

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4637

A bill to regulate transportation network companies, taxicabs, and certain limousines in this state; to provide for the powers and duties of certain state officers and entities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "limousine, taxicab, and transportation network company act".

3 Sec. 2. As used in this act:

4 (a) "Department" means the department of licensing and
5 regulatory affairs.

6 (b) "Dispatch system" means any hardware, software, mobile
7 device, or online-enabled application used by a limousine carrier

1 or a taxicab carrier to connect limousine drivers or taxicab
2 drivers to potential passengers.

3 (c) "Dispatch system provider" means a person operating in
4 this state that uses any device, method, means, or arrangement,
5 including a dispatch system, to connect potential passengers with a
6 limousine carrier, taxicab carrier, limousine driver, or taxicab
7 driver. Dispatch system provider does not include a limousine
8 carrier or a taxicab carrier.

9 (d) "Limousine" means a self-propelled motor vehicle used in
10 the carrying of passengers and the baggage of the passengers for
11 hire with a seating capacity of 8 passengers or fewer, including
12 the driver. Limousine does not include a commercial vehicle.
13 Limousine also does not include a vehicle operated by any of the
14 following:

15 (i) A county, city, township, or village as provided by law,
16 or other authority incorporated under 1963 PA 55, MCL 124.351 to
17 124.359.

18 (ii) An authority incorporated under the metropolitan
19 transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to
20 124.426, or that operates a transportation service pursuant to an
21 interlocal agreement under the urban cooperation act of 1967, 1967
22 (Ex Sess) PA 7, MCL 124.501 to 124.512.

23 (iii) Operating under a contract entered into under 1967 (Ex
24 Sess) PA 8, MCL 124.531 to 124.536, or 1951 PA 35, MCL 124.1 to
25 124.13.

26 (iv) An authority incorporated under the public transportation
27 authority act, 1986 PA 196, MCL 124.451 to 124.479, or a nonprofit

1 corporation organized under the nonprofit corporation act, 1982 PA
2 162, MCL 450.2101 to 450.3192, that provides transportation
3 services.

4 (v) An authority financing public improvements to
5 transportation systems under the revenue bond act of 1933, 1933 PA
6 94, MCL 141.101 to 141.140.

7 (vi) A person that is only operating limousines to provide the
8 transportation of passengers for funerals.

9 (vii) An employer that is only using the vehicle, or on whose
10 behalf the vehicle is being used, to transport its employees to and
11 from their place of employment.

12 (e) "Limousine carrier" means a person who, either directly or
13 through any device, dispatch system, or arrangement, holds himself
14 or herself out to the public as willing to transport passengers for
15 hire by limousine.

16 (f) "Limousine driver" means an individual who uses a
17 limousine to provide transportation services to potential
18 passengers.

19 (g) "Person" means an individual, sole proprietorship,
20 partnership, corporation, association, or other legal entity.

21 (h) "Personal vehicle" means a motor vehicle with a seating
22 capacity of 8 passengers or fewer, including the driver, that is
23 used by a transportation network company driver that satisfies both
24 of the following:

25 (i) The vehicle is owned, leased, or otherwise authorized for
26 use by the transportation network company driver.

27 (ii) The vehicle is not a taxicab, limousine, or commercial

1 vehicle.

2 (i) "Taxicab" means a motor vehicle with a seating capacity of
3 8 passengers or fewer, including the driver, that is equipped with
4 a roof light and that carries passengers for a fee usually
5 determined by the distance traveled. Taxicab does not include a
6 commercial vehicle.

7 (j) "Taxicab carrier" means a person who, either directly or
8 through any device, dispatch system, or arrangement, holds himself
9 or herself out to the public as willing to transport passengers for
10 hire by taxicab.

11 (k) "Taxicab driver" means an individual who uses a taxicab to
12 provide transportation services to potential passengers.

13 (l) "Transportation network company" means a person operating
14 in this state that uses a digital network to connect transportation
15 network company riders to transportation network company drivers
16 who provide transportation network company prearranged rides.
17 Transportation network company does not include a taxi service,
18 transportation service arranged through a transportation broker,
19 ridesharing arrangement, or transportation service using fixed
20 routes at regular intervals.

21 (m) "Transportation network company digital network" means an
22 online-enabled application, website, or system offered or utilized
23 by a transportation network company that enables the prearrangement
24 of rides with transportation network company drivers.

25 (n) "Transportation network company driver" means an
26 individual who satisfies all of the following:

27 (i) Receives connections to potential passengers and related

1 services from a transportation network company in exchange for
2 payment of a fee to the transportation network company.

