

1 HB190  
2 190174-5  
3 By Representatives Faulkner, Garrett, Williams (JD), Fridy,  
4 Shiver, Faust, Ainsworth, Pettus, Mooney and Drake  
5 RFD: Commerce and Small Business  
6 First Read: 11-JAN-18



1 Section 111.05 of the Official Recompilation of the  
2 Constitution of Alabama of 1901, as amended.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. As used in this act, the following words  
5 shall have the following meanings:

6 (1) COMMISSION. The Public Service Commission.

7 (2) DIGITAL NETWORK. Digital network, as defined in  
8 Section 32-7C-1, Code of Alabama 1975.

9 (3) GROSS TRIP FARE. The sum of the base fare  
10 charge, distance charge, and time charge for a complete trip  
11 at rates published on the TNC's website. The term does not  
12 include any additional fees, including airport or venue fees.

13 (4) TNC. A transportation network company, as  
14 defined in Section 32-7C-1, Code of Alabama 1975.

15 (5) TNC DRIVER. A TNC driver as defined in Section  
16 32-7C-1, Code of Alabama 1975.

17 (6) TNC RIDER. A TNC rider as defined in Section  
18 32-7C-1, Code of Alabama 1975.

19 (7) TNC VEHICLE. A personal vehicle, as defined in  
20 Section 32-7C-1, Code of Alabama 1975.

21 (8) PREARRANGED RIDE. Prearranged ride, as defined  
22 in Section 32-7C-1, Code of Alabama 1975.

23 Section 2. (a) A TNC or TNC driver is not a common  
24 carrier, contract carrier, or motor carrier, as defined in  
25 Section 37-3-2, Code of Alabama 1975, does not provide taxi or  
26 for-hire vehicle services, and is not subject to the Alabama  
27 Motor Carrier Act, Chapter 3, Title 37, Code of Alabama 1975.

1 (b) A TNC driver is not required to register the  
2 vehicle that the TNC driver uses to provide prearranged rides  
3 under this act as a commercial motor vehicle or for-hire  
4 vehicle under the Alabama Motor Carrier Act, Chapter 3, Title  
5 37, Code of Alabama 1975.

6 Section 3. (a) A person may not operate a TNC in the  
7 state without first having obtained a permit from the  
8 commission.

9 (b) The commission shall issue a permit to each  
10 applicant that meets the requirements for a TNC under this act  
11 and may require the permit to be renewed annually.

12 (c) A TNC operating under a municipal ordinance in a  
13 municipality of this state on June 30, 2018, may operate at  
14 any location in this state without the permit required under  
15 subsection (a) until the later of:

16 (1) The thirtieth day after the date the permit  
17 process is adopted by the commission.

18 (2) The date the TNC's application for a permit  
19 under this section, submitted to the commission before the  
20 date described in subdivision (1), is approved or denied.

21 (d) Any person who operates a TNC without having  
22 obtained a permit in accordance with this section is guilty of  
23 a Class C misdemeanor.

24 Section 4. (a) A TNC shall collect a local  
25 assessment fee equal to one percent of the gross trip fare for  
26 all prearranged rides that originate in the state in  
27 accordance with this act.

1 (b) (1) No later than 30 days after the end of each  
2 calendar quarter, a TNC shall submit to the commission all of  
3 the following:

4 a. The total local assessment fees collected by a  
5 TNC.

6 b. For prearranged rides that originated within a  
7 municipality, a report listing the percentage of the gross  
8 trip fare that originated in each municipality during the  
9 reporting period.

10 c. For prearranged rides that originated outside a  
11 municipality, a report listing the percentage of the gross  
12 trip fare that originated in the unincorporated portion of  
13 each county during the reporting period.

14 (2) The TNC shall be responsible for determining  
15 whether a prearranged ride originated within the boundaries of  
16 a municipality or originated within the unincorporated portion  
17 of a county.

18 (c) To ensure proper distribution of the local  
19 assessment fee, the commission shall prepare and make  
20 available for public use Geographic Information System (GIS)  
21 data in the form of a file showing the state's county and  
22 municipal boundaries. To the extent the commission updates the  
23 GIS file, the commission shall notify TNCs and make available  
24 to TNCs the updated GIS file. In addition to the requirements  
25 of this section, municipalities shall provide annexation  
26 information to the commission within 30 days after the  
27 annexation is complete. Such information shall include a

1 written description of the boundary, along with a map or plat  
2 that clearly defines the new territory added.

