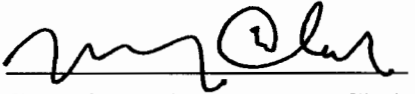1

2 Councilmember David Grosso

Councilmember Mary M. Cheh

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5
6 A BILL
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10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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14
15 Councilmembers Mary M. Cheh and David Grosso introduced the following bill, which was
16   referred to the Committee on _____.
17
18 To define transportation network application companies, operators, and services, to create
19   registration provisions for operators, to require background checks for operators, to
20   prohibit street hails by operators, to require transportation network application companies
21   to conduct background checks, inspect vehicles, establish zero tolerance policies for
22   drugs and alcohol, transmit the passenger surcharge to the Taxicab Commission, to
23   maintain commercial insurance for operators, to create provisions for charging for
24   services; to amend the District of Columbia Taxicab Commission Establishment Act of
25   1985 to deregulate fares for taxicabs arranged through digital dispatch services, to clarify
26   data and surcharge transmission requirements, to require a notice to be posted in all
27   taxicabs regarding acceptance of credit cards, and to require the Taxicab Commission to
28   provide notice of suspended or revoked for-hire licenses to digital dispatch services; and
29   to amend Title 18 of the District of Columbia Municipal Regulations to reduce the
30   inspection requirement for taxicabs from semi-annually to annually.
31
32   BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this

33 act may be cited as the "Transportation Network Services Innovation Act of 2014".

34   Sec. 2. Definitions.

35   (a) For the purposes of this act, the term:

36   (1) "Transportation network application company" shall mean a company

37 operating in the District of Columbia that uses a digital network or software application to

1 connect a passenger to transportation network services provided by a transportation network

2 operator.

3 　　　　(2) "Transportation network operator" shall mean an individual who operates a

4 motor vehicle that is:

5 　　　　　　(A) Owned or leased by the individual;

6 　　　　　　(B) Not a commercial vehicle as defined by section 2(3) of the Uniform

7 Classification and Commercial Driver's License Act of 1990, effective September 20, 1990

8 (D.C. Law 8-161; D.C. Official Code § 50-401);

9 　　　　　　(C) Not licensed as a public vehicle-for-hire under section 20 of the

10 District of Columbia Taxicab Establishment Act of 1985, effective March 25, 1986 (D.C. Law 6-

11 97; D.C. Official Code § 50-319) and D.C. Official Code § 47-2829; and

12 　　　　　　(D) Used to provide transportation network services.

13 　　　　(3) "Transportation network services" shall mean transportation of a passenger

14 between points chosen by the passenger and that is prearranged by a transportation network

15 application company.

16 　Sec. 3. Registration.

17 　(a) An individual may submit an application to a transportation network application

18 company for registration as a transportation network operator.

19 　(b) A transportation network application company shall approve or deny an application

20 submitted under subsection (a) of this section within 60 days after the application has been

21 submitted.

22 　(c) Before approving an application submitted under subsection (a) of this section, a

23 transportation network company shall:

1   (1) Conduct, or have a third party conduct, a local and national criminal

2   background check for each applicant that shall include:

3   (A) Multi-State/Juris Criminal Records Locator or other similar

4   commercial nationwide database with validation (primary source search); and

5   (B) National Sex Offender Registry database; and

6   (2) Conduct, or have a third party conduct, a driving record check for each

7   applicant.

8   (d) A transportation network application company shall not approve an application

9   submitted under subsection (a) of this section and shall permanently disqualify an applicant who:

10   (1) As shown in the local or national criminal background check required under

11   subsection (c)(1) of this section, has been convicted within the past 7 years of:

12   (A) An offense defined as a crime of violence under D.C. Code § 23-

13   1331(4);

14   (B) An offense under Title II of Chapter 30 of the Anti-Sexual Abuse Act

15   of 1994, effective May 23, 1995 (D.C. Law 10-257; D.C. Official Code § 22-3002 *et seq.*);

16   (C) An offense under section 3 of the District of Columbia Protection

17   Against Minors Act of 1982; effective March 9, 1983 (D.C. Law 4-173; D.C. Official Code § 22-

18   3103);

