

Legislative Analysis



REGULATION OF TRANSPORTATION NETWORK COMPANIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4637 (passed by the House as H-3)
Sponsor: Rep. Tim Kelly

Analysis available at
<http://www.legislature.mi.gov>

House Bill 4638 (passed as H-1)
Sponsor: Rep. Aric Nesbitt

House Bill 4641 (passed as H-1)
Sponsor: Rep. Phil Phelps

Committee: Commerce & Trade
Complete to 9-1-15

BRIEF SUMMARY: Taken together, these bills create a regulatory framework governing the operation of companies with "apps" (application software) designed to connect drivers and passengers. This applies to such "transportation network companies" as Uber and Lyft.

House Bill 4637 would create a new act, the Transportation Network Company Act to regulate the operation of transportation network companies (TNCs) and their drivers. House Bill 4638 would exempt such companies from the Limousine Transportation Act. House Bill 4641 would amend the Michigan Vehicle Code to exempt drivers for transportation network companies from obtaining a chauffeur's license and to delineate the kind of insurance that satisfies the financial responsibility requirements of the code. Those requirements parallel insurance requirements found in House Bill 4637.

Two related bills would make complementary amendments to the Insurance Code applying to vehicles being operated by a transportation network company driver. Those bills, House Bill 4639 and 4640, are explained in a separate summary.

The bills are tie-barred so that none could take effect unless all were enacted. The bills would each go into effect 90 days following the date of enactment.

FISCAL IMPACT: House Bills 4638 and 4641 would exempt TNCs from the Limousine Transportation Act and certain provisions of the Michigan Vehicle Code, respectively. These two bills do not appear to have a direct fiscal impact on the state or local units of government.

As noted above, House Bill 4637 would create a new act, the Transportation Network Company Act. The act would establish a new regulatory framework for TNCs and TNC drivers and would give to the Michigan Department of Transportation regulatory authority under the act. Because the regulatory activities established under the bill are new, and not clearly defined, the cost of administering the act cannot be readily estimated at this time.

As described in the detailed analysis below, the amount of the permit fee would be scaled depending on the number of personal vehicles approved for the provision of prearranged rides. The bill as introduced provided for a fee to be paid to the department annually. The H-3 substitute as passed by the House does not specify whether the fee is an annual fee or a

one-time fee. It is not clear at this time how many TNC's would apply for permits and thus pay the permit fee. For further information, see the *Fiscal Information* section, later in the analysis.

THE APPARENT PROBLEM:

Under current law, most for-hire drivers are subject to the Limousine Transportation Act, although metered vehicles identified as taxis or taxicabs are not. The act says, in part, "A person shall not violate or evade the provisions of this act through any device or arrangement." The act defines a limousine as a for-hire vehicle with a seating capacity of 15 or less. (For-hire vehicles with a seating capacity of more than 15 are considered buses and regulated separately.) However, transportation network companies (TNCs), such as Uber and Lyft, argue that because their business model is fundamentally different from a traditional taxi or other vehicle-for-hire model, they fall outside the act.

In 2013, the Michigan Department of Transportation (MDOT) sent letters of noncompliance to Uber and to Lyft, alleging noncompliance with the Limousine Act in multiple areas, including not registering with MDOT and not properly insuring and inspecting vehicles used to transport passengers. However, no enforcement action appears to have been taken.

Uber and Lyft currently operate in several metropolitan areas in Michigan. These companies say because they only own and operate *the platform* through which rides are arranged, rather than the vehicle or driver, they should be regulated differently than other for-hire transportation entities, such as traditional taxi cab and limousine companies. Legislation has been introduced to provide that separate regulation.

Some municipalities, such as the cities of Lansing and East Lansing, have entered into joint operating agreements allowing companies such as Uber and Lyft to operate in their communities. If this proposed legislation is signed into law, these operating agreements would be superseded by the regulations contained within the bill.

THE CONTENT OF THE BILL:

House Bill 4637

HB 4637 would create a new act, the Transportation Network Company Act. The act would regulate the operation of transportation network companies (TNCs) and their drivers.

Definitions

A TNC would be defined as a person operating in this state that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides. A TNC would not include a taxi service, transportation service arranged through a transportation broker, ridesharing arrangement, or transportation service using fixed routes at regular intervals.