3 (d) The local assessment fees submitted to the  
4 commission shall be administered by the commission and may  
5 only be expended as provided in this section. The commission  
6 may retain an amount necessary to cover the expenses derived  
7 from regulation of TNCs and the collection, remittance, and  
8 distribution of local assessment fees pursuant to this  
9 section, provided the amount retained may not exceed 50  
10 percent of the total local assessment fees collected.

11 (e) No later than 60 days after the end of each  
12 calendar quarter, the commission shall distribute the local  
13 assessment fees collected for the preceding calendar quarter,  
14 minus the amount retained pursuant to subsection (d), to each  
15 municipality where a prearranged ride originated and to each  
16 county where a prearranged ride originated in the  
17 unincorporated portion of the county, during that calendar  
18 quarter. The distribution shall be proportionate to the  
19 percentage of the gross trip fare that originated in each  
20 applicable municipality and unincorporated portion of a  
21 county.

22 (f) No more than every two years, the commission may  
23 request that a TNC engage an independent third party auditor  
24 to verify the local assessment fees submitted to the  
25 commission pursuant to subdivision (1) of subsection (b) are  
26 accurate. The TNC that is subject to the audit shall engage  
27 the independent third party auditor, which shall be selected

1 at the sole discretion of the TNC, and bear all costs  
2 associated with the third party audit. The independent third  
3 party auditor must be a certified public accounting firm  
4 licensed in the state and qualified to perform engagements in  
5 accordance with American Institute of Certified Public  
6 Accountants (AICPA) standards. The TNC shall provide the  
7 commission with a copy of the third party audit report within  
8 15 days of completion, which shall in no event occur later  
9 than 90 days after receipt of the commission's written  
10 request. The third party audit shall be limited to two  
11 calendar quarters that may be selected by the commission. If  
12 any underpayment of over three percent is identified through  
13 the audit, the TNC shall remit the underpaid local assessment  
14 fees to the appropriate municipality or county.

15 (g) The governing body of a municipality that  
16 enacted a TNC ordinance prior to January 1, 2018, and  
17 permitted at least one TNC to operate prior to January 1,  
18 2018, pursuant to the TNC ordinance, may request the  
19 commission to review the portions of a third party audit  
20 report provided to the commission pursuant to subsection (f)  
21 that are applicable to the municipality. If no third party  
22 audit report is available for a TNC from the prior two-year  
23 period at the time of the governing body's request, the  
24 governing body that enacted a TNC ordinance prior to January  
25 1, 2018, and permitted at least one TNC to operate prior to  
26 January 1, 2018, may request the commission to initiate an  
27 audit pursuant to subsection (f).

1 (h) Any record maintained by a TNC or submitted to  
2 the commission or a political subdivision of the state  
3 pursuant to this section shall be considered tax information  
4 and may not be disclosed, as provided in subsection (a) of  
5 Section 40-2A-10, Code of Alabama 1975, except as otherwise  
6 provided in this section.

7 Section 5. A TNC shall maintain an agent for service  
8 of process in the state.

9 Section 6. A TNC may charge a fare for the services  
10 provided to a TNC rider. If a fare is collected from a rider,  
11 the TNC shall disclose to the rider the fare or fare  
12 calculation on its digital network. If the fare is not  
13 disclosed to the rider before the beginning of the prearranged  
14 ride, the rider shall have the option to receive an estimated  
15 fare before the beginning of the prearranged ride.

16 Section 7. The TNC's digital network shall display a  
17 picture of the TNC driver, the first name of the TNC driver,  
18 and the make, model, and license plate number of the TNC  
19 driver's vehicle before the rider enters the TNC vehicle.

20 Section 8. Within a reasonable period of time  
21 following the completion of a trip, a TNC shall transmit an  
22 electronic receipt to the rider that lists all of the  
23 following:

- 24 (1) The origin and destination of the trip.
- 25 (2) The total time and distance of the trip.
- 26 (3) The total fare paid.
- 27 (4) The TNC driver's first name.



1           Section 9. A TNC driver or a TNC on behalf of the  
2 TNC driver shall maintain automobile insurance pursuant to  
3 Chapter 7C of Title 32, Code of Alabama 1975.

