

## HB 3023 B STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Action Date:** 06/06/19

**Action:** Without recommendation as to passage, with amendments, and be referred to Ways and Means by prior reference. (Printed B-Eng.)

**Vote:** 4-3-0-0

**Yeas:** 4 - Findley, Marsh, Nathanson, Reschke

**Nays:** 3 - Hernandez, Smith G, Smith Warner

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 5/13, 5/14, 6/6

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#### WHAT THE MEASURE DOES:

Requires transportation network company (TNC) to obtain license from Oregon Department of Transportation (ODOT). Preempts local government regulation of TNC. Sets initial and annual licensing fee at \$5,000. Allows airport or other transportation authority to charge fee for use of facility and to designate where TNC can operate on facility. Establishes requirements of drivers. Establishes requirements for vehicles. Requires vehicle inspections and driver background to be conducted annually. Limits participating driver's connection to network to no more than 14 hours in 24 hour period. Sets minimum insurance coverage limits. Establishes TNC record keeping requirements. Allows ODOT to review random sample of records quarterly for purpose of verifying compliance. Allows ODOT to inspect TNC documents necessary to investigate and resolve specific complaints. Prohibits TNC from allowing driver to connect to network if TNC substantiates a complaint regarding certain behavior. Requires TNC to notify ODOT of such action, and requires ODOT to notify every Oregon-licensed TNC of the action. Allows ODOT to impose fee for each prearranged ride in amount sufficient to meet expenses of state agencies and local governments in connection with intergovernmental agreement related to enforcement of safety, emissions standards and insurance. Allows ODOT to charge 10 cents per ride for purpose of disbursing funds to cities to enforce TNC vehicle standards and insurance requirements. Allows certain cities to charge 10 cents per ride to administer transportation program for people who use wheelchairs. Allows ODOT to charge a per-ride fee in amount it determines is necessary to administer TNC licensing program. Allows ODOT, until January 1, 2026, to charge five cents per ride for purpose of supporting infrastructure of electric vehicles. Allows ODOT to adjust specified fees for inflation beginning 2022 and each even numbered year thereafter. Allows ODOT to assess civil penalty for violations. Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

5/13/2019

- Background on measure, further amendments expected
- Underlying discussion has been ongoing for multiple sessions
- Creates statewide licensing requirements
- Concern of preempting local licensure requirements
- Potential to structure policy as floor in which local governments could implement expanded policies designed in addition to state policy
- Request of proponents to identify what the problem is that the measure is designed to address
- Classification as independent contractors
- Equity in transportation.

5/14/2019

## **HB 3023 B STAFF MEASURE SUMMARY**

- Interest of cities to maintain ability to regulate transportation network companies (TNCs)
- Number of private for hire rides in Portland in recent year
- Traffic congestion and TNCs
- Current regulatory framework of cities that have implemented such programs
- Statewide insurance standards for TNCs contained in measure
- Transportation needs and availability of transportation options for blind individuals
- Classification of TNC drivers, employees or independent contractors
- Personal injury protection insurance
- Whether fees constitute a tax.

### **EFFECT OF AMENDMENT:**

Modifies terms. Extends records retention periods to seven years. Requires vehicle inspections and driver background to be conducted annually. Limits participating driver's connection to network to no more than 14 hours in 24 hour period. Modifies reporting requirements. Modifies qualifying governmental body requirements. Allows ODOT to adjust specified fees for inflation beginning 2022 and each even numbered year thereafter.

Requires ODOT to determine by rule method for collecting inspection samples. Allows ODOT to impose fee for each prearranged ride in amount sufficient to meet expenses of state agencies and local governments in connection with intergovernmental agreement related to enforcement. Modifies requirements of local governments relating to transportation programs for people who use wheelchairs. Allows ODOT to impose fee of five cents for each prearranged ride for purpose of deploying charging stations throughout state.

### **BACKGROUND:**

Oregon's cities and counties have authority to regulate taxicabs, limousines, and other vehicles for hire; legislation reaffirming the policy was enacted in 1985. Cities and counties are allowed to restrict the number of licenses, set maximum rates and establish how rates are calculated, establish safety and insurance requirements, and establish route boundaries. In the last decade, the transportation network company (TNC) model (also referred to as "ridesharing") developed to provide prearranged transportation services for compensation through a website or smart phone app to connect drivers using their personal vehicles with riders. Uber and Lyft are TNC companies people are most familiar with. Some cities in Oregon, such as Portland, Salem, and Eugene, have adopted licensing programs tailored to meet local needs.

House Bill 3023-A establishes a statewide TNC licensing program administered by ODOT.