

HOUSE BILL 1160

C5

4lr1868
CF SB 919

By: **Delegate Barnes**

Introduced and read first time: February 7, 2014

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Transportation Network Services – Establishment**

3 FOR the purpose of authorizing the establishment of transportation network services
4 in the State; authorizing an individual to submit an application for registration
5 as a transportation network operator; requiring a transportation network
6 application company to approve or deny a certain application within a certain
7 period of time; requiring a transportation network application company to
8 conduct, or have a third party conduct, a certain criminal history records check
9 using a certain database and obtain and review a driving record check for each
10 applicant before approving an application for the applicant; prohibiting a
11 transportation network application company from approving an application for
12 an applicant who has been convicted of certain crimes; requiring a
13 transportation network operator to meet certain qualifications; requiring a
14 transportation network application company to create an application process for
15 individuals to apply for registration as a transportation network operator;
16 requiring a transportation network application company to maintain certain
17 records and a certain registry of transportation network operators; requiring a
18 transportation network application company to submit certain information to
19 the Public Service Commission; requiring a transportation network application
20 company to conduct, or have a third party conduct, a safety inspection of a
21 motor vehicle that will be used to provide transportation network services
22 before the motor vehicle is used to provide transportation network services;
23 requiring a transportation network application company to provide certain
24 information on the transportation network application company's Web site;
25 authorizing a transportation network application company or a transportation
26 network operator to provide transportation network services at no cost, for a
27 suggested donation, or for a certain fare; requiring a transportation network
28 application company to disclose certain fare information to a passenger before
29 the passenger arranges a trip with a transportation network application
30 company or a transportation network operator; requiring a transportation
31 network application company to transmit a certain electronic receipt to a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 passenger on completion of providing transportation network services; requiring
 2 a transportation network application company to implement a certain policy on
 3 the use of drugs or alcohol while an individual is arranging or providing
 4 transportation network services; requiring a transportation network application
 5 company to maintain certain insurance coverage; requiring a transportation
 6 network operator to provide certain insurance information if a certain accident
 7 occurs; specifying that a transportation network application company and a
 8 transportation network operator are not common carriers; exempting a person
 9 that provides transportation network services from certain provisions of law
 10 relating to rate regulation; exempting a motor vehicle used to provide
 11 transportation network services from certain provisions of law relating to
 12 for-hire driving services; specifying that certain provisions of law relating to
 13 for-hire driving services do not apply to a transportation network application
 14 company or a transportation network operator; defining certain terms; and
 15 generally relating to transportation network services.

16 BY repealing and reenacting, without amendments,
 17 Article – Public Utilities
 18 Section 1–101(a)
 19 Annotated Code of Maryland
 20 (2010 Replacement Volume and 2013 Supplement)

21 BY repealing and reenacting, with amendments,
 22 Article – Public Utilities
 23 Section 1–101(e), (pp), (qq), and (rr), 4–101, and 10–102(b)
 24 Annotated Code of Maryland
 25 (2010 Replacement Volume and 2013 Supplement)

26 BY adding to
 27 Article – Public Utilities
 28 Section 1–101(pp), (qq), and (rr) and 4–101.1; and 10.5–101 through 10.5–107 to
 29 be under the new title “Title 10.5. Transportation Network Services”
 30 Annotated Code of Maryland
 31 (2010 Replacement Volume and 2013 Supplement)

32 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 33 MARYLAND, That the Laws of Maryland read as follows:

34 **Article – Public Utilities**

35 1–101.

36 (a) In this division the following words have the meanings indicated.

37 (e) (1) “Common carrier” means a person, public authority, or federal,
 38 State, district, or municipal transportation unit that is engaged in the public
 39 transportation of persons for hire, by land, water, air, or any combination of them.

1 (2) “Common carrier” includes:

2 (i) an airline company;

3 (ii) a car company, motor vehicle company, automobile company,
4 or motor bus company;

5 (iii) a power boat company, vessel–boat company, steamboat
6 company, or ferry company;

7 (iv) a railroad company, street railroad company, or sleeping car
8 company;

9 (v) a taxicab company;

10 (vi) a toll bridge company; and

11 (vii) a transit company.