19   (D) Robbery or an attempt to commit robbery under An Act To establish a

20   code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1189; D.C. Official

21   Code §§ 22-801 and 22-802);

1   (E) Felony fraud or identity theft under sections 121 or 127b, respectively,

2 of the District of Columbia Theft and White Collar Crimes Act of 1982, effective December 1,

3 1982 (D.C. Law 4-164; D.C. Official Code §§ 22-3221, 22-3227.02); or

4   (F) An offense under the law of any state, under federal law, or under the

5 law of any other jurisdiction, which involved conduct that would constitute an offense described

6 in subparagraphs (A) through (E) of this paragraph if committed in the District;

7   (2) Is a match in the National Sex Offender Registry database;

8   (3) As shown in the driving record check required under subsection (c)(2) of this

9 section, has been convicted within the past 7 years for:

10   (A) Aggravated reckless driving under section 9(b-1) of the District of

11 Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1123; D.C. Official Code § 50-

12 2201.04(b-1));

13   (B) Fleeing from a law enforcement officer in a motor vehicle under

14 section 10b of the District of Columbia Traffic Act, 1925, approved March 3, 1925 (43 Stat.

15 1123; D.C. Official Code § 50-2201.05b);

16   (C) Leaving after colliding under section 10c of the District of Columbia

17 Traffic Act, 1925, approved March 3, 1925 (43 Stat. 1123; D.C. Official Code § 50-2201.05c);

18   (D) Negligent homicide under section 802(a) of An Act To amend an Act

19 of Congress entitled "An Act to establish a code of law for the District of Columbia", approved

20 March 3, 1901, as amended by adding three new sections to be numbered 802(a), 802(b), and

21 802(c), respectively, approved June 17, 1935 (49 stat. 385; D.C. Official Coe §50-2203.01);

22   (E) Driving under the influence of alcohol or a drug, driving a commercial

23 vehicle under the influence of alcohol or a drug, or operating a vehicle while impaired under

1   sections 3b, 3c, or 3e, respectively, of the Anti-Drunk Driving Act of 1982, effective September

2   14, 1982 (D.C. Law 4-145; D.C. Official Code §§ 50-2206.11, 50-2206.12, and 50-2206.14);

3   (F) Use of a motor vehicle to commit a crime; and

4   (G) An offense under the law of any state, under federal law, or under the

5   law of any other jurisdiction, which involved conduct that would constitute an offense described

6   in subparagraphs (A) through (F) of this paragraph if committed in the District; or

7   (4) As shown in the driving record check required under subsection (c)(2) of this

8   section, has been convicted within the past three years for driving with a suspended or revoked

9   license under section 13(e) of the District of Columbia Traffic Act, 1925, approved March 3,

10   1925 (43 Stat. 1123; D.C. Official Code § 50-1403.01(e)).

11   Sec. 4. Requirements for transportation network application companies.

12   (a) A transportation network application company shall:

13   (1) Create an application process for a person to apply for registration as a

14   transportation network operator;

15   (2) Maintain a current registry of the transportation network application

16   company's transportation network operators;

17   (3) Provide the following information on its website:

18   (A) The transportation network application company's customer service

19   telephone number or electronic mail address;

20   (B) The transportation network application company's zero tolerance

21   policy established under paragraph (9) of this section;

22   (C) The procedure for reporting a complaint about an individual who a

23   passenger suspects violated the zero tolerance policy under paragraph (8) of this section; and

1   (D) A complaint telephone number and electronic mail address for the

2   District of Columbia Taxicab Commission;

3   (4) Conduct, or have a third party conduct, a safety inspection of the motor

4   vehicle that a transportation network operator will use before the motor vehicle may be used to

5   provide transportation network services;

6   (5) Establish a uniform logo, insignia, decal or trade dress for use on a motor

7   vehicle at any time a motor vehicle is providing or arranging to provide transportation network

8   services;

9   (6) Transmit the per trip passenger surcharge to the Office of the Chief Financial

10   Officer as required under section 20a of the District of Columbia Taxicab Commission

11   Establishment Act of 1985, effective March 25, 1986 (D.C. Law 6-97; D.C. Official Code § 50-

12   320) on a quarterly basis, and certify under penalty of perjury that the amount transmitted is

13   consistent with the number of completed trips arranged through the digital network or software

14   application. Subject to reasonable confidentiality obligations and applicable confidentiality laws,

15   the Office of the Chief Financial Officer may inspect records of the transportation network

16   application company to investigate compliance with the requirements of this paragraph;

17   provided, that any records disclosed to the Office of the Chief Financial Officer in an

18   investigation shall not be subject to disclosure to a third party, including through a request

19   submitted pursuant to the District of Columbia Freedom of Information Act, codified at D.C.

