

SENATE BILL 919

C5

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By: **Senator Ferguson**

Introduced and read first time: January 31, 2014

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utilities – Transportation Network Services – Establishment**

3 FOR the purpose of authorizing the establishment of transportation network services
4 in the State; authorizing an individual to submit an application for registration
5 as a transportation network operator; requiring a transportation network
6 application company to approve or deny a certain application within a certain
7 period of time; requiring a transportation network application company to
8 conduct, or have a third party conduct, a certain criminal history records check
9 using a certain database and obtain and review a driving record check for each
10 applicant before approving an application for the applicant; prohibiting a
11 transportation network application company from approving an application for
12 an applicant who has been convicted of certain crimes; requiring a
13 transportation network operator to meet certain qualifications; requiring a
14 transportation network application company to create an application process for
15 individuals to apply for registration as a transportation network operator;
16 requiring a transportation network application company to maintain certain
17 records and a certain registry of transportation network operators; requiring a
18 transportation network application company to submit certain information to
19 the Public Service Commission; requiring a transportation network application
20 company to conduct, or have a third party conduct, a safety inspection of a
21 motor vehicle that will be used to provide transportation network services
22 before the motor vehicle is used to provide transportation network services;
23 requiring a transportation network application company to provide certain
24 information on the transportation network application company's Web site;
25 authorizing a transportation network application company or a transportation
26 network operator to provide transportation network services at no cost, for a
27 suggested donation, or for a certain fare; requiring a transportation network
28 application company or a transportation network operator to disclose certain
29 fare information to a passenger before the passenger arranges a trip with a
30 transportation network application company or a transportation network
31 operator; requiring a transportation network application company to transmit a

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 certain electronic receipt to a passenger on completion of providing
2 transportation network services; requiring a transportation network application
3 company to implement a certain policy on the use of drugs or alcohol while an
4 individual is arranging or providing transportation network services; requiring
5 a transportation network application company to maintain certain insurance
6 coverage; requiring a transportation network operator to provide certain
7 insurance information if a certain accident occurs; specifying that a
8 transportation network application company and a transportation network
9 operator are not common carriers; exempting a motor vehicle used to provide
10 transportation network services from certain provisions of law relating to
11 for-hire driving services; specifying that certain provisions of law relating to
12 for-hire driving services do not apply to a transportation network application
13 company or a transportation network operator; defining certain terms; and
14 generally relating to transportation network services.

15 BY repealing and reenacting, without amendments,
16 Article – Public Utilities
17 Section 1–101(a)
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2013 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Public Utilities
22 Section 1–101(e), (pp), (qq), and (rr) and 10–102(b)
23 Annotated Code of Maryland
24 (2010 Replacement Volume and 2013 Supplement)

25 BY adding to
26 Article – Public Utilities
27 Section 1–101(pp), (qq), and (rr); and 10.5–101 through 10.5–107 to be under the
28 new title “Title 10.5. Transportation Network Services”
29 Annotated Code of Maryland
30 (2010 Replacement Volume and 2013 Supplement)

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
32 MARYLAND, That the Laws of Maryland read as follows:

33 **Article – Public Utilities**

34 1–101.

35 (a) In this division the following words have the meanings indicated.

36 (e) (1) “Common carrier” means a person, public authority, or federal,
37 State, district, or municipal transportation unit that is engaged in the public
38 transportation of persons for hire, by land, water, air, or any combination of them.

- 1 (2) “Common carrier” includes:
- 2 (i) an airline company;
- 3 (ii) a car company, motor vehicle company, automobile company,
4 or motor bus company;
- 5 (iii) a power boat company, vessel–boat company, steamboat
6 company, or ferry company;
- 7 (iv) a railroad company, street railroad company, or sleeping car
8 company;
- 9 (v) a taxicab company;
- 10 (vi) a toll bridge company; and
- 11 (vii) a transit company.

- 12 (3) “Common carrier” does not include:
- 13 (i) a county revenue authority;
- 14 (ii) a toll bridge or other facility owned and operated by a county
15 revenue authority;
- 16 (iii) a vanpool or launch service; [or]
- 17 (iv) a for–hire water carrier, as defined in § 8–744 of the Natural
18 Resources Article;
- 19 (V) A TRANSPORTATION NETWORK APPLICATION COMPANY;
20 OR
- 21 (VI) A TRANSPORTATION NETWORK OPERATOR.

22 (P) “TRANSPORTATION NETWORK APPLICATION COMPANY” HAS THE
23 MEANING STATED IN § 10.5–101 OF THIS ARTICLE.