12 (3) “Common carrier” does not include:

13 (i) a county revenue authority;

14 (ii) a toll bridge or other facility owned and operated by a county
15 revenue authority;

16 (iii) a vanpool or launch service; [or]

17 (iv) a for–hire water carrier, as defined in § 8–744 of the Natural
18 Resources Article;

19 (V) A TRANSPORTATION NETWORK APPLICATION COMPANY;

20 **OR**

21 (VI) A TRANSPORTATION NETWORK OPERATOR.

22 **(PP) “TRANSPORTATION NETWORK APPLICATION COMPANY” HAS THE**
23 **MEANING STATED IN § 10.5–101 OF THIS ARTICLE.**

24 **(QQ) “TRANSPORTATION NETWORK OPERATOR” HAS THE MEANING**
25 **STATED IN § 10.5–101 OF THIS ARTICLE.**

26 **(RR) “TRANSPORTATION NETWORK SERVICES” HAS THE MEANING**
27 **STATED IN § 10.5–101 OF THIS ARTICLE.**

1 [(pp)] (SS) (1) “Transportation of persons for hire” means the
2 transportation of persons by:

- 3 (i) regularly scheduled operations;
4 (ii) charter or contract operations; or
5 (iii) tour or sightseeing operations.

6 (2) “Transportation of persons for hire” includes the transportation of
7 persons, whether on the cooperative plan, carried by a corporation, group, or
8 association engaged in the transportation of its stockholders, shareholders, or
9 members.

10 [(qq)] (TT) “Water company” means a public service company that owns a
11 water plant and sells or distributes water for gain.

12 [(rr)] (UU) “Water plant” means the material, equipment, and property owned
13 by a water company and used or to be used for or in connection with water service.

14 4–101.

15 (A) In this title[,] **THE FOLLOWING WORDS HAVE THE MEANINGS**
16 **INDICATED.**

17 (B) [“just] **“JUST** and reasonable rate” means a rate that:

- 18 (1) does not violate any provision of this article;
19 (2) fully considers and is consistent with the public good; and
20 (3) except for rates of a common carrier, will result in an operating
21 income to the public service company that yields, after reasonable deduction for
22 depreciation and other necessary and proper expenses and reserves, a reasonable
23 return on the fair value of the public service company’s property used and useful in
24 providing service to the public.

25 (C) **“TRANSPORTATION NETWORK SERVICES” HAS THE MEANING**
26 **STATED IN § 10.5–101 OF THIS ARTICLE.**

27 **4–101.1.**

28 **THIS TITLE DOES NOT APPLY TO A PERSON THAT PROVIDES**
29 **TRANSPORTATION NETWORK SERVICES.**

30 10–102.

1 (b) (1) This title applies to any motor vehicle used in the transportation of
2 persons in exchange for remuneration except:

3 [(1)] (I) motor vehicles designed to transport more than 15 persons;
4 [and]

5 [(2)] (II) transportation solely provided by or on behalf of a unit of
6 federal, State, or local government, or a not-for-profit organization as identified in §
7 501(c)(3) and (4) of the Internal Revenue Code, that requires a criminal history records
8 check and driving record check for its drivers, for clients of services including:

9 [(i)] 1. aging support;

10 [(ii)] 2. developmental and other disabilities;

11 [(iii)] 3. kidney dialysis;

12 [(iv)] 4. Medical Assistance Program;

13 [(v)] 5. Head Start;

14 [(vi)] 6. Welfare-to-Work;

15 [(vii)] 7. mental health; and

16 [(viii)] 8. job training; AND

17 (III) A MOTOR VEHICLE THAT IS USED BY A
18 TRANSPORTATION NETWORK OPERATOR TO PROVIDE TRANSPORTATION
19 NETWORK SERVICES UNDER TITLE 10.5 OF THIS ARTICLE.

