

**SENATE . . . . . No. 2371**

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Eighty-Ninth General Court**  
**(2015-2016)**  
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SENATE, June 24, 2016

The committee on Ways and Means, to whom was referred the House Bill relative to the ride for hire industry (House, No. 4064); reports, recommending that the same ought to pass with an amendment striking out all after the enacting clause and inserting in place thereof the text of Senate document numbered 2371; and by striking out the title and inserting in place the following title “An Act regulating transportation network companies”.

For the committee,  
Karen E. Spilka

# SENATE . . . . . No. 2371

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Fifteen

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1 SECTION 1. Subsection (a) of section 172 of chapter 6 of the General Laws, as amended  
2 by section 3 of chapter 10 of the acts of 2015, is hereby further amended by inserting after clause  
3 (32) the following clause:-

4 (33) The department of public utilities and its departments or divisions may obtain from  
5 the department all available criminal offender record information, as defined in section 167, to  
6 determine the suitability of an applicant to obtain a transportation network driver certificate  
7 pursuant to chapter 159A½. Information obtained pursuant to this section shall not be  
8 disseminated for any purpose other than to further public protection and safety.

9 SECTION 2. Chapter 25 of the General Laws is hereby amended by adding the following  
10 section:-

11 Section 23. (a) There shall be established within the department a division that shall be  
12 under the general supervision and control of the commission and shall be under the control of a  
13 director. The division shall promulgate rules and regulations and shall perform such functions as  
14 necessary for the administration, implementation and enforcement of chapter 159A½.

15 (b) To fund the division's activities, the division shall assess a surcharge on each  
16 transportation network company, as defined in section 1 of chapter 159A<sup>1/2</sup>. Each transportation  
17 network company shall annually report by March 31, its intrastate operating revenues for the  
18 previous calendar year to the division. The surcharge shall be apportioned according to each  
19 transportation network company's intrastate operating revenues as determined and certified  
20 annually by the division, to reimburse the commonwealth for funds expended for the division's  
21 activities. If a transportation network company fails to report its intrastate operating revenues to  
22 the division by March 31, the division may estimate a transportation network company's  
23 intrastate operating revenues to assess the surcharge.

24 Each transportation network company shall pay the surcharge not later than 30 days from  
25 the date of the notice of the surcharge amount from the division. Failure to pay the surcharge  
26 within 30 days may, at the discretion of the division, constitute cause to suspend or revoke a  
27 transportation network company permit pursuant to chapter 159A<sup>1/2</sup>.

28 Funds that are not expended in a fiscal year for the operation of the division shall be  
29 credited against the surcharge to be made the following fiscal year and the surcharge amount in  
30 the following fiscal year shall be reduced by the unexpended amount.

31 SECTION 3. The General Laws are hereby amended by inserting after chapter 159A the  
32 following chapter:-

33 CHAPTER 159A<sup>1/2</sup>.

34 TRANSPORTATION NETWORK COMPANIES.

35           Section 1. As used in this chapter, the following words shall have the following meanings  
36 unless the context clearly requires otherwise:

37           “Cruising”, the driving of a vehicle on the streets, alleys or public places of motorized  
38 travel in search of or soliciting hails from a person in the street.

39           “Department”, the department of public utilities.

40           “Digital network”, any online-enabled application, software, website or system offered or  
41 utilized by a transportation network company that enables pre-arranged rides with transportation  
42 network drivers.

43           “Division”, the division established in section 23 of chapter 25.

44           “Pre-arranged ride”, a period of time that begins when a transportation network driver  
45 accepts a requested ride through a digital network, continues while the driver transports the  
46 transportation network company rider and ends when the rider safely departs from the vehicle.

47           “Tip”, a sum of money, including any amount designated by a credit card patron or a  
48 gratuity, given as an acknowledgement for the provision of transportation network services.

49           “Transportation network company”, a corporation, partnership, sole proprietorship or  
50 other entity that uses a digital network to connect riders to drivers to pre-arrange and provide  
51 transportation.

52           “Transportation network company permit” or “permit”, a document that may be issued by  
53 the division to a qualifying transportation network company pursuant to this chapter.

54 “Transportation network driver” or “driver”, a driver certified by a transportation network  
55 company.