A TNC driver would be defined as an individual who satisfies all of the following:

- Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company.
- Uses a personal vehicle to offer or provide prearranged rides to transportation network company riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

A TNC rider would be defined as an individual who uses a transportation network company's digital network to connect with a transportation network company driver who provides a prearranged ride to the transportation network company rider in the transportation network company driver's personal vehicle between points chosen by the transportation network company rider.

A digital network would be defined as an online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

A personal vehicle would be defined as a motor vehicle that is used by a transportation network company driver that satisfies both of the following:

- The vehicle is owned, leased, or otherwise authorized for use by the transportation network company driver.
- The vehicle is not a taxicab, limousine, or commercial vehicle.

A prearranged ride would be defined as the provision of transportation by a TNC driver to a TNC rider, beginning when a TNC driver accepts a ride requested by a TNC rider through a digital network controlled by a TNC, continuing while the TNC driver transports the requesting TNC rider, and ending when the last requesting TNC rider departs from the personal vehicle. Prearranged ride would not include transportation provided using a taxicab, limousine, or other commercial vehicle, or a shared-expense carpooling or vanpooling arrangement.

Difference from other motor vehicle services

The bill specifically states that neither a TNC nor a TNC driver would be considered a common carrier, motor carrier, or contract carrier, or to be providing taxicab or commercial vehicle service. Additionally, a TNC driver would not be required to register a personal vehicle as a commercial or for-hire vehicle.

TNC permit process

A TNC would have to obtain a permit from the Michigan Department of Transportation (MDOT) before it could operate in Michigan. The department would be required to issue a permit to an applicant that meets the requirements of this act and pays one of the following:

- For a TNC with 100 or fewer personal vehicles approved for the provision of prearranged rides, a fee of \$1,000.
- For a TNC with between 101 and 1,000 personal vehicles approved for the provision of prearranged rides, a fee of \$10,000.

- For a TNC with more than 1,000 personal vehicles approved for the provision of prearranged rides, a fee of \$30,000.

The application would be required to contain the following information:

- Proof that the TNC has satisfied the insurance requirements of the act.
- The name and contact information for the TNC's designated contact person.
- Whether the TNC is a corporation, limited liability company, or other type of business entity.
- The name and address of the applicant.
- The number of personal vehicles that the TNC has approved for the provision of prearranged rides through its digital network, in one of the following increments:
 - 0 to 100
 - 101 to 1,000
 - 1,001 and above

MDOT would be able to audit a TNC's records, including a random sample of records related to drivers, in accordance with all of the following:

- The department may not conduct this audit more than twice per year.
- The audit may take place at a third-party location agreed upon by the department and the TNC.
- In addition to the audits, the department may, within a reasonable timeframe, investigate a complaint related to public safety or a violation of this act, if the department has received details of the nature of the complaint before the investigation takes place.

A TNC operating under a permit would be required to maintain an agent authorized to receive service of process in Michigan.

Fees charged by a TNC

A TNC would be allowed to charge and collect fares on behalf of a TNC driver if it does all of the following:

- The TNC discloses the fare calculation method on its website or within the software application service.
- The TNC provides the transportation network company rider with the applicable rate being charged and the option to receive an estimated fare before the TNC rider enters the TNC driver's personal vehicle.

A TNC software application or website would be required to display a picture of the TNC driver and registration plate number of the personal vehicle to be used for the prearranged ride before the TNC rider enters the TNC driver's personal vehicle.

With a "reasonable period of time" following the completion of a prearranged ride, the TNC would be required to submit to the rider an electronic receipt with the following information:

- The origin and destination of the trip.
- The total time and distance of the trip.
- An itemization of total fare paid, if any.

Required insurance

As of the date the bill goes into effect, a TNC driver, or the TNC acting on the driver's behalf, must maintain primary automobile insurance that recognizes the driver uses the vehicle as a TNC driver or to otherwise transport passengers for compensation, and that the policy covers the TNC driver while logged on to the TNC's digital network and while engaged in a prearranged ride.

While logged on to a TNC's digital network and not engaged in a prearranged ride, both of the following types of auto insurance are required:

- Residual third-party automobile liability insurance as required under Chapter 31 of the Insurance Code of 1956, in the amount of at least \$50,000 per person for death or bodily injury, \$100,000 per incident for death or bodily injury, and \$25,000 for property damage.
- Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by Chapter 31 of the Insurance Code, which is the No-Fault Act.

