BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that statewide regulation
of transportation network companies is needed to ensure the
safety, reliability, and cost-effectiveness of rides provided by
transportation network company drivers as well as to preserve
and enhance access to important transportation options for
residents and visitors of the State.

The purpose of this Act is to provide statewide regulation
of transportation network companies to provide operational
consistency across the State and to establish a permitting
process within the department of transportation.

SECTION 2. The Hawaii Revised Statutes is amended by
adding a new chapter to be appropriately designated and to read
as follows:

"CHAPTER
TRANSPORTATION NETWORK COMPANIES
§ -1 Definitions. As used in this chapter:
"Digital network" means any online-enabled technology application service, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

"Prearranged ride" has the same meaning as defined in section 431:10C-701.

"Transportation network company" means an entity that uses a digital network or software application service to connect passengers to transportation network company drivers; provided that the entity:

1. Does not own, control, direct, or manage the transportation network company vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract; and

2. Is not a taxicab association or a for-hire vehicle owner.

"Transportation network company driver" has the same meaning as defined in section 431:10C-701.

"Transportation network company rider" or "rider" means an individual or persons who use a transportation network company's
digital network to connect with a transportation network company driver who provides prearranged rides to the rider in a transportation network company vehicle between destination points chosen by the rider.

"Transportation network company vehicle" means a vehicle that is:

(1) Used by a transportation network company driver to provide a prearranged ride;

(2) Owned, leased, or otherwise authorized for use by the transportation network company driver; and

(3) Not a taxicab, limousine, or other for-hire vehicle.

§ -2 Relation to other laws; commercial vehicle; for-hire vehicle; registration; exemption. Solely for the purposes of this chapter, neither a transportation network company nor a transportation network company driver shall be deemed to be a common carrier by motor vehicle, a contract carrier by motor vehicle, a motor carrier as defined in section 271-4, a taxicab, or a for-hire vehicle service. No transportation network company driver shall be required to register a transportation network company vehicle as a commercial or for-hire vehicle.
§ -3 Transportation network company; permit; required.

(a) No person shall operate a transportation network company in the State without first having obtained a permit from the director of transportation, the application for which shall be in a form to be determined by the director of transportation; provided that any transportation network company operating in the State before the effective date of this chapter may continue operating until the director of transportation has established a permitting process and sets a registration deadline.

(b) The director of transportation shall issue a permit to each applicant that satisfies the requirements for a transportation network company as set forth by the director of transportation and shall collect an annual permit fee of $5,000 from the applicant prior to the issuance of a permit.

§ -4 Fare transparency. If a fare is collected from a rider, the transportation network company shall disclose the fare or fare calculation method to the rider on its website or within the online-enabled technology application service before the beginning of the prearranged ride. If the fare is not disclosed to the rider before the beginning of the prearranged
ride, the rider shall have the option to receive an estimated fare before the beginning of the prearranged ride.

§ -5 Agent for service. Any transportation network company in operation in the State shall maintain an agent for service of process in the State.

§ -6 Identification of transportation network company vehicles and drivers. The transportation network company's digital network shall display a picture of the transportation network company driver and the license plate number of the transportation network company vehicle.

§ -7 Electronic receipt. Within a reasonable period of time following the completion of a trip, the transportation network company shall transmit an electronic receipt to the rider on behalf of the transportation network company driver that shall include the following information:

(1) The origin and destination or destinations of the trip;

(2) The total time and distance of the trip; and

(3) The total fare paid.
§ -8 Disclosure; limitations; insurance requirements.

The requirements of section 431:10C-703 shall apply to all entities and individuals covered under this chapter.

§ -9 Transportation network company driver requirements.

(a) Prior to entering into a contract with an individual to be a transportation network company driver and allowing the individual to accept trip requests through a transportation network company's digital network:

(1) The individual shall submit an application to the transportation network company and shall include the following information:

(A) The individual's address;

(B) The individual's age;

(C) A copy of the individual's valid driver's license;

(D) A copy of the applicable motor vehicle registration;

(E) A copy of the applicable automobile liability insurance; and

(F) Other information deemed necessary by the transportation network company;
(2) The transportation network company shall conduct, or have a third-party entity conduct, a national and local criminal background checks for each applicant that shall include a review of:

(A) A multi-state and multi-jurisdictional criminal records locator or other similar commercial nationwide database with validation (primary source search); and

(B) The national sex offender registry; and

(3) The transportation network company shall obtain and review, or have a third-party entity obtain and review, a driving history research report for the individual.

