

SB 1166 A STAFF MEASURE SUMMARY

Senate Committee On Rules

Action Date: 05/28/25

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 3-2-0-0

Yeas: 3 - Golden, Jama, Manning Jr

Nays: 2 - Bonham, Thatcher

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 4/28, 5/28

WHAT THE MEASURE DOES:

The measure requires transportation network companies (TNCs) to compensate drivers at set minimum rates, and 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 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 drivers, regardless of whether classified as employees or independent contractors, have 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 on July 1, 2025, but makes most provisions operative on January 1, 2026.

Detailed Summary

- Defines terms used in the measure.
- Sets recordkeeping requirements for TNCs.

Driver compensation

- Establishes minimum compensation rates at \$0.39 per minute of all passenger platform time and \$1.34 per passenger platform mile, or \$6.00 per dispatched trip.
- Establishes compensation rate applicability based on whether TNC rides are dispatched, shared, or prescheduled.
 - Dispatched include all passenger platform time and passenger platform miles, all dispatched platform time and miles driven occurring after nine minutes of dispatched platform time, and for various cancellations.
 - Shared include full distance traveled and total amount of shared passenger platform time spent.
 - Prescheduled include passenger platform time and any time spent waiting at the pick-up location after the scheduled arrival time.
- Requires compensation equal to 150 percent of minimum rates if an individual requests accommodations for more than four passengers and compensation equal to at least 80 percent of the total passenger fare if the TNC applies a surcharge to a dispatched trip.
- Requires BOLI to adjust compensation annually, by April 30, 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, tolls, fees or other charges incurred by a driver towards any required compensation.

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- Allows TNCs to withhold, deduct, and/or divert any portion of required compensation for specified reasons, including:
 - 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; or
 - 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.

Paid Sick Leave

- Requires drivers to be allowed to accrue at least one hour of paid sick time for every 30 hours of passenger platform time.
- Requires drivers to be allowed to carry over up to 40 hours of unused sick time from one year to the next year, except when a TNC adopts 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.
- Requires TNCs to either allow a driver to carry unused sick time to the next calendar year, or compensate the driver for that leave on the first day of the immediately subsequent year.
- Makes drivers eligible to use accrued sick time upon recording 90 hours of passenger platform time.
- Delineates reasons for which sick time may be used and requires a TNC to allow a driver to use sick time if driver has accrued sick time available.
- Requires TNCs to establish accessible system for drivers to request and use sick time and establishes sick time notice and verification requirements.
- Requires TNCs, on a weekly basis, to notify a driver of their sick time balance, which must be provided in the five most commonly spoken languages in Oregon.
- Gives BOLI limited rulemaking authority.
- Sets unlawful practices related to sick time provisions.

Trip receipts and earnings documentation

- Requires TNCs 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.
- Requires TNCs to send a trip receipt to each paying passenger.
- Requires TNCs to send weekly statements to a driver summarizing all dispatched trip information for the prior week, with specific information included.

Driver protections

- Requires each TNC to provide a written notice of rights to every driver and specifies contents of the notice.
- Makes retaliation by the TNC, against a driver for inquiring about or exercising any rights provided by the measure, an unlawful practice.

Enforcement and remedies

- Gives BOLI authority to administer and enforce provisions of measure, including the ability to investigate any filed complaint or the policies and practices of TNCs to ensure compliance and to initiate investigations if it has reason to believe a TNC has committed an unlawful practice or violated provisions of the measure.
- Establishes that drivers, regardless of whether classified as employees or independent contractors, have the same rights and may file a wage claim with BOLI.

Just cause for driver account deactivation

- Prohibits TNCs from deactivating accounts without just cause and specifies conditions necessary for just cause.
- Clarifies that a driver may bring civil actions against a TNC for a violation of just cause within one year after the conduct occurred.

ISSUES DISCUSSED:

- How the measure was developed and its intent

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- Unintended consequences of the measure
- Current driver pay rates and account deactivations
- The need for safety measures, in addition to the provisions of the measure
- The attempts to negotiate between drivers and transportation network companies (TNCs)
- The distribution of TNCs in the state

EFFECT OF AMENDMENT:

The amendment amends and removes definitions. It reduces the minimum rate transportation network companies (TNCs) are required to compensate drivers. It also excludes several provisions included in the bill, as introduced.

Detailed Summary

Amends definitions

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

Driver compensation

- Reduces compensation to \$0.39 per minute of all passenger platform time and \$1.34 per passenger platform mile, or \$6.00 per dispatched trip.
- Changes an applicability standard for dispatched trips, by including "all passenger platform time and passenger platform miles"

Other

- Excludes "nonprofit organization"
- Excludes the Driver Resource Center, Driver Resource Center Fund, and the related appropriation
- Excludes the Task Force on Ensuring Meaningful Access to Benefits for Transportation Network Company Drivers.
- Excludes the monthly and quarterly reporting requirements for TNCs, and the annual reporting requirement for BOLI.
- Excludes the requirement for TNCs to establish and maintain a written policy regarding account deactivation.

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." This definition was established through [House Bill 2393 \(2021\)](#). In other words, TNCs generally provide transportation on demand, through an app (most often used on a smartphone), 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

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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. Employers 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.