

By: Paddie, Thompson of Harris, Nevárez,  
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H.B. No. 100

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of transportation network companies;  
requiring an occupational permit; authorizing a fee.

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

SECTION 1. Subtitle C, Title 14, Occupations Code, is  
amended by adding Chapter 2402 to read as follows:

CHAPTER 2402. TRANSPORTATION NETWORK COMPANIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2402.001. DEFINITIONS. In this chapter:

(1) "Department" means the Texas Department of  
Licensing and Regulation.

(2) "Digital network" means any online-enabled  
application, website, or system offered or used by a transportation  
network company that enables the prearrangement of rides between  
passengers and drivers.

(3) "Digitally prearranged ride" means a ride in a  
personal vehicle between points chosen by the passenger that is  
prearranged through a digital network.

(4) "Personal vehicle" means a vehicle that:  
(A) is owned, leased, or otherwise authorized for  
use by a driver; and

(B) is not a taxicab, limousine, or other vehicle  
regulated by a municipality under Section 215.004, Local Government  
Code, or a joint airport board under Section 22.081, Transportation

1 Code.

2 (5) "Transportation network company" means a  
3 corporation, partnership, sole proprietorship, or other entity  
4 that, for compensation, enables a passenger to prearrange with a  
5 driver, exclusively through the entity's digital network, a  
6 digitally prearranged ride. The term does not include an entity  
7 that provides:

8 (A) street-hail taxicab services;

9 (B) limousine or other car services arranged by a  
10 method other than through a digital network;

11 (C) shared expense carpool or vanpool  
12 arrangements; or

13 (D) a type of ride service for which:

14 (i) the fee received by the driver does not  
15 exceed the driver's costs of providing the ride; or

16 (ii) the driver receives a fee that exceeds  
17 the driver's costs associated with providing the ride but makes not  
18 more than three round-trips per day between the driver's or  
19 passenger's place of employment and the driver's or passenger's  
20 home.

21 Sec. 2402.002. NATURE OF TRANSPORTATION NETWORK COMPANIES,  
22 DRIVERS, AND VEHICLES. Transportation network companies and  
23 drivers logged in to the company's digital network are not common  
24 carriers, contract carriers, or motor carriers.

25 Sec. 2402.003. CONTROLLING AUTHORITY. (a) Notwithstanding  
26 any other provision of law, and except as provided by Subsection  
27 (b), the regulation of transportation network companies, drivers

1 logged in to a digital network, and vehicles used to provide  
2 digitally prearranged rides:

3 (1) is an exclusive power and function of this state;

4 and

5 (2) may not be regulated by a municipality or other  
6 local entity, including by:

7 (A) imposing a tax;

8 (B) requiring an additional license or permit;

9 (C) setting rates;

10 (D) imposing operational or entry requirements;

11 or

12 (E) imposing other requirements.

13 (b) An airport owner or operator may impose regulations,  
14 including a reasonable fee, on a transportation network company  
15 that provides digitally prearranged rides to or from the airport.  
16 Regulations under this subsection may not:

17 (1) conflict with the requirements of this chapter; or

18 (2) include requirements for drivers in addition to  
19 those under Section 2402.107.

20 Sec. 2402.004. PROVISIONS APPLICABLE TO DRIVERS LOGGED IN  
21 TO DIGITAL NETWORK. A provision of this chapter that applies to a  
22 driver logged in to a digital network applies while the driver is  
23 logged in to receive requests for digitally prearranged rides and  
24 while the driver is logged in and providing a digitally prearranged  
25 ride.

26 SUBCHAPTER B. PERMIT REQUIRED

27 Sec. 2402.051. PERMIT REQUIRED. (a) A person may not

1 operate a transportation network company in this state without  
2 obtaining and maintaining a permit issued under this chapter.

3 (b) The department shall issue a permit to each applicant  
4 that meets the requirements of this chapter and pays the fee  
5 required by Section 2402.052.

6 Sec. 2402.052. FEE. (a) A transportation network company  
7 shall annually pay to the department a fee of \$5,000 to maintain a  
8 permit under this chapter.

9 (b) The department may not impose a fee for:

10 (1) drivers authorized to use a transportation network  
11 company's digital network; or

12 (2) vehicles used to provide digitally prearranged  
13 rides.

