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Public Act 098-1173

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Public Act 098-1173

SB2774 Enrolled

LRB098 17851 ZMM 52975 b

AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Transportation Network Providers Act.

Section 5. Definitions.

"Transportation network company" or "TNC" means an entity operating in this State that uses a digital network or software application service to connect passengers to transportation network company services provided by transportation network company drivers. A TNC is not deemed to own, control, operate, or manage the vehicles used by TNC drivers, and is not a taxicab association or a for-hire vehicle owner.

"Transportation network company driver" or "TNC driver" means an individual who operates a motor vehicle that is:

- (1) owned, leased, or otherwise authorized for use by the individual;
- (2) not a taxicab or for-hire public passenger vehicle; and
- (3) used to provide transportation network company services.

"Transportation network company services" or "TNC services" means transportation of a passenger between points chosen by the passenger and prearranged with a TNC driver through the use of a TNC digital network or software application. TNC services shall begin when a TNC driver accepts a request for transportation received through the TNC's digital network or software application service, continue while the TNC driver transports the passenger in the TNC driver's vehicle, and end when the passenger exits the TNC driver's vehicle. TNC service is not a taxicab, for-hire vehicle, or street hail service.

Section 10. Insurance.

(a) Transportation network companies and participating TNC drivers shall comply with the automobile liability insurance requirements of this Section as required.

(b) The following automobile liability insurance requirements shall apply from the moment a participating TNC driver logs on to the transportation network company's digital network or software application until the TNC driver accepts a request to transport a passenger, and from the moment the TNC driver completes the transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network or software application:

(1) Automobile liability insurance shall be in the amount of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$25,000 for property damage.

(2) Contingent automobile liability insurance in the amounts required in paragraph (1) of this subsection (b) shall be maintained by a transportation network company and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide at least the limits of coverage required in paragraph (1) of this subsection (b).

(c) The following automobile liability insurance requirements shall apply from the moment a TNC driver accepts a ride request on the transportation network company's digital network or software application until the TNC driver completes the transaction on the digital network or software application or until the ride is complete, whichever is later:

(1) Automobile liability insurance shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage. The requirements for the coverage required by this paragraph (1) may be satisfied by any of the following:

(A) automobile liability insurance maintained by a participating TNC driver;

(B) automobile liability company insurance maintained by a transportation network company; or

(C) any combination of subparagraphs (A) and (B).

(2) Insurance coverage provided under this subsection (c) shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle.

(3) The insurer, in the case of insurance coverage provided under this subsection (c), shall have the duty to defend and indemnify the insured.

(4) Coverage under an automobile liability insurance policy required under this subsection (c) shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

(d) In every instance when automobile liability insurance maintained by a participating TNC driver to fulfill the insurance obligations of this Section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this Section beginning with the first dollar of a claim.

(e) This Section shall not limit the liability of a

transportation network company arising out of an automobile accident involving a participating TNC driver in any action for damages against a transportation network company for an amount above the required insurance coverage.

(f) The transportation network company shall disclose in writing to TNC drivers, as part of its agreement with those TNC drivers, the following:

(1) the insurance coverage and limits of liability that the transportation network company provides while the TNC driver uses a vehicle in connection with a transportation network company's digital network or software application; and

(2) that the TNC driver's own insurance policy may not provide coverage while the TNC driver uses a vehicle in connection with a transportation network company digital network depending on its terms.

(g) An insurance policy required by this Section may be placed with an admitted Illinois insurer, or with an authorized surplus line insurer under Section 445 of the Illinois Insurance Code; and is not subject to any restriction or limitation on the issuance of a policy contained in Section 445a of the Illinois Insurance Code.

(h) Any insurance policy required by this Section shall satisfy the financial responsibility requirement for a motor vehicle under Sections 7-203 and 7-601 of the Illinois Vehicle Code.

Section 15. Driver requirements.

