

ASSEMBLY, No. 3695

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED MAY 19, 2016

Sponsored by:

Assemblyman JOSEPH A. LAGANA

District 38 (Bergen and Passaic)

Assemblyman TROY SINGLETON

District 7 (Burlington)

Assemblyman JOHN S. WISNIEWSKI

District 19 (Middlesex)

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Regulates transportation network companies.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning transportation network companies and
2 supplementing Title 39 of the Revised Statutes.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Applicant” means a person who applies to a transportation
10 network company to be a transportation network company driver.

11 “Chief Administrator” means the Chief Administrator of the
12 New Jersey Motor Vehicle Commission.

13 “Commission” means the New Jersey Motor Vehicle
14 Commission.

15 “Digital network” means any online-enabled application,
16 software, website, or system offered or utilized by a transportation
17 network company that enables a prearranged ride.

18 “Division” means the Division of Consumer Affairs in the
19 Department of Law and Public Safety.

20 “Personal vehicle” means a motor vehicle that is used by a
21 transportation network company driver in connection with
22 providing a prearranged ride and is owned, leased, or otherwise
23 authorized for use by the transportation network company driver
24 and is not an autocab or taxi, a limousine, an autobus or jitney, a
25 motor bus, or any other for-hire vehicle.

26 “Prearranged ride” means the provision of motor vehicle
27 transportation by a transportation network company driver to a
28 transportation network company rider, beginning when a driver
29 accepts a ride requested by a rider through a digital network
30 controlled by a transportation network company, continuing while
31 the driver transports a requesting rider, and ending when the last
32 requesting rider departs from the personal vehicle. A prearranged
33 ride shall not include transportation provided using an autocab, taxi,
34 limousine, autobus, jitney, motor bus, or other for-hire vehicle. A
35 prearranged ride shall not include ridesharing, as defined in
36 R.S.39:1-1.

37 “Transportation network company” means a corporation,
38 partnership, sole proprietorship, or other entity that operates in this
39 State, and uses a digital network to connect a transportation
40 network company rider to a transportation network company driver
41 to provide a prearranged ride. A transportation network company
42 shall not be deemed to control, direct, or manage a transportation
43 network company driver or the driver’s personal vehicle that
44 connects to the transportation network company’s digital network,
45 except where agreed to by written contract.

46 “Transportation network company driver” or “driver” means a
47 person who: a. receives connections to potential riders and related
48 services from a transportation network company in exchange for

1 payment of a fee to the transportation network company; and b. uses
2 a personal vehicle to offer or provide a prearranged ride to a rider
3 upon connection through a digital network controlled by a
4 transportation network company in return for compensation or
5 payment of a fee.

6 “Transportation network company rider” or “rider” means a
7 person who uses a transportation network company’s digital
8 network to connect with a transportation network company driver to
9 receive a prearranged ride from the driver using the driver’s
10 personal vehicle between points chosen by the rider.

11
12 2. A transportation network company or a transportation
13 network company driver shall not provide a taxi, limousine, or other
14 for-hire vehicle service except as authorized pursuant to applicable
15 law.

16
17 3. a. The commission shall issue a transportation network
18 company a permit to allow for the lawful operation of a
19 transportation network company in this State upon receipt of the
20 following information:

21 (1) proof of insurance as required pursuant to section 9 of
22 P.L. , c. (C.) (pending before the Legislature as this bill);

23 (2) proof that the transportation network company is licensed to
24 conduct business in this State; and

25 (3) any other information the commission may require.

26 b. A transportation network company shall pay an initial and
27 annual permit fee of \$50,000.

28 c. The commission may revoke the permit if the transportation
29 network company fails to comply with the provisions of P.L. ,
30 c. (C.) (pending before the Legislature as this bill).

31 d. A transportation network company shall not operate in this
32 State prior to obtaining a permit from the commission; provided
33 that, any transportation network company operating in the State
34 prior to the effective date of P.L. , c. (C.) (pending before
35 the Legislature as this bill) may request a waiver from the
36 commission to continue to operate in this State until the
37 commission issues a written decision regarding the transportation
38 network company’s permit application.

39 e. A transportation network company operating in the State
40 prior to the effective date of P.L. , c. (C.) (pending before
41 the Legislature as this bill) shall apply to the commission for a
42 permit pursuant to this section on or before the 30th day after the
43 commission begins accepting permit applications.

44
45 4. a. A transportation network company operating in the State
46 shall appoint and maintain an agent for service of process in this
47 State.

1 b. The transportation network company shall submit to the
2 commission within 10 days of receiving a waiver or a permit, the
3 name, address, telephone number, or other contact information of
4 the agent. The transportation network company shall notify the
5 commission of any change of the agent, address, telephone number,
6 or other contact information for the agent, within 10 days of the
7 effective date of the change.

8
9 5. A transportation network company shall annually submit
10 data collected from all prearranged rides provided through the
11 company's digital network to the Department of Transportation,
12 which shall include, but not be limited to, the points of origin and
13 destination of a prearranged ride and the date and time of a
14 prearranged ride.

15
16 6. A transportation network company may, on behalf of a
17 transportation network company driver, collect a fare for
18 transportation service provided to a transportation network
19 company rider; provided that, if a fare is collected from a rider, the
20 transportation network company shall disclose to the rider on its
21 website or digital network the fare and method by which the
22 transportation network company calculates fares. The
23 transportation network company shall provide riders with the
24 applicable rates being charged by a transportation network company
25 driver and the option to receive an estimated fare prior to the rider
26 entering the driver's personal vehicle.

27
28 7. A transportation network company shall provide to a
29 transportation network company rider on its website or digital
30 network a picture of the transportation network company driver that
31 is to provide the prearranged ride and the license plate number of
32 the driver's personal vehicle that is to be used to provide the
33 prearranged ride prior to the rider entering the driver's personal
34 vehicle.