20   Code § 2-531 *et seq.*

21   (7) Maintain a commercial liability insurance policy that:

22   (A) Provides coverage of at least $1,000,000 per incident for accidents

23   involving a transportation network operator from the time the operator accepts a trip request until

1 the completion of a trip, regardless of whether the operator maintains personal insurance

2 adequate to cover any portion of a claim;

3   (B) Provides uninsured/underinsured motorist coverage of at least

4 $1,000,000 per incident;

5   (C) Provides contingent comprehensive and collision coverage of at least

6 $50,000 for physical damage to a transportation network operator vehicle during the course of

7 providing transportation network services; and

8   (D) During the time that a transportation network operator is available for

9 service but not providing service, provides additional bodily injury coverage of at least $50,000

10 per person and at least $100,000 per accident, and coverage of at least $25,000 for property

11 damage per accident, in the event that the operator's personal insurance policy does not pay.

12   (8) Establish a zero tolerance policy on the use of drugs or alcohol while

13 transportation network operator is arranging to provide or is providing transportation network

14 services;

15   (9) Immediately suspend a transportation network operator upon receiving a

16 passenger complaint alleging that the operator violated the zero tolerance policy. Such

17 suspension shall last the duration of the investigation;

18   (10) Conduct an investigation when a passenger alleges that an operator violated

19 the zero tolerance policy required by paragraph (9);

20   (11) Maintain records relevant to the requirements of this section for the purposes

21 of enforcement; and

22   (12) Submit to the District of Columbia Taxicab Commission:

23   (A) Proof that the company is licensed to do business in the District;

1   (B) Proof that the company maintains a registered agent in the District;

2   (C) Proof that the company maintains a website that includes the

3   information required by paragraph (3) of this section;

4   (D) Proof that the company has established a uniform logo, insignia, decal,

5   or trade dress required by paragraph (5) of this section; and

6   (E) A certification under penalty of perjury that the company has complied

7   with the requirements of this act; provided, that the District of Columbia Taxicab Commission

8   shall not impose any registration, licensure, certification, or other similar requirements for

9   transportation network application companies to operate in the District of Columbia that exceed

10   the requirements set forth in this subsection.

11   (b) A transportation network application company shall not provide personal information

12   about a passenger to a transportation network operator, including a passenger's full name, email

13   address, or telephone number.

14   Sec. 5. Requirements for transportation network operators.

15   (a) A transportation network operator shall:

16   (1) Exclusively accept rides booked through a ride-sharing network's digital

17   platform and shall not solicit or accept street-hails;

18   (2) Use the required logo, insignia, or trade dress required by section 4(6) of this

19   act at any time that the operator uses his or her motor vehicle to provide or is arranging to

20   provide transportation network service;

21   (3) Possess a valid driver's license;

22   (4) Possess proof of registration for the motor vehicle used for transportation

23   network services;

1   (5) Possess proof of motor vehicle insurance for the motor vehicle used for

2 transportation network services; and

3   (6) Be at least 21 years of age.

4   (b) If an accident occurs involving a motor vehicle that is being used for transportation

5 network services, including when the transportation network operator is logged into or otherwise

6 using the software application or network, the transportation network operator shall provide

7 proof of the operator's:

8   (1) Personal insurance; and

9   (2) Excess liability coverage; provided, that a transportation network operator

10 shall have 24 hours to provide proof of excess liability coverage.

11   Sec. 6. Charges.

12   (a) A transportation network application company may offer service at no-charge, suggest

13 a donation, or charge a fare; provided, that if a fare is charged, a transportation network

14 application company shall disclose the fare calculation method, the applicable rates being

15 charged, and the option for an estimated fare to a passenger before the passenger arranges a trip

16 with the transportation network application company.

