A BILL FOR AN ACT

CONCERNING THE REGULATION OF TRANSPORTATION NETWORK COMPANIES, AND, IN CONNECTION THERewith, REQUIRING TRANSPORTATION NETWORK COMPANIES TO CARRY LIABILITY INSURANCE, CONDUCT BACKGROUND CHECKS ON TRANSPORTATION NETWORK COMPANY DRIVERS, INSPECT TRANSPORTATION NETWORK COMPANY VEHICLES, AND OBTAIN A PERMIT FROM THE PUBLIC UTILITIES COMMISSION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at
The bill authorizes the public utilities commission (PUC) to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone application, for transportation from an agreed-upon point of origin to an agreed-upon destination.

Section 1 of the bill exempts transportation network companies from the definition of "common carrier". Section 2 exempts transportation network companies from the definitions of "contract carrier" and "motor carrier". Sections 3 and 4 authorize the PUC to exercise limited regulatory authority over transportation network companies.

Section 5 exempts transportation network companies from much of the PUC's authority, including regulation of rates, entry, operational requirements, and general requirements governing common carriers, contract carriers, and motor carriers, but does require a transportation network company to obtain a permit from the PUC. Section 5 authorizes the PUC to regulate permit holders with respect to safety conditions, insurance requirements, and driver qualifications. Section 5 also authorizes the PUC to take action against a transportation network company for any violations, including the authority to issue a cease-and-desist letter, suspend or revoke a permit, or impose civil penalties.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 40-1-102, amend (3) (b) as follows:

40-1-102. Definitions. As used in articles 1 to 7 of this title, unless the context otherwise requires:

(3) (b) "Common carrier" does not include a motor carrier that provides transportation not subject to regulation pursuant to section 40-10.1-105, or a motor carrier that is subject to part 3, 4, or 5 of article 10.1 of this title, a transportation network company, as defined in section 40-10.1-602 (3), or a transportation network company driver, as defined in section 40-10.1-602 (4).
SECTION 2. In Colorado Revised Statutes, 40-10.1-101, amend (6) and (10) as follows:

40-10.1-101. Definitions. As used in this article, unless the context otherwise requires:

(6) "Contract carrier" means every person, other than a common carrier or a motor carrier of passengers under part 3 of this article, who, by special contract, directly or indirectly affords a means of passenger transportation over any public highway of this state; EXCEPT THAT THE TERM DOES NOT INCLUDE A TRANSPORTATION NETWORK COMPANY, AS DEFINED IN SECTION 40-10.1-602 (3), OR A TRANSPORTATION NETWORK COMPANY DRIVER, AS DEFINED IN SECTION 40-10.1-602 (4).

(10) "Motor carrier" means any person owning, controlling, operating, or managing any motor vehicle that provides transportation in intrastate commerce pursuant to this article; EXCEPT THAT THE TERM DOES NOT INCLUDE A TRANSPORTATION NETWORK COMPANY, AS DEFINED IN SECTION 40-10.1-602 (3), OR A TRANSPORTATION NETWORK COMPANY DRIVER, AS DEFINED IN SECTION 40-10.1-602 (4).

SECTION 3. In Colorado Revised Statutes, 40-10.1-103, add (3) as follows:

40-10.1-103. Subject to control by commission.

(3) TRANSPORTATION NETWORK COMPANIES, AS DEFINED IN SECTION 40-10.1-602 (3), ARE NOT COMMON CARRIERS, CONTRACT CARRIERS, OR MOTOR CARRIERS UNDER THIS TITLE, BUT ARE DECLARED TO BE AFFECTED WITH A PUBLIC INTEREST AND ARE SUBJECT TO REGULATION TO THE EXTENT PROVIDED IN PART 6 OF THIS ARTICLE.

SECTION 4. In Colorado Revised Statutes, add 40-10.1-117 as follows:
40-10.1-117. Limited regulation of transportation network companies. Notwithstanding any other provision of law, transportation network companies, as defined in section 40-10.1-602 (3), are governed exclusively under part 6 of this article.