35
36 8. Within a reasonable time following completion of a
37 prearranged ride, a transportation network company shall provide a
38 transportation network company rider with an electronic receipt
39 which shall include:

- 40 a. the points of origin and destination of the prearranged ride;
41 b. the total time and distance of the prearranged ride; and
42 c. an itemization of the total fare paid, if any.

43
44 9. a. A transportation network company driver, a transportation
45 network company, or both, shall, on or before 90 days following the
46 effective date of P.L. , c. (C.) (pending before the
47 Legislature as this bill), maintain a primary automobile insurance
48 policy that recognizes that the driver is a transportation network

1 company driver, or otherwise uses a personal vehicle to provide
2 prearranged rides, and covers the driver: (1) while the driver is
3 logged on to the transportation network company's digital network
4 as a transportation network company driver but is not providing a
5 prearranged ride; and (2) while the driver is providing a prearranged
6 ride.

7 b. Whenever a transportation network company driver is
8 logged on to the transportation network company's digital network
9 as a driver and is available to receive a prearranged ride request, but
10 is not providing a prearranged ride, the transportation network
11 company driver, transportation network company, or both, shall
12 maintain the following insurance coverage:

13 (1) primary automobile liability insurance in the amount of at
14 least \$50,000 for death or bodily injury per person, \$100,000 for
15 death or bodily injury per incident, and \$25,000 for property
16 damage;

17 (2) primary personal injury protection benefits that provide
18 coverage amounts selected pursuant to section 4 of P.L.1972,
19 c.70 (C.39:6A-4); and

20 (3) uninsured and underinsured motorist coverage to the extent
21 required pursuant to section 2 of P.L.1968, c.385 (C.17:28-1.1).

22 c. Whenever a transportation network company driver is
23 providing a prearranged ride, the transportation network company
24 driver, transportation network company, or both, shall maintain the
25 following insurance coverage:

26 (1) primary automobile liability insurance in the amount of at
27 least \$1,500,000 for death, bodily injury, and property damage;

28 (2) primary automobile insurance for medical payments benefits
29 in an amount of at least \$10,000 per person per incident, which
30 shall only apply to and provide coverage for the benefit of the
31 transportation network company driver; and

32 (3) uninsured and underinsured motorist coverage to the extent
33 required pursuant to section 2 of P.L.1968, c.385 (C.17:28-1.1).

34 d. If insurance coverage maintained by a transportation
35 network company driver pursuant to subsections b. and c. of this
36 section has lapsed or does not provide the required coverage,
37 insurance maintained by the transportation network company shall
38 provide the coverage required by subsections b. and c. of this
39 section beginning with the first dollar of a claim and the
40 transportation network company shall have the duty to defend the
41 claim.

42 e. Coverage under an automobile insurance policy maintained
43 by the transportation network company shall not be dependent upon
44 a private passenger automobile insurer first denying a claim nor
45 shall a private passenger automobile insurance policy be required to
46 first deny a claim.

47 f. Insurance coverage required by this section may be obtained
48 from an insurance company duly licensed to transact business under

1 the insurance laws of this State or from an eligible surplus lines
2 insurer under section 11 of P.L.1960, c.32 (C.17:22-6.45).

3 g. The coverage required pursuant to subsections b. and c. of
4 this section shall be deemed to meet the financial responsibility
5 requirements of the “Motor Vehicle Security-Responsibility Law,”
6 P.L.1952, c.173 (C.39:6-23 et seq.) and of P.L.1972,
7 c.197 (C.39:6B-1 et seq.).

8 h. A transportation network company driver shall carry proof
9 of insurance required pursuant to subsections b. and c. of this
10 section at all times while using a personal vehicle in connection
11 with a transportation network company’s digital network. In the
12 event of an accident, a transportation network company driver shall,
13 upon request, provide insurance coverage information to the
14 directly interested parties, automobile insurers, and investigating
15 law enforcement officers. The insurance coverage information may
16 be displayed or provided in either paper or electronic form as
17 provided in R.S.39:3-29. A transportation network company driver
18 shall, upon request, disclose to the directly interested parties,
19 automobile insurers, and investigating law enforcement officers
20 whether the driver was logged on to a digital network as a driver or
21 whether the driver was providing a prearranged ride at the time of
22 the accident.

23

24 10. A transportation network company shall not permit a
25 transportation network company driver to accept a request for a
26 prearranged ride on the transportation network company’s digital
27 network until the transportation network company discloses in
28 writing to the driver:

29 a. the insurance coverage, including the types and limits of
30 coverage, that the transportation network company provides while
31 the driver uses a personal vehicle in connection with a
32 transportation network company’s digital network; and

33 b. that the driver’s own private passenger automobile insurance
34 policy may or may not, depending on its terms, provide any
35 coverage while the driver is logged on to the transportation network
36 company’s digital network as a driver and is available to receive
37 requests for prearranged rides, or is providing a prearranged ride.

38

39 11. a. Notwithstanding the “Motor Vehicle Security-
40 Responsibility Law,” P.L.1952, c.173 (C.39:6-23 et seq.) and
41 P.L.1972, c.197 (C.39:6B-1 et seq.), an insurance company duly
42 licensed to transact business under the insurance laws of this State
43 may exclude any and all coverage afforded under a private
44 passenger automobile insurance policy issued to an owner or
45 operator of a personal vehicle for any loss or injury that occurs
46 while the personal vehicle is being used by a transportation network
47 company driver and the driver is logged on to a transportation
48 network company’s digital network as a driver or is providing a

1 prearranged ride. This right to exclude all coverage may apply to
2 any coverage included in a private passenger automobile insurance
3 policy including, but not limited to:

- 4 (1) liability coverage for bodily injury and property damage;
- 5 (2) personal injury protection coverage;
- 6 (3) uninsured and underinsured motorist coverage;
- 7 (4) medical payments coverage;
- 8 (5) comprehensive physical damage coverage; and
- 9 (6) collision physical damage coverage.