4           Section 10. (a) Before allowing an individual to  
5 accept trip requests through a TNC's digital network as a TNC  
6 driver, all of the following must occur:

7                   (1) The individual shall submit an application to  
8 the TNC, that includes information regarding his or her  
9 address, age, driver's license, motor vehicle registration,  
10 and other information required by the TNC.

11                   (2) The TNC shall conduct, or have a third party  
12 conduct, a local and national criminal background check for  
13 each applicant that shall include a review of the following:

14                           a. A multistate or multi-jurisdiction criminal  
15 records locator or other similar commercial nationwide  
16 database with validation (primary source search).

17                           b. The United State Department of Justice National  
18 Sex Offender Public Website.

19                   (3) The TNC shall obtain and review, or have a third  
20 party obtain and review, a driving history report of each  
21 applicant.

22                   (b) The TNC may not permit an individual to act as a  
23 TNC driver on its digital network who:

24                           (1) Has had more than three moving violations in the  
25 prior three-year period, or one of the following major  
26 violations in the prior three-year period:

1           a. Fleeing or attempting to elude a law enforcement  
2 officer.

3           b. Reckless driving.

4           c. Driving with a suspended or revoked license.

5           (2) Has been convicted, within the past seven years,  
6 of any of the following:

7           a. A felony.

8           b. Misdemeanor driving under the influence, reckless  
9 driving, hit and run, or any other misdemeanor violent offense  
10 or sexual battery.

11           (3) Is a match in the U.S. Department of Justice  
12 National Sex Offender Public Website.

13           (4) Does not possess a valid driver's license.

14           (5) Does not possess proof of registration for the  
15 motor vehicle or vehicles the applicant intends to use to  
16 provide prearranged rides.

17           (6) Does not maintain proof of or does not possess  
18 automobile insurance required under Chapter 7C of Title 32,  
19 Code of Alabama 1975.

20           (7) Is under the age of 19 years.

21           (c) (1) Any individual who impersonates a TNC driver  
22 without having met the requirements of this section is guilty  
23 of a Class C misdemeanor.

24           (2) If an individual unlawfully impersonates a TNC  
25 driver under subdivision (1) while committing a felony, the  
26 unlawful impersonation may be an aggravating factor under

1 Section 12-25-34.2, Code of Alabama 1975, for sentencing  
2 purposes.

3 Section 11. (a) A TNC shall establish and enforce a  
4 zero tolerance intoxicating substance policy for TNC drivers  
5 that prohibits any amount of intoxication of the driver while  
6 providing transportation network services.

7 (b) The TNC shall include on its website a notice  
8 concerning the TNC's zero tolerance intoxicating substance  
9 policy and the means to make a complaint about a suspected  
10 violation of the policy.

11 (c) Upon receipt of a rider complaint alleging a  
12 violation of the zero tolerance intoxicating substance policy,  
13 the TNC shall immediately suspend the TNC driver's access to  
14 the TNC's digital network and conduct an investigation into  
15 the reported incident. The suspension shall last the duration  
16 of the investigation.

17 Section 12. A TNC driver may not accept a trip for  
18 compensation, including soliciting or accepting passenger  
19 rides on demand or through a street hail, other than a trip  
20 arranged through a TNC's digital network. Any individual who  
21 violates this section is guilty of a Class C misdemeanor.

22 Section 13. ~~(a) The TNC shall adopt a policy of~~  
23 ~~nondiscrimination with respect to riders and potential riders.~~  
24 ~~The TNC shall notify TNC drivers of the policy.~~

25 ~~(b) TNC drivers shall comply with all applicable~~  
26 ~~laws regarding nondiscrimination against riders or potential~~  
27 ~~riders.~~

1           ~~(c) TNC drivers shall comply with all applicable~~  
2 ~~laws relating to the transportation of service animals.~~

3           ~~(d) A TNC may not impose additional charges for~~  
4 ~~providing services to individuals with physical disabilities~~  
5 ~~because of those disabilities.~~

6           (a) The TNC shall adopt a policy of  
7 nondiscrimination against riders or potential riders who are  
8 protected by Title 7, Civil Rights Act of 1964, 42 U.S.C.  
9 2000e. et. seq. or the Americans With Disabilities Act of  
10 1990.

11           (b) TNC drivers shall comply with all applicable  
12 laws relating to the transportation of service animals.