20 (2) THIS TITLE DOES NOT APPLY TO A TRANSPORTATION
21 NETWORK APPLICATION COMPANY OR A TRANSPORTATION NETWORK
22 OPERATOR.

23 TITLE 10.5. TRANSPORTATION NETWORK SERVICES.

24 10.5-101.

25 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
26 INDICATED.

1 **(B) “TRANSPORTATION NETWORK APPLICATION COMPANY” MEANS A**
2 **PERSON THAT USES A DIGITAL NETWORK OR SOFTWARE APPLICATION TO**
3 **CONNECT A PASSENGER TO TRANSPORTATION NETWORK SERVICES.**

4 **(C) “TRANSPORTATION NETWORK OPERATOR” MEANS AN INDIVIDUAL**
5 **WHO OWNS OR OPERATES A MOTOR VEHICLE THAT IS:**

6 **(1) THE INDIVIDUAL’S PERSONAL MOTOR VEHICLE;**

7 **(2) NOT REGISTERED AS A MOTOR CARRIER UNDER § 13-423 OF**
8 **THE TRANSPORTATION ARTICLE; AND**

9 **(3) USED TO PROVIDE TRANSPORTATION NETWORK SERVICES.**

10 **(D) “TRANSPORTATION NETWORK SERVICES” MEANS TRANSPORTATION**
11 **OF A PASSENGER:**

12 **(1) BETWEEN POINTS CHOSEN BY THE PASSENGER; AND**

13 **(2) THAT IS PREARRANGED BY A TRANSPORTATION NETWORK**
14 **APPLICATION COMPANY.**

15 **10.5-102.**

16 **(A) AN INDIVIDUAL MAY SUBMIT AN APPLICATION TO THE**
17 **TRANSPORTATION NETWORK APPLICATION COMPANY FOR REGISTRATION AS A**
18 **TRANSPORTATION NETWORK OPERATOR.**

19 **(B) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL**
20 **APPROVE OR DENY AN APPLICATION SUBMITTED UNDER SUBSECTION (A) OF**
21 **THIS SECTION WITHIN 60 DAYS AFTER THE APPLICATION HAS BEEN SUBMITTED.**

22 **(C) BEFORE APPROVING AN APPLICATION SUBMITTED UNDER**
23 **SUBSECTION (A) OF THIS SECTION, A TRANSPORTATION NETWORK APPLICATION**
24 **COMPANY SHALL:**

25 **(1) CONDUCT, OR HAVE A THIRD PARTY CONDUCT, A LOCAL AND**
26 **NATIONAL CRIMINAL HISTORY RECORDS CHECK FOR EACH APPLICANT USING**
27 **THE FOLLOWING DATABASES:**

28 **(i) THE FEDERAL BUREAU OF INVESTIGATION’S NATIONAL**
29 **INSTANT CRIMINAL BACKGROUND CHECK SYSTEM, OR OTHER SIMILAR**

1 COMMERCIAL NATIONWIDE DATABASE THAT USES A PRIMARY SOURCE SEARCH;
2 AND

3 (II) A NATIONAL SEX OFFENDER PUBLIC REGISTRY
4 DATABASE; AND

5 (2) OBTAIN AND REVIEW A DRIVING RECORD CHECK FOR EACH
6 APPLICANT.

7 (D) A TRANSPORTATION NETWORK APPLICATION COMPANY MAY NOT
8 APPROVE AN APPLICATION SUBMITTED UNDER SUBSECTION (A) OF THIS
9 SECTION FOR AN APPLICANT WHO:

10 (1) AS SHOWN IN THE CRIMINAL HISTORY RECORDS CHECK
11 REQUIRED UNDER SUBSECTION (C)(1) OF THIS SECTION, HAS BEEN CONVICTED
12 WITHIN THE PAST 7 YEARS OF:

13 (I) A CRIME OF VIOLENCE UNDER § 14-101 OF THE
14 CRIMINAL LAW ARTICLE;

