

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB800**

**Bill Subtitle: TO ENSURE THE SAFETY, RELIABILITY, AND COST-EFFECTIVENESS OF TRANSPORTATION NETWORK COMPANY SERVICES; AND TO PRESERVE AND ENHANCE ACCESS TO TRANSPORTATION OPTIONS FOR THE STATE'S RESIDENTS AND VISITORS.**

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**Basic Change :** Sponsors: Senator Rapert and Representative Davis

The bill adds a new section to the Arkansas Code to define and regulate a "Transportation service company". A transportation service company is an individual or entity permitted by the Public Service Commission (PSC) that operates in this state and uses a website, digital network, or software application to connect passengers to company services provide by the company's drivers. The fee for the permit from the PSC is \$5,000 annually. A driver logged into the network, but not providing services, is required to have the minimum amounts of insurance required by current law for death, injury, and property damage. When providing services, coverage in an amount of at least \$1M is required. Drivers of such companies must provide the company information as provided in the new law, which could include records from the Office of Driver Services.

The bill states a commercial vehicle registration is not required, but defines Transportation network company services as transportation of a passenger between points chosen by the passenger and prearranged with a transportation network company driver through the use of a transportation network company website, digital network, or software application. The bill provides that a fare may be charged for transportation network company services.

In the event a vehicle meets the definition of commercial motor vehicle (CMV) or the driver operates the vehicle in a manner requiring a commercial driver's license (CDL), then the driver will be subject to enforcement of the CMV and CDL regulations under current state and federal law.

**Revenue Impact :**

None.

**Taxpayer Impact :**

A person would be able to use a website, digital network, or software application to obtain transportation from drivers providing services for a Transportation Service Company.

**Resources Required :**

None

**Time Required :**

None

**Procedural Changes :**

None

**Other Comments :**

Currently, taxi drivers or for-hire motor vehicle driver is issued a Class D license with a P endorsement. Since this bill states these drivers may provide transportation for a fare, but they are not deemed to be taxi drivers or for-hire motor vehicle drivers and the vehicles they drive are not commercial vehicles, it is not clear what type of license or endorsement is required for these drivers.

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### **Legal Analysis :**

SB800 creates a licensing and regulatory system for transportation network companies that utilize a website, digital network, or software application to connect passengers to transportation services provided by transportation network company drivers. This license is to be administered and regulated by the Arkansas Public Service Commission. Transportation network company drivers are not required to register their motor vehicles as commercial or for-hire motor vehicles. This license requires an annual permit fee of five thousand dollars. Common and Contract Carriers, taxicabs, and for-hire vehicles are expressly excluded from this license. It also provides that counties, municipalities, or other local entities are barred from establishing rates and entry, operational, or other requirements.

SB800 provides minimum insurance requirements for the company and its drivers; fare calculation, disclosure, and payment requirements; a requirement that drivers disclose their picture and license number to customers; additional driver requirements (including over 19 years of age; not convicted of more than three moving violations or one major violation in the past three years; not convicted of a DUI, a sexual offense, or a theft within 7 years; and not a registered sex offender); a requirement of a zero tolerance company policy for alcohol and drug use; additional requirements for liability insurance companies to exclude coverage for services provided while working as a transportation network company driver; record maintenance requirements; and prohibition against acceptance of street hails and cash payments.

This bill does not provide for disposition of the permit fee or explain if these proceeds are general or special revenue. Further, Arkansas requires drivers operating vehicles for hire to register for a "p" endorsement on their driver's license. It is uncertain whether the bill also intends to exclude drivers from the "for hire" designation on their driver's licenses as well. Also it is uncertain whether the bill intends to exclude drivers from the CDL requirement if the driver hauls 16 or more passengers. The bill could also amend the motor vehicle registration statute that addresses "for hire" vehicles to reference the added code sections as an exemption to that registration requirement for clarity. The bill is effective 90 days after final adjournment.