13           (c) A TNC may not impose additional charges for  
14 providing services to individuals with physical disabilities  
15 because of those disabilities.

16           Section 14. (a) A TNC shall maintain the following  
17 records:

18           (1) Individual trip records for at least two years  
19 from the date each trip was provided.

20           (2) Individual records of TNC drivers at least two  
21 years from the date on which a TNC driver's relationship with  
22 the TNC ended.

23           (b) For the sole purpose of verifying that a TNC is  
24 in compliance with subsection (a) and Section 10 and no more  
25 than annually, the commission may visually inspect a random  
26 sample of the records that the TNC is required to maintain  
27 pursuant to subsection (a). All samples shall include records

1 sufficient to verify the TNC's compliance with the background  
2 check requirements and standards set forth in Section 10. The  
3 audit shall take place at a mutually agreed upon location in  
4 Montgomery, Alabama, or through a mutually agreed upon secure  
5 electronic process. Any record furnished to the commission may  
6 exclude information that would identify specific TNC drivers  
7 or riders, unless the commission demonstrates that there is  
8 good cause to inspect the identifying information.

9 (c) The governing body of a municipality that  
10 enacted a TNC ordinance prior to January 1, 2018, and  
11 permitted at least one TNC to operate prior to January 1,  
12 2018, pursuant to the TNC ordinance, may request from the  
13 commission an analysis regarding a TNC's compliance with  
14 Section 10 as it applies to that municipality based on the  
15 audit performed by the commission pursuant to subsection (b).  
16 If the requested analysis reveals a TNC is not in compliance  
17 with Section 10, the commission shall include that information  
18 in the analysis provided to the municipality and work in  
19 coordination with the governing body to bring the TNC into  
20 compliance. If no such audit analysis is available for a TNC  
21 from the prior one-year period at the time of the governing  
22 body's request, the governing body that enacted a TNC  
23 ordinance prior to January 1, 2018, and permitted at least one  
24 TNC to operate prior to January 1, 2018, may request that the  
25 commission initiate an audit pursuant to subsection (b).

26 (d) In response to a specific complaint against a  
27 TNC driver or a TNC, the commission may inspect records held

1 by the TNC pursuant to subsection (a) that are necessary to  
2 investigate and resolve the complaint. The inspection shall  
3 take place at a mutually agreed upon location in Montgomery,  
4 Alabama, or through a mutually agreed upon secure electronic  
5 process. Any record furnished to the commission may exclude  
6 information that would identify specific TNC drivers or  
7 riders, unless the identity of a driver or rider is relevant  
8 to the complaint.

9 (e) Any records, including any information contained  
10 therein that would identify specific TNC drivers or riders  
11 inspected by the commission under this section are not public  
12 records and are not subject to disclosure to a third party by  
13 the commission without prior written consent of the TNC, and  
14 are exempt from disclosure under Section 36-12-40, Code of  
15 Alabama 1975. Nothing in this section shall be construed as  
16 limiting the applicability of any other exemptions under  
17 Section 36-12-40, Code of Alabama 1975, or the validity of any  
18 court order.

19 (f) No political subdivision of the state, including  
20 the commission, may disclose any records, data, or information  
21 provided by a TNC pursuant to this act to a third party absent  
22 a court order or subpoena. In the event that records, data, or  
23 information provided pursuant to this act is sought through a  
24 court order or subpoena, the commission or other political  
25 subdivision shall promptly notify the TNC so as to afford the  
26 TNC the opportunity to take actions to prevent disclosure.

1           Section 15. (a) The failure of a TNC to comply with  
2 this act or rule adopted pursuant to this act or commission  
3 order issued pursuant to this act may result in the revocation  
4 of the TNC's permit by the commission or the assessment of a  
5 civil penalty, or both, in accordance with procedures  
6 established by the commission. The civil penalty for TNCs may  
7 not exceed five hundred dollars (\$500) for each violation for  
8 each day the TNC knew or should have known about the  
9 violation.

10           (b) The failure by a TNC driver to comply with this  
11 act or rule adopted pursuant to this act or commission order  
12 issued pursuant to this act may result in the suspension of  
13 the TNC driver from operating on any TNC's digital network or  
14 the assessment of a civil penalty, or both, in accordance with  
15 procedures established by the commission. The civil penalty  
16 for TNC drivers may not exceed one hundred dollars (\$100) for  
17 each violation for each day the TNC driver knew or should have  
18 known about the violation.

