

SECOND REGULAR SESSION

# SENATE BILL NO. 991

98TH GENERAL ASSEMBLY

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INTRODUCED BY SENATORS ONDER, CHAPPELLE-NADAL, NASHEED, SCHAEFER, SCHATZ AND EMERY.

Read 1st time January 28, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6044S.011

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## AN ACT

To amend chapter 387, RSMo, by adding thereto nineteen new sections relating to transportation network companies.

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

Section A. Chapter 387, RSMo, is amended by adding thereto nineteen  
2 new sections, to be known as sections 387.400, 387.405, 387.410, 387.415,  
3 387.420, 387.425, 387.430, 387.435, 387.440, 387.445, 387.450, 387.455, 387.460,  
4 387.465, 387.470, 387.475, 387.480, 387.485, and 387.490, to read as follows:

**387.400. As used in sections 387.400 to 387.490 the following  
2 terms mean:**

3       **(1) "Department", the Missouri department of revenue;**

4       **(2) "Digital network", any online-enabled application, software,  
5 website or system offered or utilized by a transportation network  
6 company that enables the prearrangement of rides with TNC Drivers;**

7       **(3) "Personal vehicle", a vehicle that is used by a transportation  
8 network company (TNC) driver and is:**

9           **(a) Owned, leased, or otherwise authorized for use by the TNC  
10 driver; and**

11           **(b) Not a taxicab, limousine, or for-hire vehicle;**

12       **(4) "Prearranged ride", the provision of transportation by a TNC  
13 driver to a TNC rider, beginning when a driver accepts a ride  
14 requested by a rider through a digital network controlled by a TNC,  
15 continuing while the driver transports a requesting rider, and ending  
16 when the last requesting rider departs from the personal vehicle. A  
17 prearranged ride does not include:**

18           **(a) Transportation provided using a taxi, limousine, or other for-  
19 hire vehicle under chapter 390; or**

20 (b) A shared expense carpool or vanpool arrangement or service;  
21 (5) "Transportation network company" or "TNC", a corporation,  
22 partnership, sole proprietorship, or other entity that is licensed  
23 pursuant to sections 387.400 to 387.490 and operating in the state of  
24 Missouri, that uses a digital network or software application service to  
25 connect TNC riders to TNC drivers who provide prearranged rides. A  
26 TNC shall not be deemed to own, control, direct, operate, or manage the  
27 personal vehicles or TNC drivers that connect to its digital network,  
28 except where agreed to by written contract. A TNC is not a taxicab  
29 association or a for-hire vehicle owner;

30 (6) "Transportation network company (TNC) driver" or "driver",  
31 an individual who:

32 (a) Receives connections to potential passengers and related  
33 services from a TNC in exchange for payment of a fee to the TNC; and

34 (b) Uses a personal vehicle to offer or provide a prearranged ride  
35 to riders upon connection through a digital network controlled by a  
36 TNC in return for compensation or payment of a fee; and

37 (7) "Transportation network company (TNC) rider" or "rider", an  
38 individual or persons who use a TNC's digital network to connect with  
39 a driver who provides prearranged rides to the rider in the driver's  
40 personal vehicle between points chosen by the rider.

387.405. TNCs or TNC drivers are not common carriers; contract  
2 carriers; or motor carriers, as defined in section 390.020; nor do they  
3 provide taxicab, as defined in section 390.020, or for-hire vehicle  
4 service. In addition, a TNC driver shall not be required to register the  
5 vehicle such driver uses to provide prearranged rides as a commercial  
6 or for-hire vehicle.

387.410. 1. A person shall not operate a TNC in the state of  
2 Missouri without first having obtained a permit from the department.

3 2. The department shall issue a permit to each applicant that:

4 (1) Meets the requirements for a TNC set forth in sections 387.400  
5 to 387.490; and

6 (2) Pays an annual permit fee of five thousand dollars to the  
7 department.

387.415. The TNC shall maintain an agent for service of process  
2 in the state of Missouri.

387.420. On behalf of a TNC driver, a TNC may charge a fare for

the services provided to riders; provided that, if a fare is collected from a rider, the TNC shall disclose to the rider the fare calculation method on its website or within the software application service. The TNC shall also provide riders with the applicable rates being charged and the option to receive an estimated fare before the rider enters the TNC driver's personal vehicle.

387.425. The TNC's software application or website shall display  
2 a picture of the TNC driver, and the license plate number of the motor  
3 vehicle utilized for providing the prearranged ride before the rider  
4 enters the TNC driver's vehicle.