3 (ii) Uses a personal vehicle to offer or provide
4 transportation network company prearranged rides to transportation
5 network company riders upon connection through a digital network
6 controlled by a transportation network company in return for
7 compensation or payment of a fee.

8 (o) "Transportation network company prearranged ride" means
9 the provision of transportation by a transportation network company
10 driver to a transportation network company rider, beginning when a
11 transportation network company driver accepts a ride requested by a
12 transportation network company rider through a digital network
13 controlled by a transportation network company, continuing while
14 the transportation network company driver transports the requesting
15 transportation network company rider, and ending when the last
16 requesting transportation network company rider departs from the
17 personal vehicle. Transportation network company prearranged ride
18 does not include a shared-expense carpooling or vanpooling
19 arrangement or transportation provided using a taxicab, limousine,
20 or other vehicle.

21 (p) "Transportation network company rider" means an individual
22 who uses a transportation network company's digital network to
23 connect with a transportation network company driver who provides a
24 transportation network company prearranged ride to the
25 transportation network company rider in the transportation network
26 company driver's personal vehicle between points chosen by the
27 transportation network company rider.

1 Sec. 3. The department may promulgate rules to administer this
2 act under the administrative procedures act of 1969, 1969 PA 306,
3 MCL 24.201 to 24.328.

4 Sec. 4. (1) A limousine carrier, taxicab carrier, or
5 transportation network company shall not operate in this state
6 without first having registered with the department under this act.

7 (2) An application for registration shall be made on a form
8 provided by the department and accompanied by a fee of \$25.00 if
9 the applicant registers 10 or fewer vehicles under this section, a
10 fee of \$50.00 if the applicant registers between 11 and 25 vehicles
11 under this section, and a \$100.00 application fee if the applicant
12 registers more than 25 vehicles under this section.

13 (3) The department shall issue a registration to an applicant
14 that meets the requirements of this act and pays the application
15 fee described in subsection (2) and an annual registration fee of
16 \$100.00 for the first vehicle registered under this act and \$50.00
17 per vehicle for the second through ninth vehicles registered under
18 this act. If the applicant registers more than 9 vehicles under
19 this act, the applicant shall pay a registration fee according to
20 the following schedule:

21	10 vehicles.....	\$ 550.00
22	11 to 25 vehicles.....	\$ 1,000.00
23	26 to 100 vehicles.....	\$ 2,500.00
24	101 to 500 vehicles.....	\$ 5,000.00
25	501 to 1,000 vehicles.....	\$ 10,000.00
26	More than 1,000 vehicles.....	\$ 30,000.00

1 The department shall expend money received from registration fees
2 under this subsection to defray the costs of enforcing and
3 administering this act.

4 (4) Fees collected by the department under this act shall be
5 retained by the department to enforce and administer this act, and
6 shall not lapse to the general fund.

7 (5) To obtain a registration under this act, a limousine
8 carrier, taxicab carrier, or transportation network company shall
9 submit an application, on a form developed by the department, to
10 the department that includes all of the following information:

11 (a) Proof that the applicant has satisfied the insurance
12 requirements of this act.

13 (b) Whether the applicant is an individual, a sole
14 proprietorship, a partnership, a corporation, a limited liability
15 company, or other type of business entity. An applicant that is a
16 sole proprietorship or a general partnership shall be registered at
17 the county level and shall provide to the department a copy of its
18 certificate of conducting business under an assumed name or
19 certificate of co-partnership. If the applicant is a business
20 entity, the applicant shall be a Michigan entity in good standing
21 or a foreign entity that has a certificate of authority and is
22 authorized to do business in this state, and shall provide to the
23 department its full legal name, a copy of its articles of
24 incorporation, articles of organization, or certificate of
25 authority, and its federal employer identification number.

26 (c) The name, telephone number, mailing address, and
27 electronic mail address of a designated contact person for the

1 applicant.

2 (d) The number of vehicles the applicant operates, according
3 to the following schedule:

4 (i) Zero to 10.

5 (ii) 11 to 25.

6 (iii) 26 to 100.

7 (iv) 101 to 500.

8 (v) 501 to 1,000.

9 (vi) More than 1,000.

10 (e) If applicable, proof that the applicant has satisfied any
11 penalties or conditions imposed by disciplinary action in this
12 state.

13 (6) A registration granted under this section expires on
14 August 31 of each year. The department shall renew a registration
15 granted under this section upon payment of the annual registration
16 fee provided for in subsection (1) and receipt of a completed
17 renewal form provided by the department. The department may request
18 any additional information it deems necessary for the
19 administration of this act at the time of renewal.

