

HOUSE BILL REPORT

HB 2516

As Reported by House Committee On:
Business & Financial Services

Title: An act relating to commuter ride-sharing arrangements.

Brief Description: Providing that commercial transportation services providers are not commuter ride-sharing arrangements.

Sponsors: Representatives Kirby, Vick, Griffey and Ormsby.

Brief History:

Committee Activity:

Business & Financial Services: 1/19/16, 1/20/16 [DP].

Brief Summary of Bill

- Exempts commuter ride-sharing and flexible commuter ride-sharing arrangements from requirements applicable to transportation network companies.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Stanford, Vice Chair; Vick, Ranking Minority Member; Blake, Dye, G. Hunt, Hurst, Kochmar, McCabe, Ryu and Santos.

Staff: David Rubenstein (786-7153).

Background:

Transportation Network Companies.

A "commercial transportation service provider," often called a "transportation network company" or TNC, is a company that uses a digital network or software to connect passengers to drivers for the purpose of providing a prearranged ride. Although the service is similar to a for-hire taxi service, it is exempt from most requirements applicable to taxicabs and regulated separately.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2015 the Legislature enacted legislation requiring drivers for transportation network companies to carry certain insurance when using a personal vehicle. The policy must provide coverage for all times that a driver is logged into the TNC's software with differing coverage depending on whether the driver is matched with a passenger. The coverage must provide at least:

- Before match with a passenger:
 - a. \$50,000 per person and \$100,000 per accident in liability and underinsured motorist coverage;
 - b. \$30,000 in liability coverage for property damage; and
 - c. personal injury protection.
- After match with a passenger:
 - a. \$1 million combined single-limit coverage each for liability and underinsured motorist coverage; and
 - b. personal injury protection.

Commuter Ride-Sharing and Flexible Commuter Ride-Sharing Arrangements.

A "commuter ride-sharing" arrangement is a car pool or van pool arrangement in which a fixed group of four to 15 people are transported in a passenger vehicle between their homes and schools or workplaces where the driver is also traveling to or from a school or workplace. A "flexible commuter ride-sharing" arrangement is the same except that the vehicle may contain as few as two people including the driver, and multiple daily round trips are permitted. Drivers in commuter ride-sharing arrangements are exempt from laws applicable to for-hire drivers and are held to a reasonable and ordinary standard of care.

Summary of Bill:

The definition of "commercial transportation service provider" excludes commuter ride-sharing and flexible commuter ride-sharing arrangements.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Traditional carpool programs where the driver does not operate for a profit and is simply carrying other passengers on the same route he or she would otherwise be driving are unlike the arrangements contemplated in last year's transportation services bill. Traditional carpoolers were unintentionally swept up in that bill. This bill clarifies that such traditional

carpooling arrangements are not covered in the commercial transportation service provider law.

(Opposed) None.

Persons Testifying: Representative Kirby, prime sponsor; Robert Lerch and Jeff Gombosky, Enterprise Holdings; and Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying: None.