17   (b) Upon completion of a trip, a transportation network company shall transmit an

18 electronic receipt to the passenger's electronic mail address or mobile application that lists:

19   (A) The origin and destination of the trip;

20   (B) The total time and distance of the trip; and

21   (C) A breakdown of the total fare paid, if any.

22   Sec. 7. Enforcement.

1   (a) The District of Columbia Taxicab Commission shall have the authority to enforce the

2 requirements of this act, including through inspection of relevant records; provided, that any

3 records disclosed to the Commission under this paragraph shall not be subject to disclosure to a

4 third party by the Commission, including through a request submitted pursuant to the District of

5 Columbia Freedom of Information Act, codified at D.C. Code § 2-531 *et seq.*

6   (b) Failure to adhere to the requirements of this section by a transportation network

7 application company or operator may result in sanction by the Commission, including fines and

8 other penalties, pursuant to its authority in Section 8 of the District of Columbia Taxicab

9 Commission Establishment Act of 1985, effective March 25, 1986 (D.C. Law 6-97; D.C. Official

10 Code § 50-307.

11   (c) Except for the rules and regulations necessary to enforce the provisions of this act,

12 transportation network application companies, operators, and services shall be exempt from

13 regulation by the Commission, including any rules or regulations requiring a transportation

14 network company to:

15   (1) Collect or transmit data or information about a customer or a customer's trip

16 to the Commission; or

17   (2) Provide the Commission with a list or inventory of drivers or vehicles that are

18 associated with a transportation network application company.

19   Sec. 8. The District of Columbia Taxicab Commission Establishment Act of 1985,

20 effective March 25, 1986 (D.C. Law 6-97; D.C. Official Code § 50-301 *et seq.*), is amended as

21 follows:

22   (a) Section 4 (D.C. Official Code § 50-303) is amended as follows:

1   (1) Paragraph (21) is amended by striking the phrase "Commission." and inserting

2   the phrase "Commission; provided, that the rates charged by a taxicab hired by digital dispatch

3   shall either be calculated by a Commission-approved meter with uniform rates or may conform

4   with the digital dispatch rate requirements of section 20l." in its place.

5   (b) Section 20g (D.C. Official Code § 50-326) is amended by adding a new subsection (c)

6   to read as follows:

7   "(c)(1) The Commission shall create a notice to be posted in all taxicabs. The

8   notice shall be posted in a conspicuous location in clear view of passengers of the taxicab. The

9   notice shall be at least 5 inches by 7 inches in size, and shall state the following: 'This taxicab

10   must accept credit cards through the approved DCTC modern taximeter system. A taxicab shall

11   not operate without a functioning taximeter system. Failure to accept a credit card is a violation

12   of the law and is punishable by fine. Please report violations to the District of Columbia Taxicab

13   Commission at 855-484-4966 or dctaxi.dc.gov. The only driver identification required to file a

14   complaint is the four-digit identifier on the driver's vehicle dome light.'

15   "(c)(2) To obtain a copy of the notice required to be posted under this section, the

16   owner or operator of a taxicab required to post the notice shall:

17   "(A) Print the notice from the Commission website; or

18   "(B) Request that the sign be mailed for the cost of printing and first-class

19   postage.

20   "(c)(3) The Commission shall provide each owner or operator of a taxicab with

21   notice of mandatory compliance with this subsection.

22   "(c)(4) Failure by a taxicab to post the notice required under this subsection shall

23   be subject to a fine of $250 per violation.".

1   (c) Section 201 (D.C. Official Code § 50-329.02) is amended as follows:

2   (1) Subsection (b) is amended as follows:

3   (A) The lead-in language is amended to read as follows:

4   "(b) A digital dispatch service shall be exempt from regulation by the

5   Commission, other than the rules and regulations issued pursuant to paragraphs (1)-(13) of this

6   subsection and subsections (d), (e), and, (f) of this section. Any rules and regulations shall

7   protect the personal privacy rights of customers and drivers, shall not result in the disclosure of

8   confidential business information, and shall be limited to ensuring compliance with only the

9   following:".

