

# AN ACT

To amend section 4509.103 and to enact sections 3938.01, 3938.02, 3938.03, 3938.04, 4925.01, 4925.02, 4925.03, 4925.04, 4925.05, 4925.06, 4925.07, 4925.08, 4925.09, and 4925.10 of the Revised Code to regulate transportation network companies and transportation network company services and to exempt an insurer that provides motor vehicle liability insurance from the requirement that it provide financial responsibility identification cards to a policyholder if the insurer provides the ability to use an electronic wireless communications device to provide proof of financial responsibility.

*Be it enacted by the General Assembly of the State of Ohio:*

**SECTION 1.** That section 4509.103 be amended and sections 3938.01, 3938.02, 3938.03, 3938.04, 4925.01, 4925.02, 4925.03, 4925.04, 4925.05, 4925.06, 4925.07, 4925.08, 4925.09, and 4925.10 of the Revised Code be enacted to read as follows:

**Sec. 3938.01.** As used in this chapter:

(A) "Automobile insurance policy" has the same meaning as in section 3937.30 of the Revised Code.

(B) "Chauffeured limousine" has the same meaning as in section 4501.01 of the Revised Code.

(C) "Digital network" means any online-enabled application, software, web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(D) "Personal vehicle" means a vehicle to which all of the following apply:

(1) The vehicle is used by a transportation network company driver.

(2) The vehicle is owned, leased, or otherwise authorized for use by the transportation network company driver.

(3) The vehicle is not a taxicab or other similar vehicle for hire, unless the vehicle is being used to provide transportation network company services on behalf of a transportation network company that has been issued a permit under section 4925.02 of the Revised Code.

(4) The vehicle is not a chauffeured limousine or a vehicle being operated pursuant to a ridesharing arrangement.

(E) "Ridesharing arrangement" has the same meaning as in section 4921.01 of the Revised Code.

(F) "Transportation network company" includes a corporation, partnership, association, limited liability company, proprietorship, or any other entity operating in this state that uses a digital network to connect transportation network company riders to transportation network company

drivers who provide transportation network company services.

(G) "Transportation network company driver" or "driver" means an individual to whom both of the following apply:

(1) The individual receives connections to passengers and potential passengers and related services from a transportation network company in exchange for the payment of a fee to the company.

(2) The individual uses a personal vehicle to offer or provide transportation network company services to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

(H) "Transportation network company rider" or "rider" means an individual or individuals using a transportation network company's digital network to connect with a transportation network company driver who provides transportation network company services to the individual in a personal vehicle between points chosen by the individual.

(I)(1) "Transportation network company services" means the provision of transportation beginning when a transportation network company driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports the requesting rider, and ending when the last requesting rider departs from the personal vehicle.

(2) "Transportation network company services" do not include services provided by any of the following:

(a) A taxicab or other similar vehicle for hire, unless the taxicab or other vehicle is providing the services described in division (I)(1) of this section on behalf of a transportation network company that has been issued a permit under section 4925.02 of the Revised Code;

(b) A chauffeured limousine;

(c) A ridesharing arrangement.

**Sec. 3938.02.** (A)(1) Each transportation network company driver shall be covered by a primary automobile insurance policy that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and provides coverage during both of the following periods of time:

(a) While the driver is logged on to the transportation network company's digital network;

(b) While the driver is engaged in transportation network company services.

(2) The primary automobile insurance policy required by division (A)(1) of this section shall meet the following coverage requirements:

(a) While a transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests but is not engaged in transportation network company services, primary automobile insurance shall be maintained in the following amounts:

(i) At least fifty thousand dollars because of bodily injury to or death of one person in any one accident;

(ii) At least one hundred thousand dollars because of bodily injury or death of two or more persons in any one accident;

(iii) At least twenty-five thousand dollars because of injury to property of others in any one

accident.

(b) While a transportation network company driver is engaged in transportation network company services, primary automobile insurance shall be maintained in an amount of at least one million dollars because of bodily injury or death of one or more persons or injury to property of others in any one accident.