14 SUBCHAPTER C. OPERATION OF TRANSPORTATION NETWORK COMPANIES

15 Sec. 2402.101. INSURANCE REQUIRED. The requirements of  
16 Chapter 1954, Insurance Code, apply to transportation network  
17 companies and drivers logged in to a digital network.

18 Sec. 2402.102. SHARED RIDES. A digitally prearranged ride  
19 may be wholly or partly shared by multiple passengers if the  
20 passengers consent to sharing the ride.

21 Sec. 2402.103. FARES. A transportation network company  
22 that charges a fare for a digitally prearranged ride shall:

23 (1) disclose to passengers the fare calculation method  
24 on the digital network; and

25 (2) before the passenger enters the vehicle for the  
26 ride, provide through the digital network to the passenger  
27 requesting the ride:

1           (A) the applicable rates being charged; and

2           (B) the option to receive an estimated fare.

3           Sec. 2402.104. DIGITAL NETWORK IDENTIFICATION OF DRIVERS  
4 AND VEHICLES TO PASSENGERS. A transportation network company  
5 shall, before a passenger enters a vehicle for a digitally  
6 prearranged ride, provide through the company's digital network to  
7 the passenger requesting the ride:

8           (1) the driver's first name and picture; and

9           (2) the make, model, and license plate number of the  
10 driver's vehicle.

11           Sec. 2402.105. PAYMENT; ELECTRONIC RECEIPT. (a) A driver  
12 providing a digitally prearranged ride may accept payment for the  
13 ride only through the digital network.

14           (b) Within a reasonable time following the completion of a  
15 digitally prearranged ride, the transportation network company  
16 whose digital network was used to prearrange the ride shall  
17 transmit, through electronic mail or text message, a receipt to the  
18 passenger who requested the ride that includes:

19           (1) the origin and destination of the ride;

20           (2) the total time and distance of the ride; and

21           (3) an itemization of the total fare paid, if any.

22           Sec. 2402.106. INTOXICATING SUBSTANCE POLICY. (a) A  
23 transportation network company shall implement an intoxicating  
24 substance policy that prohibits a driver who is logged in to the  
25 company's digital network from any amount of intoxication.

26           (b) A transportation network company shall include on its  
27 Internet website:

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

3           (2) the means to make a complaint about a suspected  
4 violation of the policy.

5           (c) On receipt of a passenger complaint alleging a violation  
6 of the intoxicating substance policy, a transportation network  
7 company shall:

8           (1) conduct an investigation into the reported  
9 incident; and

10           (2) immediately suspend the driver's access to the  
11 company's digital network for the duration of the investigation.

12           (d) A transportation network company shall maintain records  
13 relevant to a complaint for a period of at least two years after the  
14 date the complaint is received.

15           Sec. 2402.107. DRIVER REQUIREMENTS. (a) Before permitting  
16 an individual to log in as a driver on the company's digital  
17 network, a transportation network company must:

18           (1) confirm that the individual:

19                   (A) is at least 18 years of age;

20                   (B) maintains a valid driver's license; and

21                   (C) possesses proof of registration and  
22 automobile financial responsibility for each motor vehicle to be  
23 used to provide digitally prearranged rides;

24           (2) conduct, or cause to be conducted, a local, state,  
25 and national criminal background check for the individual that  
26 includes the use of:

27                   (A) a commercial multistate and

1 multijurisdiction criminal records locator or other similar  
2 commercial nationwide database; and

3 (B) the national sex offender registry database  
4 maintained by the United States Department of Justice or a  
5 successor agency; and

6 (3) obtain and review the individual's driving record.

7 (b) A transportation network company may not permit an  
8 individual to log in as a driver on the company's digital network if  
9 the individual:

10 (1) has been convicted in the three-year period  
11 preceding the issue date of the driving record obtained under  
12 Subsection (a)(3) of:

13 (A) more than three offenses classified by the  
14 Department of Public Safety as moving violations; or

15 (B) one or more of the following offenses:

16 (i) fleeing or attempting to elude a police  
17 officer under Section 545.421, Transportation Code;

18 (ii) reckless driving under Section  
19 545.401, Transportation Code;

20 (iii) driving without a valid driver's  
21 license under Section 521.025, Transportation Code; or

22 (iv) driving with an invalid driver's  
23 license under Section 521.457, Transportation Code;

24 (2) has been convicted in the preceding seven-year  
25 period of any of the following:

26 (A) driving while intoxicated under Section  
27 49.04 or 49.045, Penal Code;

1           (B) use of a motor vehicle to commit a felony;

2           (C) a crime involving property damage;

3           (D) fraud;

4           (E) theft;

5           (F) an act of violence; or

6           (G) an act of terrorism; or

7           (3) is found to be in the national sex offender  
8 registry database maintained by the United States Department of  
9 Justice or a successor agency.