SECTION 5. In Colorado Revised Statutes, add part 6 to article 10.1 of title 40 as follows:

PART 6
TRANSPORTATION NETWORK COMPANIES
40-10.1-601. Legislative declaration. (1) The general assembly hereby finds that:

(a) Transportation network companies, as defined in this part 6, provide benefits for the Colorado economy, environment, and the transportation market and for Colorado consumers;

(b) Transportation network companies increase mobility and accessibility by matching drivers with riders, allowing individuals to share transportation expenses, and providing safety mechanisms, including authentication through social media, driver background checks, vehicle inspections, global positioning system tracking, insurance coverage, and minimum age requirements for drivers;

(c) Transportation network companies enhance transportation options available to consumers and provide a variety of benefits, including increased public safety, improved environmental quality, reduced air emissions from personal vehicle trips, reduced traffic congestion, reduced need for parking infrastructure, and increased use of public
TRANSPORTATION BY FACILITATING RIDERS' TRAVEL TO AND FROM
TRANSPORTATION HUBS; AND

(d) TRANSPORTATION NETWORK COMPANIES DO NOT PROVIDE
TRANSPORTATION SERVICES IN THE TRADITIONAL SENSE IN THAT THEY DO
NOT OWN, CONTROL, OPERATE, OR MANAGE VEHICLES, EMPLOY DRIVERS,
OR TRANSPORT RIDERS. A TRANSPORTATION NETWORK COMPANY'S
ESSENTIAL FUNCTION IS TO CONNECT PEOPLE TO FORM A TRANSPORTATION
COMMUNITY.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) ALLOWING TRANSPORTATION NETWORK COMPANIES IN
COLORADO IS CONSISTENT WITH COLORADO'S COMMITMENT TO
ENTREPRENEURS, TECHNOLOGICAL INNOVATION, AND THE SHARING
ECONOMY; AND

(b) TRANSPORTATION NETWORK COMPANIES ARE NOT COMMON
CARRIERS OR CONTRACT CARRIERS. TRANSPORTATION NETWORK
COMPANIES REQUIRE A DIFFERENT REGULATORY SCHEME BECAUSE THEY
OPERATE AN ONLINE-BASED DIGITAL NETWORK.

40-10.1-602. Definitions. As used in this Part 6, unless the
context otherwise requires:

(1) "PERSONAL VEHICLE" MEANS A VEHICLE THAT IS USED BY A
TRANSPORTATION NETWORK COMPANY DRIVER IN CONNECTION WITH
PROVIDING SERVICES FOR A TRANSPORTATION NETWORK COMPANY THAT
MEETS THE VEHICLE CRITERIA SET FORTH IN THIS PART 6.

(2) "PREARRANGED RIDE" MEANS A PERIOD OF TIME THAT BEGINS
WHEN A TRANSPORTATION NETWORK COMPANY DRIVER ACCEPTS A
REQUESTED RIDE THROUGH A DIGITAL NETWORK, CONTINUES WHILE THE
DRIVER TRANSPORTS THE RIDER IN A PERSONAL VEHICLE, AND ENDS WHEN
THE RIDER DEPARTS FROM THE PERSONAL VEHICLE.

(3) "TRANSPORTATION NETWORK COMPANY" MEANS A CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP, OR OTHER ENTITY, OPERATING IN COLORADO, THAT USES A DIGITAL NETWORK TO CONNECT RIDERS TO TRANSPORTATION NETWORK COMPANY DRIVERS FOR THE PURPOSE OF PROVIDING TRANSPORTATION. A TRANSPORTATION NETWORK COMPANY DOES NOT PROVIDE TAXI SERVICE, TRANSPORTATION SERVICE ARRANGED THROUGH A TRANSPORTATION BROKER, RIDESHARING ARRANGEMENTS, AS DEFINED IN SECTION 39-22-509 (1) (a) (II), C.R.S., OR ANY TRANSPORTATION SERVICE OVER FIXED ROUTES AT REGULAR INTERVALS. A TRANSPORTATION NETWORK COMPANY IS NOT DEEMED TO OWN, CONTROL, OPERATE, OR MANAGE THE PERSONAL VEHICLES USED BY TRANSPORTATION NETWORK COMPANY DRIVERS.