(3) The insurance required by divisions (A)(1) and (2) of this section may be satisfied by either of the following or a combination of the following:

(a) An automobile insurance policy that is maintained by the transportation network company driver;

(b) An automobile insurance policy that is maintained by the transportation network company.

(B)(1) If personal automobile insurance maintained by a transportation network company driver does not provide liability coverage in the amounts required by division (A)(2) of this section, insurance maintained by the transportation network company shall provide the required coverage, beginning with the first dollar of the claim and shall have the duty to defend the claim.

(2) An automobile insurance policy maintained by a transportation network company in accordance with this section shall not require the driver's personal automobile insurer or policy to first deny a claim before providing coverage.

(C) An automobile insurance policy required by this section shall be purchased from either of the following:

(1) A domestic, foreign, or alien insurance company organized or admitted under Title XXXIX of the Revised Code to issue such a policy;

(2) An insurer not holding a license in this state if both of the following criteria are met:

(a) The insurer is an eligible surplus lines insurance company and the policy is obtained through a person or entity that holds a surplus lines broker's license in accordance with sections 3905.30 to 3905.38 of the Revised Code or the insurer is an eligible risk retention group.

(b) The insurer has a credit rating of not less than "A-" from A.M. Best or "A" from Demotech or a similar rating from another rating agency recognized by the department of insurance.

(D) A transportation network company driver shall carry proof of insurance satisfying the coverage requirements of division (A)(2) of this section either physically or through use of an electronic wireless communications device described in section 4509.103 of the Revised Code at all times during the driver's use of a personal vehicle in connection with a transportation network company's digital network. In the event of an accident, the driver shall provide this insurance information to all parties claiming an interest in the insurance, other insurers, and upon request of a peace officer or state highway patrol trooper in accordance with division (D)(2) of section 4509.101 of the Revised Code. Upon such a request, the driver also shall disclose to the interested parties, insurers, and officers and troopers whether the driver was logged on to the transportation network company's digital network or was providing transportation network company services at the time of the accident.

(E) An automobile insurance policy that meets the requirements of this section satisfies the proof of financial responsibility for motor vehicles required under Chapter 4509. of the Revised Code.

(F) The insurance coverage requirements of this chapter shall apply to taxicabs only during the periods during which the taxicab is performing transportation network company services. When a taxicab is performing taxi services, the insurance requirements applicable to taxicabs shall apply. While a taxicab is operating as a taxicab and not performing transportation network company services, it shall comply with all laws, ordinances, and rules relating to taxicabs.

**Sec. 3938.03.** (A) An insurer issuing an automobile insurance policy to the owner or operator of a personal vehicle may exclude any and all coverage afforded under the policy for any loss or injury that occurs while a transportation network company driver is logged on to a transportation network company's digital network or while the driver is providing transportation network company services. This right to exclude any and all coverage may apply to any coverage included in the automobile insurance policy, including all of the following:

(1) Liability coverage for bodily injury and property damage;

(2) Uninsured and underinsured motorist coverage described in section 3937.18 of the Revised Code;

(3) Uninsured and underinsured motor vehicle property damage coverage described in section 3937.181 of the Revised Code;

(4) Medical payments coverage;

(5) Comprehensive physical damage coverage;

(6) Collision physical damage coverage.

Any such exclusions shall apply notwithstanding any requirement under Chapter 4509. of the Revised Code.

(B)(1) An insurer providing an automobile insurance policy that excludes the coverage described in division (A) of this section shall have no duty to defend or indemnify any claim expressly excluded under the policy. Nothing in this chapter shall be construed to invalidate or limit a provision contained in an automobile insurance policy that excludes coverage for vehicles that are used to carry persons or property for a charge or that are available for hire by the public.

(2) If an insurer providing a policy of automobile insurance defends or indemnifies a claim against a transportation network company driver that is excluded under the terms of the policy, the insurer shall have a right of contribution against any other insurer that provides automobile insurance to the driver in satisfaction of the insurance coverage requirements of section 3938.02 of the Revised Code at the time of the loss.

