

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 7076

INTRODUCER: Finance and Tax Committee

SUBJECT: Transportation Network Companies

DATE: February 26, 2024

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Byrd</u>	<u>Khan</u>	<u>AP</u>	<b>FT Submitted as Comm. Bill/Fav</b>
	<u>Byrd</u>	<u>Sadberry</u>		<b>Favorable</b>

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**I. Summary:**

SB 7076 prohibits an airport or a seaport from charging a TNC a pickup fee for a prearranged ride requested within 60 minutes before the time the rider enters the TNC vehicle which is greater than the lowest pickup fee charged to a taxicab company.

The bill takes effect July 1, 2024.

**II. Present Situation:**

In 2017, the Legislature established a regulatory framework for transportation network companies (TNCs).<sup>1</sup> A TNC is an entity that uses a digital network<sup>2</sup> to connect a rider to a TNC driver, who provides prearranged rides. A TNC is not deemed to own, control, operate, direct, or manage the TNC vehicles or TNC drivers that connect to its digital network, except where agreed to by written contract, and is not a taxicab association. TNCs also do not include entities that arrange medical transportation for individuals qualifying for Medicaid or Medicare pursuant to a contract with the state or a managed care organization.

A rider uses a digital network to connect with a TNC driver to obtain a prearranged ride between points chosen by the rider. A TNC driver receives connections to potential riders from a TNC and uses a TNC vehicle to offer or provide a prearranged ride through a digital network, in return for compensation. Law specifies that a TNC vehicle must be owned, leased, or otherwise authorized to be used by the TNC driver. Additionally, current law specifies that a taxicab or jitney is not a TNC vehicle.

A prearranged ride is the transportation of a rider by a TNC driver. It begins when a TNC driver accepts a ride requested by a rider through a digital network, continues through transport, and

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<sup>1</sup> Section 627.748, F.S.

<sup>2</sup> The term “digital network” means any online-enabled technology application service, website, or system offered or used by a transportation network company which enables the prearrangement of rides with transportation network company drivers.

ends when the last rider exits from and is no longer occupying the TNC vehicle. A prearranged ride does not include a taxicab or street hail<sup>3</sup> service and does not include ridesharing,<sup>4</sup> carpool,<sup>5</sup> or any other type of service in which the driver receives a fee that does not exceed the driver's cost to provide the ride. TNC drivers are prohibited from soliciting or accepting street hails.

If a fare is collected from a rider, the TNC must disclose to the rider the fare or fare calculation method on its website or within the online-enabled technology application service before the beginning of the prearranged ride. If the fare is not disclosed, the rider must have the option to receive an estimated fare before the beginning of the prearranged ride. The receipt must list the origin and destination of the ride, the total time and distance of the ride, and the total fare paid.

The law preempts counties, municipalities, special districts, airport authorities, port authorities, or other local governmental entities or subdivisions from:

- Imposing a tax on or requiring a license for TNCs if such tax or license relates to providing prearranged rides,
- Subjecting TNCs to any rate, entry, operation, or other requirement of the county, municipality, special district, airport authority, port authority, or other local governmental entity or subdivision, or
- Requiring TNCs to obtain a business license or any other type of similar authorization to operate within the local governmental entity's jurisdiction.

Airports and seaports may charge taxicab companies and TNCs reasonable pickup fees for use of the airport's or seaport's facilities. The fees charged to TNCs must be consistent with any pickup fees charged to taxicab companies. Airports and seaports may also designate locations for staging, pickup, and other similar operations.

### **III. Effect of Proposed Changes:**

The bill prohibits an airport or a seaport from charging a TNC a pickup fee for a prearranged ride requested within 60 minutes before the time the rider enters the TNC vehicle which is greater than the lowest pickup fee charged to a taxicab company.

The bill takes effect July 1, 2024.

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<sup>3</sup> The term "street hail" means an immediate arrangement on a street with a driver by a person using any method other than a digital network to seek immediate transportation.

<sup>4</sup> Section 341.031, F.S., defines "ridesharing" as an arrangement between persons with a common destination, or destinations, within the same proximity, to share the use of a motor vehicle on a recurring basis for round-trip transportation to and from their place of employment or other common destination. For purposes of ridesharing, employment shall be deemed to commence when an employee arrives at the employer's place of employment to report for work and shall be deemed to terminate when the employee leaves the employer's place of employment, excluding areas not under the control of the employer. However, an employee shall be deemed to be within the course of employment when the employee is engaged in the performance of duties assigned or directed by the employer, or acting in the furtherance of the business of the employer, irrespective of location.

<sup>5</sup> Section 450.28, F.S., defines "carpool" as an arrangement made by the workers using one worker's own vehicle for transportation to and from work and for which the driver or owner of the vehicle is not paid by any third person other than the members of the carpool.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

This bill does not require counties or municipalities to spend funds, limit their authority to raise revenue, or reduce the percentage of a state tax shared with them as specified in Art. VII, s. 18 of the Florida Constitution. Therefore, the provisions of Art. VII, s. 18 of the Florida Constitution may not apply.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

The bill does not create or raise a state tax or fee. Therefore, the requirements of Art. VII, s. 19 of the Florida Constitution do not apply.

**E. Other Constitutional Issues:**

None identified.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

The bill may require airports or seaports to change their administration of pickup fees.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 627.748 of the Florida Statutes:

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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