(a) Prior to permitting an individual to act as a TNC driver on its digital platform, the TNC shall:

(1) require the individual to submit an application to the TNC, which includes information regarding his or her address, age, driver's license, driving history, motor vehicle registration, automobile liability insurance, and other information required by the TNC;

(2) conduct, or have a third party conduct, a local and national criminal history background check for each individual applicant that shall include:

(A) Multi-State or Multi-Jurisdictional Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and

(B) National Sex Offenders Registry database; and

(3) obtain and review a driving history research report for the individual.

(b) The TNC shall not permit an individual to act as a TNC driver on its digital platform who:

(1) has had more than 3 moving violations in the prior three-year period, or one major violation in the prior three-year period including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license;

(2) has been convicted, within the past 7 years, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, or theft, acts of violence, or acts of terror;

(3) is a match in the National Sex Offenders Registry database;

(4) does not possess a valid driver's license;

(5) does not possess proof of registration for the motor vehicle used to provide TNC services;

(6) does not possess proof of automobile liability insurance for the motor vehicle used to provide TNC services; or

(7) is under 19 years of age.

Section 20. Non-discrimination.

(a) The TNC shall adopt and notify TNC drivers of a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and potential passengers.

(b) TNC drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(c) TNC drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair accessible vehicle. If a TNC cannot arrange wheelchair-accessible TNC service in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.

(f) If a unit of local government has requirements for licensed chauffeurs not to discriminate in providing service in under-served areas, TNC drivers participating in TNC services within that unit of local government shall be subject to the same non-discrimination requirements for providing service in under-served areas.

Section 25. Safety.

(a) The TNC shall implement a zero tolerance policy on the use of drugs or alcohol while a TNC driver is providing TNC services or is logged into the TNC's digital network but is not providing TNC services.

(b) The TNC shall provide notice of the zero tolerance policy on its website, as well as procedures to report a complaint about a driver with whom a passenger was matched and whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(c) Upon receipt of a passenger's complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend the TNC driver's access to the TNC's digital platform, and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.

(d) The TNC shall require that any motor vehicle that a TNC driver will use to provide TNC services meets vehicle safety and emissions requirements for a private motor vehicle in this State.

(e) TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.

Section 30. Operational.

(a) A TNC may charge a fare for the services provided to passengers; provided that, if a fare is charged, the TNC shall disclose to passengers the fare calculation method on its website or within the software application service.

(b) The TNC shall provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC driver's vehicle.

(c) The TNC's software application or website shall display a picture of the TNC driver, and the license plate number of the motor vehicle utilized for providing the TNC service before the passenger enters the TNC driver's vehicle.

(d) Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists:

- (1) the origin and destination of the trip;
- (2) the total time and distance of the trip; and
- (3) an itemization of the total fare paid, if any.

(e) Dispatches for TNC services shall be made only to eligible TNC drivers under Section 15 of this Act who are properly licensed under State law and local ordinances addressing these drivers if applicable.

(f) A taxicab may accept a request for transportation received through a TNC's digital network or software application service, and may charge a fare for those services that is similar to those charged by a TNC.

Section 35. The Ridesharing Arrangements Act is amended by changing Section 2 as follows:

(625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

Sec. 2. (a) "Ridesharing arrangement" means the transportation by motor vehicle of not more than 16 persons (including the driver):

(1) for purposes incidental to another purpose of the driver, for which no fee is charged or paid except to reimburse the driver or owner of the vehicle for his operating expenses on a nonprofit basis; or

(2) when such persons are travelling between their homes and their places of employment, or places reasonably convenient thereto, for which (i) no fee is charged or paid except to reimburse the driver or owner of the vehicle for his operating expenses on a nonprofit basis, or (ii) a fee is charged in accordance with the provisions of Section 6 of this Act.

(b) "For-profit ridesharing arrangement" means a ridesharing arrangement for which a fee is charged in accordance with Section 6 of this Act, and does not include transportation network company services under the Transportation Network Providers Act.

(Source: P.A. 83-1091.)