

## **SB 1166 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Rules**

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**Meeting Dates:** 4/28

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#### **WHAT THE MEASURE DOES:**

The measure requires transportation network companies (TNCs) to compensate drivers, requires TNCs to establish a driver account deactivations policy, creates the Driver Resource Center and Driver Resource Center Fund, and appropriates \$250,000 to the Fund. It requires TNCs to allow drivers to accrue and use paid sick leave. It requires TNCs to send specific information about each dispatched trip to a driver, to send a trip receipt to each paying passenger, and to send weekly trip statements to drivers. It requires TNCs to submit quarterly and monthly reports to the Bureau of Labor and Industries (BOLI), and requires BOLI to submit annual reports to the Legislative Assembly, based on the information from the TNC reports. It requires TNCs to provide written notice of rights to drivers, and prohibits TNCs from retaliating against drivers for asking about, or exercising, any of those rights. It requires BOLI to administer and enforce these provisions. It establishes that any driver, regardless of whether classified as an employee or independent contractor, has the same rights and may file a wage claim with BOLI. It establishes the Task Force on Ensuring Meaningful Access to Benefits for Transportation Network Company Drivers. It declares an emergency, effective July 1, 2025.

#### **Detailed Summary**

##### **Driver compensation**

- \$0.68 per minute of all passenger platform time and \$1.59 per passenger platform mile, or \$6.00 per dispatched trip
- Applicability based on whether TNC rides are dispatched, shared, or prescheduled
  - Dispatched: Ride minute 9, and for various cancellations
  - Shared: Full distance traveled and total amount of shared passenger platform time spent
  - Prescheduled: any time spent waiting at the pick-up location after the scheduled arrival time
- Requires BOLI to adjust compensation annually, according to the U.S. City Average Consumer Price Index for All Urban Consumers, West Region (All Items), and by the rate of increase of the state minimum wage.
- Requires TNCs to remit all tips to drivers and prohibits TNCs from counting tips towards any required compensation
- Allows TNCs withhold, deduct, and/or divert any portion of required compensation for specified reasons
  - If the TNC is required to so by law
  - If the deductions are voluntary, for specified reasons, and are authorized in writing by the driver
  - If the deductions are authorized by a collective bargaining unit
  - If the deduction is made from the compensation payment upon termination and is authorized in a written agreement between the TNC and the driver, for a repayment of a loan from the TNC to the driver

##### **Driver Account Deactivation**

- A TNC written policy must:
  - be made available on the driver platform;
  - include circumstances and conduct warranting deactivation, provide information about a driver's right to appeal and right to representation and support;
  - be made available to current driver's via email, and to new drivers on the platform; and
  - be in the five most commonly spoken languages in the state.
- The advanced notice requirements do not apply to driver account deactivation related to:

## **SB 1166 -1 STAFF MEASURE SUMMARY**

- A driver's rejection of a passenger based on real or perceived age, race, ethnicity, color, national origin, language, sex, gender identity, sexual orientation, religion, or disability; or
- Allegations of the driver driving under the influence of drugs or alcohol, harassment or physical or sexual assault against a passenger.
- TNCs are prohibited from deactivating accounts without cause

### **Driver Resource Center**

- Established to provide low-cost or no-cost support and assistance to drivers in an appeal process regarding account deactivations and to provide culturally competent assistance, training, and educational resources to drivers
- Requires BOLI to contract with a nonprofit organization to operate the Center

### **Paid Sick Leave**

- A driver may accrue at least one hour for every 30 hours of passenger platform time
- A driver may carry over up to 40 hours of unused sick leave from one year to the next year
- A TNC is required to either allow a driver to carry that unused leave to the next calendar year, or compensate the driver for that leave at the end of a calendar year.
- A TNC may adopt a policy limiting leave accrual to no more than 80 hours per calendar year and leave use to no more than 40 hours per year
- A driver is eligible to use accrue sick time upon recording 90 hours of passenger platform time
- Sick leave may be used for specified reasons
- A TNC is required, on a weekly basis, to notify a driver of their sick leave balance. This notice must be provided in the five most commonly spoken languages in Oregon.
- BOLI is given limited rulemaking authority

### **Trip receipts and earnings documentation**

- A TNC is required to send the report to a driver within 24 hours of a dispatched trip, and include specific information about the trip, including the driver's earnings
- A TNC is required to send weekly statements to a driver summarizing all dispatched trip information for the prior week, with specific information included.

### **Reporting and recordkeeping**

- A TNC is required to submit monthly and quarterly reports to BOLI, with specific information included
- A TNC is required to maintain certain records for reporting purposes

*Fiscal impact: The measure may have a fiscal impact, but a statement has not yet been released.*

*Revenue impact: The measure may have a fiscal impact, but a statement has not yet been released.*

### **ISSUES DISCUSSED:**

### **EFFECT OF AMENDMENT:**

-1 The amendment replaces the measure. It clarifies and amends several definitions. It requires transportation network companies (TNCs) to compensate drivers, creates the Driver Resource Center and Driver Resource Center Fund, and appropriates \$4,000,000 to the Fund. It requires TNCs to allow drivers to accrue and use paid sick leave. It requires TNCs to send specific information about each dispatched trip to a driver, to send a trip receipt to each paying passenger, and to send weekly trip statements to drivers. It requires TNCs to submit monthly reports to the Bureau of Labor and Industries (BOLI), and requires BOLI to submit annual reports to the Legislative Assembly, based on the information from the TNC reports. It requires a TNC to provide written notice of rights to drivers, and prohibits TNCs from retaliating against drivers for asking about, or exercising, any of those rights. It requires BOLI to administer and enforce these provisions. It establishes that any driver, regardless of whether classified as an employee or independent contractor, has the same rights and may file a wage claim with BOLI. It requires just

cause for TNCs to deactivate a driver's account. It declares an emergency, and is effective July 1, 2025.

