

HOUSE BILL NO. 2233

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MAY.

5331H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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

Section A. Chapter 387, RSMo, is amended by adding thereto ten new sections, to be
2 known as sections 387.500, 387.505, 387.510, 387.515, 387.520, 387.525, 387.530, 387.535,
3 387.540, and 387.545, to read as follows:

387.500. As used in sections 387.500 to 387.545 the following terms mean:

- 2 **(1) "Airport operator", any person with police powers who owns or operates an**
3 **airport;**
- 4 **(2) "Brokering transportation network company", a transportation network**
5 **company that exclusively dispatches transportation network company drivers who operate**
6 **for-hire passenger vehicles;**
- 7 **(3) "Prearranged transportation services", transportation services available by**
8 **advance request excluding for-hire passenger vehicles soliciting passengers for immediate**
9 **transportation. No minimum waiting period is required between the advance request and**
10 **the provision of the transportation services;**
- 11 **(4) "Transportation Network Company (TNC) driver", an individual who uses a**
12 **passenger vehicle in connection with a transportation network company's online-enabled**
13 **application or platform to connect with passengers in exchange for payment of a fee to the**
14 **transportation network company;**
- 15 **(5) "Transportation Network Company (TNC) service", prearranged**
16 **transportation service provided by a transportation network company driver in connection**

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.

17 with a transportation network company. The transportation network company service
18 begins when the transportation network company driver accepts a ride request on the
19 transportation network company's online-enabled application or platform and ends at the
20 later of the following:

21 (a) The time that the driver completes the transaction on the online-enabled
22 application or platform; or

23 (b) The time that all passengers exit the vehicle and complete unloading of the
24 vehicle;

25 (c) "Transportation network company (TNC)", any person who uses an
26 online-enabled application or platform to connect passengers with transportation network
27 company drivers who provide prearranged transportation services.

387.505. 1. A transportation network company holding a valid permit issued
2 under sections 387.500 to 387.545 and continuously meeting the requirements of sections
3 387.500 to 387.545 may operate in the state of Missouri. The TNC may charge a fee for the
4 TNC service. The fee shall meet the following requirements:

5 (1) The TNC's online-enabled application or platform shall disclose the fee
6 calculation method before a passenger makes a ride request;

7 (2) The TNC's online-enabled application or platform shall provide the option for
8 a passenger to receive an estimated fee before the passenger makes a ride request;

9 (3) The TNC shall send an electronic receipt to the customer that includes the
10 following:

11 (a) The locations where the TNC service started and ended;

12 (b) The total time and distance of the TNC service; and

13 (c) An itemization and calculation of the total fee paid;

14 (4) The fee shall be paid electronically through the TNC's online-enabled
15 application or platform. No cash may be exchanged for the TNC service.

16 2. A TNC driver may provide TNC service for compensation in the state.

387.510. 1. Every transportation network company shall obtain a permit from the
2 department of revenue before operating in the state. Every TNC shall pay to the
3 department of revenue a nonrefundable application fee of five thousand dollars.

4 2. Every TNC shall renew the permit annually and pay to the department of
5 revenue a nonrefundable renewal fee of five thousand dollars.

6 3. The department of revenue shall prescribe the form of the application for a
7 permit and renewal of a permit.

8 4. The initial application and renewal application shall require information
9 sufficient to confirm compliance with sections 387.500 to 387.545 and include the following:

10 **(1) Proof of insurance meeting the requirements of section 387.515. This**
11 **subdivision does not apply to brokering transportation network companies;**

12 **(2) Resident agent for service of process;**

13 **(3) Proof the TNC is registered with the secretary of state to do business in the state**
14 **if the TNC is a foreign corporation;**

15 **(4) Policy of nondiscrimination based on customers' geographic departure point**
16 **or destination; and**

17 **(5) Policy of nondiscrimination based on customers' race, color, national origin,**
18 **religious belief or affiliation, sex, disability, or age.**

19 **5. The department of revenue may retain the fees collected under this section and**
20 **use the funds for its operations.**

387.515. 1. Except as provided in subsection 12 of this section, TNC drivers or
2 **transportation network companies shall maintain primary automobile insurance that**
3 **meets all of the following requirements:**

4 **(1) Recognizes that the driver is a TNC driver or uses a vehicle to transport**
5 **passengers for compensation;**

6 **(2) The following automobile insurance requirements apply while a TNC driver is**
7 **logged on to the TNC's online-enabled application or platform but is not providing TNC**
8 **service:**

9 **(a) Primary automobile liability insurance in the amount of at least fifty thousand**
10 **dollars because of death of or bodily injury to one person in any one accident and, subject**
11 **to the limit for one person, one hundred thousand dollars because of death of or bodily**
12 **injury to two or more persons in any one accident, and at least twenty-five thousand**
13 **dollars because of injury to or destruction of property of others in any one accident; and**

