As Reported by the Senate State and Local Government Committee

131st General Assembly

Regular Session 2015-2016

Sub. H. B. No. 237

Representatives Duffey, Hackett

Cosponsors: Representatives Bishoff, Amstutz, Anielski, Antani, Antonio, Ashford, Buchy, Burkley, Derickson, Dever, Dovilla, Green, Grossman, Henne, Kunze, McColley, Pelanda, Retherford, Sears, Terhar, Young

Senators LaRose, Hottinger, Uecker

A BILL

Го	amend section 4509.103 and to enact sections	1
	3938.01, 3938.02, 3938.03, 3938.04, 4925.01,	2
	4925.02, 4925.03, 4925.04, 4925.05, 4925.06,	3
	4925.07, 4925.08, 4925.09, and 4925.10 of the	4
	Revised Code to regulate transportation network	5
	companies and transportation network company	6
	services and to exempt an insurer that provides	7
	motor vehicle liability insurance from the	8
	requirement that it provide financial	9
	responsibility identification cards to a	10
	policyholder if the insurer provides the ability	11
	to use an electronic wireless communications	12
	device to provide proof of financial	13
	responsibility.	14

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Sec	tion 1. ${\mathbb T}$	hat section	n 4509.10	3 be amer	nded and	sections	15
3938.01,	3938.02,	3938.03,	3938.04,	4925.01,	4925.02,	4925.03,	16

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4925.04, 4925.05, 4925.06, 4925.07, 4925.08, 4925.09, and	17
4925.10 of the Revised Code be enacted to read as follows:	18
Sec. 3938.01. As used in this chapter:	19
(A) "Automobile insurance policy" has the same meaning as	20
in section 3937.30 of the Revised Code.	21
(B) "Chauffeured limousine" has the same meaning as in	22
section 4501.01 of the Revised Code.	23
(C) "Digital network" means any online-enabled	24
application, software, web site, or system offered or utilized	25
by a transportation network company that enables the	26
prearrangement of rides with transportation network company	27
drivers.	28
(D) "Personal vehicle" means a vehicle to which all of the	29
<pre>following apply:</pre>	30
(1) The vehicle is used by a transportation network	31
<pre>company driver.</pre>	32
(2) The vehicle is owned, leased, or otherwise authorized	33
for use by the transportation network company driver.	34
(3) The vehicle is not a taxicab or other similar vehicle	35
for hire, unless the vehicle is being used to provide	36
transportation network company services on behalf of a	37
transportation network company that has been issued a permit	38
under section 4925.02 of the Revised Code.	39
(4) The vehicle is not a chauffeured limousine or a	40
vehicle being operated pursuant to a ridesharing arrangement.	41
(E) "Ridesharing arrangement" has the same meaning as in	42
section 4921.01 of the Revised Code.	43

(F) "Transportation network company" includes a	44
corporation, partnership, association, limited liability	45
company, proprietorship, or any other entity operating in this	46
state that uses a digital network to connect transportation	47
network company riders to transportation network company drivers	48
who provide transportation network company services.	49
(G) "Transportation network company driver" or "driver"	50
means an individual to whom both of the following apply:	51
(1) The individual receives connections to passengers and	52
potential passengers and related services from a transportation	53
network company in exchange for the payment of a fee to the	54
<pre>company.</pre>	55
(6) (7)	5.6
(2) The individual uses a personal vehicle to offer or	56
provide transportation network company services to riders upon	57
connection through a digital network controlled by a	58
transportation network company in return for compensation or	59
payment of a fee.	60
(H) "Transportation network company rider" or "rider"	61
means an individual or individuals using a transportation	62
network company's digital network to connect with a	63
transportation network company driver who provides	64
transportation network company services to the individual in a	65
personal vehicle between points chosen by the individual.	66
(I)(1) "Transportation network company services" means the	67
provision of transportation beginning when a transportation	68
network company driver accepts a ride requested by a rider	69
through a digital network controlled by a transportation network	70
company, continuing while the driver transports the requesting	71
rider, and ending when the last requesting rider departs from	72

