

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2330

98TH GENERAL ASSEMBLY

5990H.02P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapters 379 and 387, RSMo, by adding thereto twenty new sections relating to transportation network companies.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapters 379 and 387, RSMo, are amended by adding thereto twenty new sections, to be known as sections 379.1700, 379.1702, 379.1704, 379.1706, 379.1708, 387.600, 387.602, 387.604, 387.608, 387.610, 387.612, 387.620, 387.622, 387.624, 387.626, 387.627, 387.628, 387.630, 387.632, and 387.634, to read as follows:

379.1700. As used in sections 379.1700 to 379.1708, the following terms shall mean:

- (1) "Digital network", any online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers;**
- (2) "Personal vehicle", a vehicle that is used by a transportation network company driver and is:**
- (a) Owned, leased, or otherwise authorized for use by the transportation network company driver; and**
 - (b) Not a taxicab, limousine, or for-hire vehicle under chapter 390;**
 - (3) "Prearranged ride", the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride shall not include shared expense carpool or vanpool**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 arrangements or transportation provided using a taxi, limousine, or other for-hire vehicle
16 under chapter 390;

17 (4) "Transportation network company", a corporation, partnership, sole
18 proprietorship, or other entity that is licensed and operating in Missouri that uses a digital
19 network to connect transportation network company riders to transportation network
20 company drivers who provide prearranged rides. A transportation network company shall
21 not be deemed to control, direct, or manage the personal vehicles or transportation
22 network company drivers that connect to its digital network, except if agreed to by written
23 contract;

24 (5) "Transportation network company driver" or "driver", an individual who:

25 (a) Receives connections to potential riders and related services from a
26 transportation network company in exchange for payment of a fee to the transportation
27 network company; and

28 (b) Uses a personal vehicle to offer or provide a prearranged ride to riders upon
29 connection through a digital network controlled by a transportation network company in
30 return for compensation or payment of a fee;

31 (6) "Transportation network company rider" or "rider", an individual or persons
32 who use a transportation network company's digital network to connect with a
33 transportation network driver who provides prearranged rides to the rider in the driver's
34 personal vehicle between points chosen by the rider.

379.1702. 1. Beginning April 1, 2017, a transportation network company driver or
2 transportation network company on the driver's behalf shall maintain primary automobile
3 insurance that:

4 (1) Recognizes that the driver is a transportation network company driver or
5 otherwise uses a vehicle to transport riders for compensation; and

6 (2) Covers the driver while the driver is logged on to the transportation network
7 company's digital network or while the driver is engaged in a prearranged ride.

8 2. The following automobile insurance requirements shall apply while a
9 participating transportation network company driver is logged on to the transportation
10 network company's digital network and is available to receive transportation requests but
11 is not engaged in a prearranged ride:

12 (1) Primary automobile liability insurance in the amount of at least fifty thousand
13 dollars for death and bodily injury per person, one hundred thousand dollars for death
14 and bodily injury per incident, and twenty-five thousand dollars for property damage;

15 (2) Uninsured motorist coverage in an amount not less than the limits set forth
16 under section 379.203;

17 **(3) The coverage requirements of this subsection may be satisfied by any of the**
18 **following:**

19 **(a) Automobile insurance maintained by the transportation network company**
20 **driver;**

21 **(b) Automobile insurance maintained by the transportation network company; or**

22 **(c) Any combination of paragraphs (a) and (b) of this subdivision.**

23 **3. The following automobile insurance requirements shall apply while a**
24 **transportation network company driver is engaged in a prearranged ride:**

25 **(1) Primary automobile liability insurance in the amount of at least one million**
26 **dollars for death, bodily injury, and property damage;**

27 **(2) Uninsured motorist coverage in an amount not less than the limits set forth**
28 **under section 379.203;**

29 **(3) The coverage requirements of this subsection may be satisfied by any of the**
30 **following:**

31 **(a) Automobile insurance maintained by the transportation network company**
32 **driver;**

33 **(b) Automobile insurance maintained by the transportation network company; or**