20 (7) The department may audit the records of a registrant under
21 this act, including, but not limited to, conducting a random sample
22 of the registrant's records related to drivers, subject to all of
23 the following:

24 (a) The audit described in this subsection may be conducted no
25 more than 2 times per year.

26 (b) The audit may take place at a third-party location agreed
27 upon by the department and the registrant.

1 (8) Subject to subsection (9), records obtained by the
2 department or filed under this act, including a record contained in
3 or filed with an application or report, are public records and
4 shall be made available for public examination.

5 (9) All of the following records are not public record and
6 shall not be made available for public examination as provided in
7 subsection (8):

8 (a) A record obtained by the department in connection with an
9 audit required under subsection (7).

10 (b) Part of a report prepared in connection with an audit
11 under subsection (7) that contains trade secrets or confidential
12 information, if the registrant has asserted a claim of
13 confidentiality or privilege that is authorized by law.

14 (c) A record that is not required to be provided to the
15 department or filed under this act and is provided to the
16 department only on the condition that the record will not be
17 subject to public examination or disclosure.

18 (10) Unless otherwise provided by this act or rules
19 promulgated under this act, an applicant for registration under
20 this act shall complete all requirements for registration within 1
21 year after receipt of the registration application by the
22 department or mailing of a notice of an incomplete registration to
23 the last known address on file with the department, whichever is
24 later. If the applicant does not complete the requirements of this
25 act within the time period provided in this subsection, any fees
26 paid by the applicant are forfeited to the department and the
27 application for registration is void. An applicant whose

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1 application is void under this subsection and who wishes to
2 register under this act shall submit a new application and fees and
3 shall meet the standards in effect on the date of receipt by the
4 department of the new application for registration.

<<(11) Beginning 3 years after the effective date of this act, the
department shall cease to impose the fees provided for in this section.>>

5 Sec. 5. A limousine carrier, taxicab carrier, or
6 transportation network company shall disclose to the department on
7 an annual basis and in the event of a material reduction in
8 insurance coverage maintained by the limousine carrier, taxicab
9 carrier, or transportation network company on behalf of each driver
10 providing transportation services for that limousine carrier,
11 taxicab carrier, or transportation network company all of the
12 following information:

13 (a) The automobile insurance coverage, including the types of
14 coverage and limits for each type of coverage, that the limousine
15 carrier, taxicab carrier, or transportation network company
16 maintains on behalf of each driver while he or she operates a
17 limousine, operates a taxicab, or uses a personal vehicle in
18 connection with a transportation network company's digital network.

19 (b) If the person subject to this act is a transportation
20 network company, whether the transportation network company
21 maintains comprehensive and collision insurance that covers a
22 transportation network company driver's personal vehicle and, if
23 such coverage is maintained by the transportation network company,
24 the limits of coverage, applicable deductible, and conditions under
25 which the coverage applies to a vehicle operated by a
26 transportation network company driver.

27 (c) As used in this section, "material reduction in insurance

1 coverage" does not include the replacement of insurance coverage
2 with substantially similar insurance coverage from a different
3 insurer by a transportation network company.

4 Sec. 7. (1) Before an individual may operate a limousine or
5 taxicab on behalf of a limousine carrier or taxicab carrier or
6 accept transportation network company prearranged ride requests as
7 a transportation network company driver using a transportation
8 network company's digital network, he or she shall submit an
9 application to the limousine carrier, taxicab carrier, or
10 transportation network company. The application required under this
11 subsection shall include, but is not limited to, the applicant's
12 name, address, age, operator's license number, driving history,
13 motor vehicle registration information, and automobile liability
14 insurance information. A limousine carrier, taxicab carrier, or
15 transportation network company receiving an application under this
16 subsection shall do both of the following before allowing the
17 applicant to operate a limousine or taxicab or accept
18 transportation network company prearranged ride requests as a
19 transportation network company driver using the transportation
20 network company's digital network:

21 (a) Annually conduct, or use a third party to annually
22 conduct, a local and national criminal background check of the
23 applicant. The background checks required under this subdivision
24 shall include a search of all of the following:

25 (i) A multistate or multijurisdiction criminal records locator
26 or similar commercial nationwide database with validation.

27 (ii) The national sex offender registry database.

1 (b) Annually obtain and review a driving history research
2 report for the applicant.