10 Nothing in this section shall imply or require that a private
11 passenger automobile insurance policy provide coverage while the
12 driver is logged on to a transportation network company's digital
13 network as a driver, is providing a prearranged ride, or is otherwise
14 using a vehicle to transport riders for compensation.

15 Nothing in this section shall be deemed to preclude an insurer
16 from providing coverage by contract or endorsement for the
17 transportation network company driver's personal vehicle while the
18 transportation network company driver is logged on to a digital
19 network as a driver or while the driver is providing a prearranged
20 ride.

21 b. An insurance company duly licensed to transact business
22 under the laws of this State that excludes coverage pursuant to
23 subsection a. of this section shall have no duty to defend or
24 indemnify any claim expressly excluded thereunder. Nothing in
25 this section shall be deemed to invalidate or limit an exclusion
26 contained in a policy, including any policy in use or approved for
27 use in the State prior to enactment of P.L. ,
28 c. (C.) (pending before the Legislature as this bill), that
29 excludes coverage for vehicles used to carry persons or property for
30 a charge or available for hire by the public. An automobile
31 insurance company that defends or indemnifies a claim against a
32 driver that is excluded under the terms of its policy shall have a
33 right of contribution against other insurers that provide automobile
34 liability insurance to the same driver in satisfaction of the coverage
35 required pursuant to subsections b. and c. of section 9 of P.L. ,
36 c. (C.) (pending before the Legislature as this bill) at the
37 time of loss.

38 c. In a claims coverage investigation, a transportation network
39 company and any insurer potentially providing coverage under
40 subsections b. and c. of section 9 of P.L. , c. (C.) (pending
41 before the Legislature as this bill) shall cooperate to facilitate the
42 exchange of relevant information with directly involved parties and
43 any insurer of a transportation network company driver, if
44 applicable, including the precise times that a transportation network
45 company driver logged on and off of the transportation network
46 company's digital network as a driver in the 12-hour periods
47 immediately preceding and immediately following the accident.
48 Any insurer potentially providing coverage under subsections b. and

1 c. of section 9 of P.L. , c. (C.) (pending before the
2 Legislature as this bill) shall disclose, immediately upon request by
3 any other insurer involved in the particular claim, the applicable
4 coverage, exclusions, and limits provided under any automobile
5 insurance maintained under section 9 of P.L. ,
6 c. (C.) (pending before the Legislature as this bill).

7
8 12. a. A transportation network company shall:

9 (1) maintain a system that permits a transportation network
10 company driver to opt out of any communication with the
11 transportation network company at the driver's discretion;

12 (2) maintain a system that permits a driver to establish, at the
13 sole discretion of the driver, an independent business while
14 engaging with the transportation network company's digital
15 network; and

16 (3) maintain a system that permits a driver, at the sole discretion
17 of the driver, to operate in any municipality in the State without
18 providing prior notice to the transportation network company.

19 b. A transportation network company shall not restrict a
20 driver's ability to utilize another transportation network company's
21 digital network. A driver that connects with more than one
22 transportation network company's digital network shall be deemed
23 to be customarily engaged in an independently established
24 occupation.

25 c. Nothing in P.L. , c. (C.) (pending before the
26 Legislature as this bill) shall be construed to establish an employer-
27 employee relationship between a transportation network company
28 and a transportation network company driver.

29
30 13. a. A transportation network company shall implement a zero
31 tolerance policy on the use of controlled dangerous substances and
32 alcohol that may impair a transportation network company driver
33 while the driver is providing a prearranged ride or while the driver
34 is logged on to the transportation network company's digital
35 network as a driver but is not providing a prearranged ride.

36 b. The transportation network company shall provide on its
37 website, digital network, or electronic receipt, notice of the zero
38 tolerance policy and procedures for a transportation network
39 company rider to report a complaint about a driver of a prearranged
40 ride suspected of driving under the influence of a controlled
41 dangerous substance or alcohol.

42 c. Upon receiving a complaint from a rider alleging that a
43 driver violated the zero tolerance policy, the transportation network
44 company shall conduct an investigation into the reported incident
45 and, if the results of the investigation corroborate the rider's
46 complaint, immediately revoke the driver's access to the
47 transportation network company's digital network.

1 d. The transportation network company shall maintain records
2 relevant to the enforcement of the zero tolerance policy required
3 under this section for a period of at least two years from the date
4 that the transportation network company receives a rider's
5 complaint.

6
7 14. a. The transportation network company shall adopt a policy
8 of non-discrimination on the basis of destination, race, color,
9 national origin, religious belief or affiliation, sex, disability, age,
10 sexual orientation, or gender identity with respect to transportation
11 network company riders and potential riders. The transportation
12 network company shall notify a transportation network company
13 driver of the non-discrimination policy.

14 b. A transportation network company driver shall comply with
15 all applicable laws regarding non-discrimination against riders or
16 potential riders on the basis of destination, race, color, national
17 origin, religious belief or affiliation, sex, disability, age, sexual
18 orientation, or gender identity and shall comply with all applicable
19 laws relating to accommodation of service animals.

20 c. A transportation network company shall not impose
21 additional fees for accommodation of a person with a physical
22 disability.

23
24 15. A transportation network company shall require a
25 transportation network company driver applicant to submit a
26 transportation network company driver application to the
27 transportation network company. The application shall include the
28 applicant's address, age, and social security number, a copy of the
29 applicant's driver's license, motor vehicle registration, and
30 automobile liability insurance, and any other information required
31 by the transportation network company.

