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## **OLR Bill Analysis**

### **sHB 5470**

#### ***AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES AND THIRD-PARTY DELIVERY COMPANIES.***

#### **SUMMARY**

This bill requires transportation network companies (TNCs) and third-party delivery companies to provide receipts that detail time, distance, and pay rate to their respective drivers. The bill also requires an initial receipt to be sent through a company's digital network within five minutes after the ride or delivery is completed and a final receipt must be sent within 24 hours after the ride or delivery. Further, the bill adds more items that must be listed on receipts provided to TNC ride customers and creates a similar receipt requirement for delivery company customers.

It also requires these companies to keep copies of the receipts for three years from the prearranged ride or delivery date and make them available to the drivers. The companies must also give weekly summaries to the drivers (§§ 1, 2 & 4).

Additionally, the bill amends state law's definition of TNC driver by eliminating a provision that specifies a driver is not an employee of a TNC (§ 3).

Finally, the bill requires the transportation commissioner to negotiate with New York, Massachusetts, Rhode Island, and New Jersey authorities to make a TNC driver reciprocity agreement (§ 5).

EFFECTIVE DATE: July 1, 2024, except the provision requiring the transportation commissioner to negotiate a reciprocity agreement with other states is effective upon passage.

#### **§§ 2 & 4 — DRIVER RECEIPTS**

The bill requires the TNC and delivery company to send initial

electronic receipts to rideshare and delivery drivers within five minutes of a ride or delivery's completion.

The receipts must include the following:

1. the total time and distance of the prearranged ride or delivery;
2. the total distance driven by the driver beginning when the driver accepted the request from the rider or delivery customer through the digital network and ending when the rider entered the TNC vehicle or the driver picked up the food, drink, or other items for delivery;
3. the total fare charged to the rider or delivery cost to the customer;
4. the driver's rate of pay including, the rate per minute, rate per mile, percentage of rider's fare or the delivery cost received by the driver, and any dynamic pricing costs applied to the prearranged ride or delivery;
5. any driver tips or gratuities;
6. the driver's gross pay;
7. the driver's net pay after the deduction of any fees, tolls, surcharges, lease fees, or other charges; and
8. an itemization of any deductions.

Within 24 hours of a ride or delivery, the TNC or delivery company must transmit the final receipt to the driver with this information.

The bill defines "third-party delivery company" as a company, corporation, partnership, sole proprietorship, or similar organization operating in Connecticut that uses a digital network to connect customers to third-party delivery company drivers to provide prearranged deliveries. A "third-party deliver company driver," is a person who uses a third-party deliver company's digital network to provide prearranged deliveries.

### ***Maintaining Receipt Records***

The bill also requires the companies to keep digital copies of the

receipts (initial and final) for three years from the prearranged ride or delivery date and make them available to the drivers for downloading from the company's digital network. Under the bill, "digital network" for delivery companies means any online-enabled application, website, or system offered or used by a delivery company that provides prearranged deliveries. By law, a digital network for TNCs uses an online-enabled system to provide prearranged rides.

***Weekly Summaries for Drivers***

The companies must also give drivers weekly summaries of rides or deliveries completed during the week. The summaries must include the following:

1. total ride or delivery time and distance the driver completes during the week;
2. total fares charged to TNC riders or delivery customers during the week from the rides and deliveries;
3. total amount of tips or gratuities paid to the driver during the week;
4. the driver's gross payment received during the week, itemized by (a) rate per minute, including the average across completed rides or deliveries, (b) rate per mile, including the average across completed rides or deliveries, and (c) any other method used to calculate pay;
5. the driver's net payment during the week after the deduction of any fees, tolls, surcharges, lease fees, or other charges; and
6. an itemization of any deductions.

The other methods of calculating driver gross pay can include:

1. base pay,
2. percentage received by the drivers of (a) the rider's fare or (b) the cost of the prearranged delivery, or
3. any dynamic pricing costs applied to the prearranged ride or

delivery.

Under the bill, dynamic pricing for delivery drivers (dynamic pricing for TNC drivers is already in existing law) means offering a prearranged delivery at a price that changes according to the demand for deliveries and availability of third-party delivery company drivers.

In the bill, “prearranged delivery” means the delivery by a third-party delivery company driver of groceries, food, beverages, commercial goods, or other items prepared by another entity, or food and beverages from at least 10 separately owned and operated food service establishments, that (1) begins when the driver accepts a customer request through a digital network, (2) continues while the driver transports the items, and (3) ends when the driver delivers the items to the location the customer requested.

#### **§§ 1 & 4 — CUSTOMER RECEIPTS**

Current law requires certain items to be detailed in a rider’s receipt from a TNC, including (1) the ride’s origin and destination, (2) its time and distance, and (3) an itemized fare. The bill adds items that must be detailed and requires both the existing and new items be included on delivery company customer receipts.

Under the bill, the receipts must include the following:

1. the ride or delivery date and time;
2. the ride or delivery origin and destination;
3. the ride or delivery total time and distance;
4. the TNC or third-party delivery company driver’s first name;
5. an itemization of the total ride or delivery cost; and
6. the compensation paid to the driver for the ride or delivery, including all relevant compensation factors used by the TNC or delivery company.

The bill requires the initial rider and delivery customer receipts to be transmitted within five minutes of the completion of the ride. Under

current law, receipts must be provided to riders within a reasonable period. Additionally, the bill requires the TNC to send final electronic receipts to the riders or delivery customers within 24 hours of the ride or delivery's completion.

**§ 5 — DRIVER RECIPROCITY WITH NEIGHBORING STATES**

The bill also requires the transportation commissioner to negotiate with the proper authorities of New York, Massachusetts, Rhode Island, and New Jersey and enter into a memorandum of understanding that would permit a TNC driver who possesses a motor vehicle operator's license in one state to provide a prearranged ride that originates in a different participating state. By January 1, 2025, the commissioner must report to the Transportation Committee on the results of the negotiations and any legislation needed to implement the regional approach.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8      Nay 4      (03/21/2024)