14 **(b) Combined uninsured and underinsured motorist coverage, with limits for**
15 **combined uninsured and underinsured motorist bodily injury coverage which at least**
16 **equals the bodily injury liability limits of the policy, and which otherwise complies with**
17 **the requirements of section 379.203;**

18 **(3) The following automobile insurance requirements apply while a TNC driver is**
19 **engaged in TNC service:**

20 **(a) Primary automobile liability insurance in the amount of at least one million five**
21 **hundred thousand dollars because of death of one or more persons, bodily injury to one**
22 **or more persons, injury to or destruction of property of others, or any combination thereof,**
23 **in any one accident; and**

24 **(b) Combined uninsured and underinsured motorist coverage, with limits for**
25 **combined uninsured and underinsured motorist bodily injury coverage of at least one**

26 million dollars, and which otherwise complies with the requirements of section 379.203;
27 and

28 (4) The coverage requirements of subdivisions (2) and (3) of this subsection may be
29 satisfied by any of the following:

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

31 (b) Automobile insurance maintained by the TNC; or

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

33 2. If insurance maintained by the TNC driver under subsection 1 of this section has
34 lapsed or does not provide the required coverage, insurance maintained by the TNC shall
35 provide the coverage required under subsection 1 of this section beginning with the first
36 dollar of a claim and shall provide the defense of the claim.

37 3. Insurance coverage under an automobile insurance policy maintained by the
38 TNC shall not be dependent on a personal automobile insurer denying a claim.

39 4. Insurance required by this section may be placed with an insurer licensed in the
40 state or with a surplus lines insurer eligible to write policies in the state.

41 5. Insurance satisfying the requirements of this section satisfies the financial
42 responsibility requirement for a motor vehicle.

43 6. A TNC driver shall carry proof of coverage satisfying the requirements of this
44 section at all times during use of a vehicle in connection with a TNC's online-enabled
45 application or platform. In the event of an accident, a TNC driver shall provide insurance
46 coverage information directly to interested parties, automobile insurers, and investigating
47 police officers, upon request. Upon such request, a TNC driver shall also disclose to
48 directly interested parties, automobile insurers, and investigating police officers whether
49 the TNC driver was logged on or off of the TNC's online-enabled application or platform
50 at the time of the accident.

51 7. Before any vehicle is used in connection with a TNC's online-enabled application
52 or platform, a TNC driver shall notify both the insurer of the vehicle and any lienholder
53 with an interest in the vehicle of the TNC driver's intent to use the vehicle in connection
54 with a TNC's online-enabled application or platform.

55 8. Transportation network companies shall disclose in writing to potential TNC
56 drivers the following before the TNC driver provides TNC service:

57 (1) The insurance coverage, including the types of coverage and the limits for each
58 coverage, that the TNC provides while the TNC driver uses a private passenger vehicle in
59 connection with a TNC's online-enabled application or platform;

60 (2) The TNC driver may not have any coverage under a personal automobile
61 insurance policy while using the TNC's online-enabled application or platform; and

62 **(3) The following notice in a distinctive clause: "If the vehicle with which you**
63 **provide transportation network company services has a lien against it, you shall notify the**
64 **lienholder prior to providing transportation network company services of your intent to**
65 **provide transportation services with the vehicle. You may disclose to the lienholder all**
66 **insurance coverage information provided to you by the transportation network company.**
67 **If you fail to provide the required insurance coverage under the terms of your contract**
68 **with the lienholder or show evidence to the lienholder of the coverage provided by the**
69 **transportation network company, you may violate the terms of your contract."**

70 **9. Insurers who write automobile insurance in the state may exclude coverage**
71 **under the policy issued to an owner or operator of a personal vehicle for any loss that**
72 **occurs while the driver is logged on to a TNC's online-enabled application or platform or**
73 **while the driver provides TNC service. This right to exclude all coverage applies to any**
74 **coverage included in an automobile insurance policy, including all of the following:**

- 75 **(1) Liability coverage for bodily injury and property damage;**
- 76 **(2) Personal injury protection coverage;**
- 77 **(3) Uninsured and underinsured motorist coverage;**
- 78 **(4) Medical payments coverage;**
- 79 **(5) Comprehensive physical damage coverage; and**
- 80 **(6) Collision physical damage coverage.**

81 **10. Automobile insurers that exclude the coverage described in subsection 9 of this**
82 **section have no duty to defend or indemnify any claim expressly excluded. An automobile**
83 **insurer who defends or indemnifies a claim against a driver that is excluded under the**
84 **terms of its policy has a right of contribution against other insurers that provide**
85 **automobile insurance to the same driver in satisfaction of the coverage requirements of this**
86 **section.**

87 **11. No insurer is required to sell a policy of insurance providing the coverage**
88 **required by this section.**

89 **12. In a claims coverage investigation or accident, a TNC driver, transportation**
90 **network companies, any insurer potentially providing coverage under this section, and**
91 **other directly involved parties shall exchange the following information:**