While logged on to a TNC's digital network and engaged in a prearranged ride, both of the following types of auto insurance are required:

- Residual third-party automobile liability insurance with a minimum combined single limit of \$1,000,000 for all bodily injury or property damage.
- Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by Chapter 31 of the Insurance Code.

These requirements may be satisfied by auto insurance coverage maintained by a TNC or a TNC driver, or a combination of both. The required policy could be placed with an insurance company licensed under Chapter 4 of the Insurance Code, or, if the insurance is maintained by a TNC, a surplus lines insurer eligible under Chapter 19 of the Insurance Code.

The insurance policy would satisfy the financial responsibility requirements described in Chapter V of the Michigan Vehicle Code.

If either of these required policies lapses or did not provide the required coverage, insurance maintained by a TNC must provide the coverage required by this section, beginning with the first dollar of a claim. The TNC would also be required to defend the claim. Coverage provided under an automobile insurance policy maintained by a TNC could not be dependent upon a personal automobile insurer denying the claim first and could not require a personal automobile insurer to deny the claim first. [Note: House Bills 4639 and 4640 contain changes to the Insurance Code relating to the relationship between an insurance company and a policyholder who is a TNC or a TNC driver.]

A TNC driver would be required to carry proof of the required insurance at all times during the use of his or her vehicle in connection with a TNC's digital network. An electronic or paper copy of a driver's certificate of insurance would satisfy this requirement. If an accident occurs during the time that a driver is using a vehicle in connection with a TNC's digital network, the driver would be required to provide all of the following upon request to directly

interested parties, automobile insurers, and investigating law enforcement officers, as required under Section 328 of the Michigan Vehicle Code:

- Insurance coverage information.
- Whether he or she was logged on to the TNC's digital network or on a prearranged ride at the time of the accident.

If a TNC's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the insurer must issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the vehicle.

A TNC would be required to disclose all of the following information in writing to a TNC driver before that driver may accept a request for a prearranged ride on that TNC's digital network:

- The insurance coverage, including the types of coverage and limits for each type of coverage the transportation network company provides while the driver uses a personal vehicle in connection with the TNC's digital network.
- That, depending on the terms of the policy, the driver's personal automobile insurance policy might not provide coverage while the driver is logged on to the TNC's digital network and is available to receive transportation requests or is engaged in a prearranged ride.

On an annual basis, or in the event of a material reduction in insurance coverage maintained by the TNC on behalf of each driver providing transportation services for that company, the TNC would be required to disclose all of the following information:

- The automobile insurance coverage, including the types of coverage and limits for each type of coverage that the TNC maintains on behalf of each driver while using a personal vehicle in connection with the transportation network company's digital network.
- Whether the TNC maintains comprehensive and collision insurance that covers a transportation network company driver's personal vehicle and, if such coverage is maintained by the TNC, the limits of coverage, applicable deductible, and conditions under which the coverage applies to a vehicle operated by a TNC driver.

As used in this provision, "material reduction in insurance coverage" would not include the replacement of insurance coverage with *substantially similar* insurance coverage from a different insurer by a transportation network company.

A TNC also would be required to prominently disclose, with a separate acknowledgment of acceptance for the first two provisions listed below, to a prospective driver in the TNC driver's written terms of service all of the following before that driver may accept a request for a prearranged ride on its digital network:

- "Most personal auto insurance policies in Michigan exclude comprehensive and collision coverage while you carry passengers for charge in your motor vehicle and are logged into a transportation network company's digital network or software application. I acknowledge that my personal auto insurance policy may exclude

comprehensive and collision coverage while my motor vehicle is carrying passengers for charge."

- "Most auto loans and leases in Michigan require the borrower to ensure that the motor vehicle is protected by comprehensive and collision coverage. If your written agreement with your lessor or loan provider requires you to maintain comprehensive and collision insurance on the motor vehicle, using the motor vehicle while logged onto a transportation network company's digital network or software application may violate your legal obligation to your lessor or loan provider under Michigan law. I acknowledge that I may breach the terms of my auto loan or lease if I fail to secure appropriate or additional comprehensive and collision coverage during the term of the loan or lease, while I carry passengers for charge in my motor vehicle."
- "Is your motor vehicle subject to a lease, loan, or lien? Please indicate Yes or No: _____."

