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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **2369**

03/02/2023 Authored by Hassan, Noor, Hussein, Jordan, Greenman and others
The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy
03/13/2023 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy
03/16/2023 By motion, recalled and re-referred to the Committee on Judiciary Finance and Civil Law
03/23/2023 Adoption of Report: Amended and re-referred to the Committee on Labor and Industry Finance and Policy

1.1 A bill for an act
1.2 relating to labor; establishing protections for transportation network company
1.3 drivers; providing a civil action; appropriating money; proposing coding for new
1.4 law as Minnesota Statutes, chapter 181C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[181C.01] DEFINITIONS.**

1.7 (a) For the purposes of this chapter, the terms defined in this section have the meanings
1.8 given.

1.9 (b) "Account deactivation" means one or more of the following actions by a transportation
1.10 network company with respect to a transportation network company driver that lasts for
1.11 three or more consecutive days:

1.12 (1) blocking access to the digital network controlled by a transportation network company;

1.13 (2) changing a driver's status from eligible to provide transportation network company
1.14 services to ineligible; or

1.15 (3) establishing any other material restriction in access to the digital network controlled
1.16 by a transportation network company.

1.17 (c) "Board" means the Board of Transportation Network Drivers established in this
1.18 chapter.

1.19 (d) "Commissioner" means the commissioner of labor and industry or authorized designee
1.20 or representative.

1.21 (e) "Digital network" has the meaning given in section 65B.472, subdivision 1.

2.1 (f) "Dispatched trip" means the provision of transportation by a driver for a rider through
 2.2 a digital network controlled by a transportation network company. Dispatched trip includes
 2.3 transportation:

2.4 (1) in which the driver transports the rider to the rider drop-off location;

2.5 (2) that is canceled after two or more minutes by a rider or the transportation network
 2.6 company, unless cancellation is due to driver conduct or no cancellation fee is charged to
 2.7 the rider;

2.8 (3) that is canceled by the driver for good cause consistent with transportation network
 2.9 company policy; and

2.10 (4) in which the rider does not appear at the rider pick-up location within five minutes.

2.11 (g) "Personal vehicle" has the meaning given in section 65B.472, subdivision 1.

2.12 (h) "Prearranged ride" or "ride" has the meaning given in section 65B.472, subdivision
 2.13 1.

2.14 (i) "Rider platform time" means the time a driver spends providing a prearranged ride,
 2.15 excluding the time when traveling to the first rider pick-up location.

2.16 (j) "Transportation network company" has the meaning given in section 65B.472,
 2.17 subdivision 1, provided that the term does not include taxicabs, limousines, for-hire vehicles,
 2.18 or a private rider vehicle driven by a volunteer driver, as defined in section 65B.472,
 2.19 subdivision 1.

2.20 (k) "Transportation network company driver" or "driver" has the meaning given in
 2.21 section 65B.472, subdivision 1.

2.22 **Sec. 2. [181C.02] BOARD OF TRANSPORTATION NETWORK DRIVERS.**

2.23 Subdivision 1. **Board establishment.** A Board of Transportation Network Drivers is
 2.24 established as provided in this section.

2.25 Subd. 2. **Membership.** (a) The board consists of seven members appointed by the
 2.26 governor, in consultation with the commissioner, and with the advice and consent of the
 2.27 senate.

2.28 (b) The governor's appointments must provide for representation on the board as follows:

2.29 (1) three members who represent a transportation network company's drivers association;

2.30 (2) two members who represent labor;

3.1 (3) one member who represents the interests of the general public; and

3.2 (4) one member who represents transportation network companies.

3.3 Subd. 3. **Chair; officers.** The board must elect a chair and a vice-chair from among its
3.4 members.

3.5 Subd. 4. **Executive director; staff.** (a) The board must employ an executive director in
3.6 the unclassified service. The executive director must perform the duties the board requires
3.7 to manage and implement the requirements of this chapter.

3.8 (b) The executive director may:

3.9 (1) appoint subordinate employees in accordance with chapter 43A that the executive
3.10 director considers necessary to discharge the functions of the board;

3.11 (2) prescribe the powers and duties of an employee; and

3.12 (3) delegate the powers, duties, and responsibilities of the executive director to employees
3.13 under conditions prescribed by the executive director.

