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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1457 Session of  
2014

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INTRODUCED BY FONTANA, FERLO, HUTCHINSON, BREWSTER, SOLOBAY,  
WOZNIAK, KASUNIC, VANCE, SMITH, BLAKE, COSTA AND VULAKOVICH,  
JULY 17, 2014

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REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,  
JULY 17, 2014

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AN ACT

1 Amending Titles 53 (Municipalities Generally), 66 (Public  
2 Utilities) and 75 (Vehicles) of the Pennsylvania Consolidated  
3 Statutes, in taxicabs and limousines in first class cities,  
4 further providing for definitions; in general provisions,  
5 further providing for definitions; in powers and duties,  
6 further providing for assessment for regulatory expenses upon  
7 public utilities and for power of commission to require  
8 insurance; in contract carrier by motor vehicle and broker,  
9 further providing for declaration of policy and definitions;  
10 providing for transportation network services; in general  
11 provisions, further providing for definitions; and, in  
12 registration of vehicles, further providing for application  
13 for registration.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. The definitions of "call or demand service,"  
17 "taxicab service" and "limousine service" in section 5701 of  
18 Title 53 of the Pennsylvania Consolidated Statutes are amended  
19 to read:

20 § 5701. Definitions.

21 The following words and phrases when used in this chapter  
22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Call or demand service" or "taxicab service." Local common  
4 carrier service for passengers, rendered on either an exclusive  
5 or nonexclusive basis, where the service is characterized by the  
6 fact that passengers normally hire the vehicle and its driver  
7 either by telephone call or by hail, or both. The term does not  
8 include limousine service. The term shall not include  
9 transportation network services as defined in 66 Pa.C.S. § 102  
10 (relating to definitions).

11 \* \* \*

12 "Limousine service."

13 (1) Except as provided in paragraph (2), a motor vehicle  
14 providing any of the following services:

15 (i) Local, nonscheduled common carrier service for  
16 passengers on an exclusive basis for compensation.

17 (ii) Common carrier service for passengers for  
18 compensation:

19 (A) from any airport, railroad station or hotel  
20 located in whole or in part in a city of the first  
21 class; or

22 (B) to any airport, railroad station or hotel  
23 located in whole or in part in a city of the first  
24 class from a point within the city of the first  
25 class.

26 (2) The term does not include any of the following:

27 (i) Taxicab service.

28 (ii) Service that was otherwise exempt from the  
29 jurisdiction of the Pennsylvania Public Utilities  
30 Commission prior to the effective date of this

- 1           subparagraph.
- 2           (iii) Other paratransit service.
- 3           (iv) Employee commuter van pooling.
- 4           (v) A vehicle with a seating capacity of 16 or more
- 5 persons, including the driver.
- 6           (vi) Transportation network services as defined in
- 7 66 Pa.C.S. § 102 (relating to definitions).

8           \* \* \*

9           Section 2. The definitions of "common carrier" and "motor

10 carrier" in section 102 of Title 66 are amended, the definition

11 of "common carrier by motor vehicle" is amended by adding a

12 paragraph and the section is amended by adding definitions to

13 read:

14 § 102. Definitions.

15           Subject to additional definitions contained in subsequent

16 provisions of this part which are applicable to specific

17 provisions of this part, the following words and phrases when

18 used in this part shall have, unless the context clearly

19 indicates otherwise, the meanings given to them in this section:

20           \* \* \*

21           "Common carrier." Any and all persons or corporations

22 holding out, offering, or undertaking, directly or indirectly,

23 service for compensation to the public for the transportation of

24 passengers or property, or both, or any class of passengers or

25 property, between points within this Commonwealth by, through,

26 over, above, or under land, water, or air, and shall include

27 forwarders, but shall not include contract carriers by motor

28 vehicles, or brokers, or any bona fide cooperative association

29 transporting property exclusively for the members of such

30 association on a nonprofit basis. The term shall not include a

1 transportation network company or transportation network company  
2 driver.