**Detailed Summary**

**Clarifies and amends definitions**

- "Average hourly compensation"
- "Nonprofit organization"
- "Single downloadable and searchable electronic file format"

**Driver compensation**

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  - Dispatched: Ride minute nine, and for various cancellations
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- Requires BOLI to adjust compensation annually, according to the U.S. City Average Consumer Price Index for All Urban Consumers, West Region (All Items), and by the rate of increase of the state minimum wage.
- Requires TNCs to remit all tips to drivers and prohibits TNCs from counting tips towards any required compensation
- Allows TNCs withhold, deduct, and/or divert any portion of required compensation for specified reasons
  - If the TNC is required to so by law
  - If the deductions are voluntary, for specified reasons, and are authorized in writing by the driver, including to the Driver Resource Center
  - If the deductions are authorized by a collective bargaining unit
  - If the deduction is made from the compensation payment upon termination and is authorized in a written agreement between the TNC and the driver, for a repayment of a loan from the TNC to the driver

**Driver Resource Center and Driver Resource Center Fund**

- Established to provide low-cost or no-cost support and assistance to drivers in an appeal process regarding account deactivations and to provide culturally competent assistance, training, and educational resources to drivers
- Requires TNCs to provide drivers with information about the Driver Resource Center
- Requires BOLI to contract with a nonprofit organization to operate the Center
- Appropriates \$4,000,000 to the Fund
- Allows voluntary driver contributions to the Fund, beginning on July 1, 2026

**Paid Sick Leave**

- A driver may accrue at least one hour for every 30 hours of passenger platform time
- A driver may carry over up to 40 hours of unused sick leave from one year to the next year
- A TNC is required to either allow a driver to carry that unused leave to the next calendar year, or compensate the driver for that leave at the end of a calendar year.
- A TNC may adopt a policy limiting leave accrual to no more than 80 hours per calendar year and leave use to no more than 40 hours per year
- A driver is eligible to use accrue sick time upon recording 90 hours of passenger platform time
- Sick leave may be used for specified reasons
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**Trip receipts and earnings documentation**

## SB 1166 -1 STAFF MEASURE SUMMARY

- A TNC is required to send the report to a driver within 24 hours of a dispatched trip, and include specific information about the trip, including the driver's earnings and deductions
- A TNC is required to send weekly statements to a driver summarizing all dispatched trip information for the prior week, with specific information included.

### **Just cause for driver account deactivation**

- TNCs are prohibited from deactivating accounts without just cause
- Clarifies that a driver may bring civil action against a TNC for a violation of just cause within one year after the conduct occurred

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### **BACKGROUND:**

#### **Transportation Network Companies**

Oregon law defines a "transportation network company" (TNC) as "a corporation, limited liability company, partnership or other association that provides a software or digital application, the express purpose of which is to connect to the Internet and enable a prospective passenger to seek and obtain transportation services from a driver who operates a personal motor vehicle for the purpose of providing transportation services for compensation in affiliation with the corporation, limited liability company, partnership or other association," which was established through [House Bill 2393 \(2021\)](#). In other words, TNCs generally provide transportation on demand, through an app (most often used on a smart phone) and are also known as ridesharing companies. The most commonly known TNCs are Uber and Lyft.

HB 2393 (2021) also required taxi companies and TNCs to provide a motor vehicle liability policy with personal injury protection benefits to each driver who operates a taxi or personal motor vehicle in affiliation with the company, and specified that the coverage apply to the driver, any passengers, and any pedestrians struck by the vehicle or taxi.

#### **Paid Sick Leave**

Oregon law provides employees with paid and unpaid protected leave for a variety of reasons. The Paid Leave Oregon program is contained in ORS chapter 657B and was enacted by the Legislative Assembly in 2019. This program allows eligible Oregon employees to take paid leave for specified family, medical, or safety-related reasons and requires employers with 25 or more employees to contribute to the program's fund. An employer may offer employees an equivalent plan approved by the Oregon Employment Department (OED) in lieu of participating in Paid Leave Oregon. Self-employed persons and independent contractors can elect to participate in the program.

The Oregon Family Leave Act (OFLA) applies to employers with 25 or more employees. OFLA permits employees to take protected, unpaid leave for several qualifying reasons, including sick child leave, pregnancy disability leave, and bereavement leave.

Oregon law also provides employees with leave for other reasons, such as military family leave, sick time, and leave to attend a criminal proceeding. Employers in Oregon with at least 10 employees are required to have a sick time policy that permits an employee to accrue at least one hour of paid sick time for every 30 hours that the employee works, or 1-1/3 hours for every 40 hours that the employee works. Employees are permitted to cap accrued paid sick time at 40 hours per year. Oregon law requires employers with fewer than 10 employees to permit employees to accrue the same number of sick time hours a year as those employers with at least 10 employees, however this sick time is permitted to be unpaid. ORS 653.616 specifies when an employee may use

earned sick time, such as to care for the employee's mental or physical illness, or to care for a family member with a mental or physical illness.

PRELIMINARY