3.14 Subd. 5. **Quorum.** A majority of the board members constitutes a quorum. If there is a
3.15 vacancy in the membership of the board, a majority of the remaining members of the board
3.16 constitute a quorum.

3.17 Subd. 6. **Meetings.** The board must meet at least quarterly. Meetings of the board are
3.18 subject to chapter 13D.

3.19 Subd. 7. **Terms.** The membership terms, compensation, removal of members, and filling
3.20 of vacancies on the board are governed by section 15.0575.

3.21 Subd. 8. **Administrative support.** The commissioner shall provide administrative
3.22 support and meeting space for the board.

3.23 Sec. 3. **[181C.03] BOARD POWERS AND DUTIES.**

3.24 Subdivision 1. **Powers and responsibilities.** (a) The board has the responsibilities
3.25 established in this chapter.

3.26 (b) The board is responsible for receiving and investigating complaints against a
3.27 transportation network company and forwarding recommendations to the appropriate
3.28 licensing agency.

3.29 (c) The board has the power to hear and decide appeals of account deactivation by a
3.30 transportation network company.

4.1 (d) The board is responsible for the duties outlined in subdivision 2.

4.2 Subd. 2. **Duties.** The board must provide culturally and linguistically appropriate services,
4.3 outreach, and education to transportation network company drivers, which includes:

4.4 (1) providing outreach and education to transportation network company drivers regarding
4.5 drivers' rights and obligations under this chapter and the applicable labor standards to support
4.6 drivers' ability to perform transportation network company driver services;

4.7 (2) consultation with drivers facing account deactivation or other sanctions or violations
4.8 of this chapter; and

4.9 (3) educating drivers regarding other applicable federal, state, and local laws and
4.10 regulations related to their role as drivers.

4.11 **Sec. 4. [181C.04] DRIVER COMPENSATION.**

4.12 Subdivision 1. **Minimum compensation.** (a) Subject to subdivision 7, a transportation
4.13 network company must ensure that a driver's total compensation for each dispatched trip is
4.14 the greater of:

4.15 (1) \$0.59 per minute for all rider platform time for that trip, plus \$1.85 per mile for all
4.16 rider platform miles driven on that trip; or

4.17 (2) \$5.17.

4.18 (b) For shared rides, the per trip minimums under paragraph (a) apply only to the entirety
4.19 of the shared ride, and not on the basis of the individual rider's trip within the shared ride.

4.20 (c) Amounts charged to a rider and remitted to the driver for tolls, fees, or surcharges
4.21 incurred by a driver during a trip must not be included in calculating compensation under
4.22 this subdivision.

4.23 (d) A transportation network company may exclude time and miles if reasonably
4.24 necessary to remedy or prevent fraudulent use of a digital network controlled by a
4.25 transportation network company.

4.26 Subd. 2. **Tips.** A transportation network company must remit all tips to the driver. Tips
4.27 paid to a driver are in addition to, and may not count toward, the driver's minimum
4.28 compensation under subdivision 1.

4.29 Subd. 3. **Deductions.** (a) Except as required by law, a transportation network company
4.30 may only deduct compensation when the driver expressly authorizes the deduction in writing

5.1 and does so in advance for a lawful purpose. Any authorization by a driver must be voluntary
5.2 and knowing.

5.3 (b) Nothing in this section prohibits a transportation network company from deducting
5.4 compensation as required by state or federal law or as directed by a court order.

5.5 (c) Neither the transportation network company nor any person acting on behalf of the
5.6 transportation network company may derive any financial profit or benefit from any of the
5.7 deductions under this section. A deduction is financial profit or benefit only if it results in
5.8 a gain over and above the fair market value of the goods or services for which the deduction
5.9 was made. Reasonable interest charged by the transportation network company or any person
5.10 acting on behalf of a transportation network company, for a loan or credit extended to the
5.11 driver, is not financial profit or benefit under this paragraph.

