

1-1 By: Schwertner S.B. No. 2154
1-2 (In the Senate - Filed March 10, 2025; March 24, 2025, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 22, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 11, Nays 0; April 22, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
Schwertner	X			
King	X			
Blanco	X			
Campbell	X			
Creighton	X			
Johnson	X			
Kolkhorst	X			
Menéndez	X			
Middleton	X			
Nichols	X			
Zaffirini	X			

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 2154 By: Schwertner

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the regulation of delivery network companies; requiring
1-24 an occupational permit; authorizing a fee.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. The heading to Chapter 2402, Occupations Code,
1-27 is amended to read as follows:

1-28 CHAPTER 2402. TRANSPORTATION NETWORK AND DELIVERY NETWORK
1-29 COMPANIES

1-30 SECTION 2. Section 2402.001, Occupations Code, is amended
1-31 by amending Subdivisions (1) and (2) and adding Subdivisions (1-a),
1-32 (1-b), (1-c), (2-a), and (3-a) to read as follows:

1-33 (1) "Delivery customer" means an individual who orders
1-34 or receives a digitally prearranged delivery through a delivery
1-35 network company's digital network undertaken by a delivery person.

1-36 (1-a) "Delivery network company" means a business
1-37 entity that offers or uses a digital network to arrange for the
1-38 delivery of food, beverages, or consumer goods from a restaurant or
1-39 retail establishment to a delivery customer. The term does not
1-40 include an entity that only delivers products that the entity
1-41 produces or stores on the entity's premises.

1-42 (1-b) "Delivery person" means an individual who
1-43 undertakes a digitally prearranged delivery in this state using a
1-44 delivery network company's digital network.

1-45 (1-c) "Department" means the Texas Department of
1-46 Licensing and Regulation.

1-47 (2) "Digital network" means any online-enabled
1-48 application, website, or system offered or used by:

1-49 (A) a transportation network company that
1-50 enables the prearrangement of rides between passengers and drivers;
1-51 or

1-52 (B) a delivery network company that enables
1-53 digitally prearranged deliveries.

1-54 (2-a) "Digitally prearranged delivery" means the
1-55 transport and delivery or attempted delivery of goods to a delivery
1-56 customer that is prearranged through a delivery network company's
1-57 digital network. The term may include the selection or collection
1-58 of items for delivery by an individual using a delivery network
1-59 company's digital network and other tasks incidental to delivery.

1-60 (3-a) "Driver" means an individual who undertakes a

2-1 digitally prearranged ride between points chosen by a passenger.

2-2 SECTION 3. Section 2402.002, Occupations Code, is amended
2-3 to read as follows:

2-4 Sec. 2402.002. NATURE OF TRANSPORTATION NETWORK AND
2-5 DELIVERY NETWORK COMPANIES, DRIVERS, DELIVERY PERSONS, AND
2-6 VEHICLES. Transportation network companies, delivery network
2-7 companies, and drivers or delivery persons logged in to the
2-8 company's digital network are not common carriers, contract
2-9 carriers, or motor carriers.

2-10 SECTION 4. Section 2402.003(a), Occupations Code, is
2-11 amended to read as follows:

2-12 (a) Notwithstanding any other provision of law, and except
2-13 as provided by Subsections (b) and (c), the regulation of
2-14 transportation network companies, delivery network companies,
2-15 drivers or delivery persons logged in to a digital network, and
2-16 vehicles used to provide digitally prearranged rides or deliveries:

2-17 (1) is an exclusive power and function of this state;
2-18 and

2-19 (2) may not be regulated by a municipality or other
2-20 local entity, including by:

2-21 (A) imposing a tax;
2-22 (B) requiring an additional license or permit;
2-23 (C) setting rates;
2-24 (D) imposing operational or entry requirements;

2-25 or

2-26 (E) imposing other requirements.

2-27 SECTION 5. Section 2402.004, Occupations Code, is amended
2-28 to read as follows:

2-29 Sec. 2402.004. PROVISIONS APPLICABLE TO DRIVERS AND
2-30 DELIVERY PERSONS LOGGED IN TO DIGITAL NETWORK. A provision of this
2-31 chapter that applies to a driver or delivery person logged in to a
2-32 digital network applies while the driver or delivery person is
2-33 logged in:

2-34 (1) to receive requests for digitally prearranged
2-35 rides or deliveries; or

2-36 (2) [and] while [the driver is logged in and]
2-37 providing a digitally prearranged ride or delivery.

2-38 SECTION 6. Section 2402.051(a), Occupations Code, is
2-39 amended to read as follows:

2-40 (a) A person may not operate a transportation network
2-41 company or delivery network company in this state without obtaining
2-42 and maintaining a permit issued under this chapter.

2-43 SECTION 7. Section 2402.052, Occupations Code, is amended
2-44 to read as follows:

2-45 Sec. 2402.052. FEE. (a) A transportation network company
2-46 or delivery network company shall annually pay to the department a
2-47 fee to maintain a permit under this chapter in an amount determined
2-48 by department rule to cover the costs of administering this
2-49 chapter.