34 **(c) Any combination of paragraphs (a) and (b) of this subdivision.**

35 **4. If insurance maintained by a driver in subsection 2 or 3 of this section has lapsed**
36 **or does not provide the required coverage, insurance maintained by a transportation**
37 **network company shall provide the coverage required by this section beginning with the**
38 **first dollar of a claim and shall have the duty to defend such claim. If the insurance**
39 **maintained by the driver does not otherwise exclude coverage for loss or injury while the**
40 **driver is logged on to a transportation network's digital network or while the driver**
41 **provides a prearranged ride, but does not provide insurance coverage at the minimum**
42 **limits required by subsection 2 or 3 of this section, the transportation network company**
43 **shall maintain insurance coverage that provides excess coverage beyond the driver's policy**
44 **limits up to the limits required by subsection 2 or 3 of this section, as applicable.**

45 **5. Coverage under an automobile insurance policy maintained by the**
46 **transportation network company shall not be dependent on a personal automobile insurer**
47 **first denying a claim nor shall a personal automobile insurance policy be required to first**
48 **deny a claim.**

49 **6. Insurance required by this section may be placed with an insurer authorized to**
50 **issue policies of automobile insurance in the state of Missouri or with an eligible surplus**
51 **lines insurer under chapter 384.**

52 7. Insurance satisfying the requirements of this section shall be deemed to satisfy
53 the motor vehicle financial responsibility requirements for a motor vehicle under chapter
54 303.

55 8. A transportation network company driver shall carry proof of coverage
56 satisfying subsections 2 and 3 of this section with him or her at all times during his or her
57 use of a vehicle in connection with a transportation network company's digital network.
58 In the event of an accident, a transportation network company driver shall provide this
59 insurance coverage information to the directly interested parties, automobile insurers, and
60 investigating police officers, upon request under section 303.024. Upon such request, a
61 transportation network company driver shall also disclose to directly interested parties,
62 automobile insurers, and investigating police officers whether the driver was logged on to
63 the transportation network company's digital network or on a prearranged ride at the time
64 of an accident.

 379.1704. The transportation network company shall disclose in writing to
2 transportation network company drivers the following before they are allowed to accept
3 a request for a prearranged ride on the transportation network company's digital network:

4 (1) The insurance coverage, including the types of coverage and the limits for each
5 coverage, that the transportation network company provides while the transportation
6 network company driver uses a personal vehicle in connection with a transportation
7 network company's digital network; and

8 (2) That the transportation network company driver's own automobile insurance
9 policy might not provide any coverage while the driver is logged on to the transportation
10 network company's digital network and is available to receive transportation requests or
11 is engaged in a prearranged ride depending on the policy's terms.

 379.1706. A transportation network company shall make the following disclosure
2 to a prospective driver in the prospective driver's terms of service:

3
4 **IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE TRANSPORTATION**
5 **NETWORK COMPANY SERVICES HAS A LIEN AGAINST IT, USING THE**
6 **VEHICLE FOR TRANSPORTATION NETWORK COMPANY SERVICES MAY**
7 **VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.**

8
9 **IF A TRANSPORTATION NETWORK COMPANY'S INSURER MAKES A PAYMENT**
10 **FOR A CLAIM COVERED UNDER COMPREHENSIVE COVERAGE OR COLLISION**
11 **COVERAGE, THE TRANSPORTATION NETWORK COMPANY SHALL CAUSE ITS**
12 **INSURER TO ISSUE THE PAYMENT DIRECTLY TO THE BUSINESS REPAIRING**

13 **THE VEHICLE OR JOINTLY TO THE OWNER OF THE VEHICLE AND THE**
14 **PRIMARY LIENHOLDER ON THE COVERED VEHICLE.**

15

16 **The disclosure set forth in this subsection shall be placed prominently in the prospective**
17 **driver's written terms of service, and the prospective driver shall acknowledge the terms**
18 **of service electronically or by signature.**

379.1708. 1. Insurers that write automobile insurance in Missouri may exclude or
2 **limit any and all coverage afforded under an automobile insurance policy, including a**
3 **motor vehicle liability policy, issued to an owner or operator of a vehicle for any loss or**
4 **injury that occurs while:**

5 **(1) A driver is logged on to a transportation network company's digital network;**

6 **(2) A driver provides a prearranged ride; or**

7 **(3) A motor vehicle is being used to transport or carry persons or property for any**
8 **compensation or suggested donation;**

9 **2. The right to exclude all coverage under subsection 1 of this section may apply to**
10 **any coverage included in an automobile insurance policy including, but not limited to:**

