HOUSE . . . . . No. 4049

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, March 7, 2016.

The committee on the Financial Services to whom were referred the message from His Excellency the Governor recommending legislation relative to Establishing Department of Public Utilities Oversight of Transportation Network Companies (House, No. 3351), the petition (accompanied by bill, Senate, No. 559) of James E. Timilty for legislation relative to transportation network company insurance, the petition (accompanied by bill, House, No. 931) of William Smitty Pignatelli and others relative to insurance for transportation service companies that use digital networks or software application services to connect passengers to services provided by transportation network company drivers, and the joint petition (accompanied by bill, House, No. 3702) of Michael J. Moran and Linda Dorcena Forry relative to further regulating transportation network livery companies and drivers providing prearranged for-hire ride services for compensation using mobile applications to connect passengers with drivers, reports recommending that the accompanying bill (House, No. 4049) ought to pass.

For the committee,

AARON MICHLEWITZ.

FILED ON: 3/7/2016

HOUSE . . . . . No. 4049

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

An Act relative to the ride for hire industry.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

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

(33) A municipal licensing authority with jurisdiction over livery licensure may obtain from the department all criminal offender record information, as defined in section 167, related to an applicant for livery licensure. Information obtained under this section shall not be disseminated for any purpose other than to further public protection and safety.

(34) A municipal licensing authority with jurisdiction over taxicab licensure may obtain from the department all criminal offender record information, as defined in section 167, related to an applicant for taxicab licensure. Information obtained under this section shall not be disseminated for any purpose other than to further public protection and safety.

(35) The ride for hire division under the department of public utilities may obtain from the department criminal offender record information, as defined in section 167, to determine the

suitability of an applicant to obtain a transportation network driver certificate pursuant to chapter 159A1/2. Information obtained under this section shall not be disseminated for any purpose other than to further public protection and safety.

SECTION 2. Chapter 25 of the General Laws is hereby amended by inserting after section 22 the following section:-

Section 23. (a) There shall be established within the department, and under the general supervision and control of the commission, a ride for hire division, which shall be under the control of a director, who shall be subject to chapter 31 and the rules and regulations made under authority thereof. The division shall perform such functions as the department may determine in relation to the administration, implementation, and enforcement of chapter 159A1/2.

(b) For the purposes of funding the division's activities, the division may make an assessment against each transportation network company under the jurisdictional control of the division pursuant to chapter 159A1/2. Each transportation network company shall annually report by March 31 its intrastate operating revenues for the previous calendar year to the division. Any assessment shall be apportioned according to each transportation network company's intrastate operating revenues as shall be determined and certified annually by the division as sufficient to reimburse the commonwealth for funds expended for the division's activities. If a transportation network company fails to report its intrastate operating revenues to the division, the division shall be permitted to estimate the company's intrastate operating revenues for purposes of apportioning the assessment.

Each transportation network company shall pay the amount assessed against it within 30 days after receipt of the notice of assessment from the division. The failure to pay the amount

assessed within that timeline may, at the discretion of the division, constitute cause to suspend or revoke a transportation network company permit pursuant to chapter 159A1/2.

Any funds unexpended in any fiscal year for the purpose for which such assessments were made shall be credited against the assessment to be made the following fiscal year and the assessment in the following fiscal year shall be reduced by any such unexpended amount.

SECTION 3. Chapter 40W of the General Laws is hereby amended by inserting after section 9 the following section:-

Section 9A. (a) The GCC shall endeavor to participate in projects each year that provide financial products, which in the aggregate total not less than 10 percent of the total capital committed by the corporation in that year, to provide financing to taxicab companies within the commonwealth which meet the definition of a “small business.” Such financial assistance may include, without limitation:

(1) financial assistance that encourages the adoption of new technologies and advanced capabilities for existing taxicab companies in order to improve taxicab service, safety and operations;

(2) loan guarantees related to medallion financing, vehicle loans, or other equipment loans;

(3) low or no interest loans for vehicles and other equipment necessary to the industry;

(4) working capital and lines of credit at low or no interest;

(5) financial consulting, managerial consulting and technical assistance consistent with the provisions of section 8;

(6) economic stabilization measures consistent with the provisions of section 9;

(7) junior or subordinated loans for taxicab medallions; and

(8) any other financing or credit enhancing devices, as made by the GCC directly or on its own behalf or in conjunction with other public instrumentalities, private institutions or the federal government.

