

HOUSE BILL 992

By Sexton C

AN ACT to amend Tennessee Code Annotated, Title 7;
Title 54; Title 55; Title 56 and Title 65, to enact the
Transportation Network Company Services Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 15, is amended by adding the following language as a new part:

65-15-301. This part shall be known and may be cited as the “Transportation Network Company Services Act.”

65-15-302. As used in this part:

(1) “Transportation network company” or “TNC” means a business entity operating in this state that uses a digital network to connect riders to transportation network company services provided by transportation network company drivers. A TNC does not provide taxi service, limousine service, shuttle service, or any other private passenger transportation services regulated pursuant to § 7-51-1003. A TNC is not deemed to own, control, operate, or manage the motor vehicles used by drivers;

(2) “TNC driver” or “driver” means an individual who operates a motor vehicle that is:

(A) Owned, leased, or otherwise authorized for use by the individual;

(B) Not a taxicab or for-hire vehicle; and

(C) Used to provide TNC services;

(3) “TNC rider” or “rider” means a passenger in a motor vehicle operated by a TNC driver for whom transportation is provided by the driver, including:

(A) An individual who uses a TNC’s digital network or software application to connect with a driver to obtain services in the driver’s motor vehicle for the individual and anyone in the individual’s party; or

(B) Anyone for whom another individual uses a TNC’s digital network or software application to connect with a driver to obtain services in the driver’s motor vehicle; and

(4) “TNC services” or “services” means transportation of a passenger between points chosen by the passenger and prearranged with a driver through the use of a TNC digital network or software application. Services begin when a driver accepts a request for transportation received through the TNC’s digital network or software application, continue while the driver transports the passenger in the driver’s motor vehicle, and end when the passenger exits the driver’s motor vehicle. TNC service is not taxicab, for-hire vehicle, or street hail service.

65-15-303. Transportation network companies are governed exclusively by this part. A TNC is not subject to any regulations passed by a municipality or other governmental entity governing private passenger for-hire vehicles pursuant to § 7-51-1003 and is not subject to the authority of the department of safety to regulate passenger operations pursuant to part 1 or part 2 of this chapter.

65-15-304. A TNC shall maintain an agent for service of process in this state.

65-15-305.

(a) A TNC operating in this state shall:

(1) Provide riders with any applicable rates charged for transportation network services and the option to receive an estimated fare before the rider enters the driver’s motor vehicle;

(2) Use a software application or web site to display a picture of the driver and the license plate number of the motor vehicle utilized for providing the TNC service before the rider enters the driver's motor vehicle;

(3) Transmit an electronic receipt to the rider within a reasonable time after the completion of a prearranged ride that lists:

(A) The origin and destination of the trip;

(B) The total time and distance of the trip; and

(C) An itemization of the total fare paid, if any;

(4) Implement a zero tolerance policy on the use of drugs or alcohol while a driver provides TNC services or is logged into the TNC's digital network but is not providing services, and provide notice of this policy on its web site;

(5) Require any individual, prior to becoming a driver on the TNC's digital platform, to submit a driver application that includes, but is not limited to, address, age, driver license number, driving history, proof of motor vehicle registration, and automobile liability coverage. However, this subdivision (a)(5) shall not prevent a TNC from requiring other information from the individual;

(6) Maintain:

(A) Individual trip records for each driver for at least one (1) year from the date each trip was provided by the driver; and

(B) Driver records for no less than one (1) year from the date on which a driver activation on the TNC's digital network has ended;

(7) Conduct, or have a third party conduct, a local and national criminal background check on any potential driver that includes a multi-state criminal records locator or other similar commercial nationwide database with validation;

(8) Conduct a national sex offender registry search for any potential driver; and

(9) Obtain motor vehicle records for any potential driver.

65-15-306.

(a) On and after July 1, 2015, all transportation network companies and all TNC drivers shall comply with the automobile liability insurance requirements of this section.

(b) The following automobile liability insurance requirements shall apply during the time that a driver is logged into the TNC's digital network and available to receive requests for transportation but is not providing services:

(1) Automobile liability insurance that meets at least the minimum coverage requirements set out in § 55-12-102(12)(A)(i)(b).

(2) Automobile liability insurance in the amounts required in subdivision (b)(1) and shall be maintained by a TNC and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide coverage of at least the limits required in subdivision (b)(1).

(c)

(1) The following automobile liability insurance requirements shall apply while a driver is providing services:

(A) Primary automobile liability insurance that recognizes the TNC driver's provision of TNC services; and

(B) Automobile liability insurance of at least one million dollars (\$1,000,000) for death, personal bodily injury, and property damage.

(2) The coverage requirements of subdivision (c)(1) may be satisfied by any of the following:

- (A) Automobile liability insurance maintained by the driver;
- (B) Automobile liability insurance maintained by the TNC; or
- (C) Any combination of subdivision (c)(2)(A) or (B).

(d) In every instance where insurance maintained by a driver to fulfill the insurance requirements of this section has lapsed, failed to provide the required coverage, denied a claim for the required coverage, or otherwise ceased to exist, insurance maintained by a TNC shall provide the coverage required by this section beginning with the first dollar of a claim.