11 **(1) Liability coverage for bodily injury and property damage;**

12 **(2) Uninsured and underinsured motorist coverage;**

13 **(3) Medical payments coverage;**

14 **(4) Comprehensive physical damage coverage; and**

15 **(5) Collision physical damage coverage.**

16

17 **Such exclusions shall apply notwithstanding any financial responsibility requirement or**
18 **uninsured motorist coverage requirement under the motor vehicle financial responsibility**
19 **law, chapter 303, or section 379.203, respectively. Nothing in this section implies or**
20 **requires that a personal automobile insurance policy provide coverage while the driver is**
21 **logged on to the transportation network company's digital network, while the driver is**
22 **engaged in a prearranged ride, or while the driver otherwise uses a vehicle to transport**
23 **passengers or property for compensation.**

24 **3. Nothing shall be deemed to preclude an insurer from providing coverage for the**
25 **transportation network company driver's vehicle, if it chooses to do so by contract or**
26 **endorsement.**

27 **4. Automobile insurers that exclude the coverage described under section 379.1702**
28 **shall have no duty to defend or indemnify any claim expressly excluded thereunder.**
29 **Nothing in this section shall be deemed to invalidate or limit an exclusion contained in a**
30 **policy, including any policy in use or approved for use in Missouri prior to the enactment**

31 of this section that excludes coverage for vehicles used to carry persons or property for a
32 charge or available for hire by the public.

33 5. An automobile insurer that defends or indemnifies a claim against a driver that
34 is excluded under the terms of its policy shall have a right of contribution against other
35 insurers that provide automobile insurance to the same driver in satisfaction of the
36 coverage requirements of section 379.1702 at the time of loss.

37 6. In a claims coverage investigation, transportation network companies and any
38 insurer providing coverage under section 379.1702 shall cooperate to facilitate the
39 exchange of relevant information with each other and any insurer of the transportation
40 network company driver if applicable, including the precise times that a transportation
41 network company driver logged on and off of the transportation network company's
42 digital network in the twelve-hour period immediately preceding and in the twelve-hour
43 period immediately following the accident and disclose to one another a clear description
44 of the coverage, exclusions, and limits provided under any automobile insurance
45 maintained under section 379.1702.

387.600. As used in sections 387.600 to 387.630, the following terms shall mean:

2 (1) "Digital network", any online-enabled application, website, or system offered
3 or utilized by a transportation network company that enables the prearrangement of rides
4 with transportation network company drivers;

5 (2) "Personal vehicle", a vehicle that is used by a transportation network company
6 driver and is:

7 (a) Owned, leased, or otherwise authorized for use by the transportation network
8 company driver; and

9 (b) Not a taxicab, limousine, or for-hire vehicle under chapter 390;

10 (3) "Prearranged ride", the provision of transportation by a driver to a rider,
11 beginning when a driver accepts a ride requested by a rider through a digital network
12 controlled by a transportation network company, continuing while the driver transports
13 a requesting rider, and ending when the last requesting rider departs from the personal
14 vehicle. A prearranged ride shall not include shared expense carpool or vanpool
15 arrangements or transportation provided using a taxi, limousine, or other for-hire vehicle
16 under chapter 390;

17 (4) "Transportation network company", a corporation, partnership, sole
18 proprietorship, or other entity that is licensed and operating in Missouri that uses a digital
19 network to connect transportation network company riders to transportation network
20 company drivers who provide prearranged rides. A transportation network company shall
21 not be deemed to control, direct, or manage the personal vehicles or transportation

22 network company drivers that connect to its digital network, except if agreed to by written
23 contract;

24 (5) "Transportation network company driver" or "driver", an individual who:

25 (a) Receives connections to potential riders and related services from a
26 transportation network company in exchange for payment of a fee to the transportation
27 network company; and

28 (b) Uses a personal vehicle to offer or provide a prearranged ride to riders upon
29 connection through a digital network controlled by a transportation network company in
30 return for compensation or payment of a fee;

31 (6) "Transportation network company rider" or "rider", an individual or persons
32 who use a transportation network company's digital network to connect with a
33 transportation network driver who provides prearranged rides to the rider in the driver's
34 personal vehicle between points chosen by the rider.

387.602. Notwithstanding any other provision of law, transportation network
2 companies shall not be considered common carriers, contract carriers, or motor carriers,
3 as defined under section 390.020, or for-hire vehicle service. A transportation network
4 company driver shall not be required to register any vehicle the driver uses to provide
5 prearranged rides as a commercial vehicle or as a for-hire vehicle.