(b) Prior to disbursement of any funds by the GCC, the GCC shall:

(1) review information furnished by the IV-D agency and by the department of revenue, as set forth in chapter 119A of the general laws, to ascertain whether any individual with an ownership stake in a company applying to a program offered under this section owes past-due child support to the commonwealth or to an individual to whom the IV-D is providing services, and to ascertain whether any individual with an ownership stake in a company applying to a program under this section owes any past-due tax liability to the commonwealth;

(2) review the criminal records of any and all parties who have an ownership stake in any company applying to a program under this section.

(3) after fulfilling the requirements provided in paragraphs (1) and (2), the GCC shall determine, in its discretion, whether the company may still receive support based on the child-support, tax liability, and criminal records of those individuals possessing an ownership stake in the company.

(c) Applicants for the financial products provided in this section shall not be subject to the requirements established in subsection (b) of section 5.

(d) The GCC shall develop a Ride for Hire Sustainability Program in order to establish a strategy for the GCC work with taxicab companies to promote technological innovation, increase and retain employment and provide financial stability to the taxicab industry in the commonwealth. Said plan shall also set forth the terms, procedures, standards and conditions which the GCC shall employ to inform the taxicab industry about the financial assistance programs available under this section, identify qualified applications and process applications.

The GCC shall submit an annual report, on or before January 1, to the board of directors for the GCC, the joint committee on financial services and the house and senate committees on ways and means. The annual report shall be in such form as may be prescribed by the GCC and shall include, but not be limited to: (1) a discussion of the progress made towards the objectives established in the plan; (2) a list of the financial products and services offered under the plan; (3) data concerning the number of taxicab companies applying for these programs and the amount of applications that are accepted; (4) a balance sheet describing the assets, liabilities and fund balances associated with programs affecting the taxicab industry; (5) an overview of the GCC's efforts to inform the taxicab industry about these programs; (6) a discussion of the impact that these programs have had on the taxicab industry as a whole; and (7) recommended changes, if any, to the Ride for Hire Sustainability Plan when such changes will be implemented.

SECTION 4. The General Laws are hereby amended by inserting after chapter 159A the following chapter:-

CHAPTER 159A1/2

TRANSPORTATION COMPANIES

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

"Cruising", the driving of a vehicle on the streets, alleys or public places of motorized travel within the Commonwealth in search of or soliciting hails from persons in the street.

"Department", the department of public utilities.

"Digital Network", any online-enabled application, software, website or system offered or utilized by a transportation network company that enables prearranged rides with transportation network drivers.

"Division", the ride for hire division established pursuant to section 23 of chapter 25.

"Model Year"', the model year indicated on a motor vehicle's certificate of origin or, if there is no such certificate, the model year the body of such vehicle most closely resembles.

"Prearranged Ride", a period of time that begins when a transportation network driver accepts a requested ride through a digital network, continues while said driver transports the transportation network company rider, and ends when said rider departs from the vehicle.

"Ride for Hire Vehicles", taxicab, livery and transportation network vehicles operating within the Commonwealth.

"Taxicab", a vehicle used or designed to be used for the conveyance of persons for hire from place to place within the Commonwealth, except a street or elevated railway car or a trackless trolley vehicle, within the meaning of section 2 of chapter 163, or a motor vehicle,

known as a jitney, operated in the manner and for the purposes set forth in chapter 159A, or a sight-seeing automobile licensed under chapter 399 of the acts of 1931.

"Transportation Network Company", a corporation, partnership, sole proprietorship or other entity, operating in the Commonwealth that uses a digital network to connect riders to drivers for the purposes of pre-arranging and providing transportation.

"Transportation Network Company Permit" or "Permit," a document that may be issued by the division to a qualifying transportation network company under this chapter.

"Transportation Network Driver" or "Driver", a driver approved by a transportation network company and certified by the division pursuant to this chapter.

"Transportation Network Driver Certificate," a certificate issued by the division to a transportation network driver pursuant to this chapter.

