

MAINE STATE LEGISLATURE

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127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document

No. 982

S.P. 344

In Senate, March 18, 2015

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

Reference to the Committee on Transportation suggested and ordered printed.

A handwritten signature in cursive script, reading 'Heather J.R. Priest'.

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator COLLINS of York.
Cosponsored by Representative McLEAN of Gorham and
Senators: CYRWAY of Kennebec, DIAMOND of Cumberland, HAMPER of Oxford,
LANGLEY of Hancock, Representatives: BRYANT of Windham, HOGAN of Old Orchard
Beach, PARRY of Arundel, RYKERSON of Kittery.

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

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

3 **SUBCHAPTER 4**

4 **TRANSPORTATION NETWORK COMPANIES**

5 **§1671. Definitions**

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

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

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

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

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

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

30 **§1672. Transportation network company permit**

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

33 A. An application for a permit under this section must be made on a form provided
34 or approved by the Secretary of State.

35 B. The permit under this section is valid for a period of one year.

1 C. The annual fee for a permit under this section is \$25,000.

2 D. A transportation network company shall maintain insurance pursuant to section
3 1673.

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

7 A. A reinstatement fee of \$1,000 is paid to the Secretary of State; and

8 B. Subsequent to the termination, the transportation network company pays the
9 annual permit fee under subsection 1 and provides proof of insurance under section
10 1673.

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

12 **§1673. Insurance requirements**

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

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

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

22 A. The name and address of the insured;

23 B. The conditions of coverage sufficient to identify whether or not a given vehicle is
24 covered at a given time;

25 C. The premium charges;

26 D. The policy period;

27 E. The limits of liability;

28 F. An agreement that insurance is provided pursuant to this section; and

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

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

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

- 1 B. Provide uninsured and underinsured motorist coverage in the amount of at least
2 \$1,000,000 per occurrence from the moment the driver is logged into the
3 transportation network company network until the driver logs off the network;
4 C. Provide primary comprehensive collision coverage equal to that coverage in the
5 policy insuring the driver's vehicle that is listed in the policy; and
6 D. Comply with section 1606, subsections 2 to 6.

7 **§1674. Municipal authority**

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

11 **SUMMARY**

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