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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Representatives Jacquard, Ruggiero, and Vella-Wilkinson

Date Introduced: March 01, 2017

Referred To: House Corporations

(Attorney General)

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND  
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 14.3

4 NATIONAL CRIMINAL RECORDS CHECK – HACKNEY OPERATORS LICENSE

5 **39-14.3-1. Definitions.**

6 As used in this chapter:

7 (1) "Applicant" means an individual who seeks a hackney operator's license for the first  
8 time or a renewal of one previously issued by the division.

9 (2) "Conviction" means, in addition to judgments of conviction entered by a court  
10 subsequent to a finding of guilty or a plea of guilty, those instances where the defendant has  
11 entered a plea of nolo contendere and has received a sentence of probation and those instances  
12 where a defendant has entered into a deferred sentence agreement with the attorney general.

13 (3) "Disqualifying information" means information produced by a national criminal  
14 records check pertaining to conviction for the following crimes: murder; voluntary manslaughter;  
15 involuntary manslaughter; first-degree sexual assault; second-degree sexual assault; third-degree  
16 sexual assault; first degree child molestation sexual assault; second degree child molestation  
17 sexual assault; any offense under chapter 67 of title 11; assault on persons sixty (60) years of age  
18 or older, assault with intent to commit specified felonies (murder, robbery, rape, burglary, or the  
19 abominable and detestable crimes against nature); felony assault; patient abuse; neglect or

1 mistreatment of patients; burglary; first-degree arson; robbery; felony drug offenses; felony  
2 obtaining money under false pretenses; felony embezzlement; abuse, neglect and/or exploitation  
3 of adults with severe impairments; exploitation of elders; felony larceny; felony banking law  
4 violations; duty to stop in accidents, resulting in injury; duty to stop in accidents, resulting in  
5 serious bodily injury; duty to stop in accidents, resulting in death; driving so as to endanger,  
6 resulting in death; driving so as to endanger, resulting in personal injury; driving so as to  
7 endanger, resulting in physical injury; driving under influence of liquor or drugs; refusal to  
8 submit to chemical test; driving under the influence of liquor or drugs, resulting in death; driving  
9 under the influence of liquor or drugs, resulting in serious bodily injury.

10 (4) "Division" means the division of public utilities and carriers.

11 (5) "Driver" means an individual seeking to become a transportation network operator,  
12 TNC operator or TNC driver as defined in §39-14.2-1.

13 (6) "Hackney operator's license" means a special license, commonly referred to as a "blue  
14 card" issued by the division, authorizing the holder thereof to transport passengers as  
15 contemplated in chapters 14 and 14.1 of title 39.

16 **39-14.3-2. National criminal records check.**

17 (a) Notwithstanding any other provisions of the general laws to the contrary, an applicant  
18 or a driver shall undergo a national criminal records check that shall include fingerprints  
19 submitted to the Federal Bureau of Investigation (FBI) by the bureau of criminal identification of  
20 the department of attorney general, the state police or a municipal law enforcement agency. The  
21 national criminal records check shall be processed prior to issuance of the hackney's operators'  
22 license to the applicant or the commencement of services by the driver.

23 (b) The bureau of criminal identification of the department of attorney general, the state  
24 police or a municipal law enforcement agency shall inform the applicant, in writing, of the nature  
25 of the disqualifying information; and, without disclosing the nature of the disqualifying  
26 information, shall notify the division, in writing, that disqualifying information has been  
27 discovered.

28 (c) An applicant against whom disqualifying information has been found may provide a  
29 copy of the national criminal records check to the division. The division shall make a judgment  
30 regarding the issuance of the hackney's operators' license.

31 (d) In those situations in which no disqualifying information has been found, the bureau  
32 of criminal identification of the department of attorney general, the state police or a municipal  
33 law enforcement agency shall inform the applicant and the division, in writing, of this fact.

34 (f) The division shall maintain on file evidence that national criminal records checks have

1 [been initiated on all applicants and drivers on or after January 1, 2018, and the results of those](#)  
2 [checks.](#)

3 [\(g\) The applicant and driver shall be responsible for the cost of conducting the national](#)  
4 [criminal records check through the bureau of criminal identification of the department of attorney](#)  
5 [general, the state police or a municipal law enforcement agency.](#)

6 SECTION 2. Sections 39-14.2-5 and 39-14.2-7 of the General Laws in Chapter 39-14.2  
7 entitled "Transportation Network Company Services" are hereby amended to read as follows:

8 **39-14.2-5. Permit required of transportation network company.**

9 (a) No person shall operate a TNC in the state until that person shall have applied for and  
10 obtained a permit from the division; provided, that any transportation network company operating  
11 in the state before the effective date of this chapter [Nov. 3, 2016] may continue to operate in the  
12 state until the division creates a permit process as required pursuant to this section, and provides a  
13 reasonable period in which to apply and obtain a permit.

