HOUSE . . . . . No. 4570

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches with reference to the Senate amendments (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2398; and striking out the title and inserting in place thereof the following title: "An Act regulating transportation network companies") of the House Bill relative to the ride for hire industry (House, No. 4064), reports, recommending passage of the accompanying bill (House, No. 4570). July 31, 2016.

Aaron Michlewitz	Karen E. Spilka
Ronald Mariano	James B. Eldridge
Bradford Hill	Donald F. Humason, Jr.

FILED ON: 7/31/2016

HOUSE . . . . . No. 4570

The Commonwealth of Massachusetts

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

An Act regulating transportation network companies.

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

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

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

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

Section 23. (a) There shall be established within the department a division that shall be under the general supervision and control of the commission and shall be under the control of a

13 director. The division shall promulgate rules and regulations and shall perform such functions as
14 necessary for the administration, implementation and enforcement of chapter 159A½.

15 (b) To fund the division's activities, the division shall assess a surcharge on each
16 transportation network company, as defined in section 1 of chapter 159A½. Each transportation
17 network company shall annually report by March 31 its intrastate operating revenues for the
18 previous calendar year to the division. The surcharge shall be apportioned according to each
19 transportation network company's intrastate operating revenues as determined and certified
20 annually by the division in order to reimburse the commonwealth for funds expended for the
21 division's activities. If a transportation network company fails to report its intrastate operating
22 revenues to the division by March 31, the division may estimate a transportation network
23 company's intrastate operating revenues to assess the surcharge.

24 Each transportation network company shall pay the surcharge not later than 30 days from
25 the date of the notice of the surcharge amount from the division. Failure to pay the surcharge
26 within 30 days may, at the discretion of the division, constitute cause to suspend or revoke a
27 transportation network company permit pursuant to chapter 159A½.

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

31 SECTION 3. Section 7A of chapter 90, as appearing in the 2014 Official Edition, is
32 hereby amended by inserting after the sixth paragraph the following paragraph:-

33 The registrar shall establish rules and regulations, in consultation with the division
34 established in section 23 of chapter 25, providing for an inspection of transportation network

35 vehicles operated under a certificate issued pursuant to chapter 159A½. Such inspections shall be
36 in addition to the emissions testing requirements and the periodic staggered inspection as
37 required by this section; provided however, that the transportation network vehicle inspection
38 shall be available at the same time as the emissions testing and the periodic staggered inspection.
39 At a minimum, and subject to other requirements that the registrar may establish, such
40 inspections shall ensure that the safety mechanisms of the vehicle are fully functioning and shall
41 include a review of the vehicle's braking system and suspension.

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

44 CHAPTER 159A½.

45 TRANSPORTATION NETWORK COMPANIES.

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

48 "Background check clearance certificate", verification issued by the division to a
49 transportation network company and driver applicant, electronically or otherwise, that a driver
50 applicant successfully completed the background check required under section 3 and is suitable
51 to provide transportation network services.

52 "Cruising", the driving of a vehicle on the streets, alleys or public places of motorized
53 travel in search of or soliciting hails from a person in the street.

54 "Department", the department of public utilities.

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

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

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

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

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

67 “Transportation network driver” or “driver”, a driver certified by a transportation network
68 company.

69 “Transportation network driver certificate” or “driver certificate”, an authorization to
70 provide transportation network services issued by the transportation network company to a
71 transportation network driver.

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

75 “Transportation network services” or “services”, the offering or providing of pre-
76 arranged rides for compensation or on a promotional basis to riders or prospective riders through
77 the transportation network company’s digital network, covering the period beginning when a
78 transportation network driver is logged onto the transportation network company’s digital
79 network and is available to receive a pre-arranged ride or while in the course of providing a pre-
80 arranged ride.

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

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

86 (b) In consultation with the registry of motor vehicles, the division shall provide for the
87 establishment of removable decals to be issued by transportation network companies, in a form
88 and manner prescribed by the division, to transportation network drivers to designate a vehicle as
89 a transportation network vehicle for law enforcement and public safety purposes. The decal shall
90 be applied to both the front and back panels of a vehicle at all times while the vehicle is
91 providing transportation network services. A transportation network driver who provides
92 transportation network services using the digital network of more than 1 transportation network
93 company shall display the respective decals for each transportation network company while the
94 vehicle is providing transportation network services. A transportation network driver who ceases
95 to be certified to provide transportation network services for any reason shall return the decal

96 within 14 days of that cessation to the respective transportation network company in the manner
97 and form prescribed by the division.