32
33 16. Prior to allowing an applicant to log on to a transportation
34 network company's digital network as a transportation network
35 company driver or to provide a prearranged ride as a transportation
36 network company driver, the transportation network company, or a
37 third party designated by the transportation network company, shall
38 conduct a social security number trace that identifies the addresses
39 of the applicant for at least seven years prior to the date the
40 application is received by the transportation network company. An
41 applicant shall provide at least three of the following documents, in
42 paper or electronic form, to the transportation network company for
43 purposes of conducting a social security number trace:

- 44 a. the applicant's driver's license;
45 b. the applicant's motor vehicle registration;
46 c. the applicant's automobile liability insurance policy;
47 d. a utility or credit card statement containing the applicant's
48 name and address issued within the past 90 days;

- 1 e. a high school or college transcript containing the applicant's
2 name and address issued within the past two years;
- 3 f. a current lease or rental agreement containing the applicant's
4 name as the lessee or renter;
- 5 g. a letter or correspondence addressed to the applicant and
6 received from the Internal Revenue Service or the Division of
7 Taxation in the New Jersey Department of the Treasury within the
8 past year; or
- 9 h. first-class mail addressed to the applicant and received from
10 a federal, state, or local government agency within the past six
11 months.
- 12
- 13 17. a. Prior to allowing an applicant to log on to a transportation
14 network company's digital network as a transportation network
15 company driver or to provide a prearranged ride as a transportation
16 network company driver, the transportation network company, or a
17 third party designated by the transportation network company, shall
18 conduct a criminal background check, approved by the Division of
19 State Police in the Department of Law and Public Safety, which
20 shall include a search of:
- 21 (1) a multi-state and multi-jurisdictional criminal records locator
22 or other similar commercial nationwide database with validation;
23 and
- 24 (2) the United States Department of Justice's Dru Sjodin
25 National Sex Offender Public Website.
- 26 b. (1) If the method of conducting a criminal background
27 check by the transportation network company, or a third party
28 designated by the transportation network company, is not approved
29 by the Division of State Police, an applicant shall provide to the
30 Division of State Police the applicant's name, address, fingerprints,
31 and written consent for a criminal history record background check
32 to be performed by the Division of State Police, in accordance with
33 regulations adopted under chapter 59 of Title 13 of the New Jersey
34 Administrative Code, prior to logging on to a transportation
35 network company's digital network as a driver or providing a
36 prearranged ride as a transportation network company driver. If the
37 method of conducting a criminal background check by the
38 transportation network company, or a third party designated by the
39 transportation network company, is not approved by the Division of
40 State Police, a transportation network company shall not permit an
41 applicant to log on to its digital network as a driver or to provide a
42 prearranged ride as a driver until the Division of State Police
43 provides the transportation network company with information
44 concerning the applicant's eligibility to be a transportation network
45 company driver, pursuant to paragraph (2) of this subsection, based
46 upon results of the applicant's criminal history record background
47 check.

1 (2) The Superintendent of State Police shall inform the
2 transportation network company that an applicant is ineligible to be
3 a transportation network company driver if the applicant's criminal
4 history record background check reveals a conviction for a
5 disqualifying crime provided in subsection a. of section 19 of
6 P.L. , c. (C.) (pending before the Legislature as this bill).

7 (3) The cost of the criminal history record background check
8 conducted pursuant to this subsection, including all costs of
9 administering and processing the criminal history record
10 background check, shall be borne by the applicant.

11
12 18. Prior to allowing an applicant to log on to a transportation
13 network company's digital network as a transportation network
14 company driver or to provide a prearranged ride as a transportation
15 network company driver, the transportation network company, or a
16 third party designated by the transportation network company, shall
17 conduct a driving record check.

18
19 19. An applicant shall be prohibited from utilizing the
20 transportation network company's digital network as a
21 transportation network company driver or from providing a
22 prearranged ride as a transportation network company driver if:

23 a. the applicant's criminal background check conducted
24 pursuant to subsection a. of section 17 of P.L. ,
25 c. (C.) (pending before the Legislature as this bill) or
26 criminal history record background check conducted by the
27 Division of State Police pursuant to subsection b. of section 17 of
28 P.L. , c. (C.) (pending before the Legislature as this bill)
29 reveals:

30 (1) In New Jersey, any violation of the following crimes within
31 the past seven years as follows: aggravated assault, arson, burglary,
32 escape, extortion, homicide, kidnapping, robbery, aggravated sexual
33 assault, sexual assault, or endangering the welfare of a child
34 pursuant to N.J.S.2C:24-4, whether or not armed with or having
35 possession of any weapon enumerated in subsection r. of
36 N.J.S.2C:39-1, a crime pursuant to the provisions of N.J.S.2C:39-3,
37 N.J.S.2C:39-4, or N.J.S.2C:39-9, or other than a disorderly persons
38 or petty disorderly persons offense for the unlawful use, possession
39 or sale of a controlled dangerous substance as defined in
40 N.J.S.2C:35-2.

41 (2) In any other state, territory, commonwealth, or other
42 jurisdiction of the United States, or any country in the world, as a
43 result of a conviction in a court of competent jurisdiction, a crime
44 which in that other jurisdiction or country is comparable to one of
45 the crimes enumerated in paragraph (1) of this subsection; provided
46 however, that if a person who has been convicted of one of the
47 crimes enumerated in paragraph (1) or (2) of this subsection
48 produces a valid certificate of rehabilitation issued pursuant to

1 section 2 of P.L.2007, c.327 (C.2A:168A-8) or, if the criminal
2 offense occurred outside the State, an equivalent certificate from the
3 jurisdiction where the criminal offense occurred, the criminal
4 offense shall not disqualify the applicant from accessing the
5 transportation network company's digital network as a
6 transportation network company driver or from providing
7 prearranged rides as a transportation network company driver. A
8 transportation network company, or a third party designated by the
9 transportation network company, shall take reasonable measures to
10 confirm the validity of the certificate, such as contacting the
11 relevant court or government agency.

