

SENATE BILL 919

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CF 4lr1868

By: **Senator Ferguson**

Introduced and read first time: January 31, 2014

Assigned to: Finance

A BILL ENTITLED

AN ACT concerning

Public Utilities – Transportation Network Services – Establishment

FOR the purpose of authorizing the establishment of transportation network services in the State; authorizing an individual to submit an application for registration as a transportation network operator; requiring a transportation network application company to approve or deny a certain application within a certain period of time; requiring a transportation network application company to conduct, or have a third party conduct, a certain criminal history records check using a certain database and obtain and review a driving record check for each applicant before approving an application for the applicant; prohibiting a transportation network application company from approving an application for an applicant who has been convicted of certain crimes; requiring a transportation network operator to meet certain qualifications; requiring a transportation network application company to create an application process for individuals to apply for registration as a transportation network operator; requiring a transportation network application company to maintain certain records and a certain registry of transportation network operators; requiring a transportation network application company to submit certain information to the Public Service Commission; requiring a transportation network application company to conduct, or have a third party conduct, a safety inspection of a motor vehicle that will be used to provide transportation network services before the motor vehicle is used to provide transportation network services; requiring a transportation network application company to provide certain information on the transportation network application company's Web site; authorizing a transportation network application company or a transportation network operator to provide transportation network services at no cost, for a suggested donation, or for a certain fare; requiring a transportation network application company or a transportation network operator to disclose certain fare information to a passenger before the passenger arranges a trip with a transportation network application company or a transportation network operator; requiring a transportation network application company to transmit a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



certain electronic receipt to a passenger on completion of providing transportation network services; requiring a transportation network application company to implement a certain policy on the use of drugs or alcohol while an individual is arranging or providing transportation network services; requiring a transportation network application company to maintain certain insurance coverage; requiring a transportation network operator to provide certain insurance information if a certain accident occurs; specifying that a transportation network application company and a transportation network operator are not common carriers; exempting a motor vehicle used to provide transportation network services from certain provisions of law relating to for-hire driving services; specifying that certain provisions of law relating to for-hire driving services do not apply to a transportation network application company or a transportation network operator; defining certain terms; and generally relating to transportation network services.

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

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

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

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

Article – Public Utilities

1–101.

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

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

(2) “Common carrier” includes:

- (i) an airline company;
- (ii) a car company, motor vehicle company, automobile company, or motor bus company;
- (iii) a power boat company, vessel–boat company, steamboat company, or ferry company;
- (iv) a railroad company, street railroad company, or sleeping car company;
- (v) a taxicab company;
- (vi) a toll bridge company; and
- (vii) a transit company.

(3) “Common carrier” does not include:

- (i) a county revenue authority;
- (ii) a toll bridge or other facility owned and operated by a county revenue authority;
- (iii) a vanpool or launch service; [or]
- (iv) a for–hire water carrier, as defined in § 8–744 of the Natural Resources Article;

(V) A TRANSPORTATION NETWORK APPLICATION COMPANY;
OR

(VI) A TRANSPORTATION NETWORK OPERATOR.

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

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

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

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

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

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

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

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

10–102.

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

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

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

- [(i)] 1.** aging support;
- [(ii)] 2.** developmental and other disabilities;
- [(iii)] 3.** kidney dialysis;
- [(iv)] 4.** Medical Assistance Program;
- [(v)] 5.** Head Start;
- [(vi)] 6.** Welfare-to-Work;
- [(vii)] 7.** mental health; and

[(viii)] 8. job training; AND

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

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

TITLE 10.5. TRANSPORTATION NETWORK SERVICES.

10.5–101.

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

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

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

(1) THE INDIVIDUAL’S PERSONAL MOTOR VEHICLE;

(2) NOT REGISTERED AS A MOTOR CARRIER UNDER § 13–423 OF THE TRANSPORTATION ARTICLE; AND

(3) USED TO PROVIDE TRANSPORTATION NETWORK SERVICES.

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

(1) BETWEEN POINTS CHOSEN BY THE PASSENGER; AND

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

10.5–102.

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

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

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

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

(I) THE FEDERAL BUREAU OF INVESTIGATION'S NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM, OR OTHER SIMILAR COMMERCIAL NATIONWIDE DATABASE THAT USES A PRIMARY SOURCE SEARCH; AND

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10.5-103.

A TRANSPORTATION NETWORK OPERATOR SHALL:

(1) POSSESS:

(I) A VALID DRIVER'S LICENSE;

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

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

(2) BE AT LEAST 21 YEARS OLD.

10.5-104.

(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:

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

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

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

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

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

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

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

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

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

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

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

(6) MAINTAIN RECORDS FOR:

(I) EACH APPLICATION SUBMITTED UNDER § 10.5–102 OF THIS TITLE;

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

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

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

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

(VI) EACH TRANSPORTATION NETWORK SERVICE ARRANGED BY THE TRANSPORTATION NETWORK COMPANY, INCLUDING COPIES OF RECEIPTS THAT ARE TRANSMITTED TO A PASSENGER UNDER § 10.5–105(B) OF THIS TITLE;

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

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

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

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

10.5–105.

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

(I) OFFER TRANSPORTATION NETWORK SERVICES AT NO COST;

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

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

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

(I) THE METHOD FOR CALCULATING THE FARE;

(II) THE APPLICABLE RATE BEING CHARGED; AND

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

(B) THE TRANSPORTATION NETWORK APPLICATION COMPANY, ON COMPLETION OF TRANSPORTATION NETWORK SERVICES PROVIDED BY A TRANSPORTATION NETWORK OPERATOR, SHALL TRANSMIT AN ELECTRONIC RECEIPT TO THE PASSENGER'S ELECTRONIC MAIL ADDRESS OR MOBILE APPLICATION DOCUMENTING:

(1) THE ORIGIN AND DESTINATION OF THE TRIP;

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

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

10.5-106.

(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:

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

(2) IMMEDIATELY SUSPEND AN INDIVIDUAL WHO IS ARRANGING OR PROVIDING TRANSPORTATION NETWORK SERVICES ON RECEIPT OF A

PASSENGER COMPLAINT ALLEGING THAT THE INDIVIDUAL VIOLATED THE ZERO TOLERANCE POLICY; AND

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

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

10.5-107.

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

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

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

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

(I) PERSONAL INSURANCE; AND

(II) EXCESS LIABILITY COVERAGE.

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

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