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

100 (d) A transportation network company shall provide clear and conspicuous transportation
101 fare estimates to riders at all times, including during surge pricing, high volume and high
102 demand times. Fare estimates shall include a clear rate estimate or the amount of the price
103 increase resulting from surge pricing or increased demand.

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

106 (f) In consultation with state police, local law enforcement and the registry of motor
107 vehicles, the division shall ensure the safety and annual inspection of transportation network
108 vehicles, including a transportation network vehicle inspection pursuant to section 7A of chapter
109 90. A transportation network driver shall obtain a transportation network vehicle inspection at
110 the driver's next annual emissions testing or within 12 months of obtaining a transportation
111 network driver certificate, whichever comes first.

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

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

118 (i) A transportation network company shall provide a driver's name, picture and the
119 license plate number of the vehicle in use to a rider on any digital network used to facilitate a
120 pre-arranged ride.

121 (j) In consultation with the division, the Massachusetts Department of Transportation's
122 highway division shall provide for the issuance of electronic toll transponders set at the
123 commercial vehicle rate to be issued by transportation network companies to transportation
124 network drivers. The electronic toll transponders shall be used each time a transportation
125 network driver provides transportation network services on a toll road, bridge or tunnel;
126 provided, however, that the issuance of an electronic toll transponder pursuant to this subsection
127 shall not prohibit a transportation network driver from establishing or maintaining an electronic
128 toll transponder account for personal use.

129 (k) In consultation with the division, a transportation network company shall provide its
130 ride data to the Massachusetts Department of Transportation and the department shall cross-
131 reference that data with its toll data to ensure that tolls incurred by a driver providing
132 transportation network services through a digital network are paid at the commercial rate through
133 the pay by plate system and through the electronic transponder system.

134 (l) A transportation network company shall notify the division upon receipt of
135 information that a driver utilizing its network has violated a law or rule or regulation related to
136 the provision of transportation network services or that the driver is not suitable to provide
137 transportation network services.

138 (m) If, after the division issued a background check clearance certificate, the division is
139 notified by a transportation network company, law enforcement or government entity that a
140 driver is unsuitable and the division verifies the unsuitability, the division shall immediately
141 revoke or suspend the background check clearance certificate and shall notify the driver and each
142 transportation network company who issued the driver a driver certificate that the background
143 check clearance certificate has been revoked or suspended. The division shall issue rules and
144 regulations to establish a process for a driver to appeal a revocation or suspension. The rules or
145 regulations shall include an opportunity for a hearing.

146 A driver aggrieved by a final order or decision of the division pursuant to this subsection
147 or subsection (d) of section 3 may institute proceedings for judicial review in the superior court
148 within 30 days after receipt of such order or decision. Any proceedings in the superior court
149 shall, insofar as applicable, be governed by section 14 of chapter 30A, and may be instituted in
150 the superior court for the county: (i) where the parties or any of them reside or have their
151 principal place of business within the commonwealth; (ii) where the division has its principal
152 place of business; or (iii) of Suffolk. The commencement of such proceedings shall not, unless
153 specifically ordered by the court, operate as a stay of the division's order or decision.

154 Section 3. (a) All transportation network companies and transportation network drivers
155 shall provide services in the form of a pre-arranged ride using a digital network. A driver
156 providing transportation network services shall not solicit, accept, arrange or provide
157 transportation in another manner, including cruising unless otherwise authorized by law.