15 (II) SEXUAL ABUSE UNDER TITLE 3, SUBTITLE 3 OF THE
16 CRIMINAL LAW ARTICLE;

17 (III) ROBBERY UNDER TITLE 4, SUBTITLE 3 OF THE
18 CRIMINAL LAW ARTICLE; OR

19 (IV) FRAUD THAT IS PUNISHABLE AS A FELONY UNDER
20 TITLE 8 OF THE CRIMINAL LAW ARTICLE;

21 (2) AS SHOWN IN THE DRIVING RECORD CHECK REQUIRED UNDER
22 SUBSECTION (C)(2) OF THIS SECTION, HAS BEEN CONVICTED WITHIN THE PAST
23 7 YEARS OF:

24 (I) RECKLESS DRIVING UNDER § 21-901.1 OF THE
25 TRANSPORTATION ARTICLE;

26 (II) DRIVING UNDER THE INFLUENCE OF DRUGS OR
27 ALCOHOL UNDER § 21-902 OF THE TRANSPORTATION ARTICLE;

28 (III) FAILURE TO REMAIN AT THE SCENE OF AN ACCIDENT
29 UNDER TITLE 20 OF THE TRANSPORTATION ARTICLE; OR

1 **(IV) FLEEING OR ELUDING THE POLICE UNDER § 21-904 OF**
2 **THE TRANSPORTATION ARTICLE; OR**

3 **(3) AS SHOWN IN THE DRIVING RECORD CHECK REQUIRED UNDER**
4 **SUBSECTION (C)(2) OF THIS SECTION, HAS BEEN CONVICTED WITHIN THE PAST**
5 **3 YEARS OF DRIVING WITH A SUSPENDED OR REVOKED LICENSE UNDER §**
6 **16-303 OF THE TRANSPORTATION ARTICLE.**

7 **10.5-103.**

8 **A TRANSPORTATION NETWORK OPERATOR SHALL:**

9 **(1) POSSESS:**

10 **(I) A VALID DRIVER'S LICENSE;**

11 **(II) PROOF OF REGISTRATION FOR THE MOTOR VEHICLE**
12 **THAT IS USED FOR TRANSPORTATION NETWORK SERVICES; AND**

13 **(III) PROOF OF INSURANCE FOR THE MOTOR VEHICLE THAT**
14 **IS USED FOR TRANSPORTATION NETWORK SERVICES; AND**

15 **(2) BE AT LEAST 21 YEARS OLD.**

16 **10.5-104.**

17 **(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:**

18 **(1) CREATE AN APPLICATION PROCESS FOR INDIVIDUALS TO**
19 **APPLY FOR REGISTRATION AS A TRANSPORTATION NETWORK OPERATOR UNDER**
20 **§ 10.5-102 OF THIS TITLE;**

21 **(2) MAINTAIN A CURRENT REGISTRY OF THE TRANSPORTATION**
22 **NETWORK APPLICATION COMPANY'S TRANSPORTATION NETWORK OPERATORS;**

23 **(3) SUBMIT PROOF TO THE COMMISSION THAT THE COMPANY:**

24 **(I) IS LICENSED TO DO BUSINESS IN THE STATE; AND**

25 **(II) MAINTAINS A WEB SITE THAT PROVIDES THE**
26 **TRANSPORTATION NETWORK APPLICATION COMPANY'S CUSTOMER SERVICE**
27 **TELEPHONE NUMBER OR ELECTRONIC MAIL ADDRESS;**

1 (4) CONDUCT, OR HAVE A THIRD PARTY CONDUCT, A SAFETY
2 INSPECTION OF THE MOTOR VEHICLE THAT A TRANSPORTATION NETWORK
3 OPERATOR WILL USE BEFORE THE MOTOR VEHICLE MAY BE USED TO PROVIDE
4 TRANSPORTATION NETWORK SERVICES;

5 (5) PROVIDE THE FOLLOWING INFORMATION ON ITS WEB SITE:

6 (I) THE TRANSPORTATION NETWORK APPLICATION
7 COMPANY'S CUSTOMER SERVICE TELEPHONE NUMBER OR ELECTRONIC MAIL
8 ADDRESS;

9 (II) THE TRANSPORTATION NETWORK APPLICATION
10 COMPANY'S ZERO TOLERANCE POLICY ESTABLISHED UNDER § 10.5-106 OF THIS
11 TITLE;

12 (III) THE PROCEDURE FOR REPORTING A COMPLAINT ABOUT
13 AN INDIVIDUAL WHO A PASSENGER REASONABLY SUSPECTS VIOLATED THE
14 TRANSPORTATION NETWORK APPLICATION COMPANY'S ZERO TOLERANCE
15 POLICY; AND

16 (IV) A COMPLAINT TELEPHONE NUMBER AND ELECTRONIC
17 MAIL ADDRESS FOR THE COMMISSION; AND

18 (6) MAINTAIN RECORDS FOR:

19 (I) EACH APPLICATION SUBMITTED UNDER § 10.5-102 OF
20 THIS TITLE;

21 (II) INFORMATION COLLECTED THROUGH A CRIMINAL
22 HISTORY RECORDS CHECK AND A REVIEW OF EACH APPLICANT'S DRIVING
23 HISTORY UNDER § 10.5-102(C) OF THIS TITLE;

24 (III) THE INFORMATION REQUIRED FOR EACH
25 TRANSPORTATION NETWORK OPERATOR UNDER § 10.5-103 OF THIS TITLE;

26 (IV) THE REGISTRY REQUIRED UNDER SUBSECTION (A)(2)
27 OF THIS SECTION;

28 (V) THE SAFETY INSPECTION REQUIRED UNDER
29 SUBSECTION (A)(3) OF THIS SECTION;

30 (VI) EACH TRANSPORTATION NETWORK SERVICE ARRANGED
31 BY THE TRANSPORTATION NETWORK COMPANY, INCLUDING COPIES OF

1 RECEIPTS THAT ARE TRANSMITTED TO A PASSENGER UNDER § 10.5–105(C) OF
2 THIS TITLE;

3 (VII) EACH COMPLAINT FILED FOR AN ALLEGED VIOLATION
4 OF THE TRANSPORTATION NETWORK COMPANY’S ZERO TOLERANCE POLICY
5 UNDER § 10.5–106(A)(2) OF THIS TITLE;

6 (VIII) EACH INVESTIGATION BEGUN UNDER § 10.5–106(A)(3)
7 OF THIS TITLE;

8 (IX) THE TRANSPORTATION NETWORK APPLICATION
9 COMPANY’S INSURANCE POLICY REQUIRED UNDER § 10.5–107(A) OF THIS TITLE;
10 AND

11 (X) EACH ACCIDENT THAT INVOLVES A MOTOR VEHICLE
12 THAT IS USED FOR TRANSPORTATION NETWORK SERVICES PROVIDED BY THE
13 TRANSPORTATION NETWORK APPLICATION COMPANY.

14 **10.5–105.**

15 (A) TITLE 4 OF THIS ARTICLE DOES NOT APPLY TO A PERSON THAT
16 PROVIDES TRANSPORTATION NETWORK SERVICES.

17 (B) (1) A TRANSPORTATION NETWORK APPLICATION COMPANY OR A
18 TRANSPORTATION NETWORK OPERATOR MAY:

19 (I) OFFER TRANSPORTATION NETWORK SERVICES AT NO
20 COST;

21 (II) SUGGEST A DONATION FOR TRANSPORTATION
22 NETWORK SERVICES PROVIDED; OR

23 (III) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
24 CHARGE A FARE FOR TRANSPORTATION NETWORK SERVICES PROVIDED.