"Transportation Network Rider" or "Rider," a passenger in a pre-arranged ride provided by a transportation network driver, provided that the passenger personally arranged the ride or an arrangement was made on the rider's behalf.

"Transportation Network Services" or "Services," the offering or providing of pre-arranged rides for compensation or on a promotional basis to riders or prospective riders through the transportation network company's digital network, covering the period beginning when a transportation network driver is logged onto the transportation network company's digital network and is available to receive a prearranged ride or while in the course of providing a prearranged ride.

"Vehicle," a vehicle that is used by a transportation network driver to provide transportation network services.

Section 2. (a) The division shall have general supervision of all transportation network companies and the manner in which transportation network services are provided with reference to the safety and convenience of the public, as expressly set forth in this chapter. .

(b) The division shall promulgate regulations for the implementation, administration and enforcement of this chapter, including, without limitation, regulations that:

(1) in consultation with the registry of motor vehicles, provide for the establishment of removable decals that will be used to designate a vehicle as a transportation network company vehicle for law enforcement and public safety purposes; provided, that said decals must be applied to both the front and back panels of a vehicle at all times while the vehicle is providing transportation network services;

(2) in consultation with the commissioner of the division of insurance, implement the requirements of ride for hire insurance policies as established in section 228 of chapter 175;

(3) ensure that transportation network companies and drivers do not use excessive minimum rates or base rates;

(4) prevent transportation network companies and drivers from raising their base fares during a state of emergency;

(5) in consultation with State Police, local law enforcement, and the registry of motor vehicles, ensure the safety and annual inspection of transportation network vehicles; provided, that such regulations shall adhere as closely as possible to the standards that have been

established by the registry of motor vehicles for commercial motor vehicle inspections; provided further, that in order to pass any inspection required by law or regulation, each transportation network vehicle shall have a model year no older than 10 years; provided further, that any such inspection shall be in addition to the annual vehicle inspection required for registered motor vehicles;

(6) ensure the accommodation of riders with special needs; provided, that any such regulations shall prohibit any transportation network company from imposing additional charges for providing services to persons with disabilities and shall require all transportation network drivers to comply with all applicable laws, rules, and regulations relating to accommodation of service dogs; and

(7) in consultation with the department of criminal justice information systems and the registry of motor vehicles, ensure the timely notification to the division of information related to the arraignment of transportation network drivers, all civil motor vehicle infractions, and license suspensions and revocations.

(c) Transportation network companies are not subject to the department's rate or common carrier requirements, other than those expressly set forth in this chapter.

(d) Transportation network company vehicles that are not registered as liveries shall be prohibited from accepting a prearranged ride through a digital network on property belonging to the Boston Convention and Exhibition Center or at the General Edward Lawrence Logan Airport.

(e) All transportation network companies and transportation network company drivers shall exclusively provide services by prearranged ride using a digital network. A driver

providing transportation network services shall not solicit, accept, arrange, or provide transportation in any other manner, including street hails, cruising, or street solicitations. A driver providing transportation network services shall not accept payment directly from a rider or another person paying on a rider's behalf.

Section 3. (a) A transportation network company shall apply for a permit to be issued or annually renewed by the division. No transportation network company shall operate in the commonwealth without a permit issued to it by the division.

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

(1) that the applicant has a sufficient oversight process in place to ensure that every vehicle providing transportation network services through its digital network possesses adequate insurance coverage, as required by this chapter and section 228 of chapter 175 and otherwise complies with all laws, rules and regulations concerning transportation network vehicles;

(2) that the applicant has a sufficient oversight process in place to ensure that each driver using the applicant's digital network has (i) submitted to a background check conducted by the applicant that includes a review of local and national criminal records, sex offender records and driving records associated with each driver; (ii) a valid transportation network driver certificate from the division; and (iii) is suitable to provide transportation network services in the commonwealth

(3) that the digital network used by the applicant to pre-arrange rides employs a straightforward explanation of the total cost or pricing structure applicable to each prearranged ride before such ride begins;

(4) that the applicant has a sufficient oversight process in place to ensure that any toll incurred by a driver providing transportation network services through its digital network is paid at the commercial rate;

(5) that the applicant has a sufficient oversight process in place to ensure that a driver providing transportation network services through its digital network does not provide transportation network services in the areas restricted by subsection (d) of section 2;

(6) that the applicant has a sufficient oversight process in place to ensure that the company and its drivers comply with all applicable laws regarding nondiscrimination against riders and passengers or potential riders or passengers and ensure the accommodation of passengers with special needs including all applicable laws, rules, and regulations relating to accommodation of service dogs; and

(7) that the applicant has a process in place to ensure that it will maintain and update a roster of each transportation network driver approved by the applicant to provide prearranged rides using the transportation network company's digital network, will provide such rosters to the division, to the registry of motor vehicles and to state and local law enforcement, and will update such rosters in accordance with division regulation.