12 b. The applicant's driving record check reveals more than three
13 moving violations in the prior three-year period, or one of the
14 following violations in the prior three-year period:

- 15 (1) driving under the influence pursuant to R.S.39:4-50;
- 16 (2) resisting arrest; eluding an officer pursuant to N.J.S.2C:29-2;
- 17 (3) reckless driving pursuant to R.S.39:4-96;
- 18 (4) driving with a suspended or revoked license pursuant to
19 R.S.39:3-40; or
- 20 (5) a violation committed in any other state, territory,
21 commonwealth, or other jurisdiction of the United States that is
22 comparable to one of the violations enumerated in paragraph (1),
23 (2), (3), or (4) of this subsection.

24 c. The applicant is a match in the United States Department of
25 Justice's Dru Sjodin National Sex Offender Public Website;

26 d. The applicant is not a holder of a valid driver's license;

27 e. The applicant does not possess proof of valid vehicle
28 registration for the driver's personal vehicle to be used to provide
29 prearranged rides;

30 f. The applicant does not possess proof of valid automobile
31 liability insurance for the personal vehicle to be used to provide
32 prearranged rides; or

33 g. the applicant is under 21 years of age.

34

35 20. A transportation network company shall take steps to
36 prohibit unauthorized drivers from logging on to the transportation
37 network company's digital network as a transportation network
38 company driver, including:

39 a. assigning a unique network access key, which shall include a
40 username and password, for each authorized transportation network
41 company driver to enable the driver to log on to the transportation
42 network company's digital network;

43 b. requiring each driver to keep the network access key
44 confidential and prohibiting the driver from sharing this information
45 with a third party; and

46 c. establishing procedures for responding to complaints from a
47 transportation network company rider claiming the picture provided

1 of the driver on the transportation network company's website or
2 digital network does not match the driver of the prearranged ride.

3
4 21. A transportation network company shall require an
5 applicant's personal vehicle to be used to provide a prearranged ride
6 to meet the motor vehicle inspection requirements pursuant to
7 R.S.39:8-1 prior to permitting the applicant to log on to its digital
8 network as a transportation network company driver or to provide a
9 prearranged ride as a transportation network company driver. A
10 transportation network company shall require a transportation
11 network company driver to maintain a valid inspection certificate of
12 approval for the driver's personal vehicle used to provide
13 prearranged rides.

14
15 22. The commission shall issue an identifying marker in a
16 design determined by the chief administrator to every transportation
17 network company driver who logs on to a transportation network
18 company's digital network to provide prearranged rides. The
19 identifying marker shall indicate that the vehicle is a personal
20 vehicle used to provide prearranged rides through the transportation
21 network company's digital network. A transportation network
22 company driver shall prominently display the identifying marker in
23 a manner determined by the chief administrator whenever the driver
24 is in the personal vehicle and is logged on to the transportation
25 network company's digital network as a driver or is providing a
26 prearranged ride.

27
28 23. A transportation network company driver shall not solicit or
29 accept any ride that is not prearranged through a transportation
30 network company's digital network.

31
32 24. a. Notwithstanding any other provision of law, a
33 transportation network company shall maintain the following
34 records: (1) individual prearranged ride records for at least six years
35 following the date of the prearranged ride; and (2) individual
36 records of each transportation network company driver, including,
37 but not limited to, any records provided to the transportation
38 network company pursuant to sections 15 through 18 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), for at
40 least six years after the driver terminates status as a transportation
41 network company driver.

42 b. The New Jersey Motor Vehicle Commission or the Division
43 of Consumer Affairs in the Department of Law and Public Safety
44 may inspect records held by the transportation network company to
45 investigate and resolve a specific complaint filed against a
46 transportation network company driver. A record provided to the
47 commission or division pursuant to this section may exclude
48 information that tends to identify specific drivers or transportation

1 network company riders, unless the identity of the driver or rider is
2 relevant to the complaint.

3 c. The commission or division may require transportation
4 network company records maintained in-State to be available to the
5 commission or division within 14 business days of the
6 commission's or division's request to inspect records to investigate
7 and resolve a complaint pursuant to subsection b. of this section.

8 A transportation network company shall make out-of-State
9 records available to the commission or division, no later than 14
10 business days after the commission's or division's request to
11 inspect the records. The transportation network company may
12 request an extension if the 14 business day deadline imposes an
13 undue burden upon the transportation network company.

14 In the event of exigent circumstances, the commission or
15 division may require a transportation network company to make its
16 records available before 14 business days from the time of the
17 commission's or division's request if receipt of the records before
18 14 business days is reasonably necessary under the circumstances
19 for the investigation or resolution of a complaint pursuant to
20 subsection b. of this section.

21 d. For the purpose of verifying that a transportation network
22 company is in compliance with the requirements of P.L. ,
23 c. (C.) (pending before the Legislature as this bill) or to
24 assure the integrity and performance of a transportation network
25 company or a transportation network company driver, the
26 commission, division, or an authorized representative may visually
27 inspect transportation network company driver records including all
28 books, records, documents, papers, reports, or data relating to the
29 operation of a transportation network company, in whatever form
30 kept, including, but not limited to, records required to be
31 maintained by a transportation network company pursuant
32 subsection a. of this section. The inspection shall take place at a
33 mutually agreed location in the State. Any record provided to the
34 commission, division, or authorized representative may exclude
35 information that tends to identify specific drivers or riders.