(e) Insurance required by this section may be placed with an insurer authorized to do business in this state or with a surplus lines insurer eligible under title 56, chapter 14, part 1.

(f) Insurance required by this section shall be deemed to satisfy the financial responsibility requirements for a motor vehicle under the Tennessee Financial Responsibility Law of 1977, compiled in title 55, chapter 12.

65-15-307.

(a) The TNC shall disclose in writing to a TNC driver the following before a driver is allowed to accept a request for TNC services on the TNC's digital network or software application:

(1) The insurance coverage and limits of liability that the TNC provides while the TNC driver uses a motor vehicle in connection with a TNC's digital network; and

(2) That the TNC driver's own insurance policy may not provide coverage while the TNC driver uses a motor vehicle in connection with a TNC's digital network, depending on its terms.

(b) Insurers that write automobile liability insurance in this state may:

(1) Exclude any and all coverage and the duty to defend afforded under the owner's insurance policy for any loss or injury that occurs while an insured motor vehicle provides or is available to provide TNC services; provided, such exclusion is expressly set forth in the policy and approved for sale in this state. This right to exclude coverage and the duty to indemnify and defend may apply to any coverage included in an automobile liability insurance policy, including, but not limited to:

- (A) Liability coverage for bodily injury and property damage;
- (B) Uninsured and underinsured motorist coverage;
- (C) Medical payments coverage;
- (D) Comprehensive physical damage coverage; and
- (E) Collision physical damage coverage.

(2) The insurer shall notify an insured after receiving a notice of loss within the time required by § 56-8-105 that the insurer has no duty to defend or indemnify any person or organization for liability for a loss that is properly excluded pursuant to the terms of the applicable primary or excess insurance policy.

(c) Insurers that write automobile liability insurance in this state shall disclose on its application for insurance, in a prominent place, whether or not the insurance policy provides coverage while an insured motor vehicle provides or is available to provide TNC services. If an automobile liability insurance policy contains an exclusion for TNC services, the insurer or its agent shall disclose in writing the exact language of the exclusion to the applicant during the application process.

(d) In a claims coverage investigation, a TNC and any insurer providing coverage under § 65-15-306 shall cooperate to facilitate the exchange of information,

including the precise times that a TNC driver logged on and off of the TNC's digital network in the twenty-four-hour period immediately preceding the accident and disclose to one another a clear description of the coverage, exclusions, and limits provided under any insurance policy each party issued or maintained.

65-15-308.

(a) A TNC operating in this state shall establish procedures to report any complaint about a driver with whom a rider was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(b) Upon receipt of a rider complaint alleging a violation of the zero tolerance policy set out in § 65-15-305(a)(4), the TNC shall immediately suspend the driver's access to the TNC's digital platform, and shall conduct an investigation into the reported complaint. The suspension shall last the duration of the investigation.

(c) The TNC shall maintain records relevant to a rider complaint made pursuant to this section for a period of at least two (2) years from the date that a complaint is received by the TNC.

65-15-309. A TNC operating in this state shall not permit any individual to act as a driver on its digital platform who:

(1) Has been convicted of more than three (3) moving violations in the past prior three-year period, or one (1) major violation in the past three-year period, including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license;

(2) Has been convicted, within the past seven (7) years, of driving under the influence of drugs or alcohol, fraud, any sexual offense, use of a motor vehicle to commit a felony, a crime involving property damage, theft, any crime involving acts of violence, or acts of terror;

- (3) Is a match in the national sex offender registry;
- (4) Does not possess a valid driver license;
- (5) Does not possess proof of registration for any motor vehicle used to provide services;
- (6) Does not possess proof of automobile liability insurance for any motor vehicle used to provide services; or
- (7) Is not at least nineteen (19) years of age.

65-15-310. A driver shall not solicit or accept street hails.

65-15-311.

(a) The TNC shall adopt a policy prohibiting solicitation or acceptance of cash payments from riders and notify drivers of the policy.

(b) Drivers shall not solicit or accept cash payments from riders.

(c) Any payment for services shall be made only electronically using the transportation network center's digital network or software application.

65-15-312.

(a) The TNC shall adopt a policy of nondiscrimination with respect to passengers and potential passengers and notify TNC drivers of the policy.

(b) Drivers shall comply with all applicable laws regarding nondiscrimination against passengers or potential passengers.

(c) Drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) A TNC shall provide riders an opportunity to indicate whether they require a wheelchair-accessible vehicle. If a TNC cannot arrange wheelchair-accessible service

in any instance, it shall direct the rider to an alternate provider of wheelchair-accessible service, if available.

65-15-313.

(a) Except as otherwise provided in subsection (b), a TNC shall not disclose a rider's personally identifiable information to a third party unless:

- (1) The rider consents;
- (2) Disclosure is required by a legal obligation; or
- (3) Disclosure is required to protect or defend the terms of use of the service or to investigate violations of those terms.

(b) A TNC shall be permitted to share a rider's name and telephone number with the driver providing services to the rider in order to facilitate correct identification of the rider by the driver, or to facilitate communication between the rider and the driver.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.