19           Section 16. The commission may adopt rules to  
20 implement and enforce this act in accordance with its  
21 established rules of practice and procedures, including, but  
22 not limited to, rules providing for safety inspections of TNC  
23 vehicles and establishing requirements for a distinctive TNC  
24 emblem or signage, known as trade dress, to be displayed on  
25 the exterior of a TNC vehicle.

26           Section 17. (a) It is the intent of the Legislature  
27 to provide for uniformity of laws governing TNCs, TNC drivers,

1 and TNC vehicles throughout the state, and to provide that  
2 TNCs, TNC drivers, and TNC vehicles be governed exclusively by  
3 state law, including Chapter 7C of Title 32, Code of Alabama  
4 1975 governing insurance requirements for TNCs and TNC  
5 drivers, and any rules adopted by the commission consistent  
6 with this act.

7 (b) A county, municipality, special district,  
8 airport authority, port authority, or other local governmental  
9 entity or subdivision may not do any of the following:

10 (1) Impose a tax on, or require a license for, a TNC  
11 or a TNC driver or TNC vehicle if the tax or license relates  
12 ~~to providing prearranged rides, or subjects a TNC, TNC driver,~~  
13 ~~or TNC vehicle to any rate, entry, operation, or other~~  
14 ~~requirement of the county, municipality, special district,~~  
15 ~~airport authority, port authority, or other local governmental~~  
16 ~~entity or subdivision.~~ to providing prearranged rides.

17 (2) Require a TNC or a TNC driver to obtain a  
18 business license or any other type of similar authorization to  
19 operate within the jurisdiction.

20 ~~(3) Subject a TNC or a TNC driver to a rate, entry,~~  
21 (3) Subject a TNC, a TNC driver, or a TNC vehicle to a rate,  
22 entry, operation, or other requirement of the county,  
23 municipality, special district, airport authority, port  
24 authority, or other local governmental entity if the rate,  
25 entry, operation, or other requirement relates to providing  
26 prearranged rides or transportation network services.



1           (c) This section does not prohibit the governing  
2 body of a municipality from electing by ordinance to prohibit  
3 TNCs from providing prearranged rides that originate within  
4 its corporate limits. Notwithstanding the foregoing, the  
5 governing body of a municipality may not specify additional or  
6 alternative requirements, taxes, or licenses for TNCs, TNC  
7 drivers, or TNC vehicles as conditions for operating within  
8 its corporate limits

9           (d) This section does not prohibit an airport or  
10 cruise terminal from charging reasonable pickup fees at that  
11 airport or cruise terminal, for use of the airport's or cruise  
12 terminal's facilities, or designating locations for staging,  
13 pickup, and other similar operations at the airport or cruise  
14 terminal.

15           (e) This section does not prohibit the Alabama State  
16 Port Authority from regulating access to its properties and  
17 facilities or from charging reasonable and necessary fees,  
18 provided the regulations, fees, and any required credentials  
19 are consistent with regulations, fees, and credentials that  
20 apply to taxicab companies.

21           (f) This section shall not be construed to prohibit  
22 any law enforcement officer from enforcing applicable penal or  
23 traffic laws, or, in connection with the enforcement of  
24 applicable penal or traffic laws, from requesting to review a  
25 TNC driver's electronic waybill within the TNC's digital  
26 network.

1                   Section 18. The Public Service Commission shall make  
2                   available the GIS data required under subsection (c) of  
3                   Section 4 no later than July 1, 2018.

4                   Section 19. Although this bill would have as its  
5                   purpose or effect the requirement of a new or increased  
6                   expenditure of local funds, the bill is excluded from further  
7                   requirements and application under Amendment 621 because the  
8                   bill defines a new crime or amends the definition of an  
9                   existing crime.

10                   Section 20. This act shall become effective on July  
11                   1, 2018, following its passage and approval by the Governor or  
12                   its otherwise becoming law, except Section 4 shall become  
13                   operative on August 1, 2018.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Commerce and  
Small Business..... 11-JAN-18

Read for the second time and placed  
on the calendar with 1 substitute  
and 1 amendment..... 25-JAN-18

Read for the third time and passed  
as amended..... 30-JAN-18

Yeas 97, Nays 3, Abstains 1

Jeff Woodard  
Clerk