2-50 (b) The department may not impose a fee for:

2-51 (1) drivers or delivery persons authorized to use a
2-52 transportation network company's or delivery network company's
2-53 digital network; or

2-54 (2) vehicles used to provide digitally prearranged
2-55 rides or deliveries.

2-56 SECTION 8. Chapter 2402, Occupations Code, is amended by
2-57 adding Subchapter C-1 to read as follows:

2-58 SUBCHAPTER C-1. OPERATION OF DELIVERY NETWORK COMPANIES

2-59 Sec. 2402.131. INTOXICATING SUBSTANCE POLICY. (a) A
2-60 delivery network company shall implement an intoxicating substance
2-61 policy that prohibits a delivery person who is logged in to the
2-62 company's digital network from any amount of intoxication.

2-63 (b) A delivery network company shall include on its Internet
2-64 website or digital network application:

2-65 (1) a notice concerning the company's intoxicating
2-66 substance policy; and

2-67 (2) the means to make a complaint about a suspected
2-68 violation of the policy.

2-69 (c) A delivery network company shall maintain records

3-1 relevant to a complaint for a period of at least two years after the
 3-2 date the complaint is received.

3-3 Sec. 2402.132. DELIVERY PERSON REQUIREMENTS. (a) Before a
 3-4 delivery network company authorizes an individual to access the
 3-5 company's digital network as a delivery person, the company must:

3-6 (1) confirm that the individual:

3-7 (A) is at least 18 years of age; and

3-8 (B) maintains:

3-9 (i) valid government-issued photo
 3-10 identification; or

3-11 (ii) if the individual indicates an
 3-12 intention to undertake digitally prearranged deliveries by motor
 3-13 vehicle, a valid driver's license issued by this state or another
 3-14 state;

3-15 (2) conduct, or cause to be conducted, a local, state, and
 3-16 national criminal background check for the individual that
 3-17 includes the use of:

3-18 (A) a commercial multistate and
 3-19 multijurisdiction criminal records locator or other similar
 3-20 commercial nationwide database; and

3-21 (B) the national sex offender public website
 3-22 maintained by the United States Department of Justice or a
 3-23 successor agency; and

3-24 (3) if the individual indicates an intention to
 3-25 undertake digitally prearranged deliveries by motor vehicle,
 3-26 obtain and review the individual's driving record.

3-27 (b) A delivery network company may not permit an individual
 3-28 to log in as a delivery person on the company's digital network if:

3-29 (1) the individual has been convicted in the preceding
 3-30 seven-year period of any of the following:

3-31 (A) driving while intoxicated under Section
 3-32 49.04 or 49.045, Penal Code;

3-33 (B) use of a motor vehicle to commit a felony;

3-34 (C) a felony crime involving property damage;

3-35 (D) fraud;

3-36 (E) theft;

3-37 (F) an act of violence; or

3-38 (G) an act of terrorism;

3-39 (2) the individual is found to be registered in the
 3-40 national sex offender public website maintained by the United
 3-41 States Department of Justice or a successor agency; or

3-42 (3) for an individual who is authorized to undertake
 3-43 digitally prearranged deliveries by motor vehicle, the individual
 3-44 has been convicted in the three-year period preceding the issue
 3-45 date of the driving record obtained under Subsection (a)(3) of:

3-46 (A) more than four offenses classified by the
 3-47 Department of Public Safety as moving violations; or

3-48 (B) one or more of the following offenses:

3-49 (i) fleeing or attempting to elude a police
 3-50 officer under Section 545.421, Transportation Code;

3-51 (ii) reckless driving under Section
 3-52 545.401, Transportation Code;

3-53 (iii) driving without a valid driver's
 3-54 license under Section 521.025, Transportation Code; or

3-55 (iv) driving with an invalid driver's
 3-56 license under Section 521.457, Transportation Code.

3-57 (c) A delivery network company shall conduct or cause to be
 3-58 conducted a criminal background check before authorizing a delivery
 3-59 person to access the company's digital network.

3-60 (d) A delivery network company shall restrict a delivery
 3-61 person's access to the company's digital network at the request of
 3-62 law enforcement or on receipt of a court order.

3-63 Sec. 2402.133. NONDISCRIMINATION. (a) A delivery network
 3-64 company shall adopt a policy that prohibits a delivery person
 3-65 logged in to the company's digital network from discriminating on
 3-66 the basis of a delivery customer's or potential delivery customer's
 3-67 geographical location or destination, race, color, national
 3-68 origin, religious belief or affiliation, sex, disability, or age.

3-69 (b) For the purposes of Subsection (a), "sex" means the

4-1 physical condition of being male or female.

4-2 (c) A delivery network company shall notify each person
4-3 authorized to log in as a delivery person on the company's digital
4-4 network of the nondiscrimination policy. A delivery person logged
4-5 in to the company's digital network shall comply with the
4-6 nondiscrimination policy.

4-7 (d) A delivery network company may not impose an additional
4-8 charge for delivery to individuals with physical disabilities
4-9 because of those disabilities.