14 (b) No application for a permit may be granted or renewed unless the division determines  
15 that, at a minimum, each applicant for a permit has verified the following:

16 (1) That the applicant has a sufficient oversight process in place to ensure that every  
17 vehicle providing transportation network services through its digital network possesses adequate  
18 insurance coverage;

19 (2) That the applicant has submitted to the division information on the internal or third-  
20 party background check entity and its data collection process to ensure compliance with the  
21 requirements established in § 39-14.2-7(b) and (c). The required information and the process for  
22 submitting such information shall be established through regulations promulgated by the division;

23 (3) That the applicant has sufficient oversight processes in place to ensure that each TNC  
24 driver using the applicant's digital network:

25 (i) Has submitted to a background check conducted by the applicant that includes a  
26 review of local and national criminal records, sex offender records, and driving records associated  
27 with each driver; ~~and~~

28 (ii) Submitted the application requirement of § 39-14.2-7(b)(1); ~~and~~

29 [\(iii\) Has submitted to a national criminal records check pursuant to §39-14.3-2.](#)

30 (c) The application fee and annual renewal fee shall be five thousand dollars (\$5,000) for  
31 a TNC with fewer than 50 active TNC drivers; ten thousand dollars (\$10,000) for a TNC with at  
32 least 50, but fewer than 200, active TNC drivers; and thirty thousand dollars (\$30,000) for a TNC  
33 with at least 200 active TNC drivers at the time of application or permit renewal and only after  
34 the division satisfactorily determines that the applicant meets the requirements for a TNC set

1 forth in this chapter, and as set forth in any rules or regulations promulgated in accordance with §  
2 39-14.2-3.

3 (d) All permits issued under this section shall be renewed before the close of business on  
4 December 31 of each calendar year. All revenue collected under this section shall be deposited  
5 into the transportation network services reserve account as provided in § 39-14.2-6.

6 (e) Permits issued under this chapter shall not be transferred without the consent of the  
7 division.

8 (f) The sale or other transfer of a controlling percentage of the capital stock or  
9 membership interests of a TNC, whether by merger, stock sale, or otherwise, or the sale or  
10 transfer of more than fifty percent (50%) of the value of the assets of a TNC, shall be deemed a  
11 change of control, not a transfer, and shall not be subject to the restrictions in subsection (d). The  
12 phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests  
13 possessing more than fifty percent (50%) of the total, combined voting power of all classes of  
14 TNC's capital stock or interests issued, outstanding, and entitled to vote for the election of  
15 directors.

16 **39-14.2-7. Transportation network company operators or TNC operators, TNC**  
17 **drivers.**

18 (a) No individual shall provide TNC services or transport TNC riders in a personal  
19 vehicle until the individual shall have first submitted to required, periodic background checks  
20 conducted through the TNC in accordance with subsection (b).

21 (b) Prior to permitting an individual to accept trip requests through its digital network, a  
22 TNC shall:

23 (1) Require the individual to submit an application to the TNC. The application shall  
24 include the individual's name; address; age; driver's license number; photocopy or electronic copy  
25 of the driver's license; motor-vehicle registration for the personal vehicle that the individual  
26 intends to use to provide prearranged rides; automobile liability insurance; and other information  
27 as may be required by the TNC.

28 (2) Conduct, or have a third party accredited by the National Association of Professional  
29 Background Screeners conduct, a local and national criminal background check for each  
30 applicant that shall include:

31 (i) Multi-state/multi-jurisdictional criminal records locator or other similar commercial  
32 nationwide database with validation (primary source search); and

33 (ii) Dru Sjodin National Sex Offender Public Website; and

34 (3) Obtain and review, or have a third party obtain and review, a driving history research

1 report for such driving applicant.

2 [\(4\) Require an individual to submit to a national criminal records check pursuant to §39-](#)  
3 [14.3-2.](#)

4 (c) The TNC shall certify that the required background checks verify that the applicant  
5 meets the following criteria:

6 (1) Has not had more than three (3) moving violations in the prior three-year (3) period,  
7 or one of the following major violations in the prior three-year (3) period:

8 (i) Attempting to evade the police;

9 (ii) Reckless driving or driving on a suspended; or

10 (iii) Revoked license;

11 (2) Has not, in the past seven (7) years, been convicted of or pleaded nolo contendere to  
12 any of the following:

13 (i) Driving under the influence of drugs or alcohol;

14 (ii) Felony fraud;

15 (iii) Sexual offenses;

16 (iv) Use of a motor vehicle to commit a felony;

17 (v) Felony crimes involving property damage and/or theft; or

18 (vi) Acts of violence or felony acts of terror;

19 (3) Is not a match in the Dru Sjodin National Sex Offender Public Website;

20 (4) Possesses a valid driver's license;

21 (5) Possesses proof of registration for the motor vehicle to be used to provide prearranged  
22 rides or TNC services;

23 (6) Possesses proof of automobile liability insurance, that satisfies the financial-  
24 responsibility requirement for a motor vehicle under § 31-47-2(13)(i)(A), for the motor vehicle(s)  
25 to be used to provide prearranged rides or TNC services; and

26 (7) Is at least nineteen (19) years of age.

27 (d) TNC operators may be affiliated with or may "partner" with more than one properly  
28 permitted transportation network company to provide TNC services.

29 SECTION 3. This act shall take effect on January 1, 2018.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS

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1           This act would require a national criminal records check from applicants for licenses to  
2 become drivers for a transportation network company or a transportation network company driver  
3 or hackneys.

4           This act would take effect on January 1, 2018.

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