5.12 Subd. 4. **Information to driver; trip receipts.** (a) Within 24 hours of completion of
5.13 each dispatched trip, a transportation network company must transmit an electronic receipt
5.14 to the driver. The receipt must contain the following information for each unique trip, or
5.15 portion of a unique trip, covered by this section:

5.16 (1) the total amount of rider platform time;

5.17 (2) the total mileage driven during rider platform time;

5.18 (3) rate or rates of pay, including but not limited to the rate per minute, rate per mile,
5.19 percentage of rider fare, and any applicable price multiplier or variable pricing policy in
5.20 effect for the trip;

5.21 (4) tip compensation;

5.22 (5) gross payment;

5.23 (6) net payment after deductions, fees, tolls, surcharges, lease fees, or other charges;

5.24 and

5.25 (7) itemized deductions or fees, including any toll, surcharge, commission, lease fees,
5.26 and other charges.

5.27 (b) The transportation network company must make per-trip receipts available to the
5.28 driver in a standard electronically downloadable file format through a software application,
5.29 website, or both. The receipts must be available for two years from the date that the
5.30 transportation network company initially provided a receipt to the driver under paragraph
5.31 (a).

6.1 Subd. 5. Information to driver; weekly summary. On a weekly basis, the transportation
6.2 network company must provide written notice to the driver. The notice must contain the
6.3 following information for trips, or a portion of a trip, covered by this section and which
6.4 occurred in the prior week:

6.5 (1) the driver's total rider platform time;

6.6 (2) total mileage driven by the driver during rider platform time;

6.7 (3) the driver's total tip compensation;

6.8 (4) the driver's gross payment, itemized by:

6.9 (i) rate per minute;

6.10 (ii) rate per mile; and

6.11 (iii) any other method used to calculate pay, including but not limited to base pay,
6.12 percentage of rider fare, or any applicable price multiplier or variable pricing policy in effect
6.13 for the trip;

6.14 (5) the driver's net payment after deductions, fees, tolls, surcharges, lease fees, or other
6.15 charges; and

6.16 (6) itemized deductions or fees, including all tolls, surcharges, commissions, lease fees,
6.17 and other charges, from the driver's payment.

6.18 Subd. 6. Notice of rights. (a) A transportation network company must provide each
6.19 driver with a written notice of rights established by this section.

6.20 (b) The notice of rights must provide information on:

6.21 (1) the right to the applicable per minute rate and per mile rate or per trip rate established
6.22 under this section;

6.23 (2) the right to be protected from retaliation for exercising in good faith the rights
6.24 protected under this section; and

6.25 (3) the right to seek legal action or file a complaint with the department for violation of
6.26 the requirements of this section, including but not limited to a transportation network
6.27 company's failure to pay the minimum per minute rate or per mile rate or per trip rate, or a
6.28 transportation network company's retaliation against a driver or other person for engaging
6.29 in an activity protected by this section.

7.1 (c) A transportation network company must provide the notice of rights in a form and
7.2 manner sufficient to inform drivers of their rights under this section. The notice of rights
7.3 must be:

7.4 (1) made readily accessible to the driver in an electronic format through a software
7.5 application, website, or both; and

7.6 (2) provided in English and the five most common languages spoken in this state.

7.7 Subd. 7. **Rate adjustments.** Beginning in 2025, the board must annually determine and
7.8 adjust the rates and fees under this section based on the percentage change in the
7.9 Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers
7.10 from the month of October in the preceding calendar year to the month of October in the
7.11 current calendar year.

7.12 Sec. 5. **[181C.05] ACCOUNT DEACTIVATION.**

7.13 Subdivision 1. **Definition.** For purposes of this section, "qualifying account deactivation"
7.14 means an account deactivation that is not:

7.15 (1) related to an allegation of discrimination and harassment, including sexual harassment
7.16 or harassment due to someone's membership in a protected class;

7.17 (2) related to an allegation of physical or sexual assault, or willful commitment of fraud;

7.18 (3) related to an allegation that the driver was under the influence of drugs or alcohol
7.19 while a related active investigation that takes no longer than ten business days is under way;

7.20 (4) related to layoffs for economic reasons that are not targeted at a particular driver or
7.21 drivers; or

7.22 (5) identified as nonqualifying in an agreement between the transportation network
7.23 company and the board under this section.

7.24 Subd. 2. **Appeals process; agreement with the board.** (a) A transportation network
7.25 company must enter into an agreement with the board that establishes an appeals process
7.26 for drivers who are subject to a qualifying account deactivation prior to operating a
7.27 transportation network company in the state. A transportation network company and the
7.28 board must renew the agreement every four years.