Section 4. (a) Any person who wishes to provide transportation network services in the commonwealth shall apply for a certificate to be issued by the division. No

person shall provide transportation network services at any time without a valid transportation network driver certificate.

(b) At minimum, and subject to such other requirements as the division may establish by regulation, the division shall only issue or renew a transportation network driver certificate to an applicant after conducting a thorough review of the application to ensure that:

(1) the applicant is at least 21 years of age;

(2) the applicant has access to a vehicle that complies with all laws, rules, and regulations related to transportation network vehicles, including insurance requirements, and has provided notice to all insurers of said vehicle that the applicant intends to use the vehicle to provide transportation network services;

(3) the applicant does not appear on the National Sex Offender Registry;

(4) the applicant has not had a conviction in the past 7 years for any sex offense or violent crime as defined in section 133E of chapter 127, convicted for a crime under section 24 of chapter 90 or assigned to an alcohol or controlled substance education, treatment or rehabilitation by a court of the commonwealth or any other jurisdiction, hit and run, resisting arrest, driving with a suspended or revoked license, felony robbery or felony fraud; and

(5) the applicant's driving record, as maintained by the Merit Rating Board in accordance with section 57A of chapter 6C, does not contain more than three traffic violations, or any major traffic violation, as defined by the division of insurance, in the preceding three-year period.

(c) In addition to the review process set forth by regulation and in subsection (b), prior to issuing any transportation network driver certificate, the division shall obtain from the department of criminal justice information services all criminal offender record information, as defined in section 167 of chapter 6, related to the applicant, as well as all available sex offender registry information. Following a review of the pertinent records, the division shall determine whether the applicant has committed an offense that would disqualify the applicant from the provision of transportation network services, according to the criteria set forth in this section or any additional requirements established by the division. The division shall not delegate any responsibility given to it under this paragraph to a private party.

(d) The division shall establish rules regarding the form of a transportation network driver certificate; provided, that each such certificate shall contain the name, address, and picture of the driver, and the license plate number of each vehicle used by the driver to provide transportation network services.

(e) The division shall recommend and the secretary of administration and finance shall establish, pursuant to section 3B of chapter 7, the cost associated with the division's review of an application for a transportation network driver certificate and for renewal of such a certificate. The division may charge a reasonable fee to cover such costs. Such fee may be payable by the applicant or a transportation network company.

Section 5. (a) Each transportation network company must carry adequate insurance, as required by this chapter and set forth in section 228 of chapter 175, for each vehicle being used to provide transportation network services through its digital network.

(b) Each transportation network driver must carry adequate insurance, as required by this chapter and set forth in section 228 of chapter 175, for each vehicle being used to provide transportation network services in association with the driver's certificate.

(c) A transportation network company driver shall carry proof of coverage satisfying subsection (b) at all times while providing transportation network company services. In the event of an incident giving rise to personal injury or property damage, a transportation network driver shall provide this insurance coverage information to the directly interested parties, automobile insurers and investigating police officers. Upon request, a transportation network driver shall also disclose to directly interested parties, automobile drivers, automobile insurers, and investigating police officers, whether he or she was providing transportation network services, including whether such services included a prearranged ride, at the time of the incident.

(d) A transportation network company shall disclose in writing to transportation network drivers the following relative to insurance before they are allowed to provide transportation network services through the company's digital network:

(1) the insurance coverage, including the types of coverage and the limits for each coverage, that the transportation network company provides while the transportation network driver uses his or her vehicle to provide transportation network services; and

(2) that the transportation network driver's own automobile insurance policy may not provide coverage while the driver is providing transportation network services, depending on its terms.