36 e. Any records inspected by the commission, division, or
37 authorized representative under this section, shall be deemed
38 confidential, shall not be disclosed to a third party except with the
39 prior written consent of the transportation network company, and
40 shall not be considered a government record pursuant to P.L.1963,
41 c.73 (C.47:1A-1 et seq.), P.L.2001, c.404 (C.47:1A-5 et al.), or the
42 common law concerning access to government records. Nothing in
43 this section shall be construed as limiting the applicability of any
44 other exemptions under P.L.1963, c.73 (C.47:1A-1 et seq.) or
45 P.L.2001, c.404 (C.47:1A-5 et al.).

46 f. A transportation network company's repeated failure to
47 comply with the provisions of this section or permit the commission
48 or division on the transportation network company's premises

1 during regular business hours to conduct investigations or reviews
2 shall be cause for suspension or revocation of the permit issued by
3 the commission to operate as a transportation network company
4 pursuant to section 3 of P.L. , c. (C.) (pending before the
5 Legislature as this bill), or any other fine, penalty, or enforcement
6 action as determined by the commission or division. The
7 commission's or division's investigation or review of the
8 transportation network company may include, but shall not be
9 limited to, discussions with customers and transportation network
10 company drivers, examination of motor vehicle records, questioning
11 of employees, and the use of other investigatory techniques as may
12 be necessary for the enforcement of this section and regulations
13 adopted by the commission or division.

14 g. The commission and division shall enter into a memorandum
15 of understanding to effectuate the authority granted to the
16 commission and division pursuant to this section.

17
18 25. a. Notwithstanding any other provision of law, a
19 transportation network company and a transportation network
20 company driver shall be governed exclusively by P.L. ,
21 c. (C.) (pending before the Legislature as this bill), any
22 supplements or amendments thereto, and any rules promulgated by
23 the commission or division pursuant to P.L. ,
24 c. (C.) (pending before the Legislature as this bill).

25 b. A county or municipality shall not require a transportation
26 network company or transportation network company driver to
27 obtain a license or permit to provide a prearranged ride in that
28 county or municipality, or require a driver to obtain a license or
29 permit for the driver's personal vehicle in order to provide a
30 prearranged ride in that county or municipality.

31 c. A county or municipality shall not impose a tax or fee that
32 only applies to a transportation network company or transportation
33 network company driver; provided that a transportation network
34 company or driver shall be subject to a tax or fee that applies
35 generally to all businesses or residents of the county or
36 municipality.

37
38 26. The Chief Administrator of the New Jersey Motor Vehicle
39 Commission and the Director of the Division of Consumer Affairs
40 in the Department of Law and Public Safety shall adopt, pursuant to
41 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1
42 et seq.), rules and regulations to implement the provisions of
43 P.L. , c. (C.) (pending before the Legislature as this bill).

44
45 27. This act shall take effect on the first day of the sixth month
46 following enactment, except the New Jersey Motor Vehicle
47 Commission and the Division of Consumer Affairs in the

1 Department of Law and Public Safety may take anticipatory actions
2 necessary to implement the provisions of this act.

3
4
5 STATEMENT

6
7 This bill regulates transportation network companies. A
8 transportation network company (TNC) is defined as a corporation,
9 partnership, sole proprietorship, or other entity operating in New
10 Jersey that uses a digital network to connect a TNC rider (rider) to a
11 TNC driver (driver) to provide a prearranged ride.

12 The bill establishes safety and insurance requirements for TNCs
13 that conduct business in New Jersey. Under the bill, a TNC is
14 required to obtain a permit from the New Jersey Motor Vehicle
15 Commission (MVC) upon proof of required insurance, proof that
16 the TNC is licensed to conduct business in New Jersey, payment of
17 an initial and annual \$50,000 fee, and any other information the
18 MVC may require. The MVC may revoke a permit if the TNC does
19 not comply with the bill's provisions.

20 The TNC is required to appoint and maintain an agent for service
21 of process in New Jersey. Prearranged rides provided by a driver
22 are not to be considered transportation provided by an autocab, taxi,
23 limousine, autobus, jitney, motor bus, or other for-hire vehicle, and
24 is not to be considered ridesharing. A TNC or a driver is not to
25 provide taxi, limousine, or other for-hire vehicle service. A driver
26 is not to solicit or accept any ride that is not prearranged through a
27 transportation network company's digital network. The bill
28 provides that TNCs are to be regulated by the State, and that a
29 county or municipality is not to require a TNC or driver to obtain a
30 license or permit to provide prearranged rides in that county or
31 municipality, or require a TNC driver to obtain a license or permit
32 to use a personal vehicle to provide prearranged rides in that county
33 or municipality. A county or municipality is not to impose a tax or
34 fee that only applies to a TNC or driver; provided that, the TNC or
35 driver is to be subject to a tax or fee that applies generally to all
36 businesses or residents of the county or municipality.

37 A transportation network company is required to annually submit
38 data collected from prearranged rides provided through the
39 company's digital network to the Department of Transportation,
40 which is to include, but is not limited to, the points of origin and
41 destination of a prearranged ride and the date and time of a
42 prearranged ride.

43
44 *Information to Riders*

45 The bill requires a TNC to provide riders, on its website or
46 digital network, the fare and method by which the TNC calculates
47 fares, the applicable rates being charged, and the option to receive
48 an estimated fare prior to entering the driver's vehicle. A TNC is

1 also required to provide a rider or potential rider with the picture of
2 the driver that is to provide the prearranged ride and the license
3 plate number of the driver's vehicle used to provide the prearranged
4 ride. Within a reasonable time after completion of the prearranged
5 ride, the TNC is to provide the rider with an electronic receipt
6 detailing the points of origin and destination of the prearranged
7 ride, the total time and distance of the prearranged ride, and an
8 itemization of the total fare paid.

