

HOUSE No. 4064

House bill No. 4049, as changed by the House committee on Bills in the Third Reading, and as amended and passed to be engrossed by the House. March 9, 2016.

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:

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 3 clauses:-

4 (33) A municipal licensing authority with jurisdiction over livery licensure may obtain
5 from the department all available criminal offender record information, as defined in section 167,
6 related 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 available criminal offender record information, as defined in section 167,
10 related 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 all available criminal offender record information, as defined in section 167, to
14 determine the suitability of an applicant to obtain a transportation network driver certificate
15 pursuant to chapter 159A1/2. Information obtained under this section shall not be disseminated
16 for any purpose other than to further public protection and safety.

17 SECTION 2. Chapter 25 of the General Laws is hereby amended by adding the
18 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, as defined in section 1 of chapter
26 159A1/2, under the jurisdictional control of the division pursuant to said chapter 159A1/2. Each
27 transportation network company shall annually report by March 31 its intrastate operating
28 revenues for the previous calendar year to the division. Any assessment shall be apportioned
29 according to each transportation network company's intrastate operating revenues as shall be
30 determined and certified annually by the division, as sufficient to reimburse the commonwealth
31 for funds expended for the division's activities. If a transportation network company fails to
32 report its intrastate operating revenues to the division, the division shall be permitted to estimate
33 the company's intrastate operating 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 time 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 per cent of the total capital
45 committed by the corporation in that year, to provide financing to taxicab companies within the
46 commonwealth considered a small business, as defined in section 1. Such financial assistance
47 may 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 with
56 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 , to ascertain whether any individual with an ownership stake in a
65 company applying to a program offered under this section owes past-due child support to the
66 commonwealth or to an individual to whom the IV-D is providing services, and to ascertain
67 whether any individual with an ownership stake in a company applying to a program under this
68 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, unless the context clearly
99 requires otherwise, have the following meanings;

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

102 “Department”, the department of public utilities.

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

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

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

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

112 “Ride for hire vehicles”, taxicab, livery and transportation network vehicles operating
113 within the commonwealth.

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

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

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

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

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

126 “Transportation network driver certificate,” a certificate issued by the division to a
127 transportation network driver pursuant to this chapter.

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

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

137 "Transportation network vehicle" or "vehicle," a vehicle that is used by a transportation
138 network driver to provide transportation network services.

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

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

144 (1) in consultation with the registry of motor vehicles, provide for the establishment of
145 removable decals designed and issued by transportation network companies to transportation
146 network drivers, that will be used to designate a vehicle as a transportation network vehicle for
147 law enforcement and public safety purposes; provided, that said decals shall be applied to both
148 the front and back panels of a vehicle at all times while the vehicle is providing transportation
149 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 services 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 vehicles that are not registered as liveries shall be prohibited
176 from accepting a prearranged ride through a digital network on property belonging to the Boston
177 Convention and Exhibition Center or at the General Edward Lawrence Logan Airport.

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

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

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

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

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

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

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

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

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

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

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

219 Section 4. (a) Any person who wishes to provide transportation network services in the
220 commonwealth shall apply for a certificate to be issued by the division. No person shall provide
221 transportation network services at any time without a valid transportation network driver

222 certificate. All current Transportation Network Company drivers may continue to operate until
223 which time the ride for hire division under the Department of Public Utilities issues
224 Transportation Network Driver Certificates.

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

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

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

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

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

240 (5) the applicant's driving record, as maintained by the merit rating board in accordance
241 with section 57A of chapter 6C, does not contain more than 3 traffic violations, or any major
242 traffic violation, as defined by the division of insurance, in the preceding 3 year period.

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

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

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

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

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

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

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

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

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

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

286 network services shall disclose to one another a clear description of the coverage, exclusions and
287 limits provided under any automobile insurance maintained under this section, and shall
288 cooperate to facilitate the exchange of relevant information with directly involved parties,
289 including, but not limited to, the precise times that a transportation network driver logged on and
290 off of the transportation network company's digital network in the 12 hour period immediately
291 preceding and in the twelve hour period immediately following the accident.

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

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

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

312 (d) The division may, after notice and a hearing, issue a monetary penalty or suspend or
313 revoke a transportation network driver's certificate of any driver upon receipt of information that
314 the driver has violated any law or regulation related to the provision of transportation network
315 services or that the driver is not suitable to provide transportation network services; provided,
316 however, that any driver who receives 2 or more citations issued in accordance with subsection
317 (a) of section 7 in any 12 month period shall be suspended from operating as a transportation
318 network driver for a period of no less than 1 year.