10          Sec. 2402.108. DIGITALLY PREARRANGED RIDES ONLY. A driver  
11 who is logged in to a digital network may not solicit or provide a  
12 ride for compensation unless the passenger has been matched to the  
13 driver through the digital network.

14          Sec. 2402.109. PAYMENT ONLY THROUGH DIGITAL NETWORK. A  
15 driver may receive payment for a digitally prearranged ride only  
16 through the digital network and may not solicit or accept cash  
17 payments from a passenger.

18          Sec. 2402.110. PASSENGER ACTING IN UNLAWFUL, DISORDERLY, OR  
19 ENDANGERING MANNER. A driver who has accepted a digitally  
20 prearranged ride may refuse to transport a passenger acting in an  
21 unlawful, disorderly, or endangering manner.

22          Sec. 2402.111. DISPLAY OF DIGITAL IDENTIFICATION. (a) In  
23 this section, "digital identification" means information stored on  
24 a digital network that may be accessed by a driver and that:

25           (1) serves as proof of the identity of the driver;

26           (2) serves as proof that the insurance coverage  
27 requirements of Chapter 1954, Insurance Code, are satisfied;



- 1           (3) displays a photo of the driver;
- 2           (4) displays an image of the driver's vehicle; and
- 3           (5) identifies the make, model, and license plate  
4 number of the vehicle used by the driver.

5           (b) On request of a law enforcement officer or a government  
6 official enforcing or administering this chapter, a driver  
7 providing a digitally prearranged ride shall:

- 8           (1) display the driver's digital identification; and
- 9           (2) display electronic proof that the ride was matched  
10 through the digital network.

11           (c) This section does not require a driver to relinquish  
12 possession of the electronic device containing the digital  
13 identification.

14           Sec. 2402.112. VEHICLE REQUIREMENTS. (a) A transportation  
15 network company shall, for each motor vehicle used by a driver to  
16 provide digitally prearranged rides through the company's digital  
17 network:

18           (1) require the vehicle to meet the requirements of  
19 Chapter 548, Transportation Code; and

20           (2) confirm that the vehicle has:

21                   (A) four doors; and

22                   (B) a maximum passenger capacity of not more than  
23 eight people, including the driver.

24           (b) A vehicle used to provide digitally prearranged rides:

25                   (1) may be owned, leased, or rented by the driver; and

26                   (2) may not also be used to provide street-hail  
27 taxicab service, limousine service, or other similar for-hire

1 service regulated by a municipality under Section 215.004, Local  
2 Government Code, or a joint airport board under Section 22.081,  
3 Transportation Code.

4 Sec. 2402.113. NONDISCRIMINATION; ACCESSIBILITY. (a) A  
5 transportation network company shall adopt a policy that prohibits  
6 a driver logged in to the company's digital network from:

7 (1) discriminating on the basis of a passenger's or  
8 potential passenger's location or destination, race, color,  
9 national origin, religious belief or affiliation, sex, disability,  
10 or age; and

11 (2) refusing to provide service to a potential  
12 passenger with a service animal unless the driver has a medically  
13 documented condition that prevents the driver from transporting  
14 animals.

15 (b) A transportation network company shall notify each  
16 person authorized to log in as a driver on the company's digital  
17 network of the nondiscrimination policy. A driver logged in to the  
18 company's digital network shall comply with the nondiscrimination  
19 policy.

20 (c) A transportation network company may not impose an  
21 additional charge for transportation of individuals with physical  
22 disabilities because of those disabilities.

23 (d) A transportation network company shall provide a  
24 passenger an opportunity to indicate whether the passenger requires  
25 a wheelchair-accessible vehicle. If a wheelchair-accessible  
26 vehicle cannot be provided, the company shall direct the requesting  
27 passenger to an alternate provider of wheelchair-accessible

1 service, if available.