56 “Transportation network rider” or “rider”, a passenger in a pre-arranged ride provided by  
57 a transportation network driver, provided that the passenger personally arranged the ride or an  
58 arrangement was made on the rider’s behalf.

59 “Transportation network services” or “services”, the offering or providing of pre-  
60 arranged rides for compensation or on a promotional basis to riders or prospective riders through  
61 the transportation network company’s digital network, covering the period beginning when a  
62 transportation network driver is logged onto the transportation network company’s digital  
63 network and is available to receive a pre-arranged ride or while in the course of providing a pre-  
64 arranged ride.

65 “Transportation network vehicle” or “vehicle”, a vehicle that is used by a transportation  
66 network driver to provide transportation network services.

67 Section 2. (a) The division shall have jurisdiction over transportation network  
68 companies to ensure the safety and convenience of the public, as expressly set forth in this  
69 chapter.

70 (b) In consultation with the registry of motor vehicles, the division shall provide for the  
71 establishment of removable decals to be issued by transportation network companies, in a form  
72 and manner prescribed by the division, to transportation network drivers to designate a vehicle as  
73 a transportation network vehicle for law enforcement and public safety purposes. The decal shall  
74 be applied to both the front and back panels of a vehicle at all times while the vehicle is  
75 providing transportation network services. A transportation network driver who provides

76 transportation network services using the digital network of more than 1 transportation network  
77 company shall display the respective decals for each transportation network company while the  
78 vehicle is providing transportation network services. A transportation network driver who ceases  
79 to be certified to provide transportation network services for any reason shall return the decal  
80 within 14 days of that cessation to the respective transportation network company in the manner  
81 and form prescribed by the division.

82 (c) In consultation with the commissioner of insurance, the division shall implement the  
83 insurance policy requirements established in section 228 of chapter 175.

84 (d) A transportation network company shall provide clear and conspicuous transportation  
85 fare estimates to riders at all times, including during surge pricing, high volume and high  
86 demand times.

87 (e) A transportation network company and driver shall not raise base fares during a  
88 federal or a governor-declared state of emergency.

89 (f) In consultation with state police, local law enforcement and the registry of motor  
90 vehicles, the division shall ensure the safety and annual inspection of transportation network  
91 vehicles.

92 (g) The division shall ensure the accommodation of riders with special needs. A  
93 transportation network company shall not impose additional charges or increase fares when  
94 providing services to persons with disabilities and all transportation network drivers shall comply  
95 with applicable laws, rules and regulations relating to the accommodation of service animals.

96 (h) A transportation network company shall not be subject to the department's rate or  
97 common carrier requirements under chapters 159, 159A or 159B.

98 Section 3. (a) All transportation network companies and transportation network drivers  
99 shall provide services in the form of a pre-arranged ride using a digital network. A driver  
100 providing transportation network services shall not solicit, accept, arrange or provide  
101 transportation in another manner, including through street hails, cruising or street solicitations.

102 (b) A transportation network company shall apply for a permit to be issued and annually  
103 renewed by the division. No transportation network company shall operate without a permit  
104 issued to it by the division.

105 (c) No application for a permit may be granted or renewed unless the division determines  
106 that the rendering of transportation network services by the applicant is consistent with the public  
107 interest. At a minimum, each applicant for a permit shall verify the following:

108 (i) that the applicant has an oversight process in place to ensure that the applicant  
109 and every transportation network driver using the transportation network company's digital  
110 network possesses adequate insurance coverage, as required by this chapter and section 228 of  
111 chapter 175, and otherwise complies with all laws, rules and regulations concerning  
112 transportation network vehicles;

113 (ii) that the applicant has an oversight process in place to ensure that each driver  
114 using the applicant's digital network: (1) has, before joining the network and annually thereafter,  
115 submitted to and successfully completed a background check conducted by the applicant that  
116 includes a review of local and national criminal records, sex offender records and driving records

117 associated with each driver; (2) is a suitable driver as defined in section 4; and (3) is certified  
118 pursuant to section 4;

119 (iii) that the digital network used by the applicant to pre-arrange rides employs a  
120 clear and conspicuous explanation of the total cost and pricing structure applicable to each pre-  
121 arranged ride before the ride begins;

122 (iv) that the applicant has an oversight process in place to ensure that tolls  
123 incurred by a driver providing transportation network services through its digital network are  
124 paid at the commercial rate;

