

STAFF MEASURE SUMMARY

House Committee On Transportation and Economic Development

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 04/17/15

Action: Without Recommendation As To Passage And Be Referred To Rules.

Meeting Dates: 04/08, 04/17

Vote:

Yeas: 6 - Bentz, Davis, Gorsek, Lively, McKeown, McLain

Exc: 1 - Hack

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Requires transportation network companies to maintain insurance policies to cover private passenger motor vehicles when the vehicle's registered owner or designated operator actively participates as a driver with the transportation network company.

ISSUES DISCUSSED:

- Negotiated agreements in other states and municipalities
- Transportation network companies compared to taxi companies
- Responsibility for insurance coverage
- When a transportation network company driver is considered to be "on duty"

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The term "transportation network company" (TNC) refers to a company that uses an online-enabled platform to connect passengers with drivers who use their personal, noncommercial vehicles to provide rides for a fee to users of the online platform. The definition of TNC was created by the California Public Utilities Commission in 2013 through rulemaking around this previously unregulated form of real-time ridesharing. Examples of TNCs include Uber, headquartered in San Francisco and operating since 2010, and Lyft, which launched in 2012. Both offer a type of online marketplace through which driver-owners may register with the company and offer their services and vehicle to people needing a ride.