3 "Common carrier by motor vehicle." Any common carrier who or  
4 which holds out or undertakes the transportation of passengers  
5 or property, or both, or any class of passengers or property,  
6 between points within this Commonwealth by motor vehicle for  
7 compensation, whether or not the owner or operator of such motor  
8 vehicle, or who or which provides or furnishes any motor  
9 vehicle, with or without driver, for transportation or for use  
10 in transportation of persons or property as aforesaid, and shall  
11 include common carriers by rail, water, or air, and express or  
12 forwarding public utilities insofar as such common carriers or  
13 such public utilities are engaged in such motor vehicle  
14 operations, but does not include:

15 \* \* \*

16 (10) A person or entity that is any of the following:

17 (i) A transportation network company.

18 (ii) A transportation network company driver.

19 \* \* \*

20 "Motor carrier." A common carrier by motor vehicle, and a  
21 contract carrier by motor vehicle. The term shall not include a  
22 transportation network company or transportation network company  
23 driver.

24 \* \* \*

25 "Transportation network company." A company that uses a  
26 digital network to connect a passenger with a transportation  
27 network company driver for the purpose of transportation.

28 "Transportation network company driver." An individual who  
29 uses the individual's personal vehicle to provide a ride for a  
30 passenger arranged electronically through a transportation

1 network company.

2 "Transportation network company vehicle." A vehicle used by  
3 a transportation network company driver to provide  
4 transportation network services.

5 "Transportation network service." A service which meets all  
6 of the following:

7 (1) Matches a passenger and driver electronically in  
8 advance.

9 (2) Is rendered on an exclusive basis.

10 (3) Is characterized by an individual offering a ride to  
11 a passenger in the individual's personal vehicle through a  
12 digital network.

13 Section 3. Sections 510(a) introductory paragraph and 512 of  
14 Title 66 are amended to read:

15 § 510. Assessment for regulatory expenses upon public  
16 utilities.

17 (a) Determination of assessment.--Before November 1 of each  
18 year, the commission shall estimate its total expenditures in  
19 the administration of this part for the fiscal year beginning  
20 July of the following year, which estimate shall not exceed  
21 three-tenths of 1% of the total gross intrastate operating  
22 revenues of the public utilities or transportation network  
23 companies in accordance with section 2608 (relating to  
24 commission costs) under its jurisdiction for the preceding  
25 calendar year. Such estimate shall be submitted to the Governor  
26 in accordance with section 610 of the act of April 9, 1929  
27 (P.L.177, No.175), known as "The Administrative Code of 1929."  
28 At the same time the commission submits its estimate to the  
29 Governor, the commission shall also submit that estimate to the  
30 General Assembly. The commission or its designated

1 representatives shall be afforded an opportunity to appear  
2 before the Governor and the Senate and House Appropriations  
3 Committees regarding their estimates. The commission shall  
4 subtract from the final estimate:

5 \* \* \*

6 § 512. Power of commission to require insurance.

7 (a) Motor carriers.--The commission may, as to motor  
8 carriers, prescribe, by regulation or order, such requirements  
9 as it may deem necessary for the protection of persons or  
10 property of their patrons and the public, including the filing  
11 of surety bonds, the carrying of insurance, or the  
12 qualifications and conditions under which such carriers may act  
13 as self-insurers with respect to such matters. All motor  
14 carriers of passengers, whose current liquid assets do not  
15 exceed their current liabilities by at least \$100,000, shall  
16 cover each and every vehicle, transporting such passengers, with  
17 a public liability insurance policy or a surety bond issued by  
18 an insurance carrier or a bonding company authorized to do  
19 business in this Commonwealth, in such amounts as the commission  
20 may prescribe, but not less than \$5,000 for one and \$10,000 for  
21 more than one person injured in any one accident.

22 (b) Transportation network companies.--The commission may,  
23 in respect to transportation network companies, promulgate  
24 regulations or issue orders establishing requirements necessary  
25 for the protection of persons or property of their patrons and  
26 the public, including the carrying of insurance as required  
27 under section 2603 (relating to service standards and  
28 requirements of transportation network companies).

29 Section 4. The definition of "broker" in section 2501(b) of  
30 Title 66 is amended and paragraph (2) of the definition of

1 "contract carrier by motor vehicle" is amended by adding a  
2 subparagraph to read:

3 § 2501. Declaration of policy and definitions.