125 (v) that the applicant has an oversight process in place to ensure that the applicant  
126 and drivers using the applicant's digital network comply with all applicable laws regarding  
127 nondiscrimination against riders or potential riders and ensure the accommodation of riders with  
128 special needs including, but not limited to, all applicable laws, rules and regulations relating to  
129 the accommodation of service animals;

130 (vi) that the applicant has a process in place to ensure that it shall: (1) maintain  
131 and update a roster of each transportation network driver certified by the applicant to provide  
132 pre-arranged rides using the transportation network company's digital network; (2) provide those  
133 rosters to the division, to the registry of motor vehicles and to state and local law enforcement as  
134 requested; (3) maintain and update those rosters as required by the division; (4) comply with all  
135 requests for information from the division regarding the roster, including verification of  
136 completion of a background check as required pursuant to clause (ii);

137 (vii) that the applicant includes the option for a rider to provide a tip to a  
138 transportation network driver through the transportation network company's digital network  
139 application for the provision of transportation network services; and

140 (viii) that the applicant has established a toll-free customer service hotline that  
141 shall be capable of responding to consumer, driver and rider questions and complaints; provided  
142 further, that the hotline number shall be conspicuously posted along with the hours of operation  
143 on the applicant's website and within the applicant's digital network application.

144 (d) The division shall calculate and the secretary of administration and finance shall  
145 determine, pursuant to section 3B of chapter 7, the cost associated with the division's review of  
146 an application for a transportation network company permit and for renewal of the permit. The  
147 division may charge the applicant a reasonable fee to cover the costs.

148 Section 4. (a) A driver who seeks to utilize the digital network of a transportation  
149 network company to provide pre-arranged rides shall apply to a transportation network company  
150 for a transportation network driver certificate. A person shall not provide transportation network  
151 services without a valid transportation network driver certificate and shall post a certificate for  
152 each transportation network company that has certified the driver in a location in the vehicle that  
153 is visible to the rider while transportation network services are being provided.

154 (b) At a minimum, and subject to such other requirements as the division may establish  
155 by regulation, a transportation network company shall only issue a transportation network driver  
156 certificate to driver who:

157 (i) is at least 21 years of age;

158 (ii) has access to a vehicle that has been registered in the commonwealth and  
159 inspected pursuant to section 7 of chapter 90 and regulations promulgated under that section at a  
160 facility licensed by the registry of motor vehicles;

161 (iii) complies with insurance requirements established in this chapter or in section  
162 228 of chapter 175;

163 (iv) provides notice to all insurers of the vehicle that the applicant intends to use  
164 the vehicle to provide transportation network services;

165 (v) is determined to be suitable to perform transportation network services on the  
166 basis of a background check conducted by the transportation network company pursuant to  
167 clause (ii) of subsection (c) of section 3;

168 (vi) does not appear on the National Sex Offender Registry;

169 (vii) has not had a conviction in the past 7 years for: (1) a sex offense or violent  
170 crime as defined in section 133E of chapter 127; (2) a crime under section 24 of chapter 90 or  
171 been assigned to an alcohol or controlled substance education, treatment or rehabilitation  
172 program by a court; (3) leaving the scene of property damage or personal injury caused by a  
173 motor vehicle; (4) felony robbery; or (5) felony fraud; and

174 (viii) has a driving record, as maintained by the merit rating board in accordance  
175 with section 57A of chapter 6C, which does not include more than 5 traffic violations or any  
176 major traffic violation, as defined by the division of insurance, in the preceding 3-year period.

177 (c) The division shall approve the form of a transportation network driver certificate;  
178 provided, however, that each certificate shall contain the name, address, picture of the driver and

179 the license plate number of each vehicle used by the driver to provide transportation network  
180 services.

181 (d) The transportation network company shall immediately suspend a transportation  
182 network driver's certificate upon learning of and verifying a driver's arrest for a crime that  
183 would render a driver unsuitable to provide transportation network services or upon learning of  
184 and verifying a driver's citation for a driving infraction that would render the driver unsuitable to  
185 provide transportation network services Any such suspension shall only be for a period of time  
186 necessary to determine whether continued provision of transportation network services by the  
187 driver is consistent with the public interest. A transportation network company shall report such  
188 suspension once verified, in a form and manner prescribed by the division to all transportation  
189 network companies that certified that driver.