(g) In a claims coverage investigation, a transportation network company, a transportation network driver, and any insurer responding to a claim involving transportation

network services shall cooperate to facilitate the exchange of relevant information with directly involved parties, including, but not limited to, the precise times that a transportation network company driver logged on and off of the transportation network company's digital network in the twelve hour period immediately preceding and in the twelve hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions and limits provided under any automobile insurance maintained under this section.

Section 6. (a) Whenever the division determines that any transportation network company is in violation of any provision of this chapter or any regulation or rule promulgated thereunder, the division may, after notice and a hearing, issue a monetary penalty, suspend or revoke a transportation network company permit or take such other action that the division deems necessary. In determining the amount of the penalty, the division shall consider, but not be limited to considering, the size of the transportation network company, the gravity of the violation, and the amount of good faith from the transportation network company in attempting to achieve compliance or to remedy non-compliance, and any previous violations by said transportation network company.

(b) The division may immediately suspend a transportation network driver's certificate upon the driver's arrest for a crime that would render a driver unsuitable to provide transportation network services or upon a driver's citation for a driving infraction that would render him unsuitable to provide transportation network services, and shall report such suspension to all transportation network companies operating in the commonwealth. Any such suspension shall only be for a period of time necessary to determine whether continued provision of transportation network services by said driver is consistent with the public interest.

(c) The division may immediately suspend the certificate of a transportation network driver upon receipt of information indicating that the driver is not suitable to provide transportation network services, and shall report such suspension to all transportation network companies operating in the commonwealth immediately upon having done so.

(d) The division may, after notice and a hearing, issue a monetary penalty or suspend or revoke a transportation network driver's certificate of any driver upon receipt of information that the driver has violated any law or regulation related to the provision of transportation network services or that the driver is not suitable to provide transportation network services; provided, that any driver who receives two or more citations issued in accordance with subsection (a) of section 7 in any 12 month period shall be suspended from operating as a transportation network company driver for a period of no less than one year.

(e) The division shall issue rules and regulations to establish a process for administrative appeal of any penalty, suspension, or revocation imposed in accordance with this section.

(f) Any party aggrieved by a final order or decision of the division pursuant to this section may institute proceedings for judicial review in the superior court within 30 days after receipt of such order or decision. Any proceedings in the superior court shall, insofar as applicable, be governed by the provisions of section fourteen of 30A, and may be instituted in the superior court for the county (a) where the parties or any of them reside or have their principal place of business within the commonwealth, or (b) where the commission has its principal place of business, or (c) of Suffolk. The commencement of such proceedings shall not, unless specifically ordered by the court, operate as a stay of the division's order or decision.

Section 7. (a) Any driver providing transportation network services who is not in compliance with any law or regulation related to the provision of transportation network services shall be deemed to have committed a civil motor vehicle infraction, as defined in section 1 of chapter 90C, such that state or local law enforcement officials may issue a citation for any such violation in the manner provided for in chapter 90C. Any driver committing such a violation shall be subject to a fine of $500 for a first violation, a fine of $750 for a second violation and a fine of $1000 for a third or subsequent violation.

(b) Any driver providing transportation network services who is using a transportation network company driver certificate belonging to another individual or is misrepresenting his or her identity to potential passengers by means of a digital network shall be punished by imprisonment in a house of corrections for not more than 6 months or by a fine of not more than $10,000, or both.

(c) Any transportation network company driver who knowingly allows another individual to use his or her driver's certificate or identity to provide transportation network services shall be punished by imprisonment in a house of corrections for not more than 6 months or by a fine of not more than $10,000, or both.

Section 8. (a) In the enforcement of this chapter, the division may prescribe records to be maintained by transportation network companies, including, but not limited to, records pertaining to service accessibility and pricing. Each transportation network company or any applicant for a transportation network company permit shall furnish all information and documents related to the condition, management, and operation of the company upon the

division's request; provided, however, that any such request must be reasonably related to the requirements set forth in this chapter and any regulations promulgated thereunder.

(b) Any record furnished to the division may exclude information that would tend to identify specific passengers, unless such information is pertinent to the enforcement processes established in this chapter.