4 \* \* \*

5 (b) Definitions.--The following words and phrases when used  
6 in this part shall have, unless the context clearly indicates  
7 otherwise, the meanings given to them in this subsection:

8 "Broker." Any person or corporation not included in the term  
9 "motor carrier" and not a bona fide employee or agent of any  
10 such carrier, or group of such carriers, who or which, as  
11 principal or agent, sells or offers for sale any transportation  
12 by a motor carrier, or the furnishing, providing, or procuring  
13 of facilities therefor, or negotiates for, or holds out by  
14 solicitation, advertisement, or otherwise, as one who sells,  
15 provides, furnishes, contracts, or arranges for such  
16 transportation, or the furnishing, providing, or procuring of  
17 facilities therefor, other than as a motor carrier directly or  
18 jointly, or by arrangement with another motor carrier, and who  
19 does not assume custody as a carrier. The term shall not include  
20 a transportation network company or a transportation network  
21 company driver.

22 "Contract carrier by motor vehicle."

23 \* \* \*

24 (2) The term "contract carrier by motor vehicle" does  
25 not include:

26 \* \* \*

27 (x) A transportation network company or  
28 transportation network company driver.

29 \* \* \*

30 Section 6. Title 66 is amended by adding a chapter to read:

1 CHAPTER 26

2 TRANSPORTATION NETWORK SERVICES

3 Sec.

4 2601. Definitions.

5 2602. Applicability of certain laws and prohibition.

6 2603. Service standards and requirements for transportation  
7 network companies.

8 2604. Service standards and requirements for transportation  
9 network company drivers.

10 2605. Transportation network company vehicle requirements.

11 2606. Rates and forms of compensation.

12 2607. Regulations.

13 2608. Commission costs.

14 § 2601. Definitions.

15 The following words and phrases when used in this chapter  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 "License." Proof of the commission's approval authorizing a  
19 transportation network company to operate a transportation  
20 network service in this Commonwealth in accordance with this  
21 chapter. The term does not include a certificate of public  
22 convenience as described under Ch. 11 (relating to certificates  
23 of public convenience).

24 § 2602. Applicability of certain laws and prohibition.

25 (a) Motor carrier laws.--The following laws and regulations  
26 of this Commonwealth shall not apply to a transportation network  
27 company or transportation network company driver:

28 (1) This title, except that the commission shall  
29 regulate transportation network companies, drivers and  
30 services under Chapters 3 (relating to public utility



1 commission), 5 (relating to powers and duties), 7 (relating  
2 to procedure on complaints), 26 (relating to transportation  
3 network services) and 33 (relating to violations and  
4 penalties).

5 (2) 53 Pa.C.S (relating to municipalities generally).

6 (3) Laws and regulations containing special insurance  
7 requirements for motor carriers, except as provided in  
8 section 2603(a)(3)(vii) (relating to service standards and  
9 requirements for transportation network companies).

10 (4) Laws imposing a greater standard of care on motor  
11 carriers than that imposed on other drivers or owners of  
12 motor vehicles.

13 (5) Laws and regulations imposing special equipment  
14 requirements and special accident reporting requirements on  
15 motor carriers.

16 (b) Municipal licenses and taxes.--A municipality may not  
17 impose a tax on or require a license for a transportation  
18 network company or transportation network service.

19 § 2603. Service standards and requirements for transportation  
20 network companies.

21 (a) Requirements for transportation network companies.--

22 (1) A transportation network company may not operate in  
23 this Commonwealth unless it holds and maintains a license  
24 issued by the commission.

25 (2) An application for a license shall be made to the  
26 commission in writing, be verified by oath or affirmation and  
27 be in the form and contain the information as the commission  
28 may, by regulation or order, require.

29 (3) A license shall be issued to a transportation  
30 network company applicant if the commission is satisfied that

1 the applicant will do all of the following:

2 (i) Maintain accurate records of all transportation  
3 network company drivers providing services arranged  
4 through the transportation network company's digital  
5 network. The commission shall determine, by regulation or  
6 order, the appropriate time period for which the  
7 transportation network company shall retain the records  
8 of all transportation network company drivers.