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

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

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

169 (ii) that the applicant has an oversight process in place to ensure that each driver
170 using the applicant's digital network has, pursuant to section 4, successfully completed a
171 background check, maintains a valid background check clearance certificate, is a suitable driver
172 and has a transportation network driver certificate;

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

176 (iv) that transportation network companies and drivers do not use excessive minimum or
177 base rates;

178 (v) that the applicant has an oversight process in place to ensure that tolls incurred
179 by a driver providing transportation network services through its digital network are paid at the
180 commercial rate including the utilization of the electronic toll transponder issued pursuant to
181 subsection (j) of section 2 and the data cross-reference pursuant to subsection (k) of said section
182 2;

183 (vi) that the applicant has an oversight process in place to ensure that the applicant
184 and drivers using the applicant's digital network accommodate riders with special needs,
185 including riders requiring wheelchair accessible vehicles, in all areas served by transportation
186 network companies, comply with all applicable laws regarding nondiscrimination against riders
187 or potential riders and ensure the accommodation of riders with special needs including, but not
188 limited to, all applicable laws, rules and regulations relating to the accommodation of service
189 animals;

190 (vii) that the applicant has a process in place to ensure that it shall: (1) maintain
191 and update, pursuant to regulations promulgated by the division, a roster of each transportation
192 network driver certified by the applicant to provide pre-arranged rides using the transportation
193 network company's digital network; (2) upon request and with appropriate legal process, provide
194 those rosters to the division, the registry of motor vehicles and to state and local law
195 enforcement; (3) maintain and update those rosters as required by the division; (4) comply with
196 all requests for information from the division regarding the roster, including verification of
197 completion of a background check as required pursuant to clause (ii);

198 (viii) that the applicant has established a toll-free customer service hotline that
199 shall be capable of responding to consumer, driver and rider questions and complaints and that

200 the hotline number shall be conspicuously posted along with the hours of operation on the
201 applicant's website and within the applicant's digital network application;

202 (ix) that the applicant has established procedures governing the safe pickup,
203 transfer, and delivery of individuals with visual impairments and individuals who use mobility
204 devices, including but not limited to wheelchairs, crutches, canes, walkers, and scooters; and

205 (x) that the applicant has an oversight process in place to ensure that transportation
206 network drivers with vehicles registered outside of the commonwealth meet the requirements of
207 this chapter.

208 (d) After obtaining the information required under clause (ii) of subsection (c) of section
209 4, the division shall determine whether the driver applicant has committed an offense that would
210 disqualify the driver applicant from providing transportation network services, according to the
211 division's rules, orders and regulations. The division shall determine if the driver applicant is
212 suitable and, if determined to be suitable, shall provide the transportation network company and
213 the driver applicant with a background check clearance certificate. The division shall conduct a
214 background check pursuant to clause (ii) of subsection (c) of section 4 not less than annually. If
215 the division finds that a driver is not suitable under the annual background check, the division
216 shall notify the driver and each relevant transportation network company that the background
217 check clearance certificate is revoked or suspended.

218 (e) The division shall calculate and the secretary of administration and finance shall
219 determine, pursuant to section 3B of chapter 7, the cost associated with the division's review of
220 an application for a transportation network company permit, for renewal of the permit and to

221 issue background check clearance certificates. The division may charge the transportation
222 network company a reasonable fee to cover the costs.

223 Section 4. (a) A driver who seeks to utilize the digital network of a transportation
224 network company to provide pre-arranged rides shall apply to a transportation network company
225 for a transportation network driver certificate. A person shall not provide transportation network
226 services in the commonwealth without a valid background check clearance certificate and a
227 transportation network driver certificate. The transportation network driver certificate shall be in
228 a form prescribed by the division which shall include the name, picture of the driver and the
229 license plate number of the vehicle in use and shall post a certificate for each transportation
230 network company that has certified the driver in a location in the vehicle that is visible to the
231 rider while transportation network services are being provided. A transportation network
232 company shall not issue a transportation network driver certificate to a driver applicant unless the
233 transportation network company has verified that the driver has received a background check
234 clearance certificate from the division.

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

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

239 (ii) has access to a vehicle that has been registered in the commonwealth and
240 inspected pursuant to section 7A of chapter 90 and regulations promulgated under said section
241 7A of said section 90 at a facility licensed by the registry of motor vehicles; or has access to a

242 vehicle that has been registered in another state, and the vehicle complies with the inspection
243 requirement of the state where the vehicle is registered;

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

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

248 (v) is determined to be suitable to perform transportation network services
249 pursuant to subsections (c) and (d);

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

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

256 (viii) has a driving record that does not include more than 4 traffic violations or
257 any major traffic violation, as defined by the division of insurance, in the preceding 3 year
258 period.