10   (B) Paragraph (1) is amended to read as follows:

11   "(1) If the digital dispatch service connects a customer to a taxicab, the

12   fare may be calculated in accordance with the taxicab fare structure established by the

13   Commission through an approved taxicab meter system or through a time and distance charge set

14   by the digital dispatch service; provided, that before booking a trip, the digital dispatch service

15   shall disclose the fare calculation method, the applicable rates being charged, and provide the

16   option for an estimated fare to the customer.".

17   (C) Paragraph (5) is amended by striking the phrase "customer shall

18   receive a paper or electronic receipt" and insert the phrase "digital dispatch service shall send an

19   electronic receipt to the customer's electronic mail address on file with the service" in its place.

20   (D) Paragraph (10) is amended by striking the phrase "email address."

21   And inserting the phrase "email address; provided, that the Commission shall not impose any

22   registration, licensure, certification, or other similar requirements for digital dispatch service to

23   operate in the District that exceed the requirements set forth in this paragraph.".

1   (E) New paragraphs (11), (12), and (13) are added to read as follows:

2   "(11) The digital dispatch service shall not provide personal information

3   about a passenger to an operator providing digital dispatch service, including a passenger's full

4   name, email address, or telephone number.

5   "(12) The digital dispatch service shall transmit, or contract with a third

6   party to transmit, the per trip passenger surcharge to the Office of the Chief Financial Officer as

7   required under section 20a on a quarterly basis, and certify under penalty of perjury that the

8   amount transmitted is consistent with the number of completed trips arranged through the digital

9   dispatch service; provided that the amount transmitted shall be considered confidential business

10 information.

11   "(13) Subject to reasonable confidentiality obligations and applicable

12 confidentiality laws, the Office of the Chief Financial Officer may inspect records of the digital

13 dispatch service to investigate compliance with the requirements of paragraph (12) of this

14 section; provided that any records disclosed to the Office of the Chief Financial Officer under

15 this paragraph shall not be subject to disclosure to a third party, including through a request

16 submitted pursuant to the District of Columbia Freedom of Information Act, codified at D.C.

17 Code § 2-531 *et seq.*".

18   (2) Subsection (d) is amended by striking the phrase "rule." and inserting the

19 phrase "rule. The term "digital dispatch service" shall not include a transportation network

20 application company as defined by section 2 of the Transportation Network Services Innovation

21 Amendment Act of 2014; provided, that a company may provide digital dispatch service and

22 transportation network service using the same software or application platform in compliance

23 with the requirements for each category of service.".

1   (3) New subsections (e) and (f) are added to read as follows:

2   "(e) The Commission shall periodically provide each digital dispatch service

3 operating in the District with a list of drivers whose operating authority has been suspended or

4 revoked and shall not require a digital dispatch service to provide a list or inventory of drivers or

5 vehicles associated with the digital dispatch service. The digital dispatch service shall

6 immediately suspend or revoke an operator's access to the digital dispatch service software or

7 application upon notice that the driver's operating authority has been suspended or revoked by

8 the Commission.

9   "(f) The Commission shall not require a digital dispatch service to collect or

10 transmit data or information about a customer or a customer's trip; provided, that data collected

11 by the taxicab smart meter system shall be transmitted to the Commission without regard to

12 whether a trip was arranged through a digital dispatch service.".

13   Sec. 9. Section 47-2829 of the District of Columbia Official Code is amended as follows:

14   (a) A new subsection (k) is added to read as follows:

15   "(k) This section shall not apply to transportation network operators providing

16 transportation network services pursuant to the Transportation Network Services Innovation Act

17 of 2014.

18   Sec. 10. Subsection 601.4(e) of Title 18 of the District of Columbia Municipal

19 Regulations (18 DCMR § 601.4(e)) is amended by striking the phrase "semi-annually" and

20 inserting the phrase "annually" in its place.

21   Sec. 11. Fiscal impact statement.

1   The Council adopts the fiscal impact statement in the committee report as the fiscal

2   impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act,

3   approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

4   Sec. 12. Effective date.

5   This act shall take effect following approval by the Mayor (or in the event of veto by the

6   Mayor, action by the Council to override the veto), a 30-day period of Congressional

7   review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved

8   December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the

9   District of Columbia Register.