9 (ii) Establish a driver-training program designed to  
10 ensure that each transportation network company driver  
11 safely operates his or her vehicle prior to the driver  
12 being permitted to offer transportation network services  
13 through the transportation network company. The following  
14 shall apply to the driver-training program:

15 (A) Each transportation network company shall  
16 file its driver-training program with the commission  
17 upon application for a license to provide a  
18 transportation network service.

19 (B) The commission shall establish, through  
20 regulations or orders, the components each driver-  
21 training program must include at a minimum.

22 (C) Each transportation network company must  
23 file an annual report with the commission on the  
24 number of transportation network company drivers  
25 currently providing service for the transportation  
26 network company that became eligible and completed  
27 the driver-training program.

28 (iii) Implement a zero tolerance policy on the use  
29 of drugs or alcohol while a transportation network  
30 company driver provides transportation network services,

1 provide notice of the zero tolerance policy on its  
2 publicly accessible Internet website and procedures to  
3 report a complaint about a transportation network company  
4 driver with whom the passenger was matched and whom the  
5 passenger reasonably suspects was under the influence of  
6 drugs or alcohol during the course of the ride and  
7 immediately suspend the transportation network company  
8 driver upon receipt of a passenger complaint alleging a  
9 violation of the zero tolerance policy. The suspension  
10 shall last the duration of the investigation.

11 (iv) Obtain and review, prior to permitting a person  
12 to act as a transportation network company driver on its  
13 digital network, a criminal history research report for  
14 the person. The following shall apply:

15 (A) The criminal history research report shall  
16 be a national criminal background check, including  
17 the national sex offender database.

18 (B) A person who has been convicted, within the  
19 past seven years, of driving under the influence of  
20 drugs or alcohol or of a crime involving property  
21 damage and theft may not be a transportation network  
22 company driver.

23 (C) A person who has been convicted at any time  
24 for fraud, sexual offenses, use of a motor vehicle to  
25 commit a felony, acts of violence or acts of terror  
26 may not be a transportation network company driver.

27 (v) Obtain and review, prior to permitting a person  
28 to act as a transportation network company driver on its  
29 digital network, a driving history research report for  
30 the person. A person with more than three moving

1 violations in the three-year period prior to the check or  
2 a major violation in the three-year period prior to the  
3 check may not be a transportation network company  
4 driver. The commission shall determine, through  
5 regulation or order, the frequency with which the  
6 transportation network company must review the driving  
7 history of each transportation network company driver.

8 (vi) Display, on the digital application used by the  
9 transportation network company to connect transportation  
10 network company drivers and passengers, a picture of the  
11 transportation network company driver taken within the  
12 preceding 12 months, a description of the individual's  
13 vehicle used in providing transportation network services  
14 and the license plate number of the vehicle.

15 (vii) Maintain commercial liability insurance  
16 coverage in the amount of not less than \$1,000,000,  
17 medical payments coverage in the amount of not less than  
18 \$5,000, comprehensive and collision coverage in the  
19 amount of not less than \$50,000 and  
20 uninsured/underinsured motorist coverage in the amount of  
21 not less than \$1,000,000 per incident for incidents  
22 involving a transportation network company driver while  
23 providing transportation network company services. The  
24 following shall apply:

25 (A) Transportation network companies that file  
26 as provided for under subparagraph (viii) with the  
27 commission at least \$1,000,000 of commercial  
28 liability insurance coverage may operate vehicles  
29 with a seating capacity of not more than 8  
30 passengers, including the driver.

1           (B) Transportation network companies that file  
2           with the commission at least \$1,500,000 of commercial  
3           liability insurance coverage may operate vehicles  
4           with a seating capacity of no more than 10  
5           passengers, including the driver.

6           (C) The insurance required under this  
7           subparagraph must apply from the time at which the  
8           transportation network company driver opens the  
9           digital application used by a transportation network  
10           company to connect transportation network company  
11           drivers and passengers, until the time at which the  
12           transportation network company driver closes the  
13           application or the passenger safely exits the  
14           vehicle, whichever is later.

15           (D) Notwithstanding any insurance coverage held  
16           or maintained by the transportation network company  
17           driver, the transportation network company's  
18           insurance coverage required under this subparagraph  
19           shall cover each claim arising for an injury from an  
20           incident involving a transportation network company  
21           driver while providing transportation network company  
22           services.