190 (e) In accordance with this section, the division shall annually audit the driver  
191 certification and criminal background check processes of a transportation network company.  
192 Non-compliance with this section shall constitute cause for the division to suspend or revoke a  
193 transportation network company permit pursuant to section 6.

194 Section 5. (a) Each transportation network company shall carry adequate insurance, as  
195 required by this chapter and section 228 of chapter 175, for each vehicle being used to provide  
196 transportation network services through a transportation network company's digital network.

197 (b) A transportation network driver shall carry adequate insurance for each vehicle being  
198 used to provide transportation network services in association with a transportation network  
199 driver's certificate and shall carry proof of adequate insurance, as required by section 228 of  
200 chapter 175, at all times while providing transportation network services. In the event of an

201 incident giving rise to personal injury or property damage, a transportation network driver shall  
202 provide insurance coverage information to directly interested parties, automobile insurers and  
203 law enforcement. Upon request, a transportation network driver shall disclose to directly  
204 interested parties, automobile drivers, automobile insurers and law enforcement whether the  
205 driver was providing transportation network services at the time of the incident.

206 (c) A transportation network company shall disclose, in writing, to a prospective  
207 transportation network driver, before certifying the driver to provide transportation network  
208 services through the transportation network company's digital network: (i) the insurance  
209 coverage, including the types of coverage and the limits for each coverage, that the transportation  
210 network company provides while the transportation network driver provides transportation  
211 network services; and (ii) a statement that the transportation network driver's own automobile  
212 insurance policy may not provide coverage while the driver is providing transportation network  
213 services, depending on the terms of the policy.

214 (d) In a claims coverage investigation, a transportation network company, a  
215 transportation network driver and an insurer responding to a claim involving transportation  
216 network services shall disclose to each another a clear description of the coverage, exclusions  
217 and limits provided under an automobile insurance policy maintained under this section and shall  
218 cooperate to facilitate the exchange of relevant information with directly involved parties  
219 including, but not limited to, the precise times that a transportation network driver logged on and  
220 off of the transportation network company's digital network in the 12-hour period immediately  
221 preceding and in the 12-hour period immediately following the accident.

222 Section 6. (a) If the division determines that a transportation network company is in  
223 violation of this chapter or any rule or regulation promulgated under this chapter, the division  
224 may, after notice and a hearing, issue a monetary penalty, suspend or revoke a transportation  
225 network company permit or take other action that the division deems necessary. In determining  
226 the amount of the monetary penalty, the division shall consider, without limitation, the size of the  
227 transportation network company based on a transportation network company's intrastate  
228 operating revenues for the previous calendar year, the gravity of the violation, the amount of  
229 good faith from the transportation network company in attempting to achieve compliance or to  
230 remedy non-compliance and previous violations by the transportation network company cited by  
231 the division.

232 (b) The transportation network company may, after notice and a hearing, issue a  
233 monetary penalty or suspend or revoke a transportation network driver's certificate upon receipt  
234 of information that the driver has violated a law or rule or regulation related to the provision of  
235 transportation network services or that the driver is not suitable to provide transportation network  
236 services; provided, however, that a driver who receives 2 or more citations issued in accordance  
237 with subsections (a) or (c) of section 7 in a 12-month period shall, after notice and a hearing, be  
238 suspended from operating as a transportation network driver for a period of not less than 1 year.

239 (c) The division shall promulgate rules and regulations to establish a process for  
240 administrative appeal of a penalty, suspension or revocation imposed in accordance with this  
241 section.

242 (d) A party aggrieved by a final order or decision of the division pursuant to this section  
243 may institute proceedings for judicial review in the superior court within 30 days after receipt of

244 that order or decision. Proceedings in the superior court shall be governed by section 14 of  
245 chapter 30A, where applicable, and may be instituted in Suffolk superior court or the superior  
246 court for the county where any of the parties reside or have their principal place of business  
247 within the commonwealth. The commencement of the proceedings shall not, unless specifically  
248 ordered by the court, operate as a stay of the division's order or decision.

249           Section 7. (a) A driver providing transportation network services who is not in  
250 compliance with sections 4 or 5 shall be deemed to have committed a civil motor vehicle  
251 infraction, as defined in section 1 of chapter 90C. State or local law enforcement officials may  
252 issue a citation for any such violation in the manner provided for in said chapter 90C. If the  
253 driver is cited under this subsection, every transportation network company that certified the  
254 driver shall be subject to a fine of not more than \$500.