25 (2) IF A FARE IS CHARGED UNDER PARAGRAPH (1)(III) OF THIS
26 SUBSECTION, A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL
27 DISCLOSE THE FOLLOWING INFORMATION TO A PASSENGER BEFORE THE
28 PASSENGER ARRANGES A TRIP WITH A TRANSPORTATION NETWORK
29 APPLICATION COMPANY OR A TRANSPORTATION NETWORK OPERATOR:

30 (I) THE METHOD FOR CALCULATING THE FARE;

1 **(II) THE APPLICABLE RATE BEING CHARGED; AND**

2 **(III) AN ESTIMATED FARE FOR THE TRANSPORTATION**
3 **NETWORK SERVICES THAT WILL BE PROVIDED.**

4 **(C) THE TRANSPORTATION NETWORK APPLICATION COMPANY, ON**
5 **COMPLETION OF TRANSPORTATION NETWORK SERVICES PROVIDED, SHALL**
6 **TRANSMIT AN ELECTRONIC RECEIPT TO THE PASSENGER'S ELECTRONIC MAIL**
7 **ADDRESS OR MOBILE APPLICATION DOCUMENTING:**

8 **(1) THE ORIGIN AND DESTINATION OF THE TRIP;**

9 **(2) THE TOTAL TIME AND DISTANCE OF THE TRIP; AND**

10 **(3) A BREAKDOWN OF THE TOTAL FARE PAID, IF ANY.**

11 **10.5–106.**

12 **(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:**

13 **(1) IMPLEMENT A ZERO TOLERANCE POLICY ON THE USE OF**
14 **DRUGS OR ALCOHOL WHILE AN INDIVIDUAL IS ARRANGING OR PROVIDING**
15 **TRANSPORTATION NETWORK SERVICES;**

16 **(2) IMMEDIATELY SUSPEND AN INDIVIDUAL WHO IS ARRANGING**
17 **OR PROVIDING TRANSPORTATION NETWORK SERVICES ON RECEIPT OF A**
18 **PASSENGER COMPLAINT ALLEGING THAT THE INDIVIDUAL VIOLATED THE ZERO**
19 **TOLERANCE POLICY; AND**

20 **(3) CONDUCT AN INVESTIGATION FOR THE ALLEGED VIOLATION**
21 **OF THE ZERO TOLERANCE POLICY.**

22 **(B) A SUSPENSION ISSUED UNDER SUBSECTION (A) OF THIS SECTION**
23 **SHALL LAST FOR THE DURATION OF THE INVESTIGATION.**

24 **10.5–107.**

25 **(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL**
26 **MAINTAIN A COMMERCIAL LIABILITY INSURANCE POLICY THAT:**

27 **(1) PROVIDES COVERAGE OF AT LEAST \$1,000,000 PER INCIDENT**
28 **FOR ACCIDENTS INVOLVING A TRANSPORTATION NETWORK OPERATOR WHILE**
29 **PROVIDING TRANSPORTATION NETWORK SERVICES; AND**

1 **(2)** COVERS A CLAIM INVOLVING A MOTOR VEHICLE OPERATED BY
2 A TRANSPORTATION NETWORK OPERATOR WHO IS PROVIDING
3 TRANSPORTATION NETWORK SERVICES, REGARDLESS OF WHETHER THE
4 TRANSPORTATION NETWORK OPERATOR HAS AN INSURANCE POLICY THAT IS
5 ADEQUATE TO COVER ANY PORTION OF THE CLAIM.

6 **(B) (1)** IF AN ACCIDENT OCCURS INVOLVING A MOTOR VEHICLE THAT
7 IS BEING USED FOR TRANSPORTATION NETWORK SERVICES, THE
8 TRANSPORTATION NETWORK OPERATOR SHALL PROVIDE PROOF OF THE
9 TRANSPORTATION NETWORK OPERATOR'S:

10 **(I)** PERSONAL INSURANCE; AND

11 **(II)** EXCESS LIABILITY COVERAGE.

12 **(2)** A TRANSPORTATION NETWORK OPERATOR WHO IS INVOLVED
13 IN AN ACCIDENT WHILE PROVIDING TRANSPORTATION NETWORK SERVICES
14 SHALL HAVE 24 HOURS TO PROVIDE PROOF OF EXCESS LIABILITY COVERAGE.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2014.