23           (viii) File with the commission a Form E evidencing  
24           its commercial insurance coverage and other coverage as  
25           required under subparagraph (vii). Except for the Form E,  
26           the commission may not disclose to a third party any  
27           information related to the insurance policy. A record  
28           disclosed under this subparagraph shall not be subject to  
29           disclosure to a third party by the commission, including  
30           through a request submitted under the act of February 14,

1           2008 (P.L.6, No.3), known as the Right-to-Know Law.

2           (ix) Maintain a website that provides a customer  
3           service telephone number or email address and the  
4           telephone number of the commission's customer hotline.

5           (b) License.--

6           (1) The commission shall prescribe, through regulations  
7           or orders, the privileges, rights and authority provided  
8           with, and suspension, revocation or renewal requirements for,  
9           the issuance of a license under this chapter.

10          (2) A license under this chapter shall not provide the  
11          same authority as a certificate of public convenience as  
12          described under Ch. 11 (relating to certificates of public  
13          convenience).

14          (c) Inspection of records.--Subject to reasonable  
15          confidentiality obligations and confidentiality laws, the  
16          commission may inspect records to investigate compliance with  
17          the requirements of this chapter and a regulations issued under  
18          section 2606 (relating to rates and forms of compensation).

19          (d) Discrimination in service.--A transportation network  
20          company may not, in regard to service, make or grant an  
21          unreasonable preference or advantage to a person, corporation or  
22          municipal corporation or subject a person, corporation or  
23          municipal corporation to an unreasonable prejudice or  
24          disadvantage. A transportation network company may not establish  
25          or maintain an unreasonable difference, in regard to service,  
26          between localities or between classes of service. This  
27          subsection does not prohibit the establishment of reasonable  
28          classifications of service.

29          § 2604. Service standards and requirements for transportation  
30          network company drivers.

1 (a) Separate licenses prohibited.--A separate license may  
2 not be required for a transportation network company driver that  
3 is approved to provide transportation network services by an  
4 approved transportation network company.

5 (b) Requirements for transportation network drivers.--A  
6 transportation network company driver must comply with all of  
7 the following:

8 (1) Each transportation network company driver must pass  
9 a criminal history search and a driving history search as  
10 specified in section 2603 (relating to service standards and  
11 requirements for transportation network companies).

12 (2) Each transportation network company driver shall be  
13 subject to sections 501 (relating to general powers) and 3301  
14 (relating to civil penalties for violations).

15 (3) A transportation network company driver must:

16 (i) Possess a valid driver's license, proof of motor  
17 vehicle insurance and be at least 21 years of age.

18 (ii) In the case of an accident, provide proof of  
19 personal insurance and the transportation network  
20 company's commercial liability insurance and other  
21 coverage as required under section 2603(a)(3)(vii). A  
22 transportation network company driver shall have 24 hours  
23 to provide proof of the transportation network company's  
24 commercial liability insurance and other coverage as  
25 required under section 2603(a)(3)(vii).

26 (4) A transportation network company driver may only  
27 accept a ride arranged through the approved transportation  
28 network company's digital network and may not solicit or  
29 accept street-hails or telephone calls.

30 § 2605. Transportation network company vehicle requirements.

1 (a) Authorized vehicles.--A transportation network company  
2 vehicle must be street-legal coupes, sedans or light-duty  
3 vehicles including vans, minivans, sport utility vehicles,  
4 hatchbacks, convertibles and pickup trucks.

5 (b) Age of vehicle.--Unless otherwise permitted by the  
6 commission, a vehicle may not be operated for purposes of  
7 providing transportation network services if it is more than  
8 eight model years old.

9 (c) Inspections required.--

10 (1) An annual certificate of inspection must be obtained  
11 from an inspection station approved by the Department of  
12 Transportation under 67 Pa. Code Ch. 175 (relating to vehicle  
13 equipment and inspection) for each transportation network  
14 company vehicle.

15 (2) A safety inspection must conducted by the  
16 transportation network company or a third party on each  
17 transportation network company vehicle before the vehicle is  
18 used to provide transportation network services, and annually  
19 thereafter.