387.430. Within a reasonable period of time following the  
2 completion of a trip, a TNC shall transmit an electronic receipt to the  
3 TNC rider on behalf of the TNC driver that lists:

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

387.435. 1. By August 28, 2016, and thereafter, a TNC driver or  
2 TNC on the driver's behalf shall maintain primary automobile  
3 insurance that:

4 (1) Recognizes that the driver is a TNC driver or otherwise uses  
5 a vehicle to transport passengers for compensation and covers the  
6 driver:

- 7 (a) While the driver is logged on to the TNC's digital network; or
- 8 (b) While the driver is engaged in a prearranged ride.

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

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

17 (2) Uninsured motorist coverage to the extent required by  
18 section 379.203;

19 (3) The coverage requirements of this subsection may be satisfied  
20 by any of the following:

21 (a) Automobile insurance maintained by the TNC driver;

22           **(b) Automobile insurance maintained by the TNC; or**

23           **(c) Any combination of insurance maintained by the TNC driver**  
24 **and the TNC.**

25           **3. The following automobile insurance requirements shall apply**  
26 **while a TNC driver is engaged in a prearranged ride:**

27           **(1) Primary automobile liability insurance that provides at least**  
28 **one million dollars for death, bodily injury, and property damage per**  
29 **incident;**

30           **(2) Uninsured motorist coverage to the extent required by**  
31 **section 379.203;**

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

34           **(a) Automobile insurance maintained by the TNC driver;**

35           **(b) Automobile insurance maintained by the TNC; or**

36           **(c) Any combination of insurance maintained by the TNC driver**  
37 **and the TNC.**

38           **4. If insurance maintained by the TNC driver in subsections 2 or**  
39 **3 of this section has lapsed or does not provide the required coverage,**  
40 **insurance maintained by a TNC shall provide the coverage required by**  
41 **this section beginning with the first dollar of a claim and have the duty**  
42 **to defend such claim.**

43           **5. Coverage under an automobile insurance policy maintained by**  
44 **the TNC shall not be dependent on a personal automobile insurer first**  
45 **denying a claim nor shall a personal automobile insurance policy be**  
46 **required to first deny a claim.**

47           **6. Insurance required by this section may be placed with an**  
48 **insurer authorized to do business in the state or with a surplus lines**  
49 **insurer eligible under chapter 384.**

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

53           **8. A TNC driver shall carry digital or physical proof of coverage**  
54 **satisfying subsections 2 and 3 of this section with him or her at all**  
55 **times during his or her use of a vehicle in connection with a TNC's**  
56 **digital network. In the event of an accident, a TNC driver shall provide**  
57 **this insurance coverage information to the directly interested parties,**  
58 **automobile insurers and investigating police officers, upon**

59 request. Upon such request, a TNC driver shall also disclose to directly  
60 interested parties, automobile insurers, and investigating police  
61 officers, whether he or she was logged on to the TNC's digital network  
62 or on a prearranged ride at the time of an accident.

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

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

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

387.445. 1. Insurers that write automobile insurance in the state  
2 of Missouri may exclude any and all coverage afforded under the policy  
3 issued to an owner or operator of a personal vehicle for any loss or  
4 injury that occurs while a driver is logged on to a TNC's digital  
5 network or while a driver provides a prearranged ride. This right to  
6 exclude all coverage may apply to any coverage included in an  
7 automobile insurance policy including, but not limited to:

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

9 (2) Uninsured and underinsured motorist coverage;

10 (3) Medical payments coverage;

11 (4) Comprehensive physical damage coverage; and

12 (5) Collision physical damage coverage.

13 Such exclusions shall apply notwithstanding any requirement under  
14 chapter 303. Nothing in this section implies or requires that a personal  
15 automobile insurance policy provide coverage while the driver is  
16 logged on to the TNC's digital network, while the driver is engaged in  
17 a prearranged ride or while the driver otherwise uses a vehicle to  
18 transport passengers for compensation.

19 2. Nothing shall be deemed to preclude an insurer from  
20 providing coverage for the TNC driver's vehicle, if it so chose to do so  
21 by contract or endorsement.

22 3. Automobile insurers that exclude the coverage described in

23 section 387.435 shall have no duty to defend or indemnify any claim  
24 expressly excluded thereunder. Nothing in sections 387.400 to 387.490  
25 shall be deemed to invalidate or limit an exclusion contained in a  
26 policy including any policy in use or approved for use in the state of  
27 Missouri prior to the enactment of sections 387.400 to 387.490 that  
28 excludes coverage for vehicles used to carry persons or property for a  
29 charge or available for hire by the public. An automobile insurer that  
30 defends or indemnifies a claim against a driver that is excluded under  
31 the terms of its policy, shall have a right of contribution against other  
32 insurers that provide automobile insurance to the same driver in  
33 satisfaction of the coverage requirements of section 387.435 at the time  
34 of loss.