(4) "TRANSPORTATION NETWORK COMPANY DRIVER" OR "DRIVER" MEANS AN INDIVIDUAL WHO USES HIS OR HER PERSONAL VEHICLE TO PROVIDE SERVICES FOR RIDERS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK. A TRANSPORTATION NETWORK COMPANY DRIVER NEED NOT BE AN EMPLOYEE OF A TRANSPORTATION NETWORK COMPANY.

(5) "TRANSPORTATION NETWORK COMPANY RIDER" OR "RIDER" MEANS AN INDIVIDUAL WHO USES A TRANSPORTATION NETWORK COMPANY’S ONLINE APPLICATION OR DIGITAL NETWORK TO CONNECT WITH A DRIVER TO OBTAIN SERVICES IN THE DRIVER’S PERSONAL VEHICLE FROM AN AGREED-UPON POINT OF DEPARTURE TO AN AGREED-UPON DESTINATION.

(6) "TRANSPORTATION NETWORK COMPANY SERVICES" OR "SERVICES" MEANS THE PROVISION OF TRANSPORTATION BY A DRIVER TO
A RIDER WITH WHOM THE DRIVER IS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY.

40-10.1-603. Limited regulation. Notwithstanding any other provision of law, transportation network companies are governed exclusively by this Part 6. A transportation network company is not subject to the commission’s rate, entry, operational, or common carrier requirements, other than those requirements expressly set forth in this Part 6.

40-10.1-604. Registration - financial responsibility of transportation network companies - insurance. (1) A transportation network company shall comply with the filing requirements of Part 3 and the registered agent requirement of Part 7 of Article 90 of Title 7, C.R.S.

(2) A transportation network company shall file with the commission a certificate of insurance evidencing that the transportation network company has secured an insurance policy issued by an insurance company authorized to do business in this state with coverage in the amount of one million dollars per occurrence for incidents involving a driver during a prearranged ride.

(3) Transportation network company drivers shall maintain personal automotive liability insurance with a liability limit at least equal to the minimum requirement set forth in section 10-4-620, C.R.S. A transportation network company shall verify that each prospective driver possesses proof of automobile insurance before allowing the prospective driver to provide services through the transportation network.
COMPANY'S DIGITAL NETWORK.

(4) Nothing in this section modifies or abrogates any otherwise applicable insurance requirements set forth in Title 10, C.R.S.

40-10.1-605. Operational requirements. (1) The following requirements apply to the provision of services:

(a) A driver shall not provide services unless a transportation network company has matched the driver to a rider through a digital network. A driver shall not solicit or accept the on-demand summoning of a ride, otherwise known as a "street hail".

(b) A transportation network company shall make available to prospective riders the method by which the transportation network company calculates fares or the applicable rates being charged and an option to receive an estimated fare.

(c) Upon completion of a prearranged ride, a transportation network company shall transmit to the rider an electronic receipt, either by electronic mail or via text message, documenting:

(I) The point of origin and destination of the prearranged ride;

(II) The total duration and distance of the prearranged ride; and

(III) The total fare paid, including the base fare and any additional charges incurred for distance traveled or duration of the prearranged ride.
(d) **Before permitting a person to act as a transportation network company driver on its digital network, a transportation network company shall confirm that the person is at least twenty-one years of age and possesses:**

(I) a valid driver's license;

(II) proof of automobile insurance; and

(III) proof of a Colorado vehicle registration.

(e) A driver shall not offer or provide transportation network company services for more than twelve consecutive hours.

(f) A transportation network company shall implement an intoxicating substance policy for drivers that disallows any amount of intoxication of the driver while providing services. The transportation network company shall include on its website and mobile device application software a notice concerning the transportation network company's intoxicating substance policy.