9
10 *Insurance Requirements*

11 Under the bill, a TNC, driver, or both, is required to maintain
12 primary automobile liability insurance in an amount of at least
13 \$50,000 for death or bodily injury per person, \$100,000 for death or
14 bodily injury per incident, and \$25,000 for property damage while
15 the driver is logged on to the TNC's digital network as a driver and
16 is available to receive requests for a prearranged ride, but is not
17 providing a prearranged ride. In this situation, the TNC, driver, or
18 both, is also required to maintain primary personal injury protection
19 benefits.

20 A TNC, driver, or both, is to maintain primary automobile
21 liability insurance in an amount of at least \$1,500,000 for death,
22 bodily injury, and property damage while the driver is providing a
23 prearranged ride. In this situation, the TNC, driver, or both is also
24 required to maintain primary automobile insurance for medical
25 payments benefits to provide coverage only for the benefit of the
26 driver in an amount of at least \$10,000 per person per incident.

27 While accessing the TNC's digital network but not providing a
28 prearranged ride, and while providing a prearranged ride, the TNC,
29 driver, or both, is required to maintain uninsured and underinsured
30 motorist coverage. The bill provides that if the insurance coverage
31 maintained by a driver has lapsed or does not provide the required
32 coverage, insurance maintained by the TNC is required to provide
33 the necessary coverage and the TNC has a duty to defend the claim.

34 In addition, the bill requires a driver to carry paper or electronic
35 proof of the required insurance at all times while using a personal
36 vehicle in connection with a TNC's digital network. In the event of
37 an accident, a driver is required, upon request, to provide insurance
38 coverage information to the directly interested parties, automobile
39 insurers, and investigating law enforcement officers. A driver is
40 also required, upon request, to disclose to the directly interested
41 parties, automobile insurers, and investigating law enforcement
42 officers whether the driver was logged on to a digital network as a
43 driver or whether the driver was providing a prearranged ride at the
44 time of the accident.

45 The bill also provides that a TNC is not to permit a driver to
46 accept requests for prearranged rides on the TNC's digital network
47 until the TNC discloses in writing to the driver: (1) the insurance
48 coverage, including the types and limits of coverage, that the TNC

1 provides; and (2) that the driver's own private passenger automobile
2 insurance policy may or may not provide any coverage while the
3 driver is logged on to the digital network as a driver and is available
4 to receive requests for prearranged rides or while the driver is
5 providing a prearranged ride.

6 Under the bill, an insurance company may exclude any and all
7 coverage afforded under a private passenger automobile insurance
8 policy issued to an owner or operator of a personal vehicle for loss
9 or injury that occurs while the personal vehicle is being used by a
10 driver and the driver is logged on to the TNC's digital network as a
11 driver or is providing a prearranged ride.

12 13 *TNC Maintenance of Certain Systems*

14 The bill requires a TNC to maintain a system that permits a
15 driver to: (1) opt out of any communication with the TNC; (2)
16 establish an independent business while engaging with the TNC's
17 digital network; and (3) operate in any municipality in the State,
18 without providing notice to the TNC. A TNC is not to restrict a
19 driver from utilizing another TNC's digital network.

20 21 *Zero Tolerance Alcohol and Controlled Dangerous Substance* 22 *Policy*

23 Under the bill, a TNC is to implement a zero tolerance controlled
24 dangerous substance and alcohol policy while a driver is logged on
25 to the TNC's digital network as a driver or is providing a
26 prearranged ride through the TNC's digital network. The TNC is to
27 provide riders, on its website, digital network, or electronic receipt,
28 notice of the zero tolerance policy and procedures to report a
29 complaint about a driver's suspected violation of the policy. The
30 TNC is to investigate the complaint and, if results of the
31 investigation corroborate the rider's complaint, immediately revoke
32 the driver's access to the TNC's digital network. The TNC is to
33 maintain records concerning the enforcement of the zero tolerance
34 policy.

35 36 *Non-Discrimination and Accessibility Policy*

37 Under the bill, a TNC is required to adopt a non-discrimination
38 policy against riders or potential riders on the basis of destination,
39 race, color, national origin, religious belief or affiliation, sex,
40 disability, age, sexual orientation, or gender identity. Drivers are
41 required to comply with all applicable laws regarding non-
42 discrimination as well as laws relating to the accommodation of
43 service animals. A TNC is prohibited from charging an additional
44 fee for accommodation of a person with a physical disability.

45 46 *Driver Application Materials*

47 A TNC is to require a TNC driver applicant to submit an
48 application with the applicant's address, age, and social security

1 number, and a copy of the applicant's driver's license, motor
2 vehicle registration, and automobile liability insurance.

3
4 *Social Security Number Trace*

5 Before allowing an applicant to log on to a TNC's digital
6 network as a driver or to provide prearranged rides as a driver, a
7 TNC or a third party is to conduct a social security number trace
8 that identifies the applicant's addresses for the past seven years.
9 The applicant is to provide three of the following documents for
10 purposes of conducting the social security number trace: (1) the
11 applicant's driver's license; (2) the applicant's motor vehicle
12 registration; (3) the applicant's automobile liability insurance
13 policy; (4) a utility or credit card statement containing the
14 applicant's name and address issued within the past 90 days; (5) a
15 high school or college transcript containing the applicant's name
16 and address issued within the past two years; (6) a current lease or
17 rental agreement containing the applicant's name as the lessee or
18 renter; (7) a letter or correspondence addressed to the applicant and
19 received from the Internal Revenue Service or the Division of
20 Taxation in the New Jersey Department of the Treasury within the
21 past year; or (8) first-class mail addressed to the applicant and
22 received from a federal, state, or local government agency within
23 the past six months.

