

ALASKA STATE LEGISLATURE

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SPONSOR STATEMENT

House Bill 120

“An Act relating to workers’ compensation and transportation network companies; and providing for an effective date.”

HB 120 establishes an exemption from state workers’ compensation insurance requirements for a person who operates a motor vehicle used to provide services under an agreement with a transportation network services company, such as Uber, Lyft and Sidecar. It also defines “transportation network company” and “transportation network company services.”

As the travel and transportation industries change, and the technology used to support them evolves, it is important for state statutes to reflect the changing market. Alaskans living in areas that are underserved, or not served at all, by current transportation options have expressed a desire for increased choice, competition, and economic opportunities in meeting personal transportation needs.

“Transportation network companies” use smartphone applications to connect people needing a ride with available drivers. Drivers connected through network transportation companies are independent contractors. They obtain their own business licenses, operate their own vehicles, establish their own operating hours, and decide for themselves whether to accept or decline an available ride request.

While workers compensation insurance exists to protect workers against on-the-job injuries, there are a number of exemptions for independent contractors and part-time employees, including babysitters, sports referees and officials, certain licensed real estate professionals, and taxicab drivers. House Bill 120 adds drivers associated with a transportation network company to this list.

The Chugiak-Eagle River area is a prime example of a growing community where decreased public transportation services creates a need for more innovative transportation options. House Bill 120 can help to update state statutes to be current with new trends in technology-driven transportation businesses, and help address transportation needs in underserved communities.

Thank you for your consideration and support of this legislation.