255           (b) A driver providing transportation network services who knowingly or willfully allows  
256 another individual to use that driver's certificate or identity to provide transportation network  
257 services or a driver who is using a transportation network driver certificate belonging to another  
258 individual or is misrepresenting a driver's identity to riders or potential riders by means of a  
259 digital network shall be punished by a fine of not more than \$500 for a first offense, by a fine of  
260 not more than \$750 for a second offense and by a fine of not more than \$1,000 or by  
261 imprisonment in the house of correction for not more than 6 months for a third or subsequent  
262 offense.

263           (c) A driver who violates section 3 by soliciting, accepting, arranging or providing  
264 transportation network services in any other manner, including through street hails, cruising or  
265 street solicitations, shall be deemed to have committed a civil motor vehicle infraction, as

266 defined in section 1 of chapter 90C. State or local law enforcement officials may issue a citation  
267 for any such violation in the manner provided for in said chapter 90C to the transportation  
268 network driver and may assess a fine of not more than \$500.

269       Section 8. (a) The division shall require a transportation network company to maintain  
270 certain records, in addition to the records required by clause (vi) of subsection (c) of section 3  
271 including, but not limited to, records pertaining to incidents reported to the transportation  
272 network company relative to a driver or rider, records pertaining to accessibility and records  
273 pertaining to pricing; provided, however, that the division shall issue guidelines on the content  
274 and maintenance of incident reports. A transportation network company shall retain the incident  
275 reports for not less than 7 years. Each transportation network company or applicant for a  
276 transportation network company permit shall furnish all information and documents related to  
277 the condition, management and operation of the company upon the division's request; provided,  
278 however, that any such request shall be reasonably related to the requirements set forth in this  
279 chapter and the rules and regulations promulgated under this chapter. The failure to maintain or  
280 furnish information to the division within a timeline to be determined by the division may, at the  
281 discretion of the division, constitute cause to not issue, suspend or revoke a transportation  
282 network company permit pursuant to section 6.

283       (b) In response to a specific complaint alleging criminal conduct against a transportation  
284 network company driver or rider, a transportation network company shall, as soon as practicable,  
285 upon request by law enforcement or the division, provide applicable information necessary for  
286 law enforcement or the division to investigate the complaint.

287 (c) Any record furnished to the division shall exclude information identifying drivers or  
288 riders, unless the division explains, in writing, to the transportation network company why the  
289 information is necessary for the enforcement processes established in this chapter.

290 (d) Any record furnished to the division or other state agency by a transportation network  
291 company pursuant to this chapter including, but not limited to, the roster of permitted  
292 transportation network drivers, shall not be considered a public record as defined in clause  
293 Twenty-sixth of section 7 of chapter 4 or chapter 66. An application for a transportation network  
294 company permit submitted pursuant to this chapter shall be a public record as defined in said  
295 clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66; provided, however,  
296 that such an application may be withheld from disclosure, in whole or in part, for reasons set  
297 forth in said clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66.

298 Section 9. The division shall promulgate regulations necessary for the implementation,  
299 administration and enforcement of this chapter.

300 Section 10. Notwithstanding any general or special law to the contrary, transportation  
301 network companies and transportation network company drivers shall be governed exclusively  
302 by this chapter and any rules or regulations promulgated by the division under this chapter.  
303 Except where expressly set forth in this chapter, no municipality or other local or state entity  
304 may: (i) impose a tax on or require any additional license for a transportation network company,  
305 a transportation network driver or a vehicle used by a transportation network driver where the tax  
306 or licenses relate to facilitating or providing pre-arranged rides; (ii) require any additional license  
307 for a transportation network company or transportation network driver; or (iii) subject a  
308 transportation network company to the municipality's or other local or state entity's rates or

309 other requirements, including but not limited to entry or operational requirements; provided,  
310 however, that a municipality or other local or state entity may regulate traffic flow and traffic  
311 patterns to ensure public safety and convenience.

312 SECTION 4. Section 168 of chapter 175, as appearing in the 2014 Official Edition, is  
313 hereby amended by inserting after the word “liability”, in lines 23 and 24, the following words:-  
314 ,with the exception of motor vehicle policies for transportation network vehicles,.