259 (c) Prior to providing transportation network services, a driver applicant shall be subject
260 to a 2-part background check process to determine if the driver applicant is suitable. The
261 transportation network company shall: (i) conduct a background check and disqualify applicants
262 on the basis of a suitability standard to be determined in regulations promulgated by the division;

263 and (ii) submit identifying information regarding an applicant to the division, which shall refer
264 that information to the department of criminal justice information services, which shall obtain all
265 available criminal offender record information, as defined in section 167 of chapter 6, and
266 pursuant to section 172 of said chapter 6 and sex offender registry information.

267 (d) Not less than 2 times per year, the transportation network company shall conduct a
268 background check pursuant to clause (i) of subsection (c) and shall immediately remove a driver
269 from its digital network if the driver is found not suitable pursuant to the suitability standards to
270 be determined in regulations promulgated by the division.

271 (e) The transportation network company shall immediately suspend a
272 transportation network driver's certificate, and notify the division of the suspension, upon
273 learning of and verifying a driver's arrest for a crime or a driver's citation for a driving infraction
274 that would render the driver unsuitable to provide transportation network services. A
275 transportation network company shall report such suspension, in a form and manner prescribed
276 by the division, to the division, which shall ensure all transportation network companies that
277 certified that driver take appropriate action. Any such suspension may be limited to the period of
278 time necessary to determine whether continued provision of transportation network services by
279 the driver is consistent with the public interest.

280 (f) In accordance with this section, the division shall quarterly audit the driver
281 certification and criminal background check processes of a transportation network company.
282 Non-compliance with this section shall constitute cause for the division to suspend or revoke a
283 transportation network company permit pursuant to section 6.

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

287 (b) A transportation network driver shall carry adequate insurance for each vehicle being
288 used to provide transportation network services in association with a transportation network
289 driver's certificate and shall carry proof of adequate insurance, as required by section 228 of
290 chapter 175, at all times while providing transportation network services. In the event of an
291 incident giving rise to personal injury or property damage, a transportation network driver shall
292 provide insurance coverage information to directly interested parties, automobile insurers and
293 law enforcement. Upon request, a transportation network driver shall disclose to directly
294 interested parties, automobile drivers, automobile insurers and law enforcement whether the
295 driver was providing transportation network services at the time of the incident.

296 (c) Automobile liability insurance providers offering coverage to a transportation network
297 company or transportation network driver to comply with subsection (a) or (b) shall recognize
298 that a driver is a transportation network driver who uses a vehicle to transport riders for
299 compensation and cover the driver while the driver is logged on to the transportation network
300 company's digital network or while the driver is engaged in a pre-arranged ride.

301 (d) A transportation network company shall disclose, in writing, to a prospective
302 transportation network driver, before certifying the driver to provide transportation network
303 services through the transportation network company's digital network: (i) the insurance
304 coverage, including the types of coverage and the limits for each coverage, that the transportation
305 network company provides while the transportation network driver provides transportation

306 network services; and (ii) a statement that the transportation network driver's own automobile
307 insurance policy may not provide coverage while the driver is providing transportation network
308 services, depending on the terms of the policy.

309 (e) In a claims coverage investigation, a transportation network company, a transportation
310 network driver and an insurer responding to a claim involving transportation network services
311 shall disclose to each other a clear description of the coverage, exclusions and limits provided
312 under an automobile insurance policy maintained under this section and shall cooperate to
313 facilitate the exchange of relevant information with directly involved parties including, but not
314 limited to, the precise times that a transportation network driver logged on and off of the
315 transportation network company's digital network in the 12-hour period immediately preceding
316 and in the 12-hour period immediately following the accident.

317 Section 6. (a) If the division determines, after notice and a hearing, that a transportation
318 network company is in violation of this chapter or any rule or regulation promulgated under this
319 chapter, the division shall issue a monetary penalty, suspend or revoke a transportation network
320 company permit or take other action that the division deems necessary. In determining the
321 amount of the monetary penalty, the division shall consider, without limitation, the size of the
322 transportation network company based on a transportation network company's intrastate
323 operating revenues for the previous calendar year, the gravity of the violation including
324 noncompliance with the payment of commercial rate tolls as required in clause (v) of subsection
325 (c) of section 3, the degree to which the transportation network company exercised good faith in
326 attempting to achieve compliance or to remedy non-compliance and previous violations by the
327 transportation network company cited by the division.