7.29 (b) The agreement must include:

8.1 (1) an opportunity, upon the driver's request, for a driver representative to support a
8.2 driver throughout the account deactivation informal resolution process and board appeals
8.3 process;

8.4 (2) notification to a driver at the time of the qualifying account deactivation of their right
8.5 to representation;

8.6 (3) within 30 calendar days of a request from a driver, the transportation network company
8.7 must furnish to the board an explanation and information the transportation network company
8.8 may have relied upon in making the deactivation decision, excluding confidential, proprietary,
8.9 or otherwise privileged communications, provided that personal identifying information
8.10 and confidential information is redacted to address reasonable privacy and confidentiality
8.11 concerns;

8.12 (4) procedures for a good faith, informal resolution process that is committed to efficient
8.13 resolution of conflicts regarding qualifying account deactivations to be completed within
8.14 30 days of a notification to the transportation network company that the driver contests the
8.15 deactivation; and

8.16 (5) procedures for a formal appeal process giving the board the authority to hear and
8.17 make binding decisions related to a driver's appeal of a deactivation by a transportation
8.18 network company that allows the board to order injunctive relief and damages, including
8.19 monetary awards and back pay, based on the agreement between the transportation network
8.20 company and the board.

8.21 Subd. 3. **Appeal to Office of Administrative Hearings.** (a) A driver may appeal a
8.22 decision of the board under subdivision 2 to the Office of Administrative Hearings. The
8.23 contested case proceeding procedures under chapter 14 apply.

8.24 (b) The Office of Administrative Hearings may order that an account deactivation be
8.25 stayed until the hearing.

8.26 **EFFECTIVE DATE.** This section is effective October 1, 2023. Transportation network
8.27 companies already operating in the state have until January 31, 2024, to complete an
8.28 agreement required by this section with the board created in section 2.

8.29 Sec. 6. **[181C.06] EQUAL ACCESS TO TRANSPORT.**

8.30 (a) A transportation network company may not use assignment of rides to favor or
8.31 disfavor any driver for any reason. The assignments must be on a nonpreferential basis. A
8.32 transportation network company must not withhold or change assignments to a driver because
8.33 a driver refused potential dispatches. All dispatches must be made on a driver-neutral basis.

9.1 (b) A transportation network company is prohibited from promising preferential treatment
9.2 in rider assignments if a driver agrees to refrain from joining an organization of drivers or
9.3 for any other reason.

9.4 Sec. 7. **[181C.07] DISCRIMINATION PROHIBITED.**

9.5 A transportation network company, as defined by section 181C.01, paragraph (j), is an
9.6 employer for the purposes of the Minnesota Human Rights Act and subject to penalties for
9.7 discrimination pursuant to chapter 363A. A driver as defined by section 181C.01, paragraph
9.8 (k), is an employee for the purposes of chapter 363A.

9.9 Sec. 8. **[181C.08] CIVIL ACTION.**

9.10 (a) A driver or a driver's beneficiaries may bring a civil action in district court against
9.11 a transportation network company for damages for noncompliance or a violation of this
9.12 chapter.

9.13 (b) A prevailing plaintiff is entitled to three times the damages suffered. This includes
9.14 but is not limited to damages for any income lost or expenses not paid, damages for emotional
9.15 distress, and any other harm that resulted directly or indirectly from the failure to comply
9.16 with this chapter. Injunctive relief may also be sought and granted. A prevailing plaintiff
9.17 is entitled to reasonable attorney fees, costs, and expenses.

9.18 (c) The court may award a \$1,000 penalty payable by the transportation network company
9.19 to an injured party for each violation of this chapter.

9.20 (d) An action under this section must be commenced within three years from the date
9.21 of discovery of the last instance of the violation affecting the injured driver or driver's
9.22 beneficiary.

9.23 Sec. 9. **[181C.10] REVOCATION OF LICENSE.**

9.24 (a) A local unit of government may revoke a transportation network company's license
9.25 or otherwise disallow operations due to the transportation network company's failure to
9.26 comply with the requirements under this chapter:

9.27 (1) upon the recommendation of the board; or

9.28 (2) upon a finding of a violation of this chapter by the transportation network company
9.29 pursuant to:

9.30 (i) an informal resolution process or formal appeal under section 181C.05;

10.1 (ii) an Office of Administrative Hearing appeal under section 181C.05, subdivision 3;
10.2 or
10.3 (iii) a civil action under section 181C.08.