315 SECTION 5. Said chapter 175 is hereby further amended by adding the following  
316 section:-

317 Section 228. (a) As used in this section, the words “digital network”, “division”, “pre-  
318 arranged ride” and “transportation network company” shall have the same definitions as set forth  
319 in section 1 of chapter 159A½ unless the context clearly requires otherwise.

320 (b) The insurance requirements in this section shall constitute adequate insurance for  
321 transportation network drivers and shall satisfy the financial responsibility requirement for a  
322 motor vehicle established by section 34A of chapter 90 and section 113L; provided, however,  
323 that the insurance requirements in this section shall only satisfy the financial responsibility  
324 requirements for a motor vehicle established by said section 34A of said chapter 90 and said  
325 section 113L with respect to the provision of transportation network services in a vehicle  
326 operated by a transportation network driver. A transportation network driver shall also comply  
327 with said section 34A of said chapter 90 and said section 113L and maintain insurance coverage  
328 for the vehicle during those periods of time when the vehicle is being operated, but is not  
329 providing transportation network services.

330 (c) A transportation network driver who is logged onto the transportation network  
331 company's digital network and is available to receive transportation requests, but is not engaged  
332 in a pre-arranged ride shall have automobile liability insurance that provides per occurrence, per  
333 vehicle coverage amounting to at least \$50,000 of coverage per individual for bodily injury,  
334 \$100,000 of total coverage for bodily injury, \$30,000 of coverage for property damage,  
335 uninsured motorist coverage, to the extent required by said section 113L, and personal injury  
336 protection, to the extent required by section 34A of chapter 90. The insurance may be held by the  
337 transportation network driver, the transportation network company or a combination thereof.

338 (d) When a transportation network driver is engaged in a pre-arranged ride, the driver  
339 shall have automobile liability insurance that provides at least \$1,000,000 in per occurrence, per  
340 vehicle coverage for death, bodily injury and property damage, uninsured motorist coverage, to  
341 the extent required by section 113L, and personal injury protection, to the extent required by  
342 section 34A of chapter 90. The insurance may be held by the transportation network driver, the  
343 transportation network company, or a combination thereof.

344 (e) In every instance where insurance maintained by a transportation network driver to  
345 fulfill the insurance requirements in subsection (b) has lapsed, failed to provide the required  
346 coverage, denied a claim for the required coverage or otherwise ceased to exist, insurance  
347 maintained by a transportation network company shall provide the coverage required by said  
348 subsection (b), beginning with the first dollar of a claim, and shall have the duty to investigate  
349 and defend that claim.

350 (f) Coverage under an automobile insurance policy maintained by the transportation  
351 network company shall not be dependent on a personal automobile insurer first denying a claim  
352 nor shall a personal automobile insurer be required to first deny a claim.

353 (g) Insurance required by this section shall be placed with an insurer authorized to do  
354 business in the commonwealth or, if such coverage is not available, from any admitted carrier,  
355 then with a surplus lines insurer eligible under section 168.

356 (h) Insurers that write automobile insurance may exclude any and all coverage afforded  
357 under the policy issued to an owner or operator of a vehicle for any loss or injury that occurs  
358 while a driver is providing transportation network services or while a driver provides a pre-  
359 arranged ride. This right to exclude all coverage may apply to any coverage included in an  
360 automobile insurance policy including, but not limited to: (i) liability coverage for bodily injury  
361 and property damage; (ii) personal injury protection coverage as defined in section 34A of  
362 chapter 90; (iii) uninsured and underinsured motorist coverage; (iv) medical payments coverage;  
363 (v) comprehensive physical damage coverage; and (vi) collision physical damage coverage.

364 Such exclusions shall apply notwithstanding any requirement of said section 34A of said  
365 chapter 90 and section 113L. Nothing in this section implies or requires that a personal  
366 automobile insurance policy provide coverage while the transportation network driver is logged  
367 on to the transportation network company's digital network, while the transportation network  
368 driver is engaged in a pre-arranged ride or while the transportation network driver otherwise uses  
369 a vehicle to transport riders for compensation.

370 Nothing shall preclude an insurer from providing coverage for the transportation network  
371 driver's vehicle if the insurer so chooses to do so by contract or endorsement.