387.604. Beginning August 28, 2016, any person operating a transportation
2 network company in the state shall be required to obtain a permit from the department of
3 revenue. The department shall issue permits to applicants who meet the requirements for
4 a transportation network company as provided under sections 387.600 to 387.630 and who
5 pay an annual, nonrefundable permit fee of five thousand dollars to the department.
6 While operating as a transportation network company, such company shall maintain an
7 agent for service of process within the state of Missouri.

387.608. On behalf of a transportation network company driver, a transportation
2 network company may charge a fare for the services provided to riders; provided that, if
3 a fare is collected from a rider, the transportation network company shall disclose to the
4 rider the fare calculation method in the vehicle on its website or within the software
5 application service. The transportation network company shall also provide riders with
6 the applicable rates being charged and the option to receive an estimated fare before the
7 rider enters the transportation network company driver's vehicle.

387.610. The transportation network company shall meet the requirements of
2 either subsection of this section at its option:

3 (1) Display in its software application or website a picture of the transportation
4 network driver and the license plate number of the motor vehicle utilized for providing the

5 prearranged ride before the passenger enters the transportation network company driver's
6 vehicle; or

7 (2) Have clearly visible external markings on the front and back or both sides of
8 the transportation network motor vehicles to easily identify the vehicle as a transportation
9 network vehicle. Vehicle markings shall be no less than six inches tall and six inches wide.
10 The transportation network driver shall display photo identification within the vehicle at
11 all times.

387.612. After the completion of a prearranged ride secured on a digital network,
2 within a reasonable period of time following the completion of a trip, a transportation
3 network company shall transmit an electronic receipt to the transportation network
4 company rider on behalf of the transportation network company driver that lists:

- 5 (1) The origin and destination of the trip;
- 6 (2) The total time and distance of the trip; and
- 7 (3) An itemization of the total fare paid, if any.

387.620. Drivers shall be independent contractors and not employees of the
2 transportation network company if all of the following conditions are met:

- 3 (1) The transportation network company does not prescribe specific hours during
4 which a transportation network company driver must be logged into the transportation
5 network company's digital network;
- 6 (2) The transportation network company imposes no restrictions on the
7 transportation network company driver's ability to utilize digital networks from other
8 transportation network companies;
- 9 (3) The transportation network company does not assign a transportation network
10 company driver a particular territory in which prearranged rides can be provided;
- 11 (4) The transportation network company does not restrict a transportation network
12 company driver from engaging in any other occupation or business; and
- 13 (5) The transportation network company and transportation network company
14 driver agree in writing that the driver is an independent contractor of the transportation
15 network company.

387.622. 1. The transportation network company shall implement a zero tolerance
2 policy regarding a transportation network company driver's activities while accessing the
3 transportation network company's digital network. The zero tolerance policy shall address
4 the use of drugs or alcohol while a transportation network company driver is providing
5 prearranged rides or is logged into the transportation network company's digital network
6 but is not providing prearranged rides, and the transportation network company shall
7 provide notice of this policy on its website, as well as procedures to report a complaint

8 about a driver with whom a rider was matched and whom the rider reasonably suspects
9 was under the influence of drugs or alcohol during the course of the trip.

10 2. Upon receipt of a rider complaint alleging a violation of the zero tolerance policy,
11 the transportation network company shall immediately suspend such transportation
12 network company driver's access to the transportation network company's digital network,
13 and shall conduct an investigation into the reported incident. The suspension shall last the
14 duration of the investigation.

15 3. The transportation network company shall maintain records relevant to the
16 enforcement of this requirement for a period of at least two years from the date that a rider
17 complaint is received by the transportation network company.

387.624. 1. Before allowing an individual to accept trip requests through a
2 transportation network company's digital network:

3 (1) The individual shall submit an application to the transportation network
4 company, which includes information regarding his or her address, age, driver's license,
5 driving history, motor vehicle registration, automobile liability insurance, and other
6 information required by the transportation network company;

7 (2) The transportation network company shall conduct, or have a third party
8 conduct, a local and national criminal background check for each applicant that shall
9 include:

10 (a) Multi-State/Multi-Jurisdiction Criminal Records Locator or other similar
11 commercial nationwide database with validation; and

12 (b) National Sex Offender Registry database;

13 (3) The transportation network company shall obtain and review a driving history
14 research report for such individual.

