

HB 3023 A STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 04/08/19

Action: Do pass with amendments. Refer to Revenue, then to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 8-3-0-0

Yeas: 8 - Barker, Barreto, Boles, Bonham, Boshart Davis, Bynum, Clem, Fahey

Nays: 3 - Doherty, Evans, Holvey

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 3/18, 4/8

WHAT THE MEASURE DOES:

Requires transportation network company (TNC) to obtain license from Oregon Department of Transportation (ODOT). Preempts local government regulation of TNC. Sets initial and annual licensing fee at \$5,000. Allows airport or other transportation authority to charge fee for use of facility and to designate where TNC can operate on facility. Establishes requirements of drivers, including criminal background check conducted by TNC or other party. Establishes requirements for vehicles. Sets minimum insurance coverage limits. Establishes TNC record keeping requirements. Allows ODOT to review random sample of records quarterly for purpose of verifying compliance. Allows ODOT to inspect TNC documents necessary to investigate and resolve specific complaints. Prohibits TNC from allowing driver to connect to network if TNC substantiates a complaint regarding certain behavior. Requires TNC to notify ODOT of such action, and requires ODOT to notify every Oregon-licensed TNC of the action. Specifies authority of local law enforcement regarding TNC. Allows ODOT to charge 10 cents per ride for purpose of disbursing funds to cities to enforce TNC vehicle standards and insurance requirements. Allows certain cities to charge 10 cents per ride to administer transportation program for people who use wheelchairs. Allows ODOT to charge a per-ride fee in amount it determines is necessary to administer TNC licensing program. Allows ODOT, until January 1, 2026, to charge two cents per ride for purpose of supporting infrastructure of electric vehicles. Allows ODOT to assess civil penalty for violations. Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Current inability for passengers to be picked up in some local jurisdictions
- Benefits and drawbacks of statewide licensing as opposed to local control
- Benefits of keeping drunk drivers off the road
- Insurance coverage differences based on whether driver is heading to pick up a rider, providing a ride, or waiting to give a ride
- Whether TNC service increases congestion and reduces mass transit riders
- Competition with taxicabs
- Input from TNC drivers

EFFECT OF AMENDMENT:

Clarifies authority of port to set fee and enter into contracts and designate location where TNC may operate on Port property. Clarifies vehicle inspection requirements. Requires TNC to transmit receipt to rider within 24 hours. Prohibits discriminating against rider based on age or marital status. Clarifies insurance requirements for TNC and driver. Allows ODOT to inspect random sample of records quarterly. Allows ODOT to inspect TNC documents necessary to investigate and resolve specific complaints. Prohibits TNC from allowing driver to connect to network

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if TNC substantiates a complaint regarding certain behavior. Requires TNC to notify ODOT of such action, and requires ODOT to notify every Oregon-licensed TNC of the action. Specifies authority of local law enforcement regarding TNC. Allows ODOT to charge 10 cents per ride for purpose of disbursing funds to cities to enforce TNC vehicle standards and insurance requirements. Allows certain cities to charge 10 cents per ride for purpose of administering a transportation program for people who use wheelchairs. Allows ODOT to charge a per-ride fee in amount it sets for purpose of administering TNC licensing program. Allows ODOT, until January 1, 2026, to charge two cents per ride for purpose of supporting infrastructure of electric vehicles.

BACKGROUND:

Oregon's cities and counties have authority to regulate taxicabs, limousines, and other vehicles for hire; legislation reaffirming the policy was enacted in 1985. Cities and counties are allowed to restrict the number of licenses, set maximum rates and establish how rates are calculated, establish safety and insurance requirements, and establish route boundaries. In the last decade, the transportation network company (TNC) model (also referred to as "ridesharing") developed to provide prearranged transportation services for compensation through a website or smart phone app to connect drivers using their personal vehicles with riders. Uber and Lyft are TNC companies people are most familiar with. Some cities in Oregon, such as Portland, Salem, and Eugene, have adopted licensing programs tailored to meet local needs.

House Bill 3023-A establishes a statewide TNC licensing program administered by ODOT.