

# HOUSE . . . . . No. 4049

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## The Commonwealth of Massachusetts

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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.

**HOUSE . . . . . No. 4049**

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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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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:*

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 amended by inserting after clause (32)  
3 the following clauses:-

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

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

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

14 suitability of an applicant to obtain a transportation network driver certificate pursuant to chapter  
15 159A1/2. Information obtained under this section shall not be disseminated for any purpose  
16 other than to further public protection and safety.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

96 CHAPTER 159A1/2

97 TRANSPORTATION COMPANIES

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

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

103 “Department”, the department of public utilities.

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

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

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

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

113 “Ride for Hire Vehicles”, taxicab, livery and transportation network vehicles operating  
114 within the Commonwealth.

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

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

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

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

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

127 “Transportation Network Driver Certificate,” a certificate issued by the division to a  
128 transportation network driver pursuant to this chapter.

129 “Transportation Network Rider” or “Rider,” a passenger in a pre-arranged ride provided  
130 by a transportation network driver, provided that the passenger personally arranged the ride or an  
131 arrangement was made on the rider’s behalf.

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

138           “Vehicle,” a vehicle that is used by a transportation network driver to provide  
139 transportation network services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

328                   Section 7. (a) Any driver providing transportation network services who is not  
329 in compliance with any law or regulation related to the provision of transportation network  
330 services shall be deemed to have committed a civil motor vehicle infraction, as defined in section  
331 1 of chapter 90C, such that state or local law enforcement officials may issue a citation for any  
332 such violation in the manner provided for in chapter 90C. Any driver committing such a  
333 violation shall be subject to a fine of \$500 for a first violation, a fine of \$750 for a second  
334 violation and a fine of \$1000 for a third or subsequent violation.

335                   (b) Any driver providing transportation network services who is using a transportation  
336 network company driver certificate belonging to another individual or is misrepresenting his or  
337 her identity to potential passengers by means of a digital network shall be punished by  
338 imprisonment in a house of corrections for not more than 6 months or by a fine of not more than  
339 \$10,000, or both.

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

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

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

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

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

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

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

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

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

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

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

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

382 “Ride for Hire,” all transportation network companies, taxicab companies, and livery  
383 companies, including the drivers and vehicles associated with said companies, operating within  
384 the commonwealth.

385 (b) The insurance requirements set forth in this section shall constitute adequate  
386 insurance for ride for hire drivers and shall satisfy the financial responsibility requirement for a  
387 motor vehicle under section 34A of chapter 90 and section 113L of chapter 175; provided,  
388 however, that the insurance requirements set forth in this section shall only satisfy the financial  
389 responsibility requirements for a motor vehicle under section 34A of chapter 90 and section  
390 113L of chapter 175 with respect to the provision of ride for hire services in a vehicle operated

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

436 (3) Uninsured and underinsured motorist coverage;

437 (4) Medical payments coverage;

438 (5) Comprehensive physical damage coverage; and

439 (6) Collision physical damage coverage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

525 (4) whether the practice of depositing funds with the state treasurer’s office in lieu of  
526 procuring a motor vehicle liability policy or bond, as permitted under section 34D of chapter  
527 90 of the general laws, should be abolished for ride for hire vehicles or abolished for vehicles  
528 altogether;

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

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

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

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

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

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

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

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

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

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

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

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

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

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