15 2. The transportation network company shall not permit an individual to act as a
16 transportation network company driver on its digital network who:

17 (1) Has had more than three moving violations in the prior three-year period, or
18 one major violation in the prior three-year period including, but not limited to, attempting
19 to evade the police, reckless driving, or driving on a suspended or revoked license;

20 (2) Has been convicted within the past seven years of driving under the influence
21 of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a
22 crime involving property damage or theft, acts of violence, or acts of terror;

23 (3) Is a match in the National Sex Offender Registry database;

24 (4) Does not possess a valid driver's license;

25 (5) Does not possess proof of registration for the motor vehicle or vehicles used to
26 provide prearranged rides;

27 **(6) Does not possess proof of automobile liability insurance for the motor vehicle**
28 **or vehicles used to provide prearranged rides; or**

29 **(7) Is not at least nineteen years of age.**

30 **3. A transportation network company driver who is qualified to accept trip**
31 **requests through a transportation network company's digital network under this section**
32 **shall not be required to obtain any other state or local license or permit to provide**
33 **prearranged rides.**

387.626. The transportation network company shall not allow a transportation
2 **network company driver to accept trip requests through the transportation network**
3 **company's digital network unless any motor vehicle or vehicles that a transportation**
4 **network company driver will use to provide prearranged rides meets the inspection**
5 **requirements of section 307.350.**

387.627. 1. The transportation network company shall adopt a policy of
2 **nondiscrimination with respect to riders and potential riders and notify transportation**
3 **network company drivers of such policy.**

4 **2. Transportation network company drivers shall comply with all applicable laws**
5 **regarding nondiscrimination against riders or potential riders.**

6 **3. Transportation network company drivers shall comply with all applicable laws**
7 **relating to accommodation of service animals.**

8 **4. A transportation network company shall not impose additional charges for**
9 **providing services to persons with physical disabilities because of those disabilities.**

387.628. A transportation network company shall maintain the following customer
2 **records:**

3 **(1) For prearranged rides secured through a digital network, individual trip**
4 **records of rider customers for at least one year from the date each trip was provided; and**

5 **(2) Individual records of transportation network company driver customers at least**
6 **until the one year anniversary of the date on which a transportation network company**
7 **driver's customer relationship with the transportation network company has ended.**

387.630. 1. Notwithstanding any other provision of law, transportation network
2 **companies and transportation network company drivers are governed exclusively by**
3 **sections 387.600 to 387.630 and any rules promulgated by the State of Missouri consistent**
4 **with such sections. No municipality or other local or state entity may impose a tax on or**
5 **require a license for a transportation network company, a transportation network**
6 **company driver, or a vehicle used by a transportation network company driver where such**
7 **tax or licenses relates to providing prearranged rides, or subject a transportation network**

8 company to the municipality or other local or state entity's rate, entry, operational
9 requirements, or other requirements. Nothing in this section shall apply to an earnings tax.

10 2. The department of revenue may promulgate all necessary rules and regulations
11 for the administration of this section. Any rule or portion of a rule, as that term is defined
12 in section 536.010, that is created under the authority delegated in this section shall become
13 effective only if it complies with and is subject to all of the provisions of chapter 536 and,
14 if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any
15 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay
16 the effective date, or to disapprove and annul a rule are subsequently held
17 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
18 after August 28, 2016, shall be invalid and void.

387.632. 1. Beginning August 28, 2016, and annually thereafter, a taxicab, a
2 taxicab driver, a taxicab company as those terms are defined in section 67.1800, shall make
3 an election filed with the department of revenue to comply with either:

4 (1) The provisions of 387.600 through 387.630 herein; or

5 (2) Applicable municipal regulation duly enacted or authorized by 67.1800 through
6 67.1822.

7 2. A taxicab company or taxicab driver, solely for purposes of satisfying 387.614
8 herein, may maintain primary commercial automobile liability coverage with a combined
9 single limit of no less than four hundred thousand dollars for death, bodily injury or
10 property damage provided such policy be issued by an insurer with a credit rating of no
11 less than A- by A.M. Best.

387.634. 1. Transportation network companies shall not be considered employers
2 of transportation network company drivers for purposes of chapters 285, 287, 288, and
3 290, except when agreed to by written contract. Transportation network company drivers
4 shall not be considered employees for purposes of chapters 285, 287, 288, and 290, except
5 when agreed to by written contract. If the parties agree to the application of one or more
6 of these laws in a written contract, the transportation network company shall notify the
7 appropriate agency of the election to cover the driver. If the parties subsequently change
8 this election, the transportation network company shall notify the appropriate agency of
9 the change.

10 2. Except when agreed to by written contract, a transportation network company
11 driver is not an agent of a transportation network company.

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