

THE FLORIDA SENATE
2017 SUMMARY OF LEGISLATION PASSED
Committee on Banking and Insurance

CS/HB 221 — Transportation Network Companies

by Government Accountability Committee; and Reps. Sprowls, Grant, J., and others (CS/CS/SB 340 by Judiciary Committee; Banking and Insurance Committee; and Senators Brandes, Galvano, Simpson, Artiles, Young, and Bracy)

The bill (Chapter 2017-12, L.O.F.) creates statewide requirements for transportation network companies (TNCs). Transportation network companies use smartphone technology to connect individuals who want to ride with private drivers for a fee. The bill preempts any local ordinances or rules on TNCs and provides that state law will regulate TNCs. The bill prohibits local governments from imposing taxes, licensing requirements, or other restrictions on TNCs.

The bill provides minimum insurance requirements for TNCs and TNC drivers. When a TNC driver is logged onto the digital network but not engaged in a prearranged ride, the bill requires:

- Primary automobile liability coverage of at least \$50,000 for death and bodily injury per person, \$100,000 for death and bodily injury per incident, and \$25,000 for property damage;
- Personal injury protection (PIP) benefits that meet the minimum coverage amounts required under the Florida Motor Vehicle No-Fault Law; and
- Uninsured and underinsured vehicle coverage as required by law.

When a TNC driver is engaged in a prearranged ride the bill requires:

- Primary automobile liability coverage of at least \$1 million for death, bodily injury, and property damage;
- PIP benefits that meet the minimum coverage amounts required of a limousine under Florida Motor Vehicle No-Fault Law; and
- Uninsured and underinsured vehicle coverage as required by law.

The bill authorizes an automobile insurer not providing TNC insurance to exclude coverage provided to an owner or operator of a TNC vehicle while driving that vehicle if logged on to the digital network or providing a prearranged ride.

The bill requires the TNC to conduct, or have a private third party conduct, a local and national criminal background check on its drivers every 3 years, and a driving record check once when the person applies as a TNC driver. The bill prohibits the TNC from hiring a person as a TNC driver if he or she has been convicted of certain crimes or a certain number of moving violations. To ensure that the TNC has complied with the requirement of background checks, the bill requires the TNC to submit an examination report prepared by an independent certified public accountant to the Department of Financial Services and provides for penalties if the TNC fails to comply with the background check requirements.

The bill requires a TNC to implement a zero tolerance policy on the use of drugs and alcohol by its drivers, and to suspend a driver during the length of an investigation, if a rider registers a

complaint of drug or alcohol use. All TNCs must adopt policies on nondiscrimination and disability access. In addition, the bill:

- Requires a TNC to maintain an agent for service of process;
- Requires a TNC to disclose information on fares to riders before the beginning of prearranged rides;
- Requires a TNC driver to carry proof of insurance;
- Requires a TNC's digital network to display a photograph of the TNC driver and the license plate number of the TNC vehicle;
- Provides that TNC drivers are independent contractors if certain conditions are met;
- Prohibits TNC drivers from accepting rides for compensation outside of the TNC's digital network and from soliciting or accepting street hails; and
- Requires TNCs to maintain records on riders and TNC drivers.

These provisions were approved by the Governor and take effect July 1, 2017.

Vote: Senate 36-1; House 115-0