



Oregon

Kate Brown, Governor

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DATE: May 13, 2019

TO: House Committee on Revenue

FROM: Amy Joyce, Legislative Liaison

SUBJECT: HB 3023A with –A14 amendment, regulation of Transportation Network Companies

INTRODUCTION

HB 3023-A directs the Department of Transportation to implement the statewide licensing and regulation of Transportation Network Companies (TNCs). With the –A14 amendment ODOT would regulate the industry in cooperation with local jurisdictions.

DISCUSSION

HB 3023-A creates a statewide regulatory program for TNCs and preempts local regulation specific to TNCs. The system outlines roles and responsibilities for three entities: the TNC business, TNC drivers, and the regulating agency. The bill generally describes the duties of each.

Transportation Network Company Duties/Obligations

- Obtain license to operate from ODOT
- Verify driver qualifications (age; driving experience; criminal history; driving history)
- Verify vehicle age, registration, and that a safety inspection has been completed
- Provide consumers information electronically:
 - photo of driver and license plate number
 - rate/method of fee calculation, and estimated fee
 - consumer protection information (expectations on drivers, process for complaints of discrimination or alcohol / drug use)
- Suspend a driver for complaint of alcohol or drug use; remove driver from network upon substantiated complaint of: violence, threat of violence, DUII, other criminal behavior
- Provide customer a receipt with ride and fee details
- Potentially insure drivers; provide drivers information on insurance coverage including that TNC might not cover a loss
- Cover losses if driver's coverage has lapsed
- Keep record of each ride and each driver for three years; keep records related to complaints for two years
- Come to agreement with ODOT on record sample selection
- Ensure drivers do not provide rides for compensation outside of the TNC platform; ensure drivers do not discriminate against riders, comply with other requirements
- Provide to ODOT any documents necessary to investigate complaint
- Remit prescribed per-ride fees to ODOT and local governments.

Driver Duties/Obligations

- Apply to TNC and include particular driver and vehicle information
- After a crash, provide insurance information to other party and law enforcement
- After a crash, if law enforcement asks, say whether engaged or connected
- Potentially carry their own insurance; in all cases carry proof of insurance

ODOT Duties/Obligations

- Review, and approve or reject, TNC license applications
- Inspect random sample of ride and driver records, up to quarterly, to determine compliance; random sample determined in conjunction with TNC
- Sanction TNCs for violations; impose civil penalties according to rule
- Adopt administrative rules regarding records TNC must keep regarding rides and drivers; records sampling process based on agreement with TNC
- Upon notice from TNC of driver removed for criminal behavior, notify all other TNC's.
- May impose per ride fee to fund ODOT regulation
- May impose up to 10¢ per ride fee to fund local enforcement
- May impose 2¢ per ride fee to fund electric vehicle charging stations; sunsets 2026

Local Government

- May enforce bill's vehicle safety and display provisions and insurance requirements
- City (or adjacent cities by agreement) may administer transportation program for people using wheelchairs, and impose up to 10¢ per ride fee to fund that

The –A14 amendments make the following changes:

- Criminal background checks and vehicle inspection must be done annually;
- Drivers must take an education and safety course approved by ODOT;
- TNCs may not allow drivers to offer rides through the platform for more than 14 consecutive hours within a single 24-hour period;
- Allows (does not require) agreement for TNC to provide anonymized data for transportation planning;
- Authorizes ODOT to enter into agreements with local governments to enforce vehicle safety and insurance requirements.

The department notes a problem with the bill's provision for records exchange not corrected by the –A14 amendment. At §10(1) the TNC must provide a sampling of records for ODOT to check compliance and conduct its regulatory function. However, the bill requires that ODOT agree with a TNC on the method of sampling and the location where inspection occurs. For effective oversight and efficiency, the bill should allow ODOT to determine via rule the sampling and delivery method for records. ODOT understands a subsequent amendment will reflect this clarification.

SUMMARY

The Department of Transportation would regulate TNC's statewide, and would enter agreements with local jurisdictions delegating them some aspects of oversight. The current language of the bill with the –A14 amendment should be changed to allow ODOT to determine the method of records sampling and delivery of those records.