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LC002915/SUB A/2
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - TRANSPORTATION NETWORK
COMPANY SERVICES

Introduced By: Senator Maryellen Goodwin

Date Introduced: June 18, 2015

Referred To: Senate Commerce

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 14.2

4 TRANSPORTATION NETWORK COMPANIES

5 **39-14.2-1. Purpose.** -- The purpose of this chapter is to establish state regulation to
6 ensure the public safety, consumer protection and lawful conduct in the provision of
7 transportation network services, while revising the regulatory conditions for taxi-cabs.

8 **39-14.2-2. Definitions.** – As used in this chapter:

9 (1) "Division" means the RI division of public utilities and carriers.

10 (2) "Person" means and includes any individual, partnership, corporation, or other
11 association of individuals.

12 (3) "State agencies" means the department of business regulation and the executive office
13 of commerce.

14 (4) "Transportation network company" or "TNC" means a person who uses a digital
15 network or software application service to connect passengers to transportation provided by TNC
16 drivers in exchange for a fare. A TNC is not deemed to own, control, operate or manage the
17 vehicles used by the TNC drivers. A TNC is not a shared expense carpool or vanpool provider; or
18 a jitney as defined in § 39-13-1, a taxi-cab or limited public motor coach as defined in § 39-14-1,

1 or a public motor vehicle as defined in § 39-14.1-1, or a common carrier as defined in title 39.
2 TNCs may be further defined by the division through regulation.

3 (5) "Transportation network driver" or "TNC driver" means a person who operates a
4 motor vehicle that is owned, leased or otherwise authorized for use by the person to provide TNC
5 services through an agreement with a TNC to receive connections to potential passengers in
6 exchange for the payment of a fee to the TNC.

7 **39-14.2-3. Powers of the division.** – (a) Upon adoption of regulations in accordance with
8 this chapter:

9 (1) Every person owning or operating a transportation network company shall not engage
10 in business in this state unless the company obtains a permit from the division pursuant to this
11 chapter. The permit shall be issued, on a per year basis, only after a written or electronic
12 application for a permit, accompanied by a fee of ten thousand dollars (\$10,000) has been made.

13 (2) No person shall operate a vehicle for the purpose of providing a TNC service in any
14 city or town in the state until the person shall have obtained a certificate from the division
15 certifying that the applicant is able to perform the services proposed and to conform to the
16 provisions of this chapter and the requirements, orders, rules, and regulations of the division
17 thereunder. The division may assess an application and renewal fee not to exceed one hundred
18 dollars (\$100).

19 (b) On or before November 30, 2015, the division, in consultation with and including the
20 recommendations of the state agencies as defined in this chapter, shall promulgate regulations to
21 protect the public safety relating to both TNC drivers and vehicles used by TNC drivers to
22 provide TNC services. The division may establish fare disclosure requirements; a maximum fare
23 that may be charged during an emergency; reinforce the application of the state sales tax; and
24 promulgate any other rules and regulations as are deemed necessary to carry out the purpose of
25 this chapter. Said regulations shall be developed in accordance with the administrative procedures
26 act, in chapter 35 of title 42, including the inclusion of public comment.

27 (c) Every person owning or operating a transportation network company shall file with
28 the division a certificate of insurance issued by an insurance company authorized to transact
29 business in this state, showing that the owner has a policy insuring the TNC vehicles against
30 liability for injury to persons and damage to property which may be caused by the operation of
31 the TNC vehicle, this policy to provide for the indemnity in the sum of not less than one million
32 five hundred thousand dollars (\$1,500,000) for personal injury and indemnity of not less than one
33 hundred thousand dollars (\$100,000) for damage to property. The division should consider a
34 national insurance model that meets or exceeds the requirements of this provision.

1 (d) On or before January 1, 2016, the division, in consultation with and including the
2 recommendations of the state agencies as defined in this chapter, shall revise the current
3 regulations for taxi-cab or limited public motor vehicles as defined in § 39-14-1, giving
4 consideration to consistency in overall regulation of transportation providers. Said regulations
5 shall be developed in accordance with the administrative procedures act, in chapter 35 of title 42,
6 including the inclusion of public comment.

7 **39-14.2-4. Inspection of vehicles.** -- Each vehicle annually shall pass a Rhode Island
8 safety and emissions inspection performed at an authorized safety and emissions inspection
9 station pursuant to chapter 38 and 47.1 of title 31.

10 **39-14.2-5. Penalty for violations.** -- Upon thirty (30) days after adoption of rules and
11 regulations promulgated pursuant to this chapter,

12 (1) Any person owning or operating a transportation network company violating any of
13 the provisions of this chapter shall be fined not less than one thousand dollars (\$1,000) nor more
14 than two thousand five hundred dollars (\$2,500) for each violation.

15 (2) Any TNC driver violating any of the provisions of this chapter shall be fined not less
16 than fifty dollars (\$50.00) nor more than two hundred dollars (\$200) for each violation.

17 (3) The division may revoke or suspend the permit or certificate of any person, firm or
18 corporation in violation of this chapter. The administrator may in his or her discretion, in lieu of
19 revoking or suspending the TNC's operating authority as conferred under this chapter, impose
20 upon the TNC an administrative civil penalty (fine). This fine shall not exceed ten thousand
21 dollars (\$10,000) per each violation of this chapter or the division's rules and regulations
22 promulgated under it. In determining the amount of the penalty, the administrator shall consider
23 the gravity of the violation, the good faith of the TNC in attempting to achieve compliance and
24 remedying the noncompliance, and any previous violations.

25 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - TRANSPORTATION NETWORK
COMPANY SERVICES

1 This act would establish state regulation over transportation network companies,
2 transportation network services, and transportation network drivers as well as the revision of taxi-
3 cab or limited public motor coach regulations.

4 This act would take effect upon passage.

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