372 Automobile insurers that exclude the coverage described in this section shall not have a  
373 duty to defend or indemnify any claim expressly excluded by a policy. Nothing in this section  
374 shall invalidate or limit an exclusion contained in a policy, including any policy in use or  
375 approved for use in the commonwealth before the enactment of this section that excludes  
376 coverage for vehicles used to carry persons or property for a charge or available for hire by the  
377 public. An automobile insurer that defends or indemnifies a claim against a transportation  
378 network driver that is excluded under the terms of its policy shall have a right of contribution  
379 against other insurers that provide automobile insurance to the same transportation network  
380 driver in satisfaction of the coverage requirements of this section at the time of loss.

381 (i) The commissioner of insurance, in consultation with the division established in  
382 section 23 of chapter 25, shall issue an annual report concerning the coverage minimums  
383 required for transportation network vehicles during the period of time where the transportation  
384 network driver is logged onto the digital network but is not engaged in a pre-arranged ride. The  
385 report shall include, at a minimum: (i) an examination, based on actuarial data, of whether the  
386 existing coverage requirements provide adequate protection for riders, transportation network  
387 drivers and the general public; (ii) whether it is presently feasible for a transportation network  
388 company to obtain an insurance policy providing coverage of \$1,000,000 per occurrence, per  
389 vehicle during the relevant time period; (iii) if such a policy is available, whether the coverage  
390 minimums should be raised so that all transportation network vehicles carry \$1,000,000 of  
391 coverage per occurrence, per vehicle, at all times while operating as a transportation network  
392 company; (iv) whether a strategy can be developed to raise the coverage requirements during this  
393 period through the use of admitted motor vehicle insurance carriers, the surplus lines market and  
394 technological innovations in the insurance industry such as the use of telematics to improve risk

395 assessment; and (v) any recommended action by the division of insurance, the division  
396 established in said section 23 of said chapter 25, the legislature or other government entity that  
397 would encourage the insurance market to provide policies with higher insurance limits while  
398 transportation network companies are not engaged in a pre-arranged ride.

399           The commissioner of insurance shall file an annual report detailing any recommendations  
400 together with actuarial analysis with the clerks of the senate and house of representatives, the  
401 chairs of the house and senate committees on ways and means and the chairs of the joint  
402 committee on financial services not later than February 15.

403           SECTION 6. There shall be a ride for hire task force established to review the current  
404 laws, regulations and local ordinances governing licensed hackneys, taxis, livery and  
405 transportation network companies in the commonwealth and to make recommendations  
406 concerning public safety, consumer protection and the economic fairness and equity of the  
407 regulatory structure governing the ride for hire industry.

408           The task force shall be comprised of the following members or their designees: the  
409 director of the division that oversees transportation network companies established in section 23  
410 of chapter 25; the commissioner of insurance; the secretary of transportation; the secretary of  
411 public safety and security; 1 member of the house of representatives; 1 member of the senate;  
412 and 6 persons to be appointed by the governor, 1 of whom shall be a representative of the  
413 Disability Law Center, Inc., 1 of whom shall be a representative of the Massachusetts Municipal  
414 Association, Inc., 1 of whom shall be a representative of the Massachusetts Chiefs of Police  
415 Association Incorporated, 1 of whom shall be a representative of the transportation network

416 companies, 1 of whom shall be a representative of the hackney and taxi industry and 1 of whom  
417 shall be a member of the livery industry.

418 As part of the task force's review, the task force shall consider:

419 (i) the feasibility of establishing a Massachusetts Accessible Transportation Fund credited  
420 with annual surcharges from ride for hire companies that do not, as determined by the task force,  
421 provide sufficient wheelchair-accessible service;

422 (ii) potential methods for allowing ride for hire vehicles to engage in "surge pricing"  
423 based on supply and demand that conform to the practice of "surge pricing" that is currently  
424 utilized by transportation network companies;

425 (iii) expanding the oversight of ride for hire companies' compliance during insurance  
426 claims investigations arising from traffic accidents, including an examination of whether there is  
427 a need for greater involvement of the division of insurance or attorney general's office in order to  
428 ensure that ride for hire companies are not unnecessarily furtive in providing information during  
429 discovery;

430 (iv) whether the practice of depositing funds with the state treasurer's office in lieu of  
431 procuring a motor vehicle liability policy or bond, as permitted by section 34D of chapter 90 of  
432 the General Laws, should be abolished for ride for hire vehicles or abolished for vehicles  
433 altogether;

