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An Act Requiring a Permit and Motor Vehicle Liability Insurance for Transportation Network Companies

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 29-A MRSA c. 13, sub-c. 4 is enacted to read:

SUBCHAPTER 4

TRANSPORTATION NETWORK COMPANIES

§ 1671. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Driver. "Driver" means an individual who uses a personal motor vehicle to provide services to a passenger matched through a transportation network company's digital network. A driver need not be an employee of a transportation network company.

2. Passenger. "Passenger" means a passenger in a transportation network company vehicle for whom service is provided for compensation, including an individual who uses a transportation network company's online application or digital network to connect with a driver to obtain services in the driver's transportation network company vehicle for the individual and anyone in the individual's party and anyone for whom another individual uses a transportation network company's online application or digital network to connect with a driver to obtain services in the driver's transportation network company vehicle.

3. Transportation network company. "Transportation network company" means a corporation, partnership, sole proprietorship or other entity that uses a digital network to connect a passenger with a driver for the purpose of providing transportation for compensation. "Transportation network company" does not include a transportation broker arranging nonemergency medical transportation for Medicaid or Medicare members pursuant to a contract with the State or a managed care organization.

4. Transportation network company services. "Transportation network company services" or "services" means the provision of transportation by a driver to a passenger with whom the driver is matched through a transportation network company.

5. Transportation network company vehicle. "Transportation network company vehicle" means a personal motor vehicle used by a driver in connection with providing services.

§ 1672. Transportation network company permit

1. Permit required. A person may not operate a transportation network company without a permit issued by the Secretary of State, subject to the following conditions.

- A. An application for a permit under this section must be made on a form provided or approved by the Secretary of State.
- B. The permit under this section is valid for a period of one year.
- C. The annual fee for a permit under this section is \$25,000.
- D. A transportation network company shall maintain insurance pursuant to section 1673.

2. Termination of permit. The Secretary of State shall terminate a permit under this section for failure to maintain insurance required by section 1673. The Secretary of State may not reissue a permit terminated under this subsection until:

- A. A reinstatement fee of \$1,000 is paid to the Secretary of State; and
- B. Subsequent to the termination, the transportation network company pays the annual permit fee under subsection 1 and provides proof of insurance under section 1673.

3. Penalty. A violation of this section is a Class D crime.

§ 1673. Insurance requirements

1. Insurance required. A transportation network company shall maintain insurance pursuant to this section.

2. Proof of insurance. The Secretary of State shall certify proof of insurance prior to issuing a permit under section 1672. The Secretary of State may not certify an insurance policy as proof of insurance unless the policy meets the requirements of subsection 4 and until a copy of the form of policy has been on file with the Superintendent of Insurance for a least 30 days or the Superintendent of Insurance has approved in writing the form of the policy under subsection 3.

3. Form. The form of policy under this section must contain:

- A. The name and address of the insured;
- B. The conditions of coverage sufficient to identify whether or not a given vehicle is covered at a given time;
- C. The premium charges;
- D. The policy period;
- E. The limits of liability;
- F. An agreement that insurance is provided pursuant to this section; and

G. A requirement that the transportation network company disclose to every driver that the driver's personal automobile insurance coverage may not apply to the driver's transportation network company vehicle while the driver is providing services.

4. Required provisions. An insurance policy under this section must:

A. Provide primary coverage in the amount of at least \$1,000,000 for death, personal injury and property damage per occurrence for transportation network company vehicles from the moment the driver is logged into the transportation network company network until the driver logs off the network;

B. Provide uninsured and underinsured motorist coverage in the amount of at least \$1,000,000 per occurrence from the moment the driver is logged into the transportation network company network until the driver logs off the network;

C. Provide primary comprehensive collision coverage equal to that coverage in the policy insuring the driver's vehicle that is listed in the policy; and

D. Comply with section 1606, subsections 2 to 6.

§ 1674. Municipal authority

A municipality may adopt an ordinance, regulation or procedure governing the operations of a transportation network company or driver that is not in conflict or inconsistent with this subchapter.

SUMMARY

This bill creates a permitting process for transportation network companies to provide transportation services, establishes minimum motor vehicle liability insurance requirements for transportation network companies and allows municipalities to regulate transportation network companies and drivers.