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

330 (b) Any party aggrieved by a final order or decision of the division pursuant to this
331 section may institute proceedings for judicial review in the superior court within 30 days after
332 receipt of such order or decision. Any proceedings in the superior court shall, insofar as
333 applicable, be governed by the provisions of section 14 of chapter 30A, and may be instituted in
334 the superior court for the county (i) where the parties or any of them reside or have their
335 principal place of business within the commonwealth; (ii) where the division has its principal
336 place of business; or (iii) of Suffolk. The commencement of such proceedings shall not, unless
337 specifically ordered by the court, operate as a stay of the division's order or decision.

338 Section 7. (a) A driver providing transportation network services who is not in
339 compliance with subsection (b) of section 2 or sections 4 or 5 shall be deemed to have committed
340 a civil motor vehicle infraction, as defined in section 1 of chapter 90C. State or local law
341 enforcement officials may issue a citation for any such violation in the manner provided for in
342 said chapter 90C. If the driver is cited under this subsection, every transportation network
343 company that allows the driver to provide transportation network services shall be subject to a
344 fine of $500.

345 (b) A driver providing transportation network services who knowingly or willfully allows
346 another individual to use that driver's certificate or identity to provide transportation network
347 services or a driver who is using a transportation network driver certificate belonging to another
348 individual or is misrepresenting a driver's identity to riders or potential riders by means of a
349 digital network shall be punished by a fine of not more than $500 for a first offense, by a fine of

350 not more than $750 for a second offense and by a fine of not more than $1,000 or by
351 imprisonment in the house of correction for not more than 6 months for a third or subsequent
352 offense.

353 (c) A driver who violates section 3 or any other person who, by soliciting, accepting,
354 arranging or providing transportation network services in any other manner, including through
355 street hails, cruising or street solicitations, shall be deemed to have committed a civil motor
356 vehicle infraction, as defined in section 1 of chapter 90C. State or local law enforcement officials
357 may issue a citation for any such violation in the manner provided for in said chapter 90C to the
358 transportation network driver and may assess a fine of $500.

359 (d) A driver who fails to produce proof of a transportation network driver certificate and
360 a background check clearance certificate upon request by law enforcement shall be punished by a
361 fine of not more than $100 for a first offense, by a fine of not more than $500 for a second
362 offense and not more than $1,000 for a third or subsequent offense.

363 Section 8. (a) The division shall require a transportation network company to maintain
364 certain records, in addition to the records required by clause (vii) of subsection (c) of section 3
365 including, but not limited to, records pertaining to incidents reported to the transportation
366 network company relative to a driver or rider, records pertaining to accessibility and records
367 pertaining to pricing; provided, however, that the division shall issue guidelines on the content
368 and maintenance of incident reports. A transportation network company shall retain the incident
369 reports for not less than 7 years. Each transportation network company or applicant for a
370 transportation network company permit shall furnish all information and documents related to
371 the condition, management and operation of the company upon the division's request; provided,

372 however, that any such request shall be reasonably related to the requirements set forth in this
373 chapter and the rules and regulations promulgated under this chapter. The failure to maintain or
374 furnish information to the division within a timeline to be determined by the division may, at the
375 discretion of the division, constitute cause to not issue, suspend or revoke a transportation
376 network company permit pursuant to section 6.

377 (b) A transportation network company shall provide to the division a detailed monthly
378 accounting of driver and passenger complaints received under clause (viii) of subsection (c) of
379 section 3 and the actions the company has taken, if any, to resolve said complaints.

380 (c) In response to a specific complaint alleging criminal conduct against any
381 transportation network company driver or passenger, a transportation network company shall,
382 upon request and after being served with appropriate legal process, provide information to a
383 requesting law enforcement agency necessary to investigate the complaint, as determined by the
384 law enforcement agency.

385 Transportation network companies shall, after being served with appropriate legal
386 process, provide information related to an alleged criminal incident including, but not limited to,
387 trip specific details regarding origin and destination, length of trip, GPS coordinates of route,
388 driver identification and, if applicable, information reported to the transportation network
389 company regarding the alleged criminal activity by a driver or passenger, to the appropriate law
390 enforcement agency upon receipt of a specific complaint alleging criminal conduct against any
391 transportation network company driver or passenger.

