

# ASSEMBLY, No. 2205

## STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

**Sponsored by:**

**Assemblywoman BARBARA MCCANN STAMATO**

**District 31 (Hudson)**

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**District 31 (Hudson)**

**SYNOPSIS**

Prohibits transportation network companies from engaging in surge pricing during state of emergency.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 1/29/2024)**

1 AN ACT concerning certain fares charged by transportation network  
2 companies and amending P.L.2017, c.26.

3

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

6

7 1. Section 2 of P.L.2017, c.26 (C.39:5H-2) is amended to read  
8 as follows:

9 2. As used in P.L.2017, c.26 (C.39:5H-1 et seq.):

10 "Applicant" means a person who applies to a transportation  
11 network company to be a transportation network company driver.

12 "Chief Administrator" means the Chief Administrator of the New  
13 Jersey Motor Vehicle Commission.

14 "Commission" means the New Jersey Motor Vehicle  
15 Commission.

16 "Digital network" means any online-enabled technology  
17 application, service, website, or system offered or utilized by a  
18 transportation network company that enables the prearrangement of  
19 rides between transportation network company riders and  
20 transportation network company drivers.

21 "Division" means the Division of Consumer Affairs in the  
22 Department of Law and Public Safety.

23 "Machine-readable code or image" means an optical label that  
24 can be scanned using a special scanner or a personal mobile device  
25 with a built-in camera.

26 "Personal vehicle" means a motor vehicle that is used by a  
27 transportation network company driver to provide prearranged rides  
28 and is owned, leased, or otherwise authorized for use by the  
29 transportation network company driver. A personal vehicle shall  
30 not be considered an autocab or taxi as defined in R.S.48:16-1, a  
31 limousine as defined in R.S.48:16-13 or section 2 of P.L.1997,  
32 c.356 (C.48:16-13.1), an autobus or jitney as defined in R.S.48:16-  
33 23, a motor bus as defined in section 1 of P.L.1991, c.154 (C.17:28-  
34 1.5), or any other for-hire vehicle. A personal vehicle shall not be  
35 considered an automobile as defined in subsection a. of section 2 of  
36 P.L.1972, c.70 (C.39:6A-2) while a transportation network  
37 company driver is providing a prearranged ride.

38 "Prearranged ride" means the provision of transportation by a  
39 transportation network company driver to a transportation network  
40 company rider, beginning when a driver accepts a ride requested by  
41 a rider through a digital network controlled by a transportation  
42 network company, continuing while the driver transports a  
43 requesting rider, and ending when the last requesting rider departs  
44 from the personal vehicle. A prearranged ride shall not include  
45 transportation provided using an autocab, taxi, limousine, autobus,

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 jitney, motor bus, or other for-hire vehicle. A prearranged ride  
2 shall not include ridesharing, as defined in R.S.39:1-1.

3 “State of emergency” means a natural disaster or emergency for  
4 which a state of emergency has been declared by the President of  
5 the United States or the Governor.

6 “Surge pricing” means charging a transportation network  
7 company rider a higher fare rate than the usual fare rate charged for  
8 the prearranged ride during times of high demand for prearranged  
9 rides, including, but not limited to, by using a rate multiplier.

10 "Transportation network company" means a corporation,  
11 partnership, sole proprietorship, or other entity that is registered as  
12 a business in the State or operates in this State, and uses a digital  
13 network to connect a transportation network company rider to a  
14 transportation network company driver to provide a prearranged  
15 ride. A transportation network company shall not include an  
16 individual, corporation, partnership, sole proprietorship, or other  
17 entity arranging non-emergency medical transportation for  
18 individuals qualifying for Medicaid under P.L.1968, c.413  
19 (C.30:4D-1 et seq.) or Medicare under Pub.L.89-97 (42 U.S.C.  
20 s.1395 et seq.) pursuant to a contract with the State or a managed  
21 care organization, whereby Medicaid or Medicare funding is used to  
22 pay for the non-emergency medical transportation services.

23 "Transportation network company driver" or "driver" means a  
24 person who receives connections to potential riders and related  
25 services from a transportation network company in exchange for  
26 payment of a fee to the transportation network company, and uses a  
27 personal vehicle to offer or provide a prearranged ride to a rider  
28 upon connection through a digital network controlled by a  
29 transportation network company in return for compensation or  
30 payment of a fee.

31 "Transportation network company rider" or "rider" means a  
32 person who uses a transportation network company's digital  
33 network to connect with a transportation network company driver to  
34 receive a prearranged ride from the driver using the driver's  
35 personal vehicle.

36 (cf: P.L.2019, c.128, s.1)

37

38 2. Section 7 of P.L.2017, c.26 (C.39:5H-7) is amended to read  
39 as follows:

40 7. a. A transportation network company may, on behalf of a  
41 transportation network company driver, collect a fare for a  
42 prearranged ride provided to a transportation network company  
43 rider; provided that, if a fare is collected from a rider, the  
44 transportation network company shall disclose to the rider on its  
45 website or digital network the fare or method by which the  
46 transportation network company calculates fares. The  
47 transportation network company shall provide riders with the  
48 applicable rates being charged by a transportation network company

1 driver and the option to receive an estimated fare prior to the rider  
2 entering the driver's personal vehicle.

3 b. (1) During a state of emergency, a transportation network  
4 company shall not engage in surge pricing for a prearranged ride in  
5 the area in which the state of emergency has been declared. Any  
6 increase in the fare rate that is in excess of two times the usual fare  
7 rate shall constitute surge pricing.

8 (2) A transportation network company that violates the  
9 provisions of this subsection shall be subject to a penalty of not  
10 more than \$10,000 for the first offense and not more than \$20,000  
11 for the second and each subsequent offense to be collected in a civil  
12 action by a summary proceeding under the "Penalty Enforcement  
13 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

14 (cf: P.L.2017, c.26, s.7)

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16 3. This act shall take effect immediately.

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#### STATEMENT

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21 This bill prohibits a transportation network company from  
22 engaging in surge pricing for a prearranged ride during a natural  
23 disaster or emergency for which a state of emergency has been  
24 declared in the area in which the state of emergency has been  
25 declared. Surge pricing is defined to mean charging a  
26 transportation network company rider a higher fare rate than the  
27 usual fare rate charged for the prearranged ride during times of high  
28 demand for prearranged rides, including by using a rate multiplier.  
29 The bill specifies that any increase in the fare rate that is in excess of  
30 two times the usual fare rate constitutes surge pricing.