24 (Q) “TRANSPORTATION NETWORK OPERATOR” HAS THE MEANING
25 STATED IN § 10.5–101 OF THIS ARTICLE.

26 (R) “TRANSPORTATION NETWORK SERVICES” HAS THE MEANING
27 STATED IN § 10.5–101 OF THIS ARTICLE.

1 [(pp)] (SS) (1) “Transportation of persons for hire” means the
2 transportation of persons by:

- 3 (i) regularly scheduled operations;
- 4 (ii) charter or contract operations; or
- 5 (iii) tour or sightseeing operations.

6 (2) “Transportation of persons for hire” includes the transportation of
7 persons, whether on the cooperative plan, carried by a corporation, group, or
8 association engaged in the transportation of its stockholders, shareholders, or
9 members.

10 [(qq)] (TT) “Water company” means a public service company that owns a
11 water plant and sells or distributes water for gain.

12 [(rr)] (UU) “Water plant” means the material, equipment, and property owned
13 by a water company and used or to be used for or in connection with water service.

14 10–102.

15 (b) (1) This title applies to any motor vehicle used in the transportation of
16 persons in exchange for remuneration except:

17 [(1)] (I) motor vehicles designed to transport more than 15 persons;
18 [and]

19 [(2)] (II) transportation solely provided by or on behalf of a unit of
20 federal, State, or local government, or a not-for-profit organization as identified in §
21 501(c)(3) and (4) of the Internal Revenue Code, that requires a criminal history records
22 check and driving record check for its drivers, for clients of services including:

- 23 [(i)] 1. aging support;
- 24 [(ii)] 2. developmental and other disabilities;
- 25 [(iii)] 3. kidney dialysis;
- 26 [(iv)] 4. Medical Assistance Program;
- 27 [(v)] 5. Head Start;
- 28 [(vi)] 6. Welfare-to-Work;
- 29 [(vii)] 7. mental health; and

1 [(viii)] 8. job training; AND

2 (III) A MOTOR VEHICLE THAT IS USED BY A
3 TRANSPORTATION NETWORK OPERATOR TO PROVIDE TRANSPORTATION
4 NETWORK SERVICES UNDER TITLE 10.5 OF THIS ARTICLE.

5 (2) THIS TITLE DOES NOT APPLY TO A TRANSPORTATION
6 NETWORK APPLICATION COMPANY OR A TRANSPORTATION NETWORK
7 OPERATOR.

8 TITLE 10.5. TRANSPORTATION NETWORK SERVICES.

9 10.5–101.

10 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (B) “TRANSPORTATION NETWORK APPLICATION COMPANY” MEANS A
13 PERSON THAT USES A DIGITAL NETWORK OR SOFTWARE APPLICATION TO
14 CONNECT A PASSENGER TO TRANSPORTATION NETWORK SERVICES.

15 (C) “TRANSPORTATION NETWORK OPERATOR” MEANS AN INDIVIDUAL
16 WHO OWNS OR OPERATES A MOTOR VEHICLE THAT IS:

17 (1) THE INDIVIDUAL’S PERSONAL MOTOR VEHICLE;

18 (2) NOT REGISTERED AS A MOTOR CARRIER UNDER § 13–423 OF
19 THE TRANSPORTATION ARTICLE; AND

20 (3) USED TO PROVIDE TRANSPORTATION NETWORK SERVICES.

21 (D) “TRANSPORTATION NETWORK SERVICES” MEANS TRANSPORTATION
22 OF A PASSENGER:

23 (1) BETWEEN POINTS CHOSEN BY THE PASSENGER; AND

24 (2) THAT IS PREARRANGED BY A TRANSPORTATION NETWORK
25 APPLICATION COMPANY.

26 10.5–102.

1 **(A) AN INDIVIDUAL MAY SUBMIT AN APPLICATION TO THE**
2 **TRANSPORTATION NETWORK APPLICATION COMPANY FOR REGISTRATION AS A**
3 **TRANSPORTATION NETWORK OPERATOR.**

4 **(B) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL**
5 **APPROVE OR DENY AN APPLICATION SUBMITTED UNDER SUBSECTION (A) OF**
6 **THIS SECTION WITHIN 60 DAYS AFTER THE APPLICATION HAS BEEN SUBMITTED.**

7 **(C) BEFORE APPROVING AN APPLICATION SUBMITTED UNDER**
8 **SUBSECTION (A) OF THIS SECTION, A TRANSPORTATION NETWORK APPLICATION**
9 **COMPANY SHALL:**