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the personal vehicle.	73
(2) "Transportation network company services" do not	74
include services provided by any of the following:	75
(a) A taxicab or other similar vehicle for hire, unless	76
the taxicab or other vehicle is providing the services described	77
in division (I)(1) of this section on behalf of a transportation	78
network company that has been issued a permit under section	79
4925.02 of the Revised Code;	80
(b) A chauffeured limousine;	81
(c) A ridesharing arrangement.	82
Sec. 3938.02. (A) (1) Each transportation network company	83
driver shall be covered by a primary automobile insurance policy	84
that recognizes that the driver is a transportation network	85
company driver or otherwise uses a vehicle to transport	86
passengers for compensation and provides coverage during both of	87
the following periods of time:	88
(a) While the driver is logged on to the transportation	89
<pre>network company's digital network;</pre>	90
(b) While the driver is engaged in transportation network	91
<pre>company services.</pre>	92
(2) The primary automobile insurance policy required by	93
division (A)(1) of this section shall meet the following	94
<pre>coverage requirements:</pre>	95
(a) While a transportation network company driver is	96
logged on to the transportation network company's digital	97
network and is available to receive transportation requests but	98
is not engaged in transportation network company services,	99
primary automobile insurance shall be maintained in the	100

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(2) An automobile insurance policy maintained by a	129
transportation network company in accordance with this section	130
shall not require the driver's personal automobile insurer or	131
policy to first deny a claim before providing coverage.	132
(C) An automobile insurance policy required by this	133
section shall be purchased from either of the following:	134
(1) A domestic, foreign, or alien insurance company	135
organized or admitted under Title XXXIX of the Revised Code to	136
issue such a policy;	137
(2) An insurer not holding a license in this state if both	138
of the following criteria are met:	139
(a) The insurer is an eligible surplus lines insurance	140
company and the policy is obtained through a person or entity	141
that holds a surplus lines broker's license in accordance with	142
sections 3905.30 to 3905.38 of the Revised Code or the insurer	143
is an eligible risk retention group.	144
(b) The insurer has a credit rating of not less than "A-"	145
from A.M. Best or "A" from Demotech or a similar rating from	146
another rating agency recognized by the department of insurance.	147
(D) A transportation network company driver shall carry	148
proof of insurance satisfying the coverage requirements of	149
division (A)(2) of this section either physically or through use	150
of an electronic wireless communications device described in	151
section 4509.103 of the Revised Code at all times during the	152
driver's use of a personal vehicle in connection with a	153
transportation network company's digital network. In the event	154
of an accident, the driver shall provide this insurance	155
information to all parties claiming an interest in the	156
insurance, other insurers, and upon request of a peace officer	157

or state highway patrol trooper in accordance with division (D)	158
(2) of section 4509.101 of the Revised Code. Upon such a	159
request, the driver also shall disclose to the interested	160
parties, insurers, and officers and troopers whether the driver	161
was logged on to the transportation network company's digital	162
network or was providing transportation network company services	163
at the time of the accident.	164
(E) An automobile insurance policy that meets the	165
requirements of this section satisfies the proof of financial	166
responsibility for motor vehicles required under Chapter 4509.	167
of the Revised Code.	168
(F) The insurance coverage requirements of this chapter	169
shall apply to taxicabs only during the periods during which the	170
taxicab is performing transportation network company services.	171
When a taxicab is performing taxi services, the insurance	172
requirements applicable to taxicabs shall apply. While a taxicab	173
is operating as a taxicab and not performing transportation	174
network company services, it shall comply with all laws,	175
ordinances, and rules relating to taxicabs.	176
Sec. 3938.03. (A) An insurer issuing an automobile	177
insurance policy to the owner or operator of a personal vehicle	178
may exclude any and all coverage afforded under the policy for	179
any loss or injury that occurs while a transportation network	180
company driver is logged on to a transportation network	181
company's digital network or while the driver is providing	182
transportation network company services. This right to exclude	183
any and all coverage may apply to any coverage included in the	184
automobile insurance policy, including all of the following:	185
(1) Liability coverage for bodily injury and property	186
damage;	187