Relationship between a TNC and a driver

Under the bill, a TNC driver would be considered an independent contractor, and not an employee of a TNC, as long as the TNC:

- Does not prescribe the specific hours during which the transportation network company driver is required to be logged in to that TNC's digital network.
- Does not impose any restrictions on a driver's ability to use the digital networks of other TNCs.
- Does not assign a driver a particular territory within this state in which to provide prearranged rides.
- Does not restrict a driver from engaging in any other occupation or business.
- Reaches a written agreement with the TNC driver that the driver is an independent contractor.

A TNC would not be deemed to control, direct, or manage a personal vehicle or a driver who connects to its digital network, unless the parties have agreed otherwise in a written contract.

Zero-tolerance on drug and alcohol

A TNC would be required to develop and implement a zero-tolerance policy regarding a driver's activities while accessing the TNC's digital network. This policy must address the use of drugs or alcohol while a driver is providing a prearranged ride or is logged in to the TNC's digital network and available to receive a transportation request.

A TNC also must provide notice of this zero-tolerance policy on its website as well as provide on its website a procedure for a TNC rider to report a complaint about a driver with whom the rider was matched and who that rider reasonably suspects was under the influence of drugs or alcohol during a prearranged ride.

Upon receipt of such a complaint, a TNC must immediately suspend the named driver's access to its digital network and investigate the incident. The TNC driver's suspension would be required to last for the duration of the investigation. A TNC also must maintain

records of a rider complaint for at least two years after the date the complaint was received by the TNC.

Requirements for TNC drivers

Before an individual may accept prearranged ride requests as a TNC driver using a TNC's digital network, he or she would be required to submit an application to that TNC. The application required under this subsection must include the applicant's name, address, age, operator's license number, driving history, motor vehicle registration information, and automobile liability insurance information. A TNC may also require additional information to be provided.

A transportation network company receiving an application would be required to do both of the following before allowing the applicant to accept prearranged ride requests as a TNC driver using the TNC's digital network:

- Annually conduct, or use a third party to annually conduct, a local and national criminal background check of the applicant. The background checks must include a search of all of the following:
 - A multistate or multi-jurisdiction criminal records locator or similar commercial nationwide database with validation.
 - The national sex offender registry database.
- Obtain and review a driving history research report for the applicant.

A TNC would be prohibited from allowing an individual to accept prearranged ride requests as a TNC driver using its digital network if any of the following apply:

- The individual has had more than three moving violations or one major violation in the three-year period before the date of the application. As used in this subdivision, "major violation" includes, but is not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license.
- The individual was convicted within seven years before the date of the application of any of the following:
 - Driving under the influence of drugs or alcohol.
 - Fraud.
 - A sexual offense.
 - Use of a motor vehicle to commit a felony.
 - A crime involving property damage.
 - Theft.
 - An act of violence.
 - An act of terror.
- The individual is listed on the national sex offender registry database.
- The individual does not possess a valid operator's license issued under the Michigan Vehicle Code.
- The individual does not possess proof of registration issued under the Michigan Vehicle Code for each personal vehicle that intended for use to provide prearranged rides.
- The individual does not possess proof of automobile liability insurance for each personal vehicle intended for use to provide prearranged rides.

- The individual is under 19 years of age.

A TNC driver also would be prohibited from using a vehicle provided by a rental car company to provide a prearranged ride.

Safety requirements for vehicles

A TNC would be barred from allowing a TNC driver to accept trip requests through its digital platform unless the driver's vehicle has undergone an annual safety inspection conducted by a mechanic licensed by this state before being used to provide transportation services. Each driver must provide the TNC with documentation of the required inspection showing that the following vehicle components were inspected:

- Foot brakes
- Parking brakes
- Steering mechanism
- Windshield
- Rear window and other glass
- Windshield wipers
- Headlights
- Taillights
- Brake lights
- Front seat adjustment mechanism
- Doors
- Turn signal lights
- Horn
- Speedometer
- Bumpers
- Muffler and exhaust system
- Tires, including tread depth
- Interior and exterior mirrors
- Safety belts
- Defrosting system

Payment and prohibited actions

A TNC driver would be prohibited from soliciting or accepting a street hail or using a taxi stand or other area designated for use solely by taxis, and would also be prohibited from soliciting or accepting cash payments from TNC riders for prearranged rides. Payment for prearranged rides could only be made electronically using a TNC's digital network or software application. A TNC would be required to adopt a policy prohibiting a driver from soliciting or accepting cash payments from riders. The TNC then must notify drivers of this policy using its digital network.