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

321 (f) Any party aggrieved by a final order or decision of the division pursuant to this
322 section may institute proceedings for judicial review in the superior court within 30 days after
323 receipt of such order or decision. Any proceedings in the superior court shall, insofar as
324 applicable, be governed by the provisions of section 14 of chapter 30A, and may be instituted in
325 the superior court for the county; (1) where the parties or any of them reside or have their
326 principal place of business within the commonwealth; (2) where the commission has its principal
327 place of business; or (3) of Suffolk. The commencement of such proceedings shall not, unless
328 specifically ordered by the court, operate as a stay of the division's order or decision.

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

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

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

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

351 requirements set forth in this chapter and any regulations promulgated thereunder. The failure to
352 maintain or furnish information to the division within a timeline to be determined by the division
353 may, at the discretion of the division, constitute cause to suspend or revoke a transportation
354 network company permit pursuant to chapter 159A1/2.

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

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

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

370 SECTION 6. Said chapter 175 is hereby further amended by adding the following
371 section:-

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

374 “Digital network”, any online-enabled application, software, website or system offered or
375 utilized by a transportation network company that enables prearranged rides with transportation
376 network drivers.

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

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

384 “Transportation network company,” a corporation, partnership, sole proprietorship or
385 other entity, operating in the commonwealth that uses a digital network to connect riders to
386 drivers for the purposes of prearranging and providing transportation.

387 “Ride for hire,” all transportation network companies, taxicab companies, and livery
388 companies, including the drivers and vehicles associated with said companies, operating within
389 the commonwealth.

390 (b) The insurance requirements set forth in this section shall constitute adequate
391 insurance for ride for hire drivers and shall satisfy the financial responsibility requirement for a
392 motor vehicle under section 34A of chapter 90 and section 113L of chapter 175; provided,

393 however, that the insurance requirements set forth in this section shall only satisfy the financial
394 responsibility requirements for a motor vehicle under section 34A of chapter 90 and section
395 113L of chapter 175 with respect to the provision of ride for hire services in a vehicle operated
396 by a ride for hire driver, as said driver still must comply with section 34A of chapter 90 and
397 section 113L of chapter 175 and maintain insurance coverage for the vehicle during those
398 periods of time when the vehicle is being operated but is not providing ride for hire services.

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

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

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

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

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

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

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

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

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

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

434 (f) Insurers that write automobile insurance in the commonwealth may exclude any and
435 all coverage afforded under the policy issued to an owner or operator of a vehicle for any loss or
436 injury that occurs while a driver is providing transportation network services, or while a driver
437 provides a prearranged ride. This right to exclude all coverage may apply to any coverage
438 included in an automobile insurance policy including, but not limited to:

439 (1) liability coverage for bodily injury and property damage;

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

441 (3) uninsured and underinsured motorist coverage;

442 (4) medical payments coverage;

443 (5) comprehensive physical damage coverage; and

444 (6) collision physical damage coverage.

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

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

452 Automobile insurers that exclude the coverage described in this section shall have no
453 duty to defend or indemnify any claim expressly excluded thereunder. Nothing in this section

454 shall invalidate or limit an exclusion contained in a policy, including any policy in use or
455 approved for use in the commonwealth prior to the enactment of this section, that excludes
456 coverage for vehicles used to carry persons or property for a charge or available for hire by the
457 public. An automobile insurer that defends or indemnifies a claim against a driver that is
458 excluded under the terms of its policy, shall have a right of contribution against other insurers
459 that provide automobile insurance to the same driver, in satisfaction of the coverage
460 requirements of this section, at the time of loss.

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

477 provide policies with higher insurance rates while transportation network companies are not
478 engaged in a pre-arranged ride.

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

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

489 (a) transportation network vehicles that are not licensed as liveries are prohibited from
490 accepting prearranged rides at the General Edward Lawrence Logan Airport until August 1,
491 2021; to ensure compliance with this prohibition on transportation network vehicles, the
492 Massachusetts Port Authority shall prescribe, through regulation, penalties for transportation
493 network drivers in violation of this paragraph;

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

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

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

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

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

511 (5) such time periods shall not constitute more than 10 per cent of any given calendar
512 month.

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

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

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

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

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

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

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

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

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

544 The task force shall consist of 11 members with 1 member of the house of representatives
545 appointed by the speaker of the house of representatives, 1 member of the senate appointed by
546 the president of the senate, the chair of the department of public utilities or a designee, the
547 attorney general or a designee, the treasurer or a designee, and 6 persons to be appointed by the
548 governor, 1 of whom shall be a representative of the disability law center, 1 of whom shall be a
549 representative of the Massachusetts municipal association, 1 of whom shall be a representative of
550 the Massachusetts police association, 1 of whom shall be a representative of the transportation
551 network companies, 1 of whom shall be a representative of the hackney and taxi industry, and 1
552 of whom shall be a member of the livery industry. The task force shall meet and report back its
553 findings and any accompanying proposed legislation no later than 1 year after the effective date
554 of this act and file the same with the clerks of the house of representatives and the senate.