(2) Uninsured and underinsured motorist coverage described	188
in section 3937.18 of the Revised Code;	189
(3) Uninsured and underinsured motor vehicle property	190
damage coverage described in section 3937.181 of the Revised	191
Code;	192
(4) Medical payments coverage;	193
(5) Comprehensive physical damage coverage;	194
(6) Collision physical damage coverage.	195
Any such exclusions shall apply notwithstanding any	196
requirement under Chapter 4509. of the Revised Code.	197
(B) (1) An insurer providing an automobile insurance policy	198
that excludes the coverage described in division (A) of this	199
section shall have no duty to defend or indemnify any claim	200
expressly excluded under the policy. Nothing in this chapter	201
shall be construed to invalidate or limit a provision contained	202
in an automobile insurance policy that excludes coverage for	203
vehicles that are used to carry persons or property for a charge	204
or that are available for hire by the public.	205
(2) If an insurer providing a policy of automobile	206
insurance defends or indemnifies a claim against a	207
transportation network company driver that is excluded under the	208
terms of the policy, the insurer shall have a right of	209
contribution against any other insurer that provides automobile	210
insurance to the driver in satisfaction of the insurance	211
coverage requirements of section 3938.02 of the Revised Code at	212
the time of the loss.	213
(C)(1) Nothing in this chapter implies or requires that a	214
personal automobile insurance policy provide coverage while a	215

transportation network company driver is logged on to the	216
transportation network company's digital network, while the	217
driver is engaged in transportation network company services, or	218
while the driver otherwise uses a vehicle to transport	219
passengers for compensation.	220
(2) Nothing in this chapter shall be construed to preclude	221
an insurer from providing coverage for a transportation network	222
company driver's vehicle, if the insurer chooses to do so by	223
<pre>contract or endorsement.</pre>	224
(D) In a claims coverage investigation, a transportation	225
<pre>network company and any insurer providing automobile insurance_</pre>	226
pursuant to section 3938.02 of the Revised Code shall cooperate_	227
to facilitate the exchange of relevant information with directly	228
interested parties and any personal insurer of the	229
transportation network company driver, if applicable. The	230
parties shall exchange, at minimum, the precise times that the	231
transportation network company driver logged on and off of the	232
transportation network company's digital network in the twelve-	233
hour period immediately preceding and in the twelve-hour period	234
immediately following the event resulting in the loss. The	235
parties also shall disclose to one another a clear description	236
of the coverage, exclusions, and limits provided under any	237
automobile insurance maintained pursuant to section 3938.02 of	238
the Revised Code and any other information reasonably necessary	239
to determine insurance coverage.	240
(E) (1) Nothing in this chapter shall be construed to limit	241
the right of a lender or secured party of a personal vehicle to	242
require the transportation network company driver to maintain	243
comprehensive or collision damage coverage, or both, or to show	244
evidence of such coverage to the lender or secured party, for	245

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(2) That, depending on the terms of the policy, the	275
transportation network company driver's own personal automobile	276
insurance policy might not provide any coverage while the driver	277
uses a personal vehicle to provide or be available to provide	278
transportation network services.	279
(B) In addition to the disclosures required in division	280
(A) of this section, a transportation network company shall	281
provide the following notice to a prospective driver in the	282
prospective driver's terms of service before the company first	283
allows the driver to accept a request for transportation network	284
<pre>company services on the company's digital network:</pre>	285
"If the vehicle that you plan to use to provide	286
transportation network company services for our transportation	287
network company has a lien against it, you must notify the	288
lienholder that you will be using the vehicle for transportation	289
services that may violate the terms of your contract with the	290
<pre>lienholder."</pre>	291
Sec. 4509.103. (A) As used in this section and sections	292
4509.101 and 4509.102 of the Revised Code, "electronic wireless	293
communications device" includes any of the following:	294
(1) A wireless telephone, including a cellular telephone;	295
(2) A personal digital assistant;	296
(3) A computer, including a laptop computer, a netbook	297
computer, and a tablet computer;	298
(4) Any other substantially similar wireless device that	299
is designed or used to communicate and displays text or images.	300
(B) Each Except as provided in division (C) of this	301
<pre>section, each insurer writing motor vehicle liability insurance</pre>	302

network company," "transportation network company driver,"

"transportation company services," "digital network," and

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"transportation network company rider" have the same meanings as	333
in section 3938.01 of the Revised Code.	334
Sec. 4925.02. (A) The public utilities commission shall	335
issue a transportation network company permit to any entity that	336
does all of the following:	337
(1) Applies for a permit issued in accordance with rules	338
adopted under this section;	339
(2) Affirms that the entity will maintain compliance with	340
the applicable requirements established under sections 4925.03	341
to 4925.08 of the Revised Code and with rules adopted under this	342
section;	343
(3) Submits along with an application for a permit a	344
permit fee of five thousand dollars.	345
Any permit issued under this section is effective for one	346
year commencing on the date of issuance.	347
(B) Nothing in this chapter shall be construed to prohibit	348
the issuance of a transportation network company permit to an	349
entity that is also engaged in providing taxicab services, so	350
long as the entity complies with division (A) of this section,	351
all applicable requirements established under sections 4925.03	352
to 4925.08 of the Revised Code, and rules adopted by the public	353
utilities commission under division (C) of this section.	354
(C) The public utilities commission may adopt rules in	355
accordance with Chapter 119. of the Revised Code for purposes of	356
issuing permits to transportation network companies and	357
implementing the requirements of this chapter.	358
(D) No entity shall operate a transportation network	359
company without a valid permit issued under this section or	360

