

# SENATE . . . . . No. 2398

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Senate, June 29, 2016– Text of the Senate amendment to the House Bill relative to the ride for hire industry (House, No. 4064) (being the text of Senate, No. 2371, printed as amended)

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## The Commonwealth of Massachusetts

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In the One Hundred and Eighty-Ninth General Court  
(2015-2016)  
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1           SECTION 1. Subsection (a) of section 172 of chapter 6 of the General Laws, as amended  
2 by section 3 of chapter 10 of the acts of 2015, is hereby further amended by inserting after clause  
3 (32) the following clause:-

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

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

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

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

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

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

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

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

#### TRANSPORTATION NETWORK COMPANIES.

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

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

“Department”, the department of public utilities.

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

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

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

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

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

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

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

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

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

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

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

vehicle is providing transportation network services. A transportation network driver who ceases to be certified to provide transportation network services for any reason shall return the decal within 14 days of that cessation to the respective transportation network company in the manner and form prescribed by the division.

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

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

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

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

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

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

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

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

108 (k) In consultation with the division, transportation network companies shall provide their  
109 respective ride data to the Massachusetts Department of Transportation and the department shall  
110 cross-reference that data with its toll data to ensure that tolls incurred by a driver providing  
111 transportation network services through a digital network are paid at the commercial rate through  
112 the pay by plate system and through the electronic transponder system.

113 Section 3. (a) All transportation network companies and transportation network drivers  
114 shall provide services in the form of a pre-arranged ride using a digital network. A driver  
115 providing transportation network services shall not solicit, accept, arrange or provide  
116 transportation in another manner, including through street hails, cruising or street solicitations  
117 unless otherwise authorized by law.

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

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

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

(ii) that the applicant has an oversight process in place to ensure that each driver using the applicant's digital network: (1) has, before joining the network and annually thereafter, submitted to and successfully completed a background check conducted by the applicant that includes a review of local and national criminal records, sex offender records and driving records associated with each driver; (2) is a suitable driver as defined in section 4; and (3) is certified pursuant to section 4;

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

(iv) that the applicant has an oversight process in place to ensure that tolls incurred by a driver providing transportation network services through its digital network are

paid at the commercial rate including the utilization of the electronic toll transponder issued pursuant to subsection (j) of section 2 and the data cross-reference pursuant to subsection (k) of said section 2;

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

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

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



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

(ix) that the applicant shall establish a mechanism within the digital network application to enable consumers with visual impairments or other disabilities to alert the driver as to the existence of such impairment or disability to better facilitate pickups when the consumer may have difficulty seeing the vehicle.

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

Section 4. (a) A driver who seeks to utilize the digital network of a transportation network company to provide pre-arranged rides shall apply to a transportation network company for a transportation network driver certificate. A person shall not provide transportation network services without a valid transportation network driver certificate in a form prescribed by the division which shall include the name, picture of the driver and the license plate number of the vehicle in use and shall post a certificate for each transportation network company that has certified the driver in a location in the vehicle that is visible to the rider while transportation network services are being provided.

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

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

185 (ii) has access to a vehicle that has been registered in the commonwealth and  
186 inspected pursuant to section 7A of chapter 90 and regulations promulgated under said section  
187 7A of said section 90 at a facility licensed by the registry of motor vehicles; or has access to a  
188 vehicle that has been registered in another state, and the vehicle complies with the inspection  
189 requirement of the state where the vehicle is registered;

190 (iii) complies with insurance requirements established in this chapter or in section  
191 228 of chapter 175;