(C)(1) Nothing in this chapter implies or requires that a personal automobile insurance policy provide coverage while a transportation network company driver is logged on to the transportation network company's digital network, while the driver is engaged in transportation network company services, or while the driver otherwise uses a vehicle to transport passengers for compensation.

(2) Nothing in this chapter shall be construed to preclude an insurer from providing coverage for a transportation network company driver's vehicle, if the insurer chooses to do so by contract or endorsement.

(D) In a claims coverage investigation, a transportation network company and any insurer providing automobile insurance pursuant to section 3938.02 of the Revised Code shall cooperate to facilitate the exchange of relevant information with directly interested parties and any personal insurer of the transportation network company driver, if applicable. The parties shall exchange, at

minimum, the precise times that the transportation network company driver logged on and off of the transportation network company's digital network in the twelve-hour period immediately preceding and in the twelve-hour period immediately following the event resulting in the loss. The parties also shall disclose to one another a clear description of the coverage, exclusions, and limits provided under any automobile insurance maintained pursuant to section 3938.02 of the Revised Code and any other information reasonably necessary to determine insurance coverage.

(E)(1) Nothing in this chapter shall be construed to limit the right of a lender or secured party of a personal vehicle to require the transportation network company driver to maintain comprehensive or collision damage coverage, or both, or to show evidence of such coverage to the lender or secured party, for the personal vehicle during both of the following periods of time:

(a) When the driver is logged on to the transportation network company's digital network but is not performing transportation network company services;

(b) When the driver is performing transportation network company services.

(2) If the driver fails to maintain the required comprehensive or collision damage coverage, or to show evidence to the lender or secured party of the coverage upon reasonable request by the lender or secured party, the lender or secured party may obtain the coverage at the expense of the driver without prior notice to the driver.

(F) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the transportation network company shall cause its insurer to issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the vehicle.

**Sec. 3938.04.** (A) Before a transportation network company first allows a transportation network company driver to accept a request for transportation network company services on the company's digital network, the company shall disclose in writing to the driver both of the following:

(1) The insurance coverage, including the types of coverage and limits for each type of coverage, that the transportation network company provides while the driver uses a personal vehicle in connection with transportation network company services;

(2) That, depending on the terms of the policy, the transportation network company driver's own personal automobile insurance policy might not provide any coverage while the driver uses a personal vehicle to provide or be available to provide transportation network services.

(B) In addition to the disclosures required in division (A) of this section, a transportation network company shall provide the following notice to a prospective driver in the prospective driver's terms of service before the company first allows the driver to accept a request for transportation network company services on the company's digital network:

"If the vehicle that you plan to use to provide transportation network company services for our transportation network company has a lien against it, you must notify the lienholder that you will be using the vehicle for transportation services that may violate the terms of your contract with the lienholder."

**Sec. 4509.103.** (A) As used in this section and sections 4509.101 and 4509.102 of the Revised Code, "electronic wireless communications device" includes any of the following:

(1) A wireless telephone, including a cellular telephone;

(2) A personal digital assistant;

(3) A computer, including a laptop computer, a netbook computer, and a tablet computer;

(4) Any other substantially similar wireless device that is designed or used to communicate and displays text or images.

~~(B) Each~~ Except as provided in division (C) of this section, each insurer writing motor vehicle liability insurance in this state shall provide financial responsibility identification cards to every policyholder in this state to whom it has delivered or issued for delivery a motor vehicle liability insurance policy. A minimum of one financial responsibility identification card shall be issued for every motor vehicle insured under a motor vehicle liability insurance policy.

A financial responsibility identification card shall be valid only for the policy period. The card shall be in a form prescribed by the registrar of motor vehicles. It shall disclose the policy period and shall contain such other information as required by the registrar.

