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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2369

- 03/02/2023 Authored by Hassan, Noor, Hussein, Jordan, Greenman and others
- 03/13/2023 The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy
- 03/16/2023 Adoption of Report: Re-referred to the Committee on Commerce Finance and Policy
- 03/23/2023 By motion, recalled and re-referred to the Committee on Judiciary Finance and Civil Law
- 04/21/2023 Adoption of Report: Amended and re-referred to the Committee on Labor and Industry Finance and Policy
- 04/27/2023 By motion, recalled and re-referred to the Committee on Commerce Finance and Policy
- Adoption of Report: Placed on the General Register as Amended
- Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act

1.2 relating to labor; establishing protections for transportation network company

1.3 drivers; providing a civil action; proposing coding for new law as Minnesota

1.4 Statutes, chapter 181C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 181C.01 DEFINITIONS.

1.7 (a) For the purposes of this chapter, the terms defined in this section have the meanings

1.8 given.

1.9 (b) "Deactivation" means the suspension or termination of a driver's ability to receive

1.10 connections to potential riders from a transportation network company.

1.11 (c) "Digital network" means any online-enabled application, software, website, or other

1.12 system offered or utilized by a transportation network company that enables the

1.13 prearrangement of rides by transportation network company drivers.

1.14 (d) "Prearranged ride" or "ride" means the provision of transportation by a TNC driver

1.15 to a rider, beginning when the driver accepts a request to transport the person through a

1.16 digital network controlled by a transportation network company, continuing while the driver

1.17 transports the rider, and ending when the last requesting rider departs the vehicle.

1.18 (e) "Transportation network company" or "TNC" means a corporation, partnership, sole

1.19 proprietorship, or other entity that provides transportation services in this state and that uses

1.20 a digital network to connect TNC riders to TNC drivers who provide prearranged rides. A

1.21 TNC does not include taxicabs, limousines, for-hire vehicles, or a private passenger vehicle

1.22 driven by a volunteer driver, nor any entity that does not transport people.

2.1 (f) "Transportation network driver" or "driver" means an individual who receives  
2.2 connections to potential riders or related services from a TNC in exchange for payment.

2.3 **Sec. 2. [181C.02] OBLIGATIONS AND DUTIES INSURANCE REQUIREMENTS.**

2.4 (a) A TNC must maintain insurance on a driver's behalf that:

2.5 (1) meets the requirements set forth in section 65B.472; and

2.6 (2) covers injuries to TNC drivers of at least three months for injuries incurred pursuant  
2.7 to paragraph (c) that are not already fully covered by auto insurance, and occur while the  
2.8 driver is engaged in activities under paragraph (b).

2.9 (b) Insurance policies required under paragraph (a), clause (2), must cover injuries that  
2.10 occur:

2.11 (1) while the driver is logged into the network and available to receive transportation  
2.12 requests; or

2.13 (2) while the driver is engaged in a prearranged ride or activities attendant to, or as a  
2.14 result of, the ride.

2.15 (c) Policies issued under paragraph (a), clause (2), must cover a driver's injuries that  
2.16 present clear physical manifestations within ten days of a qualifying incident, and any  
2.17 exacerbations or reoccurrence of the original injuries. Notwithstanding anything to the  
2.18 contrary in this section, the limits of the policy per driver, per qualifying incident, must be  
2.19 at least:

2.20 (1) \$1,000,000 for medical costs and expenses;

2.21 (2) \$500,000 for disability; and

2.22 (3) 75 percent of lost wages, as established by the driver's average wages for the preceding  
2.23 three months prior to the qualifying incident.

2.24 (d) A driver shall not be responsible for any costs of the insurance policy required under  
2.25 paragraph (a).

2.26 (e) All insurance policies under this section must name the driver as an insured and must  
2.27 be issued by a company or companies licensed by the Department of Commerce.

2.28 (f) A driver may appeal a claim relating to an insurance policy under this section.

3.1 Sec. 3. **[181C.03] MINIMUM COMPENSATION.**

3.2 (a) All fees provided in this section must be calculated on a per-trip basis and may not  
3.3 be combined.

3.4 (b) Minimum compensation paid by a TNC shall be as follows:

3.5 (1) at least \$1.85 per mile and \$0.25 per minute to all drivers, subject to paragraph (e),  
3.6 for the time transporting a passenger, unless surge or other enhanced billing is in effect, in  
3.7 which case the driver shall also be paid 80 percent of any additional fee or fare charged to  
3.8 the rider on top of their regular mile and minute fees paid on a per-trip basis;

3.9 (2) a \$6.00 cancellation fee when a cancellation occurs after the driver has already  
3.10 departed to pick up the rider;

3.11 (3) a \$1.25 per mile and \$0.10 per minute fee while driving empty to pick up a rider if  
3.12 it is more than five miles. The fee reverts to normal after the pickup; and

3.13 (4) a minimum fee of \$6.00 for any transport of a rider by a driver.