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	2.61
without complying with rules adopted by the public utilities	361
commission under this section or the applicable requirements of	362
sections 4925.03 to 4925.08 of the Revised Code.	363
Sec. 4925.03. A transportation network company shall do	364
all of the following:	365
(A) Disclose its fare calculation method on its digital	366
<pre>network;</pre>	367
(B) Provide transportation network company riders or	368
potential riders with the applicable rates charged by the	369
transportation network company;	370
(C) Allow a transportation network company rider or	371
potential rider to request and receive an estimated fare before	372
the rider or potential rider receives transportation network	373
<pre>company services;</pre>	374
(D) Ensure that for each transportation network company	375
service request one of the following conditions is met:	376
(1) The transportation network company's digital network	377
provides a photograph of the transportation network company	378
driver and the license plate number of the motor vehicle that	379
will provide the transportation network company service before	380
the transportation network company rider enters the vehicle;	381
(2) The name of the transportation network company is	382
prominently displayed on the vehicle that will provide the	383
transportation network company service.	384
(E) Establish a process by which the transportation	385
network company may accept payments for transportation network	386
company services through the company's digital network;	387
(F) Within a reasonable period of time after the	388

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(d) A copy of the certificate of motor vehicle

transportation network company services;

(e) Proof of automobile insurance.

registration for the vehicle the person will use to provide

(2) Conduct a background check on each applicant,	416
<pre>including both of the following:</pre>	417
(a) A search of a multi-state/multi-jurisdiction criminal	418
records database, or a similar nationwide criminal records	419
database, and validation of any records through a primary source	420
search;	421
(b) A search of the United States department of justice	422
national sex offender public web site;	423
(3) Obtain and review a driving history report with regard	424
to each applicant.	425
(B) A transportation network company shall not authorize a	426
person to act as a transportation network company driver if any	427
of the following apply to the person:	428
(1) The person does not possess a valid driver's license.	429
(2) The person does not possess a valid certification of	430
motor vehicle registration for the motor vehicle that the person	431
intends to use to provide transportation network company	432
services.	433
(3) The person does not possess automobile liability	434
insurance for the vehicle that the person intends to use to	435
provide transportation network company services that meets the	436
requirements of section 3938.02 of the Revised Code unless the	437
transportation network company provides such insurance on behalf	438
of the driver.	439
(4) The person has not attained the age of nineteen.	440
(5) Within the past three years, the person has been	441
convicted of, or pleaded guilty to, more than three violations	442
of section 4511.194, 4511.204, 4511.21, 4511.211, 4511.251,	443

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(f) An offense of violence as defined in section 2901.01	473
of the Revised Code;	474
(g) An act of terrorism as defined in section 2909.21 of	475
the Revised Code;	476
(h) A violation of an existing or former municipal	477
ordinance or law of this or any other state, or of the United	478
States, that is substantially equivalent to any offense listed	479
in division (B) (7) of this section.	480
(8) A search of the United States department of justice	481
national sex offender public web site indicates that the person	482
is identified as a sex offender.	483
Sec. 4925.05. (A) (1) A transportation network company	484
shall prohibit any transportation network company driver from	485
logging onto the transportation network company's digital	486
network or providing transportation network company services	487
while under the influence of any amount of alcohol or a drug of	488
abuse. A transportation network company shall notify all drivers	489
of this prohibition and shall provide notice of this policy on	490
the digital network of the transportation network company.	491
(2) As used in division (A)(1) of this section, "drug of	492
abuse" has the same meaning as in section 4506.01 of the Revised	493
Code. For purposes of this section, "drug of abuse" does not	494
include any drug that was obtained pursuant to a prescription	495
issued by a licensed health professional authorized to prescribe	496
drugs if the drug is taken in accordance with the directions of	497
the health professional and does not impair the ability of the	498
person who took the drug to operate a motor vehicle.	499
(B) A transportation network company shall establish a	500
procedure by which a rider may report a complaint against a	501

