wage earners and clerical workers,
3. current gas prices, and
4. current price to charge an electric vehicle.

The commissioner must then submit a report with any recommendations for legislation to the Labor and Public Employees Committee.

### **§ 3 — CANCELLED TRIP PAY, MILEAGE REIMBURSEMENT AND OTHER COMPENSATION**

When a passenger or a user cancels a “trip,” the bill requires the network company to pay the network worker for any mileage, fees, tolls, and time incurred from the time the “trip” was accepted until it was cancelled. A “trip” is a transportation service where a network worker either (1) picks up and drops off a passenger at locations they choose or (2) picks up items a user selects from a business or private residence and delivers them to another location the user requests.

The bill also requires network companies to pay a network worker for (1) any fees or costs for general wear and tear, any damage from passengers and cleaning fees for the network worker’s motor vehicle and (2) fees and tolls the worker incurs while traveling between states.

### ***Mileage Reimbursement***



Additionally, a networker worker must receive a mileage reimbursement at the rate the commissioner sets or at the bill's interim rate, which applies until the commissioner sets one.

Beginning July 1, 2023, and until the commissioner sets rates, the mileage reimbursement for the network workers is (1) the standard IRS mileage rate for miles a network worker drives during active solicitation time and (2) 150% of the standard IRS mileage rate for miles a network worker drives during passenger transport time (see above) or delivery transport time (presumably, delivery transit time).

Under the bill, "active solicitation time" means the time a network worker spends logged in to the digital platform, if a network company engages in the practice of logging network workers out of the digital platform, immediately upon a trip's completion. It includes the time a network worker spends returning to a location where the worker can solicit another trip or delivery. "Delivery transit time" means the time between the (1) network worker's acceptance of a delivery trip on the digital network and (2) delivery of items to the user's requested location.

#### **§ 4 — WORKER TRIP RECEIPTS AND WEEKLY TRIP SUMMARY**

When a trip is completed, the bill requires each network company to transmit an initial receipt and a finalized receipt to the network worker for the trip or partial trip.

An initial receipt must be sent to the network worker within five minutes after the trip's completion and include the information the bill requires (see below). A receipt with the finalized payment calculations of the required information must be sent to a network worker within 24 hours after the trip is completed.

##### ***Required Receipt Information***

The bill requires the receipts to include, at a minimum, the following information:

1. the total amount of passenger or user "platform time" (the bill does not define this term);

2. the total mileage driven during the platform time;
3. the total mileage driven during passenger or delivery pick-up time;
4. the fare charged to the passenger or user;
5. the pay rate, including, but not limited to, the rate per minute, rate per mile, percentage of passenger fare and any applicable price multiplier or variable pricing policy in effect for the trip;
6. tip compensation;
7. gross payment;
8. net payment after deductions, fees, tolls, surcharges, lease fees or other charges; and
9. itemized deductions or fees, including any tolls, surcharges, commissions, lease fees, and other charges.

Each network company must (1) maintain a digital copy of each initial receipt and finalized receipt and (2) make the receipts available for download to the network worker who initially received them. They must be available for a period of three years.

### ***Weekly Trip Summary***

The bill requires each network company to give each network worker a weekly summary of the trips the worker made during the previous week. The weekly summary must contain the:

1. network worker's total passenger or user platform time;
2. total mileage the network worker drove during passenger or user platform time;
3. total amount of passenger or delivery fares;
4. network worker's total tip compensation;

5. network worker's gross compensation itemized by (a) rate per minute, including the average rate across all trips, (b) rate per mile, including the average rate across all trips, and (c) any other method used to calculate pay, including, but not limited to, base pay, percentage of passenger fare, or any applicable price multiplier or variable pricing policy for the trip;
6. network worker's net payment after deductions, fees, tolls, surcharges, lease fees, or other charges; and
7. itemized deductions or fees from the network worker's payment, including all tolls, surcharges, commissions, lease fees and other charges.

#### **§ 5 — PASSENGER AND USER TRIP RECEIPTS**

The bill also requires each network company to send electronic receipts with the following information to passengers or users after the trip is completed the:

1. date and time of the trip;
2. passenger or delivery pick-up and passenger or delivery drop-off locations;
3. total duration and distance of the trip;
4. driver's first name;
5. total fare paid, itemizing all charges and fees; and
6. compensation paid to the driver, including all relevant factors contributing to compensation.

An initial electronic receipt must be sent to the passenger or user no more than five minutes after a trip's completion and for a finalized receipt no more than 24 hours after completion.

Existing law, unchanged by the bill, requires TNCs to send a receipt to a TNC rider, within a reasonable period of time after the trip's

completion, that includes the origin and destination of the prearranged ride, the total ride time and distance, and an itemization of any fare paid (CGS § 13b-118(b)(2)).