20 (3) An inspection under paragraph (2) shall be conducted  
21 by an individual who is competent and qualified to make an  
22 inspection to ensure that the equipment is in a safe  
23 condition to be operated on the highway. The inspection shall  
24 include the following:

25 (i) Foot brakes.

26 (ii) Emergency brakes.

27 (iii) Steering mechanism.

28 (iv) Windshield.

29 (v) Rear window and other glass.

30 (vi) Windshield wipers.



- 1           (vii) Headlights.
- 2           (viii) Tail lights.
- 3           (ix) Turn indicator lights.
- 4           (x) Stop lights.
- 5           (xi) Front seat adjustment mechanism.
- 6           (xii) The opening, closing and locking of doors.
- 7           (xiii) Horn.
- 8           (xvi) Speedometer.
- 9           (xv) Bumpers.
- 10           (xvi) Muffler and exhaust system.
- 11           (xvii) Condition of tires, including tread depth.
- 12           (xviii) Interior and exterior rear view mirrors.
- 13           (xix) Safety belts for driver and passenger.

14           (4) A commission officer may inspect the transportation  
15           network company's vehicles to ensure compliance with  
16           paragraph (3).

17 § 2606. Rates and forms of compensation.

18           (a) Passenger receipt.--Upon completion of a trip, each  
19           transportation network company shall transmit an electronic  
20           receipt to the passenger's email address or mobile application  
21           documenting the origination and destination of the trip and the  
22           total amount paid, if any.

23           (b) Fares.--A transportation network company may offer  
24           transportation network services at no-charge, suggest a donation  
25           or charge a fare. If a fare is charged, a transportation network  
26           company must disclose the fare calculation method, the  
27           applicable rates being charged and the option for an estimated  
28           fare to the passenger before booking the ride. The amount of a  
29           donation, charge, fare or other compensation provided or  
30           received for transportation network services shall not be

1 subject to review or approval by the commission under Ch. 13  
2 (relating to rates and distribution systems).

3 § 2607. Regulations.

4 The commission may promulgate regulations and orders to  
5 enforce this chapter.

6 § 2608. Commission costs.

7 The program costs for commission implementation and  
8 enforcement of this chapter shall be included in the  
9 commission's proposed budget and shall be assessed upon  
10 transportation network companies in accordance with section  
11 510(a) (relating to assessment for regulatory expenses upon  
12 public utilities).

13 Section 7. The definition of "bus" in section 102 of Title  
14 75 is amended to read:

15 § 102. Definitions.

16 Subject to additional definitions contained in subsequent  
17 provisions of this title which are applicable to specific  
18 provisions of this title, the following words and phrases when  
19 used in this title shall have, unless the context clearly  
20 indicates otherwise, the meanings given to them in this section:

21 \* \* \*

22 "Bus."

23 (1) A motor vehicle designed to transport 16 or more  
24 passengers, including the driver; or

25 (2) a motor vehicle, other than a taxicab or limousine,  
26 designed to transport not more than 15 passengers, including  
27 the driver, and used for the transportation of persons for  
28 compensation.

29 The term does not include a vehicle used in a ridesharing  
30 arrangement, as defined in the act of December 14, 1982

1 (P.L.1211, No.279), entitled "An act providing for ridesharing  
2 arrangements and providing that certain laws shall be  
3 inapplicable to ridesharing arrangements," or a school bus[.] or  
4 a motor vehicle designed for carrying not more than 15  
5 passengers, exclusive of the driver, that is used as a  
6 transportation network company vehicle as defined in 66 Pa.C.S.  
7 § 102 (relating to definitions).

8 \* \* \*

9 Section 8. Section 1305(b) of Title 75 is amended to read:  
10 § 1305. Application for registration.

11 \* \* \*

12 (b) Evidence of P.U.C. approval for buses and taxis.--Before  
13 registering any bus or taxi which is required under the laws of  
14 this Commonwealth to obtain a certificate of public convenience  
15 from the Pennsylvania Public Utility Commission, the department  
16 shall require evidence that the certificate has been issued and  
17 has not been revoked or has not expired. This subsection shall  
18 not apply to a transportation network company vehicle as defined  
19 in 66 Pa.C.S. § 102 (relating to definitions).

20 \* \* \*

21 Section 9. This act shall take effect in 60 days.