A TNC also must adopt a policy prohibiting a TNC driver from soliciting or accepting cash payments from transportation network company riders, and shall notify drivers using its digital platform of the policy. Transportation network companies also must adopt policy of nondiscrimination with respect to TNC riders and potential riders and shall notify transportation network company drivers of the policy adopted under this subsection.

A TNC also must:

- Comply with all applicable laws regarding nondiscrimination against a TNC rider or potential rider.
- Comply with all applicable laws regarding accommodation of service animals.
- Not impose an additional charge for providing services to a TNC rider with a physical disability because of the disability.

Distinctive signage

A personal vehicle would be required to display consistent and distinctive department-approved signage or emblem, which may be removable, at all times while the TNC driver is engaged in a prearranged ride or available to receive a transportation request. The signage or emblem shall satisfy all of the following:

- The signage or emblem must be sufficiently large and color-contrasted to be readable during daylight hours from a distance of at least 50 feet.
- The signage or emblem shall be reflective.
- The signage or emblem shall sufficiently identify the TNC with which the vehicle is affiliated.

Required recordkeeping

A TNC would be required to keep and maintain all of the following records:

- Individual trip records of TNC riders. An individual trip record shall be maintained for at least one year after the date the trip was provided and include all of the following:
 - The pick-up and drop-off location
 - The duration of the trip, the distance traveled, and the fare.
- Individual records of TNC drivers. An individual TNC driver record must be maintained for a period of at least one year after that driver ceases to provide prearranged rides using the TNC's digital network. The record must contain all of the following:
 - The name and contact information of the TNC driver.
 - The make, model, and registration plate number of the vehicle operated by that driver.

Fines for violations of the act

Section 43 of the bill authorizes the department to impose a fine of not more than \$500 on a TNC that violates the act and a fine of not more than \$50 on a TNC driver who violates the act. All fines and fees collected under the act are to be deposited in the Comprehensive Transportation Fund.

Local regulation of TNCs

Except as otherwise stated in the act, TNCs and TNC drivers operating in this state would be governed exclusively by this new act and rules promulgated by MDOT to administer the act. A local unit of government would be prohibited from imposing a tax upon, or requiring a license for, a transportation network company, a transportation network company driver, or a personal vehicle, if the tax or license is related to the provision of prearranged rides.

Except for certain provisions of the bill stated below, a local unit of government would be barred from enacting or enforcing an ordinance regulating a TNC.

A local unit of government may issue a civil infraction to a transportation network company driver for a violation of:

- Section 17(8): Failure of a TNC driver to carry proof of insurance.
- Section 27: Soliciting or accepting a street hail.
- Section 31: Discrimination against riders or potential riders.
- Section 35: No visible signage or emblem.

While the bill would prohibit airports from barring a TNC driver from picking up or dropping off a rider on airport property, a driver would not be allowed on airport property unless one of the following is true:

- The driver is engaged in a prearranged ride.
- The driver is in the process of vacating the property immediately following the completion of a prearranged ride.
- The TNC with which the driver is affiliated has entered into an operating agreement with the airport that allows the TNC driver to be present on airport property even if the driver is not engaged in a prearranged ride.

House Bill 4641

HB 4641 would amend Sections 6 and 7 of the Michigan Vehicle Code, and add seven new sections to the code, to exclude a transportation network company (TNC) driver from the definition of chauffeur, specify that a personal vehicle operated by a TNC driver is not a commercial vehicle, outline what types of automobile insurance satisfy the financial responsibility requirements of the code, and to add definitions. The insurance provisions and the definitions placed in the Vehicle Code mirror those found in House Bill 4637.

FISCAL INFORMATION:

House Bills 4638 and 4641 would exempt TNCs from the Limousine Transportation Act, and certain provisions of the Michigan Vehicle Code, respectively. These two bills do not appear to have a direct fiscal impact on the state or local units of government.

As noted above, House Bill 4637 would create a new act, the Transportation Network Company Act. The act would establish a new regulatory framework for TNCs and TNC drivers and would give to the Michigan Department of Transportation regulatory authority under the act. Specifically, under Section 7 of the bill, a TNC would be required to obtain a permit from the department before it could operate in Michigan. The department would be required to issue a permit to an applicant that met the requirements of this act. As described in the detailed analysis above, the amount of the permit fee would be scaled depending on the number of personal vehicles approved for the provision of prearranged rides: for 100 or fewer the fee would be \$1,000; between 101 and 1,000, \$10,000; and for more than 1,000 personal vehicles, the permit fee would be \$30,000.