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

194 (v) is determined to be suitable to perform transportation network services on the  
195 basis of a 2-part background check process in which the transportation network company shall:  
196 (1) conduct a background check pursuant to clause (ii) of subsection (c) of section 3 and  
197 disqualify applicants on the basis of a suitability standard to be determined in regulations  
198 promulgated by the department; and (2) submit identifying information regarding an applicant to  
199 the department, which shall refer that information to the department of criminal justice  
200 information services, which shall obtain all available criminal offender record information as  
201 defined in section 167 of chapter 6 and pursuant to section 172 of chapter 6 and sex offender  
202 registry information; provided, however, that following a review of the pertinent records, the  
203 department or the department of criminal justice information services shall determine whether  
204 the applicant has committed an offense that would disqualify the applicant from providing  
205 transportation network services, according to the department's rules, orders and regulations;

provided further, that in light of that determination and following the department's review of all motor vehicle records pertaining to the applicant, the department shall determine within 5 business days of receiving an applicant's identifying information whether the applicant is suitable to provide transportation network services according to regulations promulgated by the department and shall so notify the transportation network company;

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

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

(viii) has a driving record which does not include more than 5 traffic violations or any major traffic violation, as defined by the division of insurance, in the preceding 3 year period.

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

(d) The transportation network company shall immediately suspend a transportation network driver's certificate, and notify the division of the suspension, upon learning of and verifying a driver's arrest for a crime that would render a driver unsuitable to provide transportation network services or upon learning of and verifying a driver's citation for a driving

infraction that would render the driver unsuitable to provide transportation network services. Any such suspension shall only be for a period of time necessary to determine whether continued provision of transportation network services by the driver is consistent with the public interest. A transportation network company shall report such suspension once verified, in a form and manner prescribed by the division to all transportation network companies that certified that driver.

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

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

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

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

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

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

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

(b) The transportation network company may, after notice,, suspend or revoke a transportation network driver's certificate upon receipt of information that the driver has violated a law or rule or regulation related to the provision of transportation network services or that the driver is not suitable to provide transportation network services; provided, however, that a driver who receives 2 or more citations issued in accordance with subsections (a) or (c) of section 7 in a 12-month period shall, after notice and a hearing, be suspended from operating as a transportation network driver for a period of not less than 1 year; provided further, that a driver who is punished by a fine or by imprisonment in accordance with subsection (b) of said section 7 shall, after notice and a hearing, be suspended from operating as a transportation network driver for a period of not less than 6 months.

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

(d) A party aggrieved by a final order or decision of the division pursuant to this section may institute proceedings for judicial review in the superior court within 30 days after receipt of that order or decision. Proceedings in the superior court shall be governed by section 14 of chapter 30A, where applicable, and may be instituted in Suffolk superior court or the superior court for the county where any of the parties reside or have their principal place of business within the commonwealth. The commencement of the proceedings shall not, unless specifically ordered by the court, operate as a stay of the division's order or decision.

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

(b) A driver providing transportation network services who knowingly or willfully allows another individual to use that driver's certificate or identity to provide transportation network services or a driver who is using a transportation network driver certificate belonging to another individual or is misrepresenting a driver's identity to riders or potential riders by means of a digital network shall be punished by a fine of not more than \$500 for a first offense, by a fine of not more than \$750 for a second offense and by a fine of not more than \$1,000 or by

imprisonment in the house of correction for not more than 6 months for a third or subsequent offense.

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

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



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

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

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

(d) Any record furnished to the division or other state agency by a transportation network company pursuant to this chapter including, but not limited to, the roster of permitted transportation network drivers, shall not be considered a public record as defined in clause Twenty-sixth of section 7 of chapter 4 or chapter 66. An application for a transportation network company permit submitted pursuant to this chapter shall be a public record as defined in said clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66; provided, however,

that such an application may be withheld from disclosure, in whole or in part, for reasons set forth in said clause Twenty-sixth of said section 7 of said chapter 4 or said chapter 66.

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

Section 10. Notwithstanding any general or special law to the contrary, transportation network companies and transportation network company drivers shall be governed exclusively by this chapter and any rules or regulations promulgated by the division under this chapter. Except where expressly set forth in this chapter, no municipality or other local or state entity, except the Massachusetts Port Authority, may: (i) impose a tax on or require any additional license for a transportation network company, a transportation network driver or a vehicle used by a transportation network driver where the tax or licenses relate to facilitating or providing pre-arranged rides; (ii) require any additional license for a transportation network company or transportation network driver; or (iii) subject a transportation network company to the municipality's or other local or state entity's rates or other requirements, including but not limited to entry or operational requirements; provided, however, that a municipality or other local or state entity may regulate traffic flow and traffic patterns to ensure public safety and convenience.