2 Sec. 2402.114. DRIVERS AS INDEPENDENT CONTRACTORS. A  
3 driver who is authorized to log in to a transportation network  
4 company's digital network is considered an independent contractor,  
5 and not an employee of the company, if:

6 (1) the company does not:

7 (A) prescribe the specific hours during which the  
8 driver is required to be logged in to the company's digital network;

9 (B) impose restrictions on the driver's ability  
10 to use other transportation network companies' digital networks;

11 (C) limit the territory within which the driver  
12 may provide digitally prearranged rides; or

13 (D) restrict the driver from engaging in another  
14 occupation or business; and

15 (2) the company and the driver agree in writing that  
16 the driver is an independent contractor.

17 SUBCHAPTER D. RECORDS AND OTHER INFORMATION

18 Sec. 2402.151. RETENTION AND SUBMISSION OF RECORDS. (a) A  
19 transportation network company shall maintain:

20 (1) records evidencing compliance with the  
21 requirements of this chapter for a period of two years;

22 (2) individual ride records for at least one year  
23 after the date the ride was provided; and

24 (3) driver records for at least one year after the date  
25 the driver ceases to be authorized to log in as a driver on the  
26 company's digital network.

27 (b) The department shall provide a means for information

1 required to be submitted for the purposes of this chapter to be  
2 submitted electronically.

3 Sec. 2402.152. COLLECTION, USE, OR DISCLOSURE OF RECORDS  
4 AND OTHER COMPANY INFORMATION. (a) Any records, data, or other  
5 information disclosed to a public entity in this state, including  
6 the department, by a transportation network company, including  
7 names, addresses, and any other personally identifiable  
8 information of drivers is not subject to disclosure under Chapter  
9 552, Government Code.

10 (b) A public entity, including the department, may not  
11 disclose any records, data, or other information provided by a  
12 transportation network company under this chapter to a third party  
13 except in compliance with a court order or subpoena. If information  
14 provided under this chapter is sought through a court order or  
15 subpoena, the public entity shall promptly notify the  
16 transportation network company to afford the company the  
17 opportunity to take actions to prevent disclosure.

18 (c) In collecting, using, or disclosing any records, data,  
19 or other information submitted by a transportation network company  
20 under this chapter, a public entity, including the department,  
21 shall:

22 (1) consider the potential risks to the privacy of the  
23 individuals whose information is being collected, used, or  
24 disclosed;

25 (2) ensure that the information to be collected, used,  
26 or disclosed is necessary, relevant, and appropriate to the proper  
27 administration of this chapter; and

1           (3) take all reasonable measures and make all  
2 reasonable efforts to protect, secure, and, where appropriate,  
3 encrypt or limit access to the information.

4           (d) A transportation network company required to submit,  
5 disclose, or otherwise provide personally identifiable information  
6 of drivers to a public entity of this state, including the  
7 department, is not liable in any civil or criminal action for any  
8 unauthorized disclosure, misuse, alteration, destruction, access  
9 or acquisition, or use of the information that occurs while the  
10 information is in the possession of any public entity of this state.

11           Sec. 2402.153. DISCLOSURE OF PASSENGER INFORMATION. (a) A  
12 transportation network company may disclose a passenger's personal  
13 identifying information to a third party only if:

14                   (1) the passenger consents;

15                   (2) the disclosure is required by a legal obligation;

16 or

17                   (3) the disclosure is required to:

18                           (A) protect or defend the terms of use of the  
19 transportation network company service; or

20                           (B) investigate a violation of those terms.

21           (b) Notwithstanding Subsection (a), a transportation  
22 network company may share a passenger's name with a driver  
23 accessing the company's digital network to facilitate:

24                   (1) identification of the passenger by the driver; or

25                   (2) communication between the passenger and the  
26 driver.

1                    SUBCHAPTER E. ENFORCEMENT

2            Sec. 2402.201. PERMIT SUSPENSION OR REVOCATION.     The  
3 department may suspend or revoke a permit issued to a  
4 transportation network company that violates a provision of this  
5 chapter.

6            SECTION 2. On the effective date of this Act, any  
7 municipality's or other local entity's ordinance or policy related  
8 to transportation network companies or drivers authorized to access  
9 transportation network companies' digital networks that  
10 contradicts or is otherwise inconsistent with this Act is void and  
11 has no effect.

12            SECTION 3. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2017.