The bill as introduced provided for a fee to be paid to the department annually. The H-3 substitute as passed by the House does not specify whether the fee is an annual fee or a one-time fee.

The bill directs the department to expend money received from permit fees to defray the costs of enforcing the act.

The bill does not establish a detailed regulatory program for the department. The bill simply authorizes the department, or a third party agreed upon by the department and the TNC, to audit that TNC's records – presumably for compliance with the act's requirements. In addition to the audits, the department may, within a reasonable timeframe, investigate a complaint related to public safety or a violation of this act, if the department has received details of the nature of the complaint before the investigation takes place.

In Section 41, the bill indirectly authorizes the department to promulgate rules to administer the act.

Because the regulatory activities established under the bill are new, and not clearly defined, the cost of administering the act cannot be readily estimated at this time. Although the bill does establish a fee structure, it's is not clear if the fees are intended to be annual fees or not, and it's not clear at this time how many TNCs would apply for permits and thus pay the permit fee.

The department currently has authority for the regulation of limousines under the Limousine Transportation Act, and for motor coaches under the Motor Bus Transportation Act. It's not clear if the department could perform regulatory functions established under House Bill 4637 with existing resources.

Section 43 of the bill authorizes the department to impose a fine of not more than \$500.00 on a TNC that violates the act. The section also authorizes the department to impose a fine of not more than \$50.00 on a TNC driver who violates the act. The section also directs that all fines and fees collected under the act be deposited in the Comprehensive Transportation Fund created in section 10b of Public Act 51 (MCL 247.660b). The amount of fine revenue cannot be reasonably estimated at this time.

As noted in the summary above, a local unit of government would be prohibited from imposing a tax upon, or requiring a license for, a transportation network company, a transportation network company driver, or a personal vehicle, if the tax or license is related to the provision of prearranged rides. This could have an impact on local units currently regulating these ride-sharing arrangements.

ARGUMENTS:

For:

Supporters of the bill package say the legislation allows the state to provide distinct and necessary oversight of transportation companies that operate solely through a digital

application, or "app." Proponents note that TNCs don't own vehicles and don't employ drivers. Drivers are independent contractors who use their own vehicles, although the TNC does take responsibility for vetting those operating under their umbrella. Thus, TNCs should be regulated differently than traditional for-hire transportation companies.

With the traditional for-hire model, government undertakes the responsibility of enforcing regulations against the entity which owns and operates the cabs. Because a TNC bears more of the costs than in the traditional model, supporters say this justifies lower licensing costs, as the state needs only to check that a TNC is following through on its requirement to certify that drivers operating on its network meet the necessary safety criteria.

Against:

Opponents of the bills assert TNCs operate in a manner that bears no significant difference from traditional for-hire companies and should be regulated similarly. During testimony, MDOT expressed support for a desire to update the Limousine Act, for both TNCs and traditional for-hire companies, rather than create a separate act for TNCs, though they took no position on the bills discussed here.

Taxi cab companies oppose the bill, noting that the fees that would be paid by a TNC wishing to operate in Michigan are significantly lower than those taxis often pay to operate in a municipality. They also note that whereas they must seek approval from individual municipalities before they can pick up an individual for a ride within that municipality, TNCs will be able to operate across borders, creating a discrepancy in regulations among companies competing for the same customers. Some local units of government oppose the legislation as well, citing a loss of local control over the regulation of for-hire drivers operating within their boundaries.

POSITIONS:

The following organizations submitted cards indicating their position on the bills:

Support:

Lyft (6-9-15)

Uber (6-9-15)

(Note: Numerous Uber and Lyft drivers and users also submitted cards supporting these bills.)

State Farm Insurance (6-9-15)

Michigan Association of Insurance Agents (6-16-15)

Neutral:

Michigan Credit Union League (6-16-15)

Oppose:

Gerald R. Ford International Airport (6-9-15)

Michigan Townships Association (6-9-15)

Wayne County Airport Authority (6-9-15)

Michigan Association of Airport Executives (6-9-15)
Capital Region Airport Authority (6-9-15)
Michigan Municipal League (6-9-15)
Greater Lansing Taxi Authority (6-9-15)
City of East Lansing (6-9-15)
Detroit Regional Chamber of Commerce (6-9-15)
City of Detroit (6-16-15)
Checker Cab (6-16-15)
AllStar Transportation (6-2-15)

Legislative Analyst: Josh Roesner
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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.