434 (v) whether there should be a limit on the number of transportation network company  
435 digital networks that a transportation network driver may be connected to at a time to protect  
436 rider and public safety;

437 (vi) the potential impact of autonomous cars in the ride for hire industry, including the  
438 possible effect that autonomous cars may have on vehicle safety and fairness to existing drivers;

439 (vii) the environmental impacts that the provision of transportation network services may  
440 have and the feasibility of incentivizing the use of zero emission vehicles in the ride for hire  
441 industry;

442 (viii) an examination of the automobile financing programs offered by transportation  
443 network companies to transportation network drivers in order to determine whether the programs  
444 are predatory in nature;

445 (ix) the feasibility of transportation network companies providing within their user  
446 interface an emergency safety alert feature, which may include the following: an option to  
447 connect a call to the police; the sending of alerts about trip and driver to local authorities; contact  
448 information for the company's incident response team; and the sending of automated messages  
449 to preselected emergency contacts that details the trip and allows for real time global positioning  
450 system monitoring;

451 (x) the establishment of municipal licensing commissions to regulate development and  
452 oversight of the local ride for hire industry; and

453 (xi) any other matters which the task force finds may improve public safety, consumer  
454 protection and economic fairness in the ride for hire industry.

455 The ride for hire task force shall file a report, which shall include its findings along with  
456 recommendations and accompanying proposed legislation, not later July 1, 2017 with the clerks  
457 of the senate and house of representatives, who shall forward the report to the house and senate

458 chairs of the joint committee on financial services, the house and senate chairs of the joint  
459 committee on transportation and the house and senate chairs of the joint committee on public  
460 safety and homeland security.

461 SECTION 7. (a) There shall be a Municipal Transportation Infrastructure Trust Fund.  
462 The director of the division within the department of public utilities established in section 23 of  
463 chapter 25 shall be the trustee of the fund and shall expend money in the fund to address the  
464 impact of transportation network services, as defined in section 1 of chapter 159A½ of the  
465 General Laws, operating within the municipality. There shall be credited to the fund: (i) any per-  
466 ride assessment collected pursuant to subsection (b); and (ii) any interest earned on money in the  
467 fund. Amounts credited to the fund shall be expended by the director without further  
468 appropriation to cities and towns based on the number of rides that originate in the city or town.  
469 Money remaining in the fund at the end of a fiscal year shall not revert to the General Fund.

470 (b) Annually, not later than February 1, each transportation network company shall  
471 submit to the director of the division established in section 23 of chapter 25 the number of rides  
472 from the previous calendar year that originated within each city or town and a per-ride  
473 assessment of not more than \$0.10, as determined by the director. A transportation network  
474 company shall not charge a transportation network rider or a transportation network driver, as  
475 defined in section 1 of chapter 159A½, for the cost of the municipal transportation infrastructure  
476 assessment. Not later than June 30, the director shall post on the division's website the number of  
477 rides from the previous calendar year originating within each city or town and shall  
478 proportionately distribute money in the fund to a city or town based on the number of rides from  
479 the previous calendar year that originated within that city or town.

480 (c) A city or town shall expend the amounts received from the fund to address the impact  
481 of transportation network services on: (i) municipal roads, bridges and other transportation  
482 infrastructure; (ii) taxicab, livery or hackney operations regulated by the city or town; or (iii) any  
483 other public purpose substantially related to the operation of transportation network services in  
484 the city or town including, but not limited to, the complete streets program established in section  
485 1 of chapter 90I of the General laws and other programs that support alternative modes of  
486 transportation.

487 (d) Annually, a city or town receiving money from the Municipal Transportation  
488 Infrastructure Trust Fund shall submit a report to the director of the division not later than  
489 December 31 detailing the projects and the amount used or planned to be used for transportation-  
490 related projects as described in subsection (c). The director shall compile the reports and post the  
491 projects and amounts of money used on the website of the division.

492 SECTION 8. The division of the department of public utilities established in section 23  
493 of chapter 25 of the General Laws shall promulgate regulations to implement chapter 159A½ of  
494 the General Laws not later than 6 months after the effective date of this act.

495 SECTION 9. Section 7 is hereby repealed.

496 SECTION 10. Section 9 shall take effect on January 1, 2021.