555 (9) investigate the establishment of a taxi medallion mitigation fund which may be
556 supported by a per ride fee on rides-for-hire in the commonwealth. The investigation shall be
557 conducted in consultation with the division of banks and the department of public utilities and
558 shall focus on the development and deployment of financial products that mitigate the reduced
559 value of taxi medallions in the city of Boston, city of Cambridge, and city of Somerville. Said

560 financial products shall be available to owners of taxi medallions issued and granted for use by
561 the city of Boston, city of Cambridge, and city of Somerville.

562 (10) The feasibility of transportation network companies providing within their user
563 interface an emergency safety alert feature, which may include the following: an option to
564 connect a call to the police; the sending of alerts about trip and driver to local authorities; contact
565 information for the company's incident response team and; the sending of automated messages
566 to preselected emergency contacts that details the trip and allows for real time GPS monitoring.

567 (11) examination of the establishment of municipal licensing commissions to regulate
568 development and oversight of the local taxi industry, livery industry and ride for hire industry.

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

574 SECTION 10. Notwithstanding any other provisions of law, the department of public
575 utilities, in consultation with municipalities and the registry of motor vehicles, shall establish a
576 statewide roster of all livery and taxicab drivers, along with a convenient means for
577 municipalities to notify the division of any livery or cab drivers registered within their
578 municipality. The department shall ensure that there is a convenient means of reciprocal
579 reporting between municipalities and the department regarding any driving infractions, criminal
580 convictions, suspension or ban of all livery drivers and taxicab drivers on the statewide roster.

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

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

586 SECTION 13. The ride for hire division of the department of public utilities shall
587 promulgate regulations to implement chapter 159A1/2 not later than 6 months after the passage
588 of this act.

589 SECTION 14. Section 11 of this act is hereby repealed.

590 SECTION 15. Section 12 shall take effect August 1, 2021.

591 SECTION 16. Section 14 shall take effect January 1, 2017.

592 SECTION 17. A transportation network company shall be required to maintain and
593 update a report of incidents reported by passengers using the transportation network company's
594 digital network, and will be required to provide such report to the the office of the attorney
595 general, department of public utilities and the executive office of public safety and security to
596 determine the effectiveness of the background checks for transportation network drivers as
597 required by this Chapter 159A1/2 of the General Laws. Such report shall be due the beginning of
598 each calendar year upon passage of this act.

599 SECTION 18. Notwithstanding the provisions of any general or special law to the
600 contrary, as a matter of public safety and security, the Massachusetts Convention Center
601 Authority shall establish rules for the operation of transportation network company vehicles and

602 taxicabs at the Boston Convention and Exhibition Center. At a minimum, and subject to other
603 such requirements as Authority may establish by regulation, said rules must meet the following
604 requirements:

605 (a) transportation network company vehicles that are not licensed as liveries are
606 prohibited from accepting prearranged rides at the Boston Convention and Exhibition Center
607 until August 1, 2021; to ensure compliance with this prohibition on transportation network
608 company vehicles, the Authority shall prescribe, through regulation, penalties for transportation
609 network company drivers in violation of this paragraph;

610 (b) taxicabs permitted to accept fares at the Boston Convention and Exhibition Center
611 shall be limited to taxicabs that are licensed by the City of Boston; provided, however, that the
612 Authority may extend this right to taxicabs licensed by the Cities of Cambridge and Somerville
613 for limited periods upon a finding that:

614 (1) there are time periods where the availability of Boston taxicabs is insufficient to
615 address the needs of individuals using the Boston Convention and Exhibition Center;

616 (2) permitting Cambridge and Somerville taxicabs to pick up fares during these time
617 periods would significantly improve the availability of taxicabs at the Boston Convention and
618 Exhibition Center during these time periods;

619 (3) registered taxicab drivers in Cambridge and Somerville that are seeking to accept
620 fares at the Boston Convention and Exhibition Center must first meet substantially the same
621 licensing and background check protocols imposed on Boston taxicabs before being permitted to
622 do so;

623 (4) there is a means of effectively communicating with Cambridge and Somerville
624 taxicabs when these limited time periods begin and end, such that the exclusive right of Boston
625 taxicabs to operate at the Boston Convention and Exhibition Center is not otherwise infringed
626 upon; and

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