~~(C) Each~~ Notwithstanding division (B) of this section, in lieu of financial responsibility identification cards, each insurer writing motor vehicle liability insurance in this state ~~also~~ may provide to ~~every~~ a policyholder in this state to whom it has delivered or issued for delivery a motor vehicle liability insurance policy the ability to utilize an electronic wireless communications device to present proof of financial responsibility to a traffic violations bureau, court, registrar, or peace officer when required to do so by section 4509.101 of the Revised Code. The text or images that are displayed on such a device as the result of the generation and delivery by the insurer of information and data to the device shall conform to the requirements applicable to such text or images that the registrar prescribes in rules adopted under section 4509.101 of the Revised Code.

**Sec. 4925.01.** As used in this chapter, "transportation network company," "transportation network company driver," "transportation company services," "digital network," and "transportation network company rider" have the same meanings as in section 3938.01 of the Revised Code.

**Sec. 4925.02.** (A) The public utilities commission shall issue a transportation network company permit to any entity that does all of the following:

(1) Applies for a permit issued in accordance with rules adopted under this section;

(2) Affirms that the entity will maintain compliance with the applicable requirements established under sections 4925.03 to 4925.08 of the Revised Code and with rules adopted under this section;

(3) Submits along with an application for a permit a permit fee of five thousand dollars.

Any permit issued under this section is effective for one year commencing on the date of issuance.

(B) Nothing in this chapter shall be construed to prohibit the issuance of a transportation network company permit to an entity that is also engaged in providing taxicab services, so long as the entity complies with division (A) of this section, all applicable requirements established under sections 4925.03 to 4925.08 of the Revised Code, and rules adopted by the public utilities commission under division (C) of this section.

(C) The public utilities commission may adopt rules in accordance with Chapter 119. of the Revised Code for purposes of issuing permits to transportation network companies and implementing the requirements of this chapter.

(D) No entity shall operate a transportation network company without a valid permit issued under this section or without complying with rules adopted by the public utilities commission under

this section or the applicable requirements of sections 4925.03 to 4925.08 of the Revised Code.

**Sec. 4925.03.** A transportation network company shall do all of the following:

- (A) Disclose its fare calculation method on its digital network;
- (B) Provide transportation network company riders or potential riders with the applicable rates charged by the transportation network company;
- (C) Allow a transportation network company rider or potential rider to request and receive an estimated fare before the rider or potential rider receives transportation network company services;
- (D) Ensure that for each transportation network company service request one of the following conditions is met:
  - (1) The transportation network company's digital network provides a photograph of the transportation network company driver and the license plate number of the motor vehicle that will provide the transportation network company service before the transportation network company rider enters the vehicle;
  - (2) The name of the transportation network company is prominently displayed on the vehicle that will provide the transportation network company service.
- (E) Establish a process by which the transportation network company may accept payments for transportation network company services through the company's digital network;
- (F) Within a reasonable period of time after the completion of transportation network services, transmit an electronic receipt to the transportation network company rider that includes the origin and destination of the trip, the distance of the trip, the total time during which transportation network company services were provided, an itemization of the total fare charged, and, if applicable, that the rider made a cash payment to the driver;
- (G) Designate an agent located within this state who is authorized to receive service of process;
- (H) Comply with the requirements established under sections 3938.02 to 3938.04 of the Revised Code;
- (I) Comply with any other requirements established by the public utilities commission.

**Sec. 4925.04.** (A) Prior to authorizing a person to act as a transportation network company driver, a transportation network company shall do all of the following:

- (1) Require the person to submit an application to the transportation network company that includes at least all of the following:
  - (a) The person's address;
  - (b) The person's age;
  - (c) The person's driver's license number and information on the person's driving history;
  - (d) A copy of the certificate of motor vehicle registration for the vehicle the person will use to provide transportation network company services;
  - (e) Proof of automobile insurance.
- (2) Conduct a background check on each applicant, including both of the following:
  - (a) A search of a multi-state/multi-jurisdiction criminal records database, or a similar nationwide criminal records database, and validation of any records through a primary source search;
  - (b) A search of the United States department of justice national sex offender public web site;
- (3) Obtain and review a driving history report with regard to each applicant.

(B) A transportation network company shall not authorize a person to act as a transportation network company driver if any of the following apply to the person:

(1) The person does not possess a valid driver's license.