(g) (I) A transportation network company shall conduct or have a certified mechanic conduct a safety inspection of a prospective driver's vehicle before it is approved for use as a personal vehicle and shall have periodic inspections of personal vehicles conducted thereafter, at intervals of at least one inspection per year. A safety inspection shall include an inspection of:

(A) foot brakes;

(B) emergency brakes;

(C) steering mechanism;
(D) Windshield;
(E) Rear window and other glass;
(F) Windshield wipers;
(G) Headlights;
(H) Tail lights;
(I) Turn indicator lights;
(J) Stop lights;
(K) Front seat adjustment mechanism;
(L) The opening, closing, and locking capability of the doors;
(M) Horn;
(N) Speedometer;
(O) Bumpers;
(P) Muffler and exhaust system;
(Q) Tire conditions, including tread depth;
(R) Interior and exterior rear-view mirrors; and
(S) Safety belts.

The commission may also conduct inspections of personal vehicles.

A personal vehicle must:

(i) Have at least four doors; and
(ii) Be designed to carry no more than eight passengers, including the driver.

(2) A transportation network company shall retain true and accurate inspection records for at least six months after an inspection was conducted for each personal vehicle used by a driver.
(3) (a) Before a person is permitted to act as a driver through use of a transportation network company’s digital network, the person shall:

(I) obtain a criminal history record check pursuant to the procedures set forth in section 40-10.1-110 as supplemented by the commission’s rules promulgated under section 40-10.1-110 or through a privately administered national criminal history record check, including the national sex offender database; and

(II) provide a copy of the criminal history record check to the transportation network company.

(b) (I) A person who has been convicted of or pled guilty or nolo contendere to driving under the influence of drugs or alcohol in the previous seven years before applying to become a transportation network company driver shall not serve as a driver. A person who has ever been convicted of or pled guilty or nolo contendere to any of the following felony offenses shall not serve as a driver:

(A) an offense involving fraud, as described in article 5 of title 18, C.R.S.;

(B) an offense involving unlawful sexual behavior, as defined in section 16-22-102 (9), C.R.S.;

(C) an offense against property, as described in article 4 of title 18, C.R.S.; or

(D) a crime of violence, as described in section 18-1.3-406, C.R.S.

(II) A person who has been convicted of a comparable offense to the offenses listed in subparagraph (I) of this
PARAGRAPH (b) IN ANOTHER STATE OR IN THE UNITED STATES SHALL NOT SERVE AS A DRIVER.

(III) A TRANSPORTATION NETWORK COMPANY OR A THIRD PARTY SHALL RETAIN TRUE AND ACCURATE RESULTS OF THE CRIMINAL HISTORY RECORD CHECK FOR EACH DRIVER THAT PROVIDES SERVICES FOR THE TRANSPORTATION NETWORK COMPANY FOR AT LEAST SIX MONTHS AFTER THE CRIMINAL HISTORY RECORD CHECK WAS CONDUCTED.

(4) (a) BEFORE PERMITTING AN INDIVIDUAL TO ACT AS A DRIVER ON ITS DIGITAL NETWORK, A TRANSPORTATION NETWORK COMPANY SHALL OBTAIN AND REVIEW A DRIVING HISTORY RESEARCH REPORT FOR THE INDIVIDUAL.

(b) AN INDIVIDUAL WITH THE FOLLOWING MOVING VIOLATIONS SHALL NOT SERVE AS A DRIVER:

(I) MORE THAN THREE MOVING VIOLATIONS IN THE THREE-YEAR PERIOD PRECEDING THE INDIVIDUAL'S APPLICATION TO SERVE AS A DRIVER FOR THE TRANSPORTATION NETWORK COMPANY; OR

(II) A MAJOR MOVING VIOLATION IN THE THREE-YEAR PERIOD PRECEDING THE INDIVIDUAL'S APPLICATION TO SERVE AS A DRIVER FOR THE TRANSPORTATION NETWORK COMPANY, WHETHER COMMITTED IN THIS STATE, ANOTHER STATE, OR THE UNITED STATES, INCLUDING VEHICULAR ELUDING, AS DESCRIBED IN SECTION 18-9-116.5, C.R.S., RECKLESS DRIVING, AS DESCRIBED IN SECTION 42-4-1401, C.R.S., AND DRIVING UNDER RESTRAINT, AS DESCRIBED IN SECTION 42-2-138, C.R.S.