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

395 (e) Any record furnished to the division or other state agency by a transportation network
396 company pursuant to this chapter including, but not limited to, the roster of permitted
397 transportation network drivers, shall not be considered a public record as defined in clause
398 Twenty-sixth of section 7 of chapter 4 or chapter 66. An application for a transportation network
399 company permit submitted pursuant to this chapter shall be a public record as defined in said
400 clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66; provided, however,
401 that such an application may be withheld from disclosure, in whole or in part, for reasons set
402 forth in said clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66.

403 Section 9. Nothing in this chapter shall require a transportation network company to issue
404 a driver certificate to a driver applicant who meets the requirements of this chapter or prevent the
405 transportation network company from suspending, revoking or otherwise terminating a driver
406 from its digital network.

407 Section 10. Except where expressly set forth in this chapter, no municipality or other
408 local or state entity, except the Massachusetts Port Authority, may: (i) impose a tax on or require
409 any additional license for a transportation network company, a transportation network driver or a
410 vehicle used by a transportation network driver where the tax or licenses relate to facilitating or
411 providing pre-arranged rides; (ii) require any additional license for a transportation network
412 company or transportation network driver; or (iii) subject a transportation network company to
413 the municipality's or other local or state entity's rates or other requirements, including but not

414 limited to entry or operational requirements; provided, however, that a municipality or other
415 local or state entity may regulate traffic flow and traffic patterns to ensure public safety and
416 convenience.

417 Section 11. The division shall promulgate regulations necessary for the implementation,
418 administration and enforcement of this chapter.

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

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

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

427 (b) The insurance requirements in this section shall constitute adequate insurance for
428 transportation network drivers and shall satisfy the financial responsibility requirement for a
429 motor vehicle established by section 34A of chapter 90 and section 113L; provided, however,
430 that the insurance requirements in this section shall only satisfy the financial responsibility
431 requirements for a motor vehicle established by said section 34A of said chapter 90 and said
432 section 113L with respect to the provision of transportation network services in a vehicle
433 operated by a transportation network driver. A transportation network driver shall also comply
434 with said section 34A of said chapter 90 and said section 113L and maintain insurance coverage

435 for the vehicle during those periods of time when the vehicle is being operated, but is not
436 providing transportation network services.

437 (c) A transportation network driver who is logged onto the transportation network
438 company's digital network and is available to receive transportation requests, but is not engaged
439 in a pre-arranged ride shall have automobile liability insurance that provides per occurrence, per
440 vehicle coverage amounting to at least $50,000 of coverage per individual for bodily injury,
441 $100,000 of total coverage for bodily injury, $30,000 of coverage for property damage,
442 uninsured motorist coverage, to the extent required by said section 113L, and personal injury
443 protection, to the extent required by section 34A of chapter 90. The insurance may be held by the
444 transportation network driver, the transportation network company or a combination thereof.

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

451 (e) In every instance where insurance maintained by a transportation network driver to
452 fulfill the insurance requirements in subsections (c) and (d) has lapsed, failed to provide the
453 required coverage, denied a claim for the required coverage or otherwise ceased to exist,
454 insurance maintained by a transportation network company shall provide the coverage required
455 by said subsections (c) and (d), beginning with the first dollar of a claim, and shall have the duty
456 to investigate and defend that claim.

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

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

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

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

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

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

488 (i) The commissioner of insurance, in consultation with the division of transportation
489 network companies established in section 23 of chapter 25, shall issue an annual report
490 concerning the coverage minimums required for transportation network vehicles during the
491 period of time where the transportation network driver is logged onto the digital network but is
492 not engaged in a pre-arranged ride. The report shall include, at a minimum: (i) an examination,
493 based on actuarial data, of whether the existing coverage requirements provide adequate
494 protection for riders, transportation network drivers and the general public; (ii) whether it is
495 presently feasible for a transportation network company to obtain an insurance policy providing
496 coverage of $1,000,000 per occurrence, per vehicle during the relevant time period; (iii) if such a
497 policy is available, whether the coverage minimums should be raised so that all transportation
498 network vehicles carry $1,000,000 of coverage per occurrence, per vehicle, at all times while
499 operating as a transportation network company; (iv) whether a strategy can be developed to raise
500 the coverage requirements during this period through the use of admitted motor vehicle
501 insurance carriers, the surplus lines market and technological innovations in the insurance

502 industry such as the use of telematics to improve risk assessment; and (v) any recommended
503 action by the division of insurance, the division of transportation network companies established
504 in said section 23 of said chapter 25, the legislature or other government entity that would
505 encourage the insurance market to provide policies with higher insurance limits while
506 transportation network companies are not engaged in a pre-arranged ride.