transportation network company driver for a violation of the	502
company's prohibition established under division (A) of this	503
section. The transportation network company shall provide	504
information about the complaint procedure on the digital network	505
of the transportation network company. Upon receiving a	506
complaint alleging a violation of the prohibition established	507
under division (A) of this section, a transportation network	508
company shall immediately suspend the access of the driver	509
accused of the violation to the transportation network company's	510
digital network and shall conduct an investigation into the	511
reported incident.	512
(C) A transportation network company shall retain all	513
complaints submitted under division (B) of this section, and all	514
records related to the investigation of such a complaint, for a	515
period of two years commencing on the date each complaint was	516
filed.	517
Sec. 4925.06. (A) No transportation network company driver	518
shall fail to comply with the nondiscrimination policy of a	519
transportation network company for which the driver provides	520
transportation network services if such a policy has been	521
established or with any applicable law regarding	522
nondiscrimination or the accommodation of service animals.	523
(B) No transportation network company shall charge any	524
additional fee for providing transportation network company	525
services to a person with a disability on the basis of the	526
disability.	527
(C) A transportation network company shall provide an	528
option on the digital network of the transportation network	529
company for a potential rider to request a wheelchair-accessible	530
webicle. If the transportation network company cannot arrange	531

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Sec. 4925.09. (A) (1) The regulation of transportation	561
network companies, transportation network company drivers, and	562
transportation network company services is a matter of general	563
statewide interest that requires statewide regulation. Chapter	564
4925. and sections 3938.01 to 3938.04 of the Revised Code	565
constitute a comprehensive plan with respect to all aspects of	566
the regulation of transportation network companies,	567
transportation network company drivers, and transportation	568
network company services. Accordingly, except as authorized in	569
division (A)(2) of this section, it is the intent of the general	570
assembly to preempt any local ordinance, resolution, or other	571
law adopted to license, register, tax, or otherwise regulate	572
transportation network companies, transportation network company	573
drivers, or transportation network company services.	574
(2) The operator of a public-use airport, as defined in	575
section 4563.30 of the Revised Code, may adopt reasonable	576
standards, regulations, procedures, and fees that are applicable	577
to transportation network company services that are provided to	578
any transportation network company rider who requests service	579
to, from, or on the property of the public-use airport. A	580
transportation network company or transportation network company	581
driver shall comply with any applicable standards, regulations,	582
or procedures adopted by a public-use airport and shall pay any	583
applicable fees in a timely manner.	584
(B) With regard to the provision of transportation network	585
company services, no transportation network company or	586
transportation network company driver is subject to regulation	587
as a chauffeured limousine under section 4511.85 of the Revised	588
Code, as a taxicab or vehicle for hire, or as a for-hire motor	589
carrier under Chapters 4921. and 4923. of the Revised Code. No	590
vehicle used to provide transportation network company services	591

shall be required to register as a chauffeured limousine,	592
taxicab or vehicle for hire, commercial car, or for-hire motor	593
carrier in order to provide transportation network company	594
services.	595
Sec. 4925.10. (A) Chapters 4111., 4121., 4123., 4141., and	596
sections 4113.15 and 4113.16 of the Revised Code do not apply to	597
transportation network companies with regard to transportation	598
network company drivers and transportation network company	599
drivers are not employees for purposes of those chapters or	600
sections, except where agreed to by written contract. If the	601
parties agree to the application of one or more of these laws in	602
a written contract, the transportation network company shall	603
notify the appropriate agency of the election to cover the	604
driver. If the parties subsequently change this election, the	605
transportation network company shall notify the appropriate	606
agency of the change.	607
(B) Except where agreed to by written contract, a	608
transportation network company driver is not an agent of a	609
transportation network company.	610
(C) A driver may bring an action and recover under section	611
4113.52 of the Revised Code if a transportation network company	612
has discontinued or otherwise removed the driver's access to the	613
transportation network company's digital network because of the	614
driver making a report under that section. If a driver brings an	615
action under that section, the driver shall comply with the	616
procedures for employees established in that section to receive	617
the relief and remedies listed in division (E) of that section.	618
A driver is not an employee for purposes of sections	619
4113.51 and 4113.52 of the Revised Code. Nothing in this	620
division shall be construed to create an employer and employee	621

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relationship between a transportation network company driver and	622
a transportation network company.	623
Section 2. That existing section 4509.103 of the Revised	624
Code is hereby repealed.	625