24
25 *Criminal Background Check and Driver's License Check*

26 The TNC or a third party is required to conduct a criminal
27 background check, approved by the Division of State Police (State
28 Police), before allowing an applicant to log on to the TNC's digital
29 network as a driver or to provide prearranged rides as a driver. The
30 criminal background check is to include a search of a multi-state
31 and multi-jurisdictional criminal records locator or similar
32 commercial nationwide database with validation and the United
33 States Department of Justice's Dru Sjodin National Sex Offender
34 Public Website.

35 If the method of conducting a criminal background check by a
36 TNC or third party is not approved by the State Police, an applicant
37 is to provide the State Police with the applicant's name, address,
38 fingerprints, and written consent for a criminal history record
39 background check to be performed by the State Police, in
40 accordance with regulations adopted under the New Jersey
41 Administrative Code, before the applicant is authorized to log on to
42 the TNC's digital network as a driver or to provide prearranged
43 rides. If the method of conducting a criminal background check by
44 a the TNC or third party is not approved by the State Police, a TNC
45 is not to permit an applicant to log on to its digital network as a
46 driver or provide prearranged rides until the State Police provide the
47 TNC with information concerning the applicant's eligibility to be a

1 driver. The applicant is to pay all costs associated with a criminal
2 history record background check conducted by the State Police.

3 A TNC or third party is also required to conduct a driving record
4 check of the applicant before allowing the applicant to log on to the
5 TNC's digital network as a driver to provide prearranged rides.

6
7 *Applicant Disqualification*

8 An applicant is disqualified from logging on to a TNC's digital
9 network as a driver or providing prearranged rides as a driver if the
10 applicant was convicted for any of the disqualifying crimes
11 provided in the bill, unless the applicant can provide a valid
12 certificate of rehabilitation. An applicant is also disqualified if the
13 applicant has received more than three moving violations in the past
14 three years, or, within the past three years, a violation for: (1)
15 driving under the influence; (2) resisting arrest, eluding an officer;
16 (3) reckless driving; (4) driving with a suspended or revoked
17 license, or (5) a comparable violation committed in any other state,
18 territory, commonwealth, or other jurisdiction of the United States.
19 Additionally, an applicant is disqualified if the applicant is a match
20 on the United States Department of Justice's Dru Sjodin National
21 Sex Offender Public Website, is not a holder of a valid driver's
22 license, does not possess proof of a valid vehicle registration, or
23 proof of valid automobile liability insurance, or is less than 21 years
24 old.

25
26 *Restricted Access to TNC Digital Network*

27 The TNC is to restrict access to its digital network and prohibit
28 unauthorized drivers from logging on to the digital network as a
29 driver by assigning a unique network access key, which is to
30 include a username and password, that is not to be shared with a
31 third party. A TNC is to respond to complaints from riders that the
32 picture provided of the driver does not match the driver of the
33 prearranged ride.

34
35 *Vehicle Inspection*

36 Prior to allowing an applicant to log on to the TNC's digital
37 network to provide a prearranged ride as a driver, a TNC is to
38 require that the applicant's personal vehicle to be used to provide
39 prearranged rides meets the State's inspection requirements for
40 passenger automobiles and that the driver maintains a valid
41 inspection certificate of approval for the personal vehicle.

42
43 *TNC Identifying Marker*

44 The MVC is required to issue an identifying marker to every
45 driver who logs on to a TNC's digital network to provide
46 prearranged rides. The identifying marker is to indicate that the
47 vehicle is used to provide prearranged rides. A driver is to
48 prominently display the identifying marker whenever the driver is

1 logged on to the TNC's digital network as a driver or is providing a
2 prearranged ride.

3

4 *Inspection of TNC Records*

5 A TNC is to maintain records of individual prearranged ride
6 records for at least six years after the date of the prearranged ride
7 and individual records of each driver for at least six years after the
8 driver terminates status as a driver.

9 The bill authorizes the MVC and the Division of Consumer
10 Affairs in the Department of Law and Public Safety (division) to
11 inspect TNC records to investigate and resolve a specific complaint
12 against a driver. The MVC or division may require TNC records
13 maintained in-State or out-of-State to be available to the MVC or
14 division within 14 business days of the MVC's or division's request
15 to inspect the records. A TNC may request an extension of the 14
16 business day deadline for out-of-State TNC records if the deadline
17 imposes an undue burden upon the TNC. In the event of exigent
18 circumstances, the MVC or division may require a TNC to make its
19 records available before 14 business days from the time of the
20 MVC's or division's request if receipt of the records before 14
21 business days is reasonably necessary under the circumstances for
22 the investigation or resolution of a complaint.

23 The bill also authorizes the MVC or division to visually inspect
24 certain TNC records to verify the TNC's compliance with
25 provisions of the bill or to assure the integrity and performance of a
26 TNC or driver. The inspection is to take place in a mutually agreed
27 upon location in New Jersey.

28 Records provided to or inspected by the MVC or division may
29 exclude information tending to identify a specific driver or rider and
30 are not considered public records.

31 A TNC that repeatedly fails to comply with the maintenance and
32 inspection provisions of the bill or to permit the MVC or division
33 on the TNC's premises during regular business hours to conduct
34 investigations or reviews is subject to suspension or revocation of
35 its permit to operate in the State. The TNC is also subject to any
36 other fine, penalty, or enforcement action determined by the MVC
37 or division.

38 An investigation or review conducted by the MVC or division
39 may include, but is not limited to, discussions with customers and
40 drivers, examination of motor vehicle records, questioning of
41 employees, and the use of other investigatory techniques that may
42 be necessary for the enforcement of the maintenance and inspection
43 provisions of the bill or regulations adopted by the MVC or
44 division.

45 The commission and division are required to enter into a
46 memorandum of understanding to effectuate the authority granted to
47 them by the record maintenance and inspection provisions of the
48 bill.