## **§ 6 — ENFORCEMENT**

Under the bill, any network worker aggrieved by a violation of the minimum pay, cancelled trip pay, mileage reimbursement, or other required compensation of the bill may sue in the Superior Court to recover damages, civil penalties, and equitable and injunctive relief as the court deems appropriate. Any individual who prevails in the civil action may be awarded attorney's fees and costs as the court decides.

A network company that knowingly violates these provisions is liable to the affected network worker in the amount of \$100 per violation.

## **§ 7 — REGULATIONS**

The bill allows the labor commissioner to adopt regulations to implement the bill's provisions.

## **§ 8 — REGISTRATION**

The bill requires network companies to (1) register annually with DOL, beginning by January 1, 2024, and (2) pay a nonrefundable registration fee (presumably annual) set by the labor commissioner that must be sufficient to cover all costs that DOL incurs in carrying out the bill's requirements.

Under current law and unchanged by the bill, TNCs (but not necessarily third-party delivery companies) must register with the Department of Transportation (DOT) and pay an annual \$5,000 registration fee (see BACKGROUND).

### ***Required Information***

The network company's registration, which must be in a form and manner the DOL commissioner decides, must include:

1. the network company's name, business address, and telephone

- number;
2. if the network company is registered in another state, the name, address, and telephone number of the company's agent for service of process in this state;
  3. the name, address, and telephone number of the network company person who will serve as the main contact for DOL;
  4. enough information to show that the network company complies with the minimum pay, cancelled trip pay, mileage reimbursement, and other required compensation and registration provisions of the bill, and with any regulations DOL adopts; and
  5. trip and revenue data described in below.

***Trip and Revenue Data***

Each network company must submit trip and revenue data as part of its annual registration. This data must include the following for each trip the network company dispatched:

1. the vehicle license plate number used by a network worker;
2. the date, time, and location in which the passenger or the delivery was picked up by a network worker, and the date, time, and location in which the passenger or delivery was subsequently dropped off by the network worker;
3. the number of passengers or deliveries picked up by a network worker from the location described above;
4. the mileage driven by the network worker during the trip;
5. the date and time the trip was requested by a passenger or user;
6. the number of stops and deliveries made during the trip; and
7. an itemized fare for the trip, including any fare amount; any toll,

surcharge, commission rate or other deduction; any tip; and a breakdown of the amount the passenger or user paid for the trip.

The data must also include the following:

1. the total payment, or hourly paid rate, each network worker received for each trip that the network worker completed;
2. the time each network worker's motor vehicle is connected to the digital network each day;
3. the time each network worker spent transporting passengers or deliveries;
4. the time each network worker spent each day traveling to passengers or deliveries; and
5. the time each network worker spent between trips, but not traveling to pick up a passenger or delivery.

### ***Amending the Registration***

The bill requires a network company to amend any information in its registration that is incorrect or needs to be changed. A network company can do so by submitting an amendment to the DOL, as the commissioner prescribes, within 30 days after the network company discovers or reasonably should have known of the change.

### ***Information Not Disclosable Under FOIA***

Any personally identifiable information or data included in a network company's registration is not subject to disclosure under the states' Freedom of Information Act, except the labor commissioner must make redacted versions of the data available on DOL's website for public access.

## **§ 9 — RECIPROCITY WITH OTHER STATES**

By January 1, 2024, the transportation commissioner must communicate with the chief transportation officials of New York, Massachusetts, Rhode Island, and New Jersey to make a reciprocity

agreement for the purposes of allowing Connecticut network workers to pick up passengers in these other states and to allow network workers of these other states to pick up passengers in Connecticut.

By law, in order to be a TNC driver in Connecticut, a person must have a Connecticut driver's license, or a license issued by a state that allows TNC drivers with a Connecticut license to provide prearranged rides in the state (i.e., a "reciprocal state") (CGS 13b-119(c)(1)(D)).

## **BACKGROUND**

### ***DOT Authority Over TNCs (CGS § 13b-117)***

The DOT commissioner can suspend, revoke, or refuse to renew a registration if the commissioner determines the TNC intentionally: (1) misled, deceived, or defrauded the public or the commissioner; (2) engaged in any untruthful or misleading advertising; (3) engaged in unfair or deceptive business practices; or (4) violated any provision of the existing TNC law, including registration, driver qualification, or insurance requirements.

Before any suspension, revocation or nonrenewal of the registration, DOT must give the TNC notice and an opportunity for a hearing. Any TNC whose registration has been suspended may, after 90 days, apply to the commissioner to have the registration reinstated.

Also, any TNC that operates in Connecticut without a valid registration, or when the registration is suspended, will be fined up to \$50,000.

## **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8 Nay 4 (03/23/2023)