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

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

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

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

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

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

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

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

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

(h) Insurers that write automobile insurance may exclude any and all coverage afforded under the policy issued to an owner or operator of a vehicle for any loss or injury that occurs while a driver is providing transportation network services or while a driver provides a pre-arranged ride. This right to exclude all coverage may apply to any coverage included in an

automobile insurance policy including, but not limited to: (i) liability coverage for bodily injury and property damage; (ii) personal injury protection coverage as defined in section 34A of chapter 90; (iii) uninsured and underinsured motorist coverage; (iv) medical payments coverage; (v) comprehensive physical damage coverage; and (vi) collision physical damage coverage.

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

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

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

(i) The commissioner of insurance, in consultation with the division established in section 23 of chapter 25, shall issue an annual report concerning the coverage minimums required for transportation network vehicles during the period of time where the transportation network driver is logged onto the digital network but is not engaged in a pre-arranged ride. The report shall include, at a minimum: (i) an examination, based on actuarial data, of whether the existing coverage requirements provide adequate protection for riders, transportation network drivers and the general public; (ii) whether it is presently feasible for a transportation network company to obtain an insurance policy providing coverage of \$1,000,000 per occurrence, per vehicle during the relevant time period; (iii) if such a policy is available, whether the coverage minimums should be raised so that all transportation network vehicles carry \$1,000,000 of coverage per occurrence, per vehicle, at all times while operating as a transportation network company; (iv) whether a strategy can be developed to raise the coverage requirements during this period through the use of admitted motor vehicle insurance carriers, the surplus lines market and technological innovations in the insurance industry such as the use of telematics to improve risk assessment; and (v) any recommended action by the division of insurance, the division established in said section 23 of said chapter 25, the legislature or other government entity that would encourage the insurance market to provide policies with higher insurance limits while transportation network companies are not engaged in a pre-arranged ride.

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

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

The task force shall be comprised of the following members or their designees: the director of the division that oversees transportation network companies established in section 23 of chapter 25; the commissioner of insurance; the secretary of transportation; the secretary of public safety and security; 2 members of the house of representatives, 1 of whom shall be appointed by the minority leader; 2 members of the senate, 1 of whom shall be appointed by the minority leader; and 6 persons to be appointed by the governor, 1 of whom shall be a representative of the Disability Law Center, Inc., 1 of whom shall be a representative of the Massachusetts Municipal Association, Inc., 1 of whom shall be a representative of the Massachusetts Chiefs of Police Association Incorporated, 1 of whom shall be a representative of the transportation network companies, 1 of whom shall be a representative of the hackney and taxi industry and 1 of whom shall be a member of the livery industry.

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

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

485           (ii) potential methods for allowing ride for hire vehicles to engage in “surge pricing”  
486 based on supply and demand that conform to the practice of “surge pricing” that is currently  
487 utilized by transportation network companies;

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

(b) Annually, not later than February 1, each transportation network company shall submit to the director of the division established in section 23 of chapter 25 the number of rides

from the previous calendar year that originated within each city or town and a per-ride assessment of not more than \$0.10, as determined by the director. A transportation network company shall not charge a transportation network rider or a transportation network driver, as defined in section 1 of chapter 159A½, for the cost of the municipal transportation infrastructure assessment. Not later than June 30, the director shall post on the division's website the aggregate number of rides from the previous calendar year originating within each city or town and shall proportionately distribute money in the fund to a city or town based on the number of rides from the previous calendar year that originated within that city or town.

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

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

SECTION 8. The division of the department of public utilities established in section 23 of chapter 25 of the General Laws shall promulgate regulations to implement chapter 159A½ of the General Laws not later than 9 months after the effective date of this act.

570           SECTION 9. Section 7 is hereby repealed.

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