35 4. In a claims coverage investigation, TNCs and any insurer  
36 potentially providing coverage under section 387.435 shall cooperate to  
37 facilitate the exchange of relevant information with directly involved  
38 parties and any insurer of the TNC driver if applicable, including the  
39 precise times that a TNC driver logged on and off of the TNC's digital  
40 network in the twelve hour period immediately preceding and in the  
41 twelve hour period immediately following the accident and disclose to  
42 one another a clear description of the coverage, exclusions and limits  
43 provided under any automobile insurance maintained under section  
44 387.435.

387.450. Drivers shall be independent contractors and not  
2 employees of the TNC if all of the following conditions are met:

3 (1) The TNC does not prescribe specific hours during which a  
4 TNC driver must be logged into the TNC's digital network;

5 (2) The TNC imposes no restrictions on the TNC driver's ability  
6 to utilize digital networks from other TNCs;

7 (3) The TNC does not assign a TNC driver a particular territory  
8 in which prearranged rides can be provided;

9 (4) The TNC does not restrict a TNC driver from engaging in any  
10 other occupation or business; and

11 (5) The TNC and TNC driver agree in writing that the driver is  
12 an independent contractor of the TNC.

387.455. 1. The TNC shall implement a zero tolerance policy  
2 regarding the following specified activities of a TNC driver while  
3 accessing the TNC's digital network. The zero tolerance policy shall

4 address the use of drugs or alcohol while a TNC driver is providing  
5 prearranged rides or is logged into the TNC's digital network but is not  
6 providing prearranged rides, and the TNC shall provide notice of this  
7 policy on its website, as well as procedures to report a complaint about  
8 a driver with whom a rider was matched and whom the rider  
9 reasonably suspects was under the influence of drugs or alcohol during  
10 the course of the trip.

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

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

387.460. 1. Before allowing an individual to accept trip requests  
2 through a TNC's digital network:

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

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

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

13 (b) National Sex Offender Registry database; and

14 (3) The TNC shall obtain, and review, a driving history research  
15 report for such individual.

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

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

22 (2) Has been convicted, within the past seven years, of driving

23 under the influence of drugs or alcohol, fraud, sexual offenses, use of  
24 a motor vehicle to commit a felony, a crime involving property damage,  
25 theft, acts of violence, or acts of terror;

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

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

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

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

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

33 3. A TNC driver that is qualified to accept trip requests through  
34 a TNC's digital network pursuant to this section shall not be required  
35 to obtain any other state or local license or permit to provide  
36 prearranged rides.

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

387.470. A TNC driver shall not solicit or accept street hails.

387.475. The TNC shall adopt a policy prohibiting solicitation or  
2 acceptance of cash payments from riders and notify TNC drivers of  
3 such policy. TNC drivers shall not solicit or accept cash payments from  
4 riders. Any payment for prearranged rides shall be made only  
5 electronically using the TNC's digital network or software application.

387.480. 1. The TNC shall adopt a policy of nondiscrimination  
2 with respect to riders and potential riders and notify TNC drivers of  
3 such policy.

4 2. TNC drivers shall comply with all applicable laws regarding  
5 nondiscrimination against riders or potential riders.

6 3. TNC drivers shall comply with all applicable laws relating to  
7 accommodation of service animals.

8 4. A TNC shall not impose additional charges for providing  
9 services to persons with physical disabilities because of those  
10 disabilities.

387.485. A TNC shall maintain the following customer records:

2 (1) Individual trip records of riders for at least one year from the  
3 date each trip was provided; and



4           **(2) Individual records of TNC drivers at least until the one year**  
5 **anniversary of the date on which a TNC driver's relationship with the**  
6 **TNC has ended.**

**387.490. Notwithstanding any other provision of law, TNCs and**  
2 **TNC drivers are governed exclusively by sections 387.400 to 387.490 and**  
3 **any rules promulgated by the department consistent with sections**  
4 **387.400 to 387.490. No municipality or other local or state entity may**  
5 **impose a tax on, or require a license for, a TNC, a TNC driver, or a**  
6 **vehicle used by a TNC driver where such tax or licenses relates to**  
7 **providing prearranged rides, or subject a TNC to the municipality or**  
8 **other local or state entity's rate, entry, operational or other**  
9 **requirements.**

✓

Bill

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