3 (2) A limousine carrier, taxicab carrier, or transportation
4 network company shall not allow an individual to operate a
5 limousine or taxicab or accept transportation network company
6 prearranged ride requests as a transportation network company
7 driver using its digital network if any of the following apply:

8 (a) The individual has had more than 4 moving violations or 1
9 major violation in the 3-year period before the date of the
10 application. As used in this subdivision, "major violation"
11 includes, but is not limited to, attempting to evade the police,
12 reckless driving, or driving on a suspended or revoked license.

13 (b) The individual has a felony conviction within 5 years
14 before the date of the application of any of the following:

15 (i) Driving under the influence of drugs or alcohol.

16 (ii) Fraud.

17 (iii) A sexual offense.

18 (iv) Use of a motor vehicle to commit a felony.

19 (v) A crime involving property damage.

20 (vi) Theft.

21 (vii) An act of violence.

22 (viii) An act of terror.

23 (c) The individual is listed on the national sex offender
24 registry database.

25 (d) The individual does not possess a valid operator's license
26 issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to
27 257.923, or a valid operator's license issued by another state.

1 (e) The individual does not possess proof of registration
2 issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to
3 257.923, or proof of registration issued by another state for each
4 personal vehicle that he or she intends to use to provide
5 transportation network company prearranged rides. This subdivision
6 applies only to a transportation network company.

7 (f) The individual does not possess proof of automobile
8 liability insurance for each personal vehicle that he or she
9 intends to use to provide transportation network company
10 prearranged rides. This subdivision applies only to a
11 transportation network company.

12 (g) The individual is under 19 years of age.

13 (3) All background records of drivers described in this
14 section are subject to audit by the department at any time.

15 Sec. 9. (1) A limousine carrier or taxicab carrier shall not
16 operate a limousine or taxicab, and a transportation network
17 company shall not allow a transportation network company driver to
18 accept trip requests through that transportation network company's
19 digital network, unless the limousine, taxicab, or personal vehicle
20 has undergone a safety inspection conducted annually by a mechanic
21 licensed by this state before being used to provide transportation
22 services. Each limousine carrier and taxicab carrier shall
23 maintain, and each transportation network company driver shall
24 provide to the transportation network company, documentation of the
25 inspection required by this section showing that all of the
26 following vehicle components were inspected:

27 (a) Foot brakes.

- 1 (b) Parking brakes.
 - 2 (c) Steering mechanism.
 - 3 (d) Windshield.
 - 4 (e) Rear window and other glass.
 - 5 (f) Windshield wipers.
 - 6 (g) Headlights.
 - 7 (h) Taillights.
 - 8 (i) Brake lights.
 - 9 (j) Front seat adjustment mechanism.
 - 10 (k) Doors.
 - 11 (l) Turn signal lights.
 - 12 (m) Horn.
 - 13 (n) Speedometer.
 - 14 (o) Bumpers.
 - 15 (p) Muffler and exhaust system.
 - 16 (q) Tires, including tread depth.
 - 17 (r) Interior and exterior mirrors.
 - 18 (s) Safety belts.
 - 19 (t) Defrosting system.
- 20 (2) The vehicle inspections described in this section are
21 subject to audit by the department at any time.
- 22 (3) The vehicle inspections described in this section only
23 apply to vehicles that are 5 years old or older.
- 24 Sec. 11. A vehicle subject to this act shall display a
25 consistent and distinctive signage or emblem that is approved by
26 the department at all times while the vehicle is being used to
27 provide transportation services or while the vehicle is being used

1 by a transportation network company driver for a transportation
2 network company prearranged ride or while the transportation
3 network company driver is available to receive a transportation
4 request. The signage or emblem shall satisfy all of the following:

5 (a) The signage or emblem shall be sufficiently large and
6 color-contrasted to be readable during daylight hours from a
7 distance of at least 50 feet.

8 (b) The signage or emblem shall be reflective.

9 (c) The signage or emblem shall sufficiently identify the
10 limousine carrier, taxicab carrier, or transportation network
11 company with which the vehicle is affiliated.

12 Sec. 13. A limousine driver, taxicab driver, or transportation
13 network company shall maintain all of the following records, as
14 applicable:

15 (a) Individual trip records. A limousine driver, taxicab
16 driver, or a transportation network company shall maintain an
17 individual trip record for a period of at least 1 year after the
18 date the trip was provided. An individual trip record shall contain
19 all of the following information:

20 (i) Pickup and drop-off location.

21 (ii) Duration of the trip, distance traveled, and fee.

22 (b) Individual records of limousine, taxicab, or
23 transportation network company drivers. An individual driver record
24 shall be maintained for a period of at least 1 year after the
25 driver ceases to operate a limousine or taxicab for a limousine
26 carrier or taxicab carrier or the driver ceases to provide