10.4 (b) Nothing in this section shall be construed or applied so as to create any conflict with
10.5 existing state or local law.

10.6 **Sec. 10. [181C.13] DRIVER NOTICE PROVISIONS; RIGHTS RELATED TO**
10.7 **ARBITRATION.**

10.8 (a) A copy of this chapter and the notice described in paragraph (b) must be provided
10.9 by the transportation network company to every driver in this state:

10.10 (1) within 30 days of the date of enactment of this act;

10.11 (2) at the time of the signing of a new contract between a driver and a transportation
10.12 network company;

10.13 (3) at the time of the renewal of a contract or amendment of an existing contract between
10.14 a driver and a transportation network company; and

10.15 (4) at any time at the request of a driver.

10.16 (b) The notice required in paragraph (a) must inform a driver that they may elect to
10.17 pursue the remedies provided in this chapter rather than use arbitration.

10.18 (c) The rights and remedies established in this chapter are not required to be pursued
10.19 through arbitration and are at the election of the driver. Notwithstanding any law to the
10.20 contrary, if a driver elects to pursue arbitration, the rights and damages in an arbitration
10.21 proceeding shall be as provided in this chapter.

10.22 **Sec. 11. [181C.14] FINANCE.**

10.23 Subdivision 1. **Transportation network account; appropriation.** (a) A transportation
10.24 network account is established in the special revenue fund. The account consists of funds
10.25 provided under subdivision 2, and any other money donated, allotted, transferred, or otherwise
10.26 provided by law.

10.27 (b) Money in the account is annually appropriated to the Board of Transportation Network
10.28 Drivers for purposes of this chapter.

10.29 Subd. 2. **Fee; remittance.** (a) In addition to any other fees and charges, a transportation
10.30 network company must collect a fee of \$0.19 for each dispatched trip or portion of a trip in

11.1 which a charge is otherwise imposed on the rider. This amount must be collected for each
11.2 individual trip or shared trip.

11.3 (b) By the 15th of each month, the transportation network company must remit the total
11.4 amount collected under paragraph (a) in the prior month to the board for deposit in the
11.5 transportation network account.

11.6 **EFFECTIVE DATE.** Subdivision 1 is effective July 1, 2023. Subdivision 2 is effective
11.7 October 1, 2023, for prearranged rides occurring on or after that date.

11.8 **Sec. 12. PRIOR ACCOUNT DEACTIVATIONS.**

11.9 Subdivision 1. **Definitions.** For purposes of this section, the terms have the meanings
11.10 given them in Minnesota Statutes, section 181C.01 and 181C.05.

11.11 Subd. 2. **Prior deactivation.** A driver who has been deactivated by a transportation
11.12 network company since January 1, 2019, has the right to a hearing, consistent with the
11.13 procedures established in section 181C.05, to determine if there was a valid basis for the
11.14 deactivation. If a valid basis is not established consistent with that section, the driver must
11.15 be reinstated. A driver who has previously been deactivated may reapply for driver status
11.16 and the application must be reviewed consistent with this chapter.

11.17 Subd. 3. **Notice required.** By October 1, 2023, a transportation network company must
11.18 provide notice of a right to a hearing under Minnesota Statutes, section 181C.05, to all
11.19 transportation network company drivers deactivated since January 1, 2019. The notice must
11.20 be made through each of the following:

11.21 (1) emailing to the last known email address;

11.22 (2) texting to the last known cell phone number;

11.23 (3) sending a written notice to the last known home address; and

11.24 (4) calling the last known phone number of the deactivated driver.

11.25 Subd. 4. **Hearings; procedures.** An individual who is notified under subdivision 3 has
11.26 until December 31, 2023, to request a hearing. If an individual requests a hearing, the
11.27 procedures under Minnesota Statutes, section 181C.05, apply to the process.

11.28 **Sec. 13. APPROPRIATION; IMPLEMENTATION.**

11.29 \$..... in fiscal year 2024 is appropriated from the general fund to the commissioner of
11.30 labor and industry for the costs to implement the requirements of this act. This is a onetime
11.31 appropriation and is available until June 30, 2025.