

# ALASKA STATE LEGISLATURE

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Official Business

### Sectional Analysis

#### House Bill 132 ver I

#### Transportation Network Companies

*Notes differences between HB 132 ver I and SB 14 ver I.A*

- Section 1: Describes legislative intent of the bill is to clarify the Alaska Workers' Compensation Act and its relationship to transportation network company drivers. *No difference.*
- Section 2: Offers immunity to the state if civil action is taken against a transportation network company. *No difference.*
- Section 3: Amends AS 21.96 by adding a new section 21.96.018 relating to transportation network company insurance provisions. Allows for automobile insurance writers to exclude any driver who is logged onto the digital network of a transportation network company or while a driver provides a ride. *No difference.*
- Section 4: Amends AS 23.30.230(a) to exclude transportation network company drivers from the Alaska Workers' Compensation Act. *No difference.*
- Section 5: Amends AS 23.30.230(c) by adding the definitions for "digital network," "prearranged ride," "transportation network company," and "transportation network company driver." *No difference.*
- Section 6: Amends AS 28 by adding a new chapter, Chapter 23, Transportation Network Companies and Drivers.  
AS 28.23.010. Relates to fares collected by transportation network companies for services. *No difference.*  
AS 28.23.030. Governs identification required for transportation network vehicles and drivers. *No difference.*  
AS 28.23.040. Requires electronic receipts. *No difference.*  
AS 28.23.050. Sets insurance requirements for transportation network companies and drivers. *No difference.*

AS 28.23.060. Requires transportation network companies to provide automobile insurance disclosures to drivers. *No difference.*

AS 28.23.070. Requires that transportation network companies to file a certificate of insurance with the division of insurance. *No difference.*

AS 28.23.080. Provides that transportation network companies are not employers and that drivers are independent contractors, not employees. Exempts this section if TNC is owned or operated by the state, a municipality, a federally recognized tribe, or entity that is exempt from federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code). *Added language. This change was by request of the US Department of Labor, Employment and Training Administration, to the Alaska Department of Labor and Workforce Development for conformity to Federal unemployment compensation (UC) law. In order to preserve the tax credits now available to Alaska employers, this provision needed to be added to make it clear that the state unemployment tax must be paid for all employees of state and local governments, Indian tribes, and non-profit organization. Any exclusion from the definition of employment must not apply to these entities.*

AS 28.23.090. Requires implementation of zero tolerance drug and alcohol policy. *No difference.*

AS 28.23.100. Sets transportation network company driver requirements. Requires local and national criminal background check, multi-state or multi-jurisdiction criminal records locator, the US Dept. of Justice National Sex Offender public website (driver is disqualified if they are listed on this), and obtaining a driver history report. Disqualifies a driver if in the past seven years they have been convicted of: an unclassified, class A, or class B felony; a DUI while operating a motor vehicle, watercraft, or aircraft; refusal to submit to a chemical test; a violent crime against a person; not rendering assistance after an accident. Disqualifies a driver if in the past three years if they have been convicted of or forfeited bail for a third or subsequent moving traffic violation or been convicted of: driving without a license; failure to stop at the direction of a police officer; reckless or negligent driving. *Added and amended language. Cleaned up language in the three year driving history look-back, and seven year criminal history look-back that was in SB14. The language that passed the Senate was very restrictive and would have prohibited someone who was found guilty of shoplifting to drive for a TNC. If a person has committed a violent crime, either felony or misdemeanor, in the past seven years they may not drive for a TNC. A conviction of any unclassified, class A, or class B felony in the past seven year will also disqualify a person as a driver. The new language makes it clear that a driver on the US DOJ National Sex Offender list may not drive for a TNC. Also, if a person has been convicted of driving under the influence while operating a vehicle or watercraft in the past seven years they may not drive for a TNC.*

Driver must be 21 years of age. *Added language. This change was made due to state statute regarding alcohol and marijuana, so if either substance was left in the car after a rider had disembarked the driver wouldn't be breaking state law by being in possession due to being underage.*

Driver may not solicit a rider or accept a street hail, may only provide a prearranged ride through the TNC platform, or solicit or accept cash payments. *Added language. The final language in this subsection was added to make clear that TNC drivers may only accept rides from the TNC platform, they do not operate like other for-hire*

*vehicles by soliciting riders or accepting street hails, and that the payment is through a cashless system. Payment in this section does not include tips, which can be cash.*

AS 28.23.105 19-point safety inspection required. Driver's car may not be older than 12 years old. *Added language. This language, which is standard terms of services for major companies like Uber and Lyft, was added to statute so that every TNC operating in Alaska will be held to a high standard for vehicle safety and quality*

AS 28.23.110. Relates to mandatory rules and policies governing non-discrimination and accessibility protected under AS 18.80.210. *No difference.*

AS 28.23.120. Provides for maintenance of records. *Changed from one year of recordkeeping to two years.*

AS 28.23.030. The Department of Transportation & Public Facilities may under AS 02.15, enter into a contract, lease, or other arrangement with a TNC for use of an international airport owned or operated by the state. *The Department of Transportation approached the sponsor about this revision which will allow for DOT to enter into a contract, lease or other arrangement with TNCs at Ted Stevens International Airport and Fairbanks International Airport.*

AS 29.23.180. Provides definitions for the chapter. *No difference.*

AS 28.23.190 States that the short title of the chapter may be cited as the "Transportation Network Companies Act." *No difference.*

Section 7: Amends AS 29.10.200 to add paragraph (66), adding AS 29.35.148 (regulation of transportation network company or drivers) as home rule prohibitions on acting otherwise. *No difference.*

Section 8: Amends AS 29.35 by adding AS 29.35.148, which provides that the authority to regulate transportation network companies and transportation network drivers is reserved to the state. Provides that an imposition of a municipal sales tax may be applied to a trip originating in the municipality on TNC drivers. Municipal traffic ordinances must be followed. Municipalities may by ordinance ratified by the voters in a regular municipal election prohibit TNCs from conducting activities. *Added language. Allows for municipalities to impose a sales tax on the TNC driver. Ensures that municipal traffic ordinances must be followed. Allows for local-opt out with a vote of the people in a general election.*

Section 9: This Act takes effect immediately. *No difference.*