3.14 (c) A TNC that uses its software or collection technology to collect fees or fares must  
3.15 pay a driver the fees or fares earned by the driver, regardless of whether the fees or fares  
3.16 are actually collected.

3.17 (d) A TNC must provide to the applicable driver all tips that a passenger provides to the  
3.18 driver on the driver's next payment.

3.19 (e) Beginning July 1, 2024, and each July 1 thereafter, the fares and fees provided in  
3.20 paragraph (b), clauses (1) to (4), are subject to an automatic annual adjustment equal to the  
3.21 cost-of-living percentage published by the United States Department of Labor.

3.22 Sec. 4. **[181C.04] DEACTIVATION.**

3.23 (a) A TNC must provide the driver with a written account of the basis for any proposed  
3.24 deactivation or other sanction with sufficient detail that allows the driver to be able to  
3.25 respond, including the alleged violation, when and where it occurred, and what rule was  
3.26 violated.

3.27 (b) Deactivation for more than three days may only be as a consequence of a major  
3.28 infraction that occurs while driving. The circumstances constituting a major infraction must  
3.29 be clearly stated in the rules and are limited to the following, except as provided in paragraph

3.30 (c):

3.31 (1) driving while impaired;

4.1 (2) reckless or careless driving;

4.2 (3) unprovoked assault;

4.3 (4) theft;

4.4 (5) sexual, racial, or other illegal harassment initiated by a driver; and

4.5 (6) any felony committed by a driver while driving.

4.6 (c) Infractions that are not a major infraction cannot be combined to cause a deactivation  
4.7 of more than three days unless the driver exhibits a clear pattern of disregard for the interest  
4.8 of passengers or the obligations of the driver after at least three written warnings about the  
4.9 behavior.

4.10 (d) The driver must have the opportunity to present their position and any other relevant  
4.11 information or witnesses regarding the alleged infraction prior to deactivation or a sanction  
4.12 being imposed. The TNC must consider any information provided by the driver. The burden  
4.13 of persuasion for any rule violation is more likely than not and must be based on substantial,  
4.14 credible evidence. For a deactivation to occur, it must be a reasonable action based on the  
4.15 totality of the circumstances. A decertification hearing must occur within ten days of a TNC  
4.16 becoming aware of an alleged violation. A traffic ticket or other traffic or criminal charge  
4.17 is not conclusive evidence of a violation unless there has been a conviction.

4.18 (e) A hearing must occur prior to any deactivation or other sanction being applied, except  
4.19 that a TNC may temporarily deactivate a driver for a major infraction that endangers public  
4.20 safety. In such instances, if the violation is not substantiated, the TNC must immediately  
4.21 reinstate the driver. If no hearing occurs within the required time period, and no continuance  
4.22 is agreed to, the alleged claim of a violation must be dismissed and cannot form the basis  
4.23 of any further deactivation or other sanction.

4.24 (f) If the TNC deactivates a driver, or gives a suspension of more than ten days, or if  
4.25 multiple deactivations exceeding 15 days to a driver occur in a two-year period, the driver  
4.26 may appeal.

4.27 (g) This provision does not affect layoffs for economic reasons that are not targeted at  
4.28 a particular driver or drivers.

4.29 (h) Any driver who has been deactivated by a TNC since January 1, 2019, has the right  
4.30 to a hearing, consistent with the procedures provided in this section, to determine if there  
4.31 is a valid basis for the deactivation. If a valid basis is not established consistent with this  
4.32 section, the driver must be reinstated. A driver who has previously been deactivated may  
4.33 reapply for driver status and the application must be reviewed consistent with this chapter.

5.1 (i) By August 1, 2023, a TNC must provide notice of a right to a hearing to all drivers  
5.2 deactivated since January 1, 2019, by contacting the drivers through the following means:

5.3 (1) emailing notice to the last known email address;

5.4 (2) texting to the last known cell phone number;

5.5 (3) providing a written notice to the last known home address; and

5.6 (4) calling the last known phone number of the deactivated driver.

5.7 (j) A deactivated driver notified under paragraph (i) has 90 days to request a hearing. If  
5.8 a driver requests a hearing, the procedures provided in this section apply to that process.

5.9 **Sec. 5. [181C.05] RETALIATION PROHIBITED.**

5.10 A TNC may not retaliate against or discipline a driver for making a complaint, pursuing  
5.11 enforcement of the provisions of this chapter, joining with other drivers to discuss or address  
5.12 concerns, or otherwise engaging in public discourse or expressing opinions regarding their  
5.13 relationship with a TNC.

5.14 **Sec. 6. [181C.06] EQUAL ACCESS TO TRANSPORT.**

5.15 A TNC may not use assignment of rides to favor or disfavor any driver for any reason.  
5.16 The assignments must be on a nonpreferential basis. A TNC must not withhold or change  
5.17 assignments to a driver because a driver refused potential dispatches. All dispatches must  
5.18 be made on a driver-neutral basis. A TNC is prohibited from promising preferential treatment  
5.19 in rider assignments if a driver agrees to refrain from joining an organization of drivers or  
5.20 for any other reason.