4-10 Sec. 2402.134. DELIVERY PERSONS AS INDEPENDENT
4-11 CONTRACTORS. A delivery person is considered an independent
4-12 contractor for all purposes, and not an employee of a delivery
4-13 network company in any manner, if:

4-14 (1) the company does not:

4-15 (A) prescribe the specific hours during which the
4-16 delivery person is required to be logged in to the company's digital
4-17 network;

4-18 (B) impose restrictions on the delivery person's
4-19 ability to use other delivery network companies' digital networks;

4-20 (C) prescribe the territory within which the
4-21 delivery person may provide deliveries; or

4-22 (D) restrict the delivery person from engaging in
4-23 another occupation or business; and

4-24 (2) the company and the delivery person agree in
4-25 writing that the delivery person is an independent contractor.

4-26 SECTION 9. Section 2402.151, Occupations Code, is amended
4-27 by adding Subsection (a-1) to read as follows:

4-28 (a-1) A delivery network company shall maintain records
4-29 evidencing compliance with the requirements of this chapter for a
4-30 period of two years.

4-31 SECTION 10. Section 2402.152, Occupations Code, is amended
4-32 to read as follows:

4-33 Sec. 2402.152. COLLECTION, USE, OR DISCLOSURE OF RECORDS
4-34 AND OTHER COMPANY INFORMATION. (a) Any records, data, or other
4-35 information disclosed to a public entity in this state, including
4-36 the department, by a transportation network company or delivery
4-37 network company, including names, addresses, and any other
4-38 personally identifiable information of drivers or delivery persons
4-39 is not subject to disclosure under Chapter 552, Government Code.

4-40 (b) A public entity, including the department, may not
4-41 disclose any records, data, or other information provided by a
4-42 transportation network company or delivery network company under
4-43 this chapter to a third party except in compliance with a court
4-44 order or subpoena. If information provided under this chapter is
4-45 sought through a court order or subpoena, the public entity shall
4-46 promptly notify the transportation network company or delivery
4-47 network company to afford the company the opportunity to take
4-48 actions to prevent disclosure.

4-49 (c) In collecting, using, or disclosing any records, data,
4-50 or other information submitted by a transportation network company
4-51 or delivery network company under this chapter, a public entity,
4-52 including the department, shall:

4-53 (1) consider the potential risks to the privacy of the
4-54 individuals whose information is being collected, used, or
4-55 disclosed;

4-56 (2) ensure that the information to be collected, used,
4-57 or disclosed is necessary, relevant, and appropriate to the proper
4-58 administration of this chapter; and

4-59 (3) take all reasonable measures and make all
4-60 reasonable efforts to protect, secure, and, where appropriate,
4-61 encrypt or limit access to the information.

4-62 (d) A transportation network company or delivery network
4-63 company required to submit, disclose, or otherwise provide
4-64 personally identifiable information of drivers or delivery persons
4-65 to a public entity of this state, including the department, is not
4-66 liable in any civil or criminal action for any unauthorized
4-67 disclosure, misuse, alteration, destruction, access or
4-68 acquisition, or use of the information that occurs while the
4-69 information is in the possession of any public entity of this state.

5-1 SECTION 11. Section 2402.153, Occupations Code, is amended
5-2 to read as follows:

5-3 Sec. 2402.153. DISCLOSURE OF PASSENGER OR DELIVERY CUSTOMER
5-4 INFORMATION. (a) A transportation network company or delivery
5-5 network company may disclose a passenger's or delivery customer's
5-6 personal identifying information to a third party only if:

5-7 (1) the passenger or delivery customer consents;
5-8 (2) the disclosure is required by a legal obligation;

5-9 or

5-10 (3) the disclosure is required to:
5-11 (A) protect or defend the terms of use of the
5-12 transportation network company or delivery network company
5-13 service; or

5-14 (B) investigate a violation of those terms.

5-15 (b) Notwithstanding Subsection (a), a transportation
5-16 network company or delivery network company may share a passenger's
5-17 or delivery customer's name with a driver or delivery person
5-18 accessing the company's digital network to facilitate:

5-19 (1) identification of the passenger or delivery
5-20 customer by the driver or delivery person; or
5-21 (2) communication between the passenger or delivery
5-22 customer and the driver or delivery person.

5-23 SECTION 12. Section 2402.154, Occupations Code, is amended
5-24 to read as follows:

5-25 Sec. 2402.154. DATA SHARING WITH MUNICIPALITY. A
5-26 municipality and a transportation network company or delivery
5-27 network company may voluntarily enter into an agreement under which
5-28 the company shares the company's data with the municipality.

5-29 SECTION 13. Section 2402.201, Occupations Code, is amended
5-30 to read as follows:

5-31 Sec. 2402.201. PERMIT SUSPENSION OR REVOCATION. The
5-32 department may suspend or revoke a permit issued to a
5-33 transportation network company or delivery network company that
5-34 violates a provision of this chapter.

5-35 SECTION 14. This Act takes effect September 1, 2025.

5-36 * * * * *