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

511 SECTION 7. There shall be a ride for hire task force established to review the current
512 laws, regulations and local ordinances governing licensed hackneys, taxis, livery and
513 transportation network companies in the commonwealth and to make recommendations
514 concerning public safety, consumer protection and the economic fairness and equity of the
515 regulatory structure governing the ride for hire industry.

516 The task force shall be comprised of the following members or their designees: the
517 director of the division that oversees transportation network companies established in section 23
518 of chapter 25; the commissioner of insurance; the secretary of transportation; the secretary of
519 public safety and security; 2 members of the house of representatives, 1 of whom shall be
520 appointed by the minority leader; 2 members of the senate, 1 of whom shall be appointed by the
521 minority leader; and 6 persons to be appointed by the governor, 1 of whom shall be a
522 representative of the Disability Law Center, Inc., 1 of whom shall be a representative of the
523 Massachusetts Municipal Association, Inc., 1 of whom shall be a representative of the

524 Massachusetts Chiefs of Police Association Incorporated, 1 of whom shall be a representative of
525 the transportation network companies, 1 of whom shall be a representative of the hackney and
526 taxi industry and 1 of whom shall be a member of the livery industry.

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

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

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

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

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

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

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

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

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

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

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

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

564 (xii) the sufficiency of current motor vehicle liability policy minimums for licensed
565 hackneys, taxis and livery;

566 (xiii) an examination of transportation networks' policies on fees charged to riders for
567 cancelled rides and occasions when the rider is late to meet a transportation network driver at the
568 pre-arranged pick-up location;

569 (xiv) easing regional restrictions on taxi service by allowing taxi medallion owners to
570 pick up non-hail customers via smart phone application outside of the borders of the licensing
571 municipality;

572 (xv) allowing medallion owners to set meter rates lower than rates established by the
573 licensing municipality as long as the rates are clearly disclosed in advance to the customer; and

574 (xvi) examining and making recommendations on ways in which the division established
575 under section 23 of chapter 25 can make statistical reports relative to the number and type of
576 incidents reported to transportation network companies relating to drivers and riders.

577 The ride for hire task force shall file a report, which shall include its findings along with
578 recommendations and accompanying proposed legislation, not later July 1, 2017 with the clerks
579 of the senate and house of representatives, who shall forward the report to the house and senate
580 chairs of the joint committee on financial services, the house and senate chairs of the joint
581 committee on transportation and the house and senate chairs of the joint committee on public
582 safety and homeland security.

583 SECTION 8. (a) There shall be a Transportation Infrastructure Enhancement Trust Fund.
584 The director of the division within the department of public utilities established in section 23 of

585 chapter 25 of the General Laws shall be the trustee of the fund and shall expend money in the
586 fund to address the impact of transportation network services, as defined in section 1 of chapter
587 159A½ of the General Laws. There shall be credited to the fund: (i) any per-ride assessment
588 collected pursuant to subsection (b); and (ii) any interest earned on money in the fund. Amounts
589 credited to the fund shall be expended by the director pursuant to subsection (c) without further
590 appropriation. Money remaining in the fund at the end of a fiscal year shall not revert to the
591 General Fund.

592 (b) Annually, not later than February 1, each transportation network company shall
593 submit to the director of the division established in section 23 of chapter 25 the number of rides
594 from the previous calendar year that originated within each city or town and a per-ride
595 assessment of $0.20. A transportation network company shall not charge a transportation
596 network rider or a transportation network driver, as defined in section 1 of chapter 159A½, for
597 the cost of the per-ride assessment. Not later than June 30, the director shall post on the
598 division's website the aggregate number of rides from the previous calendar year originating
599 within each city or town.