(b) The transportation network company shall not permit an individual to act as a transportation network company driver on its digital network who:

(1) Has more than three moving violations within the prior three years, or one of the following major violations in the past three years:

(A) Attempting to evade the police;

(B) Reckless driving; or
(C) Driving on a suspended or revoked license;

(2) Within the past seven years has been:

(A) Convicted of any felony; or

(B) Convicted of any other misdemeanor relating to driving, violent, or sexual offenses;

(3) Is registered on the national sex offender registry or any state sex offender registry;

(4) Does not possess a valid driver's license;

(5) Does not possess proof of registration for the motor vehicle or vehicles used to provide prearranged rides;

(6) Does not possess proof of automobile liability insurance for the motor vehicle or vehicles used to provide prearranged rides; or

(7) Is not at least nineteen years of age.

§ -10 Non-discrimination; accessibility. (a) The transportation network company shall adopt a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to riders and potential riders and shall notify the transportation network company drivers of the policy.
(b) In addition to any policy established pursuant to subsection (a), transportation network company drivers shall comply with all applicable laws regarding non-discrimination against riders or potential riders on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(c) Transportation network company drivers shall comply with all applicable laws to accommodate service animals. For purposes of this subsection, "service animal" has the same meaning as in section 347-2.5.

(d) A transportation network company shall not impose additional charges for providing services to persons with physical disabilities.

§ -11 Records. A transportation network company shall maintain the following records:

(1) Individual trip records for at least one year from the date each trip was provided; and

(2) Individual records of transportation network company drivers until at least the one-year anniversary of the date on which a transportation network company driver
ended their contract with the transportation network company.

§ -12 Audit procedures; confidentiality of records. (a)

For the sole purpose of verifying that a transportation network company is in compliance with the requirements of this chapter, and no more than annually, the department of transportation shall have the right to visually inspect a sample of records that the transportation network company is required to maintain pursuant to section -11. The sample shall be chosen randomly by the department of transportation in a manner agreeable to both parties. The audit shall take place at a mutually agreed location in the State. Any record furnished to the department of transportation shall exclude information that would tend to identify specific drivers or riders.

(b) In response to a specific complaint against any transportation network company driver or transportation network company, the department of transportation shall be authorized to inspect records held by the transportation network company that are necessary to investigate and resolve the complaint. The department of transportation and transportation network company shall conduct the inspection at a mutually agreed upon location
in the State. Any record furnished to the department of
transportation shall exclude information that would tend to
identify specific transportation network company drivers or
riders, unless the identity of a transportation network company
driver or rider is relevant to the complaint.

(c) Any records inspected by the department of
transportation under this chapter shall be confidential, are not
subject to disclosure to a third party by the department of
transportation without prior written consent of the
transportation network company, and shall be exempt from
disclosure under chapter 92F. Nothing in this section shall be
construed as limiting the applicability of any other exemptions
under chapter 92F.

§ -13 Uniform statewide regulation. (a) This chapter
shall apply uniformly throughout the State and in all political
subdivisions of the State.

(b) This chapter shall supersede any ordinance or other
regulation adopted by a political subdivision that specifically
governs transportation network companies, transportation network
drivers, or transportation network vehicles, including those
adopted before the effective date of this chapter."
SECTION 3. Act 236, Session Laws of Hawaii 2016, is amended by amending section 6 to read as follows:

"SECTION 6. This Act shall take effect upon its approval; provided that section 2 of this Act shall take effect on September 1, 2016 [provided further that this Act shall be repealed on September 1, 2021]."

SECTION 4. Statutory material to be repealed is bracketed and stricken.

SECTION 5. This Act shall take effect upon its approval.
Report Title:
Transportation Network Companies; Regulation; Permitting

Description:
Establishes rules, regulations, and permitting procedures for transportation network companies operating in the State. Makes permanent insurance requirements for transportation network companies and transportation network drivers.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.