(c) Any record furnished to the division or any other state agency by a transportation network company pursuant to this chapter, including, but not limited to, the roster of permitted transportation network drivers shall not be considered a public record as that term is used in clause 26 of section 7 of chapter 4 or chapter 66; provided, that an application for a transportation network company permit submitted pursuant to this chapter shall be a public record; provided further, that any such application may be withheld from disclosure, in whole or in part, for reasons set forth in clause 26 of section 7 of chapter 4 or chapter 66.

SECTION 5. Section 168 of chapter 175, as appearing in the 2014 Official Edition, is hereby amended by inserting after the term "motor vehicle liability", in lines 23 and 24, the following words:- with the exception of motor vehicle policies for taxicabs, liveries, and transportation network vehicles,.

SECTION 6. Chapter 175 of the General Laws is hereby amended by inserting after section 227 the following section:-

Section 228. (a) As used in this section, the following terms shall, unless the context clearly requires otherwise, have the following meanings:

"Digital Network", any online-enabled application, software, website or system offered or utilized by a transportation network company that enables prearranged rides with transportation network drivers.

"Division," the ride for hire division established pursuant to section 23 of chapter 25.

"Prearranged Ride," a period of time that begins when a transportation network driver accepts a requested ride through a digital network, continues while said driver transports the transportation network company rider, and ends when said rider departs from the vehicle or, in the case of taxicab and livery drivers, a period of time that begins when the driver is travelling to pick up a passenger after accepting the fare until the point in time when the fare has completely exited the vehicle.

"Transportation Network Company," a corporation, partnership, sole proprietorship or other entity, operating in the Commonwealth that uses a digital network to connect riders to drivers for the purposes of pre-arranging and providing transportation.

"Ride for Hire," all transportation network companies, taxicab companies, and livery companies, including the drivers and vehicles associated with said companies, operating within the commonwealth.

(b) The insurance requirements set forth in this section shall constitute adequate insurance for ride for hire drivers and shall satisfy the financial responsibility requirement for a motor vehicle under section 34A of chapter 90 and section 113L of chapter 175; provided, however, that the insurance requirements set forth in this section shall only satisfy the financial responsibility requirements for a motor vehicle under section 34A of chapter 90 and section 113L of chapter 175 with respect to the provision of ride for hire services in a vehicle operated

by a ride for hire driver, as said driver still must comply with section 34A of chapter 90 and section 113L of chapter 175 and maintain insurance coverage for the vehicle during those periods of time when the vehicle is being operated but is not providing ride for hire services.

The insurance requirements set forth in this subsection shall constitute adequate insurance and shall satisfy the financial responsibility requirements for a vehicle operating as a transportation network company vehicle, taxicab, or livery vehicle.

(1) The following automobile insurance requirements shall apply to a “ride for hire policy” while a driver affiliated with transportation network company is logged onto the transportation network company’s digital network and is available to receive transportation requests, but is not engaged in a prearranged ride or while a taxicab or livery driver is operating and is available to receive passengers but is not engaged in a prearranged ride:

(A) Automobile liability insurance that provides per occurrence, per vehicle coverage amounting to at least $50,000 of coverage per individual for bodily injury, $100,000 of total coverage for bodily injury, $30,000 of coverage for property damage, uninsured motorist coverage to extent required by section 113L of chapter 175, and personal injury protection to the extent required by section 34A of chapter 90;

(B) The insurance may be held by the ride for hire driver, the ride for hire company or some combination thereof.

(2) The following automobile liability insurance requirements shall apply to a “ride for hire policy" while a ride for hire driver is engaged in prearranged ride:

(A) Automobile liability insurance that provides at least $1,000,000 in per occurrence, per vehicle coverage for death, bodily injury, and property damage, uninsured motorist coverage to extent required by section 113L of chapter 175, and personal injury protection to the extent required by section 34A of chapter 90;

(B) The insurance may be held by the ride for hire driver, the ride for hire company, or some combination thereof.

(c) In every instance where insurance maintained by a ride for hire driver to fulfill the insurance requirements set forth in subsection (b) has lapsed, failed to provide the required coverage, denied a claim for the required coverage, or otherwise ceased to exist, insurance maintained by a ride for hire company shall provide the coverage required by subsection (b) beginning with the first dollar of a claim and shall have the duty to investigate and defend such claim.