(2) The person does not possess a valid certification of motor vehicle registration for the motor vehicle that the person intends to use to provide transportation network company services.

(3) The person does not possess automobile liability insurance for the vehicle that the person intends to use to provide transportation network company services that meets the requirements of section 3938.02 of the Revised Code unless the transportation network company provides such insurance on behalf of the driver.

(4) The person has not attained the age of nineteen.

(5) Within the past three years, the person has been convicted of, or pleaded guilty to, more than three violations of section 4511.194, 4511.204, 4511.21, 4511.211, 4511.251, 4511.29, 4511.30, 4511.39, 4511.46, 4511.47, 4511.711, or 4511.75 of the Revised Code or an existing or former municipal ordinance or law of this or any other state, or of the United States, that is substantially equivalent to any offense listed in division (B)(5) of this section.

(6) Within the past three years, the person has been convicted of, or pleaded guilty to, any serious vehicle-related offense, including a violation of division (B) of section 2921.331 of the Revised Code or a violation of section 4510.11, 4510.111, 4510.12, 4510.14, 4510.16, 4510.18, 4511.20, or 4511.201 of the Revised Code or an existing or former municipal ordinance or law of this or any other state, or of the United States, that is substantially equivalent to any offense listed in division (B)(6) of this section.

(7) Within the past seven years, the person has been convicted of, or pleaded guilty to, any of the following:

(a) Operating a vehicle while under the influence of alcohol, a drug of abuse, or a combination of both, in violation of section 4511.19 of the Revised Code;

(b) The commission of any felony offense while operating, or being a passenger in, a motor vehicle;

(c) A theft or fraud offense in violation of section 2911.01 or 2911.02 of the Revised Code or any provision of Chapter 2913. of the Revised Code;

(d) A property damage offense in violation of section 2909.02, 2909.03, 2909.05, 2909.06, 2909.07, 2909.09, 2909.10, or 2909.101 of the Revised Code;

(e) A sex offense in violation of any provision of Chapter 2907. of the Revised Code;

(f) An offense of violence as defined in section 2901.01 of the Revised Code;

(g) An act of terrorism as defined in section 2909.21 of the Revised Code;

(h) A violation of an existing or former municipal ordinance or law of this or any other state, or of the United States, that is substantially equivalent to any offense listed in division (B)(7) of this section.

(8) A search of the United States department of justice national sex offender public web site indicates that the person is identified as a sex offender.

**Sec. 4925.05.** (A)(1) A transportation network company shall prohibit any transportation network company driver from logging onto the transportation network company's digital network or providing transportation network company services while under the influence of any amount of



alcohol or a drug of abuse. A transportation network company shall notify all drivers of this prohibition and shall provide notice of this policy on the digital network of the transportation network company.

(2) As used in division (A)(1) of this section, "drug of abuse" has the same meaning as in section 4506.01 of the Revised Code. For purposes of this section, "drug of abuse" does not include any drug that was obtained pursuant to a prescription issued by a licensed health professional authorized to prescribe drugs if the drug is taken in accordance with the directions of the health professional and does not impair the ability of the person who took the drug to operate a motor vehicle.

(B) A transportation network company shall establish a procedure by which a rider may report a complaint against a transportation network company driver for a violation of the company's prohibition established under division (A) of this section. The transportation network company shall provide information about the complaint procedure on the digital network of the transportation network company. Upon receiving a complaint alleging a violation of the prohibition established under division (A) of this section, a transportation network company shall immediately suspend the access of the driver accused of the violation to the transportation network company's digital network and shall conduct an investigation into the reported incident.

(C) A transportation network company shall retain all complaints submitted under division (B) of this section, and all records related to the investigation of such a complaint, for a period of two years commencing on the date each complaint was filed.

**Sec. 4925.06.** (A) No transportation network company driver shall fail to comply with the nondiscrimination policy of a transportation network company for which the driver provides transportation network services if such a policy has been established or with any applicable law regarding nondiscrimination or the accommodation of service animals.