(c) A TRANSPORTATION NETWORK COMPANY SHALL RETAIN TRUE AND ACCURATE RESULTS OF THE DRIVING HISTORY RESEARCH REPORT FOR EACH DRIVER THAT PROVIDES SERVICES FOR THE TRANSPORTATION NETWORK COMPANY FOR AT LEAST SIX MONTHS.
(5) IF A TRANSPORTATION NETWORK COMPANY RIDER FILES A COMPLAINT WITH THE COMMISSION AGAINST A TRANSPORTATION NETWORK COMPANY OR DRIVER, THE COMMISSION MAY INSPECT THE TRANSPORTATION NETWORK COMPANY’S RECORDS AS REASONABLY NECESSARY TO INVESTIGATE AND RESOLVE THE COMPLAINT.

40-10.1-606. Permit required for transportation network companies - penalty for violation - rules. (1) A PERSON SHALL NOT OPERATE A TRANSPORTATION NETWORK COMPANY IN COLORADO WITHOUT FIRST HAVING OBTAINED A PERMIT FROM THE COMMISSION.

(2) THE COMMISSION SHALL ISSUE A PERMIT TO EACH TRANSPORTATION NETWORK COMPANY THAT MEETS THE REQUIREMENTS OF THIS PART 6 AND PAYS A PERMIT FEE OF THREE HUNDRED TWENTY-FIVE DOLLARS TO THE COMMISSION. THE PERMIT IS VALID FOR ONE YEAR.

(3) (a) THE COMMISSION SHALL DETERMINE THE FORM AND MANNER OF APPLICATION FOR A TRANSPORTATION NETWORK COMPANY PERMIT.

(b) THE COMMISSION SHALL SET AND ADJUST, BY RULE, THE PERMIT APPLICATION FEE AND MAY ADJUST BY RULE THE ANNUAL PERMIT FEE TO COVER THE COMMISSION’S DIRECT AND INDIRECT COSTS ASSOCIATED WITH THIS PART 6.

(4) THE COMMISSION MAY TAKE ACTION AGAINST A TRANSPORTATION NETWORK COMPANY AS SET FORTH IN SECTION 40-10.1-112, INCLUDING ISSUING AN ORDER TO CEASE AND DESIST AND SUSPENDING, REVOKING, ALTERING, OR AMENDING A PERMIT ISSUED TO THE TRANSPORTATION NETWORK COMPANY.

(5) (a) FOR A VIOLATION OF THIS PART 6 OR A FAILURE TO COMPLY WITH A COMMISSION ORDER, DECISION, OR RULE ISSUED UNDER THIS PART
6, A TRANSPORTATION NETWORK COMPANY IS SUBJECT TO A PENALTY NOT
to exceed two thousand dollars for each offense.

(b) THE COMMISSION SHALL NOT ASSESS A PENALTY AGAINST A
TRANSPORTATION NETWORK COMPANY DRIVER.

40-10.1-607. Fees - transportation network company account
- creation. The commission shall transmit all fees collected
pursuant to this part 6 to the state treasurer, who shall credit
the fees to the transportation network company account,
hereby created in the public utilities commission motor carrier
fund, created in section 40-2-110.5 (6). The moneys in the account
are continuously appropriated to the commission for the
purposes set forth in this part 6. All interest earned from the
investment of moneys in the account is credited to the account.
Any moneys not expended at the end of the fiscal year remain in
the account and do not revert to the general fund or any other
fund.

40-10.1-608. Rules. The commission may promulgate rules
consistent with this part 6, including rules concerning
administration, fees, safety requirements, and financial
responsibility requirements.

SECTION 6. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, and safety.