(d) Coverage under an automobile insurance policy maintained by the ride for hire company shall not be dependent on a personal automobile insurer first denying a claim nor shall a personal automobile insurer be required to first deny a claim.

(e) Insurance required by this section must be placed with an insurer authorized to do business in the state or, if such coverage is not available at a reasonable rate from any admitted carrier, then with a surplus lines insurer eligible under section 168 of chapter 175.

(f) Insurers that write automobile insurance in Massachusetts may exclude any and all coverage afforded under the policy issued to an owner or operator of a vehicle for any loss or injury that occurs while a driver is providing transportation network services or while a driver

provides a prearranged ride. This right to exclude all coverage may apply to any coverage included in an automobile insurance policy including, but not limited to:

(1) Liability coverage for bodily injury and property damage;

(2) Personal injury protection coverage as defined in chapter 90, section 34A;

(3) Uninsured and underinsured motorist coverage;

(4) Medical payments coverage;

(5) Comprehensive physical damage coverage; and

(6) Collision physical damage coverage.

Such exclusions shall apply notwithstanding any requirement under section 34A of chapter 90 and section 113L of chapter 175. Nothing in this section implies or requires that a personal automobile insurance policy provide coverage while the driver is logged on to the transportation network company's digital network, while the driver is engaged in a prearranged ride or while the driver otherwise uses a vehicle to transport passengers for compensation.

Nothing shall be deemed to preclude an insurer from providing coverage for the transportation network company driver's vehicle, if it so chooses to do so by contract or endorsement.

Automobile insurers that exclude the coverage described in this section shall have no duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this section shall be deemed to invalidate or limit an exclusion contained in a policy, including any policy in use or approved for use in Massachusetts prior to the enactment of this section that excludes

coverage for vehicles used to carry persons or property for a charge or available for hire by the public. An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy, shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of this section at the time of loss.

(g) The commissioner of the division of insurance, in consultation with the ride for hire division, shall issue an annual report concerning the coverage minimums required for transportation network company vehicles during the period of time where the driver is logged onto the digital network but is not engaged in a prearranged ride. Said report shall include, at a minimum: (1) an examination, based on actuarial data, of whether the existing coverage requirements provide adequate protection for passengers, drivers, and the general public; (2) whether it is presently feasible for a transportation network company to obtain an insurance policy providing coverage of $1,000,000 per occurrence, per vehicle during the relevant time period; (3) if such a policy is available, whether the coverage minimums should be raised so that all transportation network company vehicles carry $1,000,000 of coverage per occurrence, per vehicle, at all times while operating as a transportation network company; (4) whether any strategy can be developed to raise the coverage requirements during this period through the use of admitted motor vehicle insurance carriers in the commonwealth, the surplus lines market and technological innovations in the insurance industry, such as the use of telematics to improve risk assessment; and (5) any recommended action by the division of insurance, ride for hire department, the legislature, or any other government entity that would encourage the insurance market to provide policies with higher insurance rates while transportation network companies are not engaged in a pre-arranged ride.

The commissioner of the division of insurance shall file a report of its recommendations, together with actuarial analysis, with the clerks of the house and senate, the chairs of the house and senate committees on ways and means and the chairs of the joint committee on public service not later than February 15 of each year.

SECTION 7. Notwithstanding the provisions of any general or special law to the contrary, as a matter of public safety and security, the Massachusetts Port Authority, established pursuant to chapter 465 of the acts of 1956, shall establish rules for the operation of transportation network company vehicles at the General Edward Lawrence Logan Airport. At a minimum, and subject to other such requirements as Port Authority may establish by regulation, said rules must meet the following requirements:

(a) transportation network company vehicles that are not licensed as liveries are prohibited from accepting prearranged rides at the General Edward Lawrence Logan Airport until August 1, 2021; to ensure compliance with this prohibition on transportation network company vehicles, the Massachusetts Port Authority shall prescribe, through regulation, penalties for transportation network company drivers in violation of this paragraph;

(b) taxicabs permitted to accept fares at the General Edward Lawrence Logan Airport shall be limited to taxicabs that are licensed by the City of Boston; provided, however, that the Massachusetts Port Authority may extend this right to taxicabs licensed by the Cities of Cambridge and Somerville for limited periods upon a finding that:

(1) there are time periods where the availability of Boston taxicabs is insufficient to address the needs of individuals using the General Edward Lawrence Logan Airport;

(2) permitting Cambridge and Somerville taxicabs to pick up fares during these time periods would significantly improve the availability of taxicabs at the General Edward Lawrence Logan Airport during these time periods;

(3) registered taxicab drivers in Cambridge and Somerville that are seeking to accept fares at the General Edward Lawrence Logan Airport must first meet substantially the same licensing and background check protocols imposed on Boston taxicabs before being permitted to do so;

(4) there is a means of effectively communicating with Cambridge and Somerville taxicabs when these limited time periods begin and end, such that the exclusive right of Boston taxicabs to operate at the General Edward Lawrence Logan Airport is not otherwise infringed upon; and

(5) such time periods shall not constitute more than 10% of any given calendar month.

SECTION 8. There shall be a task force established to review the current laws, regulations, and local ordinances governing licensed hackneys, taxis, livery, and transportation network companies in the Commonwealth and to make recommendations concerning public safety, consumer protection and the economic fairness and equity of the regulatory structure governing the ride for hire industry in the Commonwealth. As part of the task force's review, the task force shall consider:

(1) the feasibility of creating a "Massachusetts Accessible Transportation Fund" derived from annual surcharges from ride for hire companies that do not provide sufficient wheelchair-accessible service;

(2) potential methods for allowing taxicabs and other ride for hire vehicles to engage in "surge pricing" based on supply and demand that conform to the practice of "surge pricing" that transportation network companies currently use;

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

(4) whether the practice of depositing funds with the state treasurer's office in lieu of procuring a motor vehicle liability policy or bond, as permitted under section 34D of chapter 90 of the general laws, should be abolished for ride for hire vehicles or abolished for vehicles altogether;

(5) whether there should be a limit on the amount of transportation network company applications that any driver may operate at a time, for the purposes of protecting passenger safety;

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

(7) an examination of the automobile financing programs offered by transportation network companies to transportation network drivers in order to determine whether said programs are predatory in nature; and

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

The task force shall be comprised of 11 members with one member of the house of representatives appointed by the speaker of the house of representatives, one member of the senate appointed by the president of the senate, the chair of the department of public utilities or designee, the attorney general of the commonwealth or designee, the treasurer or a designee, a representative of the disability law center, a representative of the Massachusetts municipal association, a representative of the Massachusetts police association, a representative of the transportation network companies appointed by the governor, a representative of the hackney and taxi industry to be appointed by the governor, and a member of the livery industry to be appointed by the governor. The task force shall meet and report back its findings and any accompanying legislation no later than one year after the effective date of this act and file the same with the clerks of the house and the senate.

SECTION 9. The department of public utilities, the ride for hire division, and the registry of motor vehicles shall develop a report concerning the feasibility of conducting statewide criminal offender record information checks for each operator of a ride for hire vehicle and submit said report to the clerks of the house of representatives and the senate, not later than one year after the enactment of this act.

SECTION 10. Notwithstanding any other provisions of law, the department of public utilities, in consultation with municipalities and the registry of motor vehicles, shall establish a statewide roster of all livery and taxicab drivers, along with a convenient means for municipalities to notify the division of any livery or cab drivers registered within their

municipality. The department shall ensure that there is a convenient means of reciprocal reporting between municipalities and the department regarding any driving infractions, criminal convictions, suspension or ban of all livery drivers and taxicab drivers on the statewide roster.

SECTION 11. Notwithstanding the model year requirements set forth in section 2 of chapter 159A1/2 of the General Laws, a vehicle being used by a transportation network driver may have a model year older than 10 years, but may not exceed 15 years.

SECTION 12. Subsection (d) of section 2 of chapter 159A1/2 of the General Laws is hereby repealed.

SECTION 13. Section 11 of this act is hereby repealed.

SECTION 14. Section 12 shall take effect August 1, 2021.

SECTION 15. Section 13 shall take effect January 1, 2017.

SECTION 16. The ride for hire division of the department of public utilities shall promulgate regulations to implement chapter 159A1/2 no later than 6 months after the passage of this act.