10 **(1) CONDUCT, OR HAVE A THIRD PARTY CONDUCT, A LOCAL AND**
11 **NATIONAL CRIMINAL HISTORY RECORDS CHECK FOR EACH APPLICANT USING**
12 **THE FOLLOWING DATABASES:**

13 **(I) THE FEDERAL BUREAU OF INVESTIGATION'S NATIONAL**
14 **INSTANT CRIMINAL BACKGROUND CHECK SYSTEM, OR OTHER SIMILAR**
15 **COMMERCIAL NATIONWIDE DATABASE THAT USES A PRIMARY SOURCE SEARCH;**
16 **AND**

17 **(II) A NATIONAL SEX OFFENDER PUBLIC REGISTRY**
18 **DATABASE; AND**

19 **(2) OBTAIN AND REVIEW A DRIVING RECORD CHECK FOR EACH**
20 **APPLICANT.**

21 **(D) A TRANSPORTATION NETWORK APPLICATION COMPANY MAY NOT**
22 **APPROVE AN APPLICATION SUBMITTED UNDER SUBSECTION (A) OF THIS**
23 **SECTION FOR AN APPLICANT WHO:**

24 **(1) AS SHOWN IN THE CRIMINAL HISTORY RECORDS CHECK**
25 **REQUIRED UNDER SUBSECTION (C)(1) OF THIS SECTION, HAS BEEN CONVICTED**
26 **WITHIN THE PAST 7 YEARS OF:**

27 **(I) A CRIME OF VIOLENCE UNDER § 14-101 OF THE**
28 **CRIMINAL LAW ARTICLE;**

29 **(II) SEXUAL ABUSE UNDER TITLE 3, SUBTITLE 3 OF THE**
30 **CRIMINAL LAW ARTICLE;**

31 **(III) ROBBERY UNDER TITLE 4, SUBTITLE 3 OF THE**
32 **CRIMINAL LAW ARTICLE; OR**

1 (IV) FRAUD THAT IS PUNISHABLE AS A FELONY UNDER
2 TITLE 8 OF THE CRIMINAL LAW ARTICLE;

3 (2) AS SHOWN IN THE DRIVING RECORD CHECK REQUIRED UNDER
4 SUBSECTION (C)(2) OF THIS SECTION, HAS BEEN CONVICTED WITHIN THE PAST
5 7 YEARS OF:

6 (I) RECKLESS DRIVING UNDER § 21-901.1 OF THE
7 TRANSPORTATION ARTICLE;

8 (II) DRIVING UNDER THE INFLUENCE OF DRUGS OR
9 ALCOHOL UNDER § 21-902 OF THE TRANSPORTATION ARTICLE;

10 (III) FAILURE TO REMAIN AT THE SCENE OF AN ACCIDENT
11 UNDER TITLE 20 OF THE TRANSPORTATION ARTICLE; OR

12 (IV) FLEEING OR ELUDING THE POLICE UNDER § 21-904 OF
13 THE TRANSPORTATION ARTICLE; OR

14 (3) AS SHOWN IN THE DRIVING RECORD CHECK REQUIRED UNDER
15 SUBSECTION (C)(2) OF THIS SECTION, HAS BEEN CONVICTED WITHIN THE PAST
16 3 YEARS OF DRIVING WITH A SUSPENDED OR REVOKED LICENSE UNDER §
17 16-303 OF THE TRANSPORTATION ARTICLE.

18 10.5-103.

19 A TRANSPORTATION NETWORK OPERATOR SHALL:

20 (1) POSSESS:

21 (I) A VALID DRIVER'S LICENSE;

22 (II) PROOF OF REGISTRATION FOR THE MOTOR VEHICLE
23 THAT IS USED FOR TRANSPORTATION NETWORK SERVICES; AND

24 (III) PROOF OF INSURANCE FOR THE MOTOR VEHICLE THAT
25 IS USED FOR TRANSPORTATION NETWORK SERVICES; AND

26 (2) BE AT LEAST 21 YEARS OLD.

27 10.5-104.