92 **(1) Description of the coverage, exclusions, and limits provided under any**
93 **insurance policy;**

94 **(2) Precise times that a TNC driver logged on and off of the TNC's online-enabled**
95 **application or platform in the twelve-hour period immediately preceding and in the**
96 **twelve-hour period immediately following the accident; and**

97 **(3) Precise times that a TNC driver provided TNC service in the 12-hour period**
98 **immediately preceding and in the 12-hour period immediately following the accident.**

99 **13. The provisions of this section shall not apply to brokering transportation**
100 **network companies.**

387.520. 1. The transportation network company shall require TNC drivers to
2 **have their vehicles inspected annually to meet state safety requirements. The department**
3 **of revenue may, by rule or regulation, specify alternative inspections that are acceptable**
4 **as equivalent inspections, such as an inspection performed in another state. The provisions**
5 **of this subsection shall not apply to brokering transportation network companies.**

6 **2. The TNC's online-enabled application or platform shall provide the following**
7 **information to customers after a ride request is accepted by a TNC driver:**

- 8 **(1) Photograph of the TNC driver;**
9 **(2) License plate number of the TNC driver's vehicle;**
10 **(3) Description of the TNC driver's vehicle; and**
11 **(4) Approximate location of the TNC driver's vehicle displayed on a map.**

12 **3. The TNC shall maintain the following records:**

13 **(1) The record of each TNC service provided in this state for one year from the date**
14 **the TNC service occurred; and**

15 **(2) The record of each TNC driver in this state for one year from the date the TNC**
16 **driver terminated their relationship with the TNC.**

387.525. 1. Prior to permitting an individual to act as a TNC driver, the
2 **transportation network company shall do all of the following:**

3 **(1) Require the individual to submit an application to the TNC including, at a**
4 **minimum, the following:**

- 5 **(a) Address;**
6 **(b) Age;**
7 **(c) Driver's license number;**
8 **(d) Driving history;**
9 **(e) Motor vehicle registration; and**
10 **(f) Automobile liability insurance information;**

11 **(2) Conduct, or have a third party conduct, a local and national criminal**
12 **background check for each applicant including, at a minimum, the following:**

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

15 **(b) National Sex Offender Registry; and**

16 **(3) Review, or have a third party review, a driving history research report for such**
17 **individual.**

18 **2. The TNC shall confirm that every TNC driver continues to meet all the**
19 **requirements of this section every five years starting from the date the TNC driver met all**
20 **the requirements of this section.**

21 **3. The TNC shall not permit an individual to act as a TNC driver if any of the**
22 **following apply:**

23 **(1) Has had more than three moving violations in the prior three-year period or one**
24 **major violation in the prior three-year period, including attempting to evade the police,**
25 **reckless driving, or driving on a suspended or revoked license;**

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

29 **(3) Is a match in the National Sex Offender Registry;**

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

31 **(5) Does not possess proof of registration for the motor vehicle to be used to provide**
32 **TNC services;**

33 **(6) Does not possess proof of automobile liability insurance for the motor vehicle**
34 **to be used to provide TNC services; and**

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

36 **4. The provisions of this section shall not apply to brokering transportation**
37 **network companies.**

387.530. The department of revenue may issue regulations to implement sections
2 **387.500 to 387.545. Any rule or portion of a rule, as that term is defined in section 536.010,**
3 **that is created under the authority delegated in this section shall become effective only if**
4 **it complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
5 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
6 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
7 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
8 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2016,**
9 **shall be invalid and void.**

387.535. A rebuttable presumption exists that a TNC driver is an independent
2 **contractor and not an employee. The presumption may be rebutted by application of the**
3 **common law test for determining employment status.**

387.540. 1. An airport operator is authorized to charge transportation network
2 **companies and TNC drivers a reasonable fee for their use of the airport's facility.**

3 **2. An airport operator is authorized to require an identifying decal be displayed**
4 **by TNC drivers.**

5 **3. An airport operator is authorized to require the purchase and use of equipment**
6 **or establish other appropriate mechanisms for monitoring and auditing compliance,**
7 **including having a TNC provide data for purposes of monitoring and auditing compliance.**

8 **4. An airport operator is authorized to designate a location where TNC drivers may**
9 **stage on the airport operator's facility, drop off passengers, and pick up passengers.**

387.545. 1. Notwithstanding any other provision of law and except as authorized
2 **by this chapter, no county, city, airport operator, or other governmental agency is**
3 **authorized to impose fees, require licenses, limit the operation of TNC services, or**
4 **otherwise regulate TNC services. TNC services remain subject to all ordinances and local**
5 **laws outside the scope of this chapter, including parking and traffic regulation.**

6 **2. Any contract provision or term of service in a TNC's contract with a state**
7 **resident or person present in the state contrary to sections 387.500 to 387.545 is void as**
8 **against public policy.**

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