5.21 **Sec. 7. [181C.07] DISCRIMINATION PROHIBITED.**

5.22 A TNC may not discriminate against any of its drivers, applicants to become drivers,  
5.23 riders, or potential riders due to race, national origin, color, religion, age, gender, disability,  
5.24 sexual orientation, or gender identity. Nothing in this language prohibits providing reasonable  
5.25 accommodations to people with disabilities, for religious reasons, due to pregnancy, or to  
5.26 remedy previous discriminatory behavior.

5.27 **Sec. 8. [181C.08] CIVIL ACTION.**

5.28 (a) A driver or a driver's beneficiaries may bring a civil action for damages for  
5.29 noncompliance or a violation of this chapter against a TNC in district court, conciliation  
5.30 court, or any other court of competent jurisdiction.

6.1 (b) A prevailing plaintiff is entitled to lost past and future wages and compensatory,  
6.2 actual, comprehensive, emotional distress, and any other damages the plaintiff suffered as  
6.3 a proximate result of a TNC's breach of the duties and requirements under this chapter.

6.4 (c) If a TNC fails to provide insurance, a prevailing plaintiff is entitled to the benefit  
6.5 they would have received under the applicable insurance policy if it had been in effect or,  
6.6 at the prevailing plaintiff's discretion, what the cost of that insurance would have been.

6.7 (d) Injunctive relief may also be sought and granted.

6.8 (e) A prevailing plaintiff is entitled to reasonable attorney fees, costs, and expenses.

6.9 (f) A \$1,000 penalty for each violation may be assessed against the TNC and made  
6.10 payable to the injured party.

6.11 (g) The statute of limitations for an action under this section is three years from the date  
6.12 of discovery of the violation affecting the complaining party.

6.13 **Sec. 9. [181C.09] REVOCATION OF LICENSE.**

6.14 Failure to comply with the requirements of this chapter subjects a TNC to revocation of  
6.15 any license and right to operate issued by a local unit of government.

6.16 **Sec. 10. [181C.10] TRANSPARENCY.**

6.17 (a) When a TNC alerts a driver of a possible assignment to transport a rider, the TNC  
6.18 must indicate the number of miles and likely travel time from the driver's current location  
6.19 to the pickup. The TNC must separately indicate the length and likely travel time of the  
6.20 trip.

6.21 (b) Within 24 hours of each trip completion, the TNC must transmit an electronic receipt  
6.22 to the driver containing the following information for each unique trip or portion of a unique  
6.23 trip:

6.24 (1) the date, location, total distance traveled, and time spent from acceptance of the  
6.25 assignment to its completion;

6.26 (2) the time taken and total distance traveled from pickup to drop-off of the rider;

6.27 (3) an itemization of the total fare or fee paid by the passenger;

6.28 (4) the total compensation to the driver specifying the rate or rates of pay, the rate per  
6.29 minute, rate per mile, any applicable price multiplier or variable pricing policy in effect,

7.1 tip compensation, and a specifically itemized list of all costs and reimbursements to, or  
7.2 charged to, the driver; and

7.3 (5) any other information necessary to implement this chapter.

7.4 (c) Each driver must be provided with a detailed and itemized explanation communicated  
7.5 either in writing or electronically of how the driver's compensation is calculated. The  
7.6 communication must specify:

7.7 (1) all factors that impact a driver's compensation or reimbursement; and

7.8 (2) on average, the percentage of the total collected fees and costs incurred by the TNC  
7.9 that are allocated to the drivers.

7.10 (d) Any changes in the criteria, formula, or method of calculating the total compensation  
7.11 to drivers must be provided to drivers in writing at least 30 days prior to taking effect.

7.12 **Sec. 11. [181C.11] COLLECTIVE BARGAINING AGREEMENTS; EMPLOYMENT**  
7.13 **STATUS.**

7.14 Nothing in this chapter prohibits collective bargaining or is a basis to conclude whether  
7.15 a driver is an employee or independent contractor.

7.16 **Sec. 12. [181C.12] DRIVER CONTRACT REQUIREMENTS.**

7.17 A copy of this chapter must be attached to every driver contract for drivers in this state.  
7.18 The rights and remedies established in this chapter are not required to be pursued through  
7.19 arbitration and shall be at the election of the driver. Contracts that have already been executed  
7.20 must have an addendum provided to each driver that includes a copy of this chapter and  
7.21 notice that a driver may elect to pursue the remedies provided in this chapter, rather than  
7.22 through arbitration. For cases that go to arbitration, the rights and damages that drivers are  
7.23 entitled to in an arbitration proceeding shall be as provided in this chapter.

7.24 **Sec. 13. [181C.13] RELATIONSHIP OF THE PARTIES.**

7.25 Notwithstanding any other provision of law regarding independent contractors or  
7.26 employee status, nothing in this chapter affects whether a TNC is an employer of a driver,  
7.27 nor whether a TNC driver is an employee of the TNC.