1 **(A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:**

2 **(1) CREATE AN APPLICATION PROCESS FOR INDIVIDUALS TO**
3 **APPLY FOR REGISTRATION AS A TRANSPORTATION NETWORK OPERATOR UNDER**
4 **§ 10.5–102 OF THIS TITLE;**

5 **(2) MAINTAIN A CURRENT REGISTRY OF THE TRANSPORTATION**
6 **NETWORK APPLICATION COMPANY’S TRANSPORTATION NETWORK OPERATORS;**

7 **(3) SUBMIT PROOF TO THE COMMISSION THAT THE COMPANY:**

8 **(I) IS LICENSED TO DO BUSINESS IN THE STATE; AND**

9 **(II) MAINTAINS A WEB SITE THAT PROVIDES THE**
10 **TRANSPORTATION NETWORK APPLICATION COMPANY’S CUSTOMER SERVICE**
11 **TELEPHONE NUMBER OR ELECTRONIC MAIL ADDRESS;**

12 **(4) CONDUCT, OR HAVE A THIRD PARTY CONDUCT, A SAFETY**
13 **INSPECTION OF THE MOTOR VEHICLE THAT A TRANSPORTATION NETWORK**
14 **OPERATOR WILL USE BEFORE THE MOTOR VEHICLE MAY BE USED TO PROVIDE**
15 **TRANSPORTATION NETWORK SERVICES;**

16 **(5) PROVIDE THE FOLLOWING INFORMATION ON ITS WEB SITE:**

17 **(I) THE TRANSPORTATION NETWORK APPLICATION**
18 **COMPANY’S CUSTOMER SERVICE TELEPHONE NUMBER OR ELECTRONIC MAIL**
19 **ADDRESS;**

20 **(II) THE TRANSPORTATION NETWORK APPLICATION**
21 **COMPANY’S ZERO TOLERANCE POLICY ESTABLISHED UNDER § 10.5–106 OF THIS**
22 **TITLE;**

23 **(III) THE PROCEDURE FOR REPORTING A COMPLAINT ABOUT**
24 **AN INDIVIDUAL WHO A PASSENGER REASONABLY SUSPECTS VIOLATED THE**
25 **TRANSPORTATION NETWORK APPLICATION COMPANY’S ZERO TOLERANCE**
26 **POLICY; AND**

27 **(IV) A COMPLAINT TELEPHONE NUMBER AND ELECTRONIC**
28 **MAIL ADDRESS FOR THE COMMISSION; AND**

29 **(6) MAINTAIN RECORDS FOR:**

1 (I) EACH APPLICATION SUBMITTED UNDER § 10.5–102 OF
2 THIS TITLE;

3 (II) INFORMATION COLLECTED THROUGH A CRIMINAL
4 HISTORY RECORDS CHECK AND A REVIEW OF EACH APPLICANT’S DRIVING
5 HISTORY UNDER § 10.5–102(C) OF THIS TITLE;

6 (III) THE INFORMATION REQUIRED FOR EACH
7 TRANSPORTATION NETWORK OPERATOR UNDER § 10.5–103 OF THIS TITLE;

8 (IV) THE REGISTRY REQUIRED UNDER SUBSECTION (A)(2)
9 OF THIS SECTION;

10 (V) THE SAFETY INSPECTION REQUIRED UNDER
11 SUBSECTION (A)(3) OF THIS SECTION;

12 (VI) EACH TRANSPORTATION NETWORK SERVICE ARRANGED
13 BY THE TRANSPORTATION NETWORK COMPANY, INCLUDING COPIES OF
14 RECEIPTS THAT ARE TRANSMITTED TO A PASSENGER UNDER § 10.5–105(B) OF
15 THIS TITLE;

16 (VII) EACH COMPLAINT FILED FOR AN ALLEGED VIOLATION
17 OF THE TRANSPORTATION NETWORK COMPANY’S ZERO TOLERANCE POLICY
18 UNDER § 10.5–106(A)(2) OF THIS TITLE;

19 (VIII) EACH INVESTIGATION BEGUN UNDER § 10.5–106(A)(3)
20 OF THIS TITLE;

21 (IX) THE TRANSPORTATION NETWORK APPLICATION
22 COMPANY’S INSURANCE POLICY REQUIRED UNDER § 10.5–107(A) OF THIS TITLE;
23 AND

24 (X) EACH ACCIDENT THAT INVOLVES A MOTOR VEHICLE
25 THAT IS USED FOR TRANSPORTATION NETWORK SERVICES PROVIDED BY THE
26 TRANSPORTATION NETWORK APPLICATION COMPANY.

27 **10.5–105.**

28 (A) (1) A TRANSPORTATION NETWORK APPLICATION COMPANY OR A
29 TRANSPORTATION NETWORK OPERATOR MAY:

30 (I) OFFER TRANSPORTATION NETWORK SERVICES AT NO
31 COST;

1 (II) SUGGEST A DONATION FOR TRANSPORTATION
2 NETWORK SERVICES PROVIDED; OR

3 (III) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,
4 CHARGE A FARE FOR TRANSPORTATION NETWORK SERVICES PROVIDED.