(B) No transportation network company shall charge any additional fee for providing transportation network company services to a person with a disability on the basis of the disability.

(C) A transportation network company shall provide an option on the digital network of the transportation network company for a potential rider to request a wheelchair-accessible vehicle. If the transportation network company cannot arrange such a service for a potential rider who requests a wheelchair-accessible vehicle, the transportation network company shall direct the potential rider to another provider if possible.

**Sec. 4925.07.** A transportation network company shall maintain records of both of the following:

(A) All transportation network company drivers for not less than two years after the date each driver last provided transportation network company services;

(B) Each instance in which transportation network company services are provided for not less than two years after the services are provided.

**Sec. 4925.08.** (A) A transportation network company driver may accept cash payments for transportation network company services if authorized to do so by the transportation network company that controls the digital network through which the driver provides the services. If a transportation network company driver accepts a cash payment for a transportation network company service, the driver shall notify the transportation network company through the digital network that a

cash payment has been made and of the amount of the cash payment. In addition, the rider shall confirm the amount of the cash payment through the digital network. Nothing in this section shall be construed to require a transportation network company to authorize the acceptance of cash payments.

(B) No transportation network company driver shall solicit or accept any passenger other than through the digital network of the transportation network company at any time during which the transportation network company driver is logged onto the digital network.

**Sec. 4925.09.** (A)(1) The regulation of transportation network companies, transportation network company drivers, and transportation network company services is a matter of general statewide interest that requires statewide regulation. Chapter 4925. and sections 3938.01 to 3938.04 of the Revised Code constitute a comprehensive plan with respect to all aspects of the regulation of transportation network companies, transportation network company drivers, and transportation network company services. Accordingly, except as authorized in division (A)(2) of this section, it is the intent of the general assembly to preempt any local ordinance, resolution, or other law adopted to license, register, tax, or otherwise regulate transportation network companies, transportation network company drivers, or transportation network company services.

(2) The operator of a public-use airport, as defined in section 4563.30 of the Revised Code, may adopt reasonable standards, regulations, procedures, and fees that are applicable to transportation network company services that are provided to any transportation network company rider who requests service to, from, or on the property of the public-use airport. A transportation network company or transportation network company driver shall comply with any applicable standards, regulations, or procedures adopted by a public-use airport and shall pay any applicable fees in a timely manner.

(B) With regard to the provision of transportation network company services, no transportation network company or transportation network company driver is subject to regulation as a chauffeured limousine under section 4511.85 of the Revised Code, as a taxicab or vehicle for hire, or as a for-hire motor carrier under Chapters 4921. and 4923. of the Revised Code. No vehicle used to provide transportation network company services shall be required to register as a chauffeured limousine, taxicab or vehicle for hire, commercial car, or for-hire motor carrier in order to provide transportation network company services.

**Sec. 4925.10.** (A) Chapters 4111., 4121., 4123., 4141., and sections 4113.15 and 4113.16 of the Revised Code do not apply to transportation network companies with regard to transportation network company drivers and transportation network company drivers are not employees for purposes of those chapters or sections, except where agreed to by written contract. If the parties agree to the application of one or more of these laws in a written contract, the transportation network company shall notify the appropriate agency of the election to cover the driver. If the parties subsequently change this election, the transportation network company shall notify the appropriate agency of the change.

(B) Except where agreed to by written contract, a transportation network company driver is not an agent of a transportation network company.

(C) A driver may bring an action and recover under section 4113.52 of the Revised Code if a transportation network company has discontinued or otherwise removed the driver's access to the transportation network company's digital network because of the driver making a report under that

section. If a driver brings an action under that section, the driver shall comply with the procedures for employees established in that section to receive the relief and remedies listed in division (E) of that section.

A driver is not an employee for purposes of sections 4113.51 and 4113.52 of the Revised Code. Nothing in this division shall be construed to create an employer and employee relationship between a transportation network company driver and a transportation network company.

**SECTION 2.** That existing section 4509.103 of the Revised Code is hereby repealed.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20 \_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_