

BILL ANALYSIS

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S.B. 176
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Transportation network companies (TNCs) utilize digital technology platforms to provide on-demand and highly automated private ride services. These services connect passengers with willing drivers who use their personal vehicles to provide rides. TNCs provide consumers with convenient transportation options, competitive pricing, and transparency regarding the journey's length, price, and wait time. Additionally, public safety is enhanced when passengers are provided with alternative options for reaching their destinations. At least 40 states have recognized the public need to provide predictable TNC regulation and have enacted legislation.

However, no consistent and predictable statewide regulation of TNCs exists in the Texas. This has resulted in an inefficient and confusing patchwork of rules across local jurisdictions. These myriad regulations are often arbitrary and onerous. As a result, they may inhibit TNCs from growing their business and network or providing their services in many areas. The loss of TNCs results in less mobility and fewer safe transportation options, as well as a withering economic climate.

S.B. 176 establishes a uniform, rational statewide framework for regulating TNCs, enabling TNCs to help provide Texans with greater mobility options, earning opportunities, and increased public safety.

As proposed, S.B. 176 amends current law relating to the regulation of transportation network companies, requires an occupational permit, and authorizes a fee.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission of Licensing and Regulation in SECTION 1 (Sections 2402.053 and 2402.154, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 14, Occupations Code, by adding Chapter 2402, as follows:

CHAPTER 2402. TRANSPORTATION NETWORK COMPANIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2402.001. DEFINITIONS. Defines "commission," "department," "digital network," and "passenger vehicle."

Sec. 2402.002. DEFINITION OF TRANSPORTATION NETWORK COMPANY. Defines "transportation network company."

Sec. 2402.003. CONTROLLING AUTHORITY. Provides that transportation network companies and drivers accessing a transportation network company's digital network are governed exclusively by this chapter. Prohibits a municipality or other local entity from imposing certain requirements on a transportation network company or on a driver who has access to a transportation network company's digital network.

SUBCHAPTER B. PERMIT REQUIRED

Sec. 2402.051. PERMIT REQUIRED. (a) Prohibits a person from operating a transportation network company in this state without obtaining and maintaining a permit.

(b) Requires the Texas Department of Licensing and Regulation (TDLR) to issue a permit to each applicant that meets the requirements and pays the required fee.

Sec. 2402.052. FEE. Requires a transportation network company to annually pay a fee to TDLR to maintain a permit. Sets forth the fee amounts.

Sec. 2402.053. PERMIT APPLICATION. (a) Requires an application for a transportation network company permit to be on a form prescribed by TDLR. Requires the application to include certain information.

(b) Requires the applicant to notify TDLR of any material change in the information included in the application no later than a certain date. Requires TDLR to prescribe a form for the disclosure of material changes.

Sec. 2402.054. TERM; RENEWAL. (a) Provides that an issued permit is valid for two years. Requires TDLR to prescribe the form and requirements necessary to apply for a renewal of a permit.

(b) Requires TDLR to notify each person holding a permit of the date of permit expiration and the amount of the fee required for permit renewal. Requires TDLR to send the notice not later than a certain date.

SUBCHAPTER C. DRIVER REQUIREMENTS AND POLICIES

Sec. 2402.101. DRIVER PREREQUISITES. (a) Sets forth requirements for a transportation network company before the company allows an individual to act as a driver on the company's digital network.

(b) Prohibits a transportation network company from permitting to act as a driver on its digital network an individual who has been convicted of certain offenses or who meets certain criteria.

Sec. 2402.102. DRIVER DRUG AND ALCOHOL USE POLICY. (a) Requires a transportation network company to adopt and implement a policy prohibiting drivers from using or being under the influence of drugs or alcohol when the driver is logged on to the company's digital network, regardless of whether the driver is providing a ride prearranged through the network.

(b) Requires a transportation network company to post certain information on the company's Internet website.

Sec. 2402.103. DISCRIMINATION POLICY. (a) Requires a transportation network company to adopt and implement a policy prohibiting driver discrimination against passengers and individuals requesting rides using the company's digital network based on certain factors.

(b) Requires a policy to include provisions prohibiting drivers from refusing to accept a ride request based on the geographic location of the person requesting a ride if the passenger's destination is 30 miles or less from the person's departure point, from refusing to accommodate service animals, and from charging an additional fee or higher rate based on certain factors.

(c) Requires a transportation network company to post certain information on the company's Internet website.

Sec. 2402.104. POLICY ENFORCEMENT. Sets forth procedural and record maintenance requirements for a transportation network company on receipt of a complaint alleging a violation by a driver of the drug and alcohol policy or the discrimination policy.

Sec. 2402.105. NO STREET HAILS. Prohibits a driver authorized to access a transportation network company's digital network from soliciting or accepting street hails.

SUBCHAPTER D. TRANSPORTATION NETWORK COMPANY REQUIREMENTS

Sec. 2402.151. DISCLOSURE OF RATES; ESTIMATED FARES. Requires a transportation network company, before a passenger enters a driver's vehicle, to provide the passenger with the applicable rates being charged for the ride and the option to receive an estimated fare.

Sec. 2402.152. ELECTRONIC RECEIPT. Requires a transportation network company, within a reasonable period of time following the completion of a ride, to transmit an electronic receipt to the passenger that lists certain information.

Sec. 2402.153. IDENTIFICATION OF VEHICLES AND DRIVERS. Requires a transportation network company's digital network to display certain information to a passenger before the passenger enters the vehicle.

Sec. 2402.154. ACCESSIBLE TRANSPORTATION; SURCHARGE. (a) Requires a transportation network company to provide passengers an opportunity to indicate whether they require a wheelchair-accessible vehicle. Requires the company, if unable to arrange wheelchair-accessible service, to direct the passenger to an alternate provider of wheelchair-accessible service, if available.

(b) Authorizes TDLR to impose a fee, not to exceed \$20,000 annually, on transportation network companies that have more than 200 drivers and that do not provide, at a minimum level determined by TCLR rule, wheelchair-accessible service. Requires TDLR to remit the fees to the Texas Comptroller of Public Accounts (comptroller) for deposit in a trust fund outside the state treasury to be held by the comptroller and administered by TDLR to provide grants to transportation network companies to provide wheelchair-accessible service.

(c) Sets forth criteria for a grant distributed under Subsection (b).

Sec. 2402.155. RECORDS. Requires a transportation network company to maintain individual ride records and driver records for certain periods of time.

SECTION 2. Effective date: September 1, 2017.