5 (2) IF A FARE IS CHARGED UNDER PARAGRAPH (1)(III) OF THIS
6 SUBSECTION, A TRANSPORTATION NETWORK APPLICATION COMPANY OR A
7 TRANSPORTATION NETWORK OPERATOR SHALL DISCLOSE THE FOLLOWING
8 INFORMATION TO A PASSENGER BEFORE THE PASSENGER ARRANGES A TRIP
9 WITH A TRANSPORTATION NETWORK APPLICATION COMPANY OR A
10 TRANSPORTATION NETWORK OPERATOR:

11 (I) THE METHOD FOR CALCULATING THE FARE;

12 (II) THE APPLICABLE RATE BEING CHARGED; AND

13 (III) AN ESTIMATED FARE FOR THE TRANSPORTATION
14 NETWORK SERVICES THAT WILL BE PROVIDED.

15 (B) THE TRANSPORTATION NETWORK APPLICATION COMPANY, ON
16 COMPLETION OF TRANSPORTATION NETWORK SERVICES PROVIDED BY A
17 TRANSPORTATION NETWORK OPERATOR, SHALL TRANSMIT AN ELECTRONIC
18 RECEIPT TO THE PASSENGER'S ELECTRONIC MAIL ADDRESS OR MOBILE
19 APPLICATION DOCUMENTING:

20 (1) THE ORIGIN AND DESTINATION OF THE TRIP;

21 (2) THE TOTAL TIME AND DISTANCE OF THE TRIP; AND

22 (3) A BREAKDOWN OF THE TOTAL FARE PAID, IF ANY.

23 **10.5–106.**

24 (A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL:

25 (1) IMPLEMENT A ZERO TOLERANCE POLICY ON THE USE OF
26 DRUGS OR ALCOHOL WHILE AN INDIVIDUAL IS ARRANGING OR PROVIDING
27 TRANSPORTATION NETWORK SERVICES;

28 (2) IMMEDIATELY SUSPEND AN INDIVIDUAL WHO IS ARRANGING
29 OR PROVIDING TRANSPORTATION NETWORK SERVICES ON RECEIPT OF A

1 PASSENGER COMPLAINT ALLEGING THAT THE INDIVIDUAL VIOLATED THE ZERO
2 TOLERANCE POLICY; AND

3 (3) CONDUCT AN INVESTIGATION FOR THE ALLEGED VIOLATION
4 OF THE ZERO TOLERANCE POLICY.

5 (B) A SUSPENSION ISSUED UNDER SUBSECTION (A) OF THIS SECTION
6 SHALL LAST FOR THE DURATION OF THE INVESTIGATION.

7 10.5–107.

8 (A) A TRANSPORTATION NETWORK APPLICATION COMPANY SHALL
9 MAINTAIN A COMMERCIAL LIABILITY INSURANCE POLICY THAT:

10 (1) PROVIDES COVERAGE OF AT LEAST \$1,000,000 PER INCIDENT
11 FOR ACCIDENTS INVOLVING A TRANSPORTATION NETWORK OPERATOR WHILE
12 PROVIDING TRANSPORTATION NETWORK SERVICES; AND

13 (2) COVERS A CLAIM INVOLVING A MOTOR VEHICLE OPERATED BY
14 A TRANSPORTATION NETWORK OPERATOR WHO IS PROVIDING
15 TRANSPORTATION NETWORK SERVICES, REGARDLESS OF WHETHER THE
16 TRANSPORTATION NETWORK OPERATOR HAS AN INSURANCE POLICY THAT IS
17 ADEQUATE TO COVER ANY PORTION OF THE CLAIM.

18 (B) (1) IF AN ACCIDENT OCCURS INVOLVING A MOTOR VEHICLE THAT
19 IS BEING USED FOR TRANSPORTATION NETWORK SERVICES, THE
20 TRANSPORTATION NETWORK OPERATOR SHALL PROVIDE PROOF OF THE
21 TRANSPORTATION NETWORK OPERATOR'S:

22 (I) PERSONAL INSURANCE; AND

23 (II) EXCESS LIABILITY COVERAGE.

24 (2) A TRANSPORTATION NETWORK OPERATOR WHO IS INVOLVED
25 IN AN ACCIDENT WHILE PROVIDING TRANSPORTATION NETWORK SERVICES
26 SHALL HAVE 24 HOURS TO PROVIDE PROOF OF EXCESS LIABILITY COVERAGE.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 July 1, 2014.