600 (c) The division shall: (i) proportionately distribute ½ of the amount received from the
601 fund to a city or town based on the number of rides from the previous calendar year that
602 originated within that city or town to address the impact of transportation network services on
603 municipal roads, bridges and other transportation infrastructure or any other public purpose
604 substantially related to the operation of transportation network services in the city or town
605 including, but not limited to, the complete streets program established in section 1 of chapter 90I
606 of the General laws and other programs that support alternative modes of transportation; (ii)
607 distribute ¼ of the amount collected to the Massachusetts Development Finance Agency

608 established in section 2 of chapter 23G of the General Laws to provide financial assistance to
609 small businesses operating in the taxicab, livery or hackney industries to encourage the adoption
610 of new technologies and advanced service, safety and operational capabilities and support
611 workforce development; and (iii) distribute ¼ of the amount collected to the Commonwealth
612 Transportation Fund established in section 2ZZZ of chapter 29 of the General Laws.

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

618 SECTION 9. Section 8 is hereby amended by striking out subsection (c) and inserting in
619 place thereof the following subsection:-

620 (c) The division shall: (i) proportionately distribute ½ of the amount collected to a city or
621 town based on the number of rides from the previous calendar year that originated within that
622 city or town to address the impact of transportation network services on municipal roads, bridges
623 and other transportation infrastructure or any other public purpose substantially related to the
624 operation of transportation network services in the city or town including, but not limited to, the
625 complete streets program established in section 1 of chapter 90I of the General Laws and other
626 programs that support alternative modes of transportation; and (ii) distribute ½ of the amount
627 collected to the Commonwealth Transportation Fund established in section 2ZZZ of chapter 29
628 of the General Laws.

629 SECTION 10. Section 8 is hereby repealed.

630 SECTION 11. The Massachusetts Port Authority, established in section 2 of chapter 465
631 of the acts of 1956, may not permit a transportation network vehicle that is not registered as a
632 livery vehicle to accept a prearranged ride through a digital network at the General Edward
633 Lawrence Logan International Airport terminal until such time as the authority promulgates rules
634 for the operation of transportation network vehicles, consistent with federal regulations, to ensure
635 the safety of passengers and effective operation of transportation services to and from the airport.

636 SECTION 12. The Massachusetts Convention Center Authority may establish rules for
637 the operation of transportation network company vehicles and taxicabs at the Boston convention
638 and exhibition center, including, but not limited to, regulating traffic flow, including pickup
639 locations, and traffic patterns to ensure public safety and convenience.

640 SECTION 13. Notwithstanding chapter 159A½ of the General Laws, all transportation
641 network drivers and transportation network companies operating in the commonwealth prior to
642 the promulgation of regulations issued by the division created in section 23 of chapter 25 of the
643 General Laws may continue to provide transportation network services, but shall apply for all
644 permits and certificates required under chapter 159A½ of the General Laws not less than 120
645 days after the effective date of the division's regulations.

646 SECTION 14. Not later than August 1, 2017, the department of public utilities and the
647 registry of motor vehicles shall submit a report to the clerks of the senate and house of
648 representatives examining the feasibility of: (i) conducting statewide criminal offender record
649 information checks for each operator of a ride for hire vehicle; and (ii) establishing a statewide
650 roster of all livery and taxicab drivers, along with a convenient means for municipalities to notify
651 the division of any livery or taxicab drivers registered within their municipality, including

652 reciprocal reporting between municipalities and the department regarding any driving
653 infractions, criminal convictions, suspension or ban of all livery drivers and taxicab drivers on
654 the statewide roster.

655 SECTION 15. The division of the department of public utilities established in section 23
656 of chapter 25 of the General Laws shall promulgate regulations to implement chapter 159A½ of
657 the General Laws not later than 12 months after the effective date of this act.

658 SECTION 16. The registrar of motor vehicles shall establish rules and regulations for the
659 transportation network vehicle inspection required under the seventh paragraph of section 7A of
660 chapter 90 of the General Laws not more than 180 days after the effective date of this act.

661 SECTION 17. Section 9 shall take effect on January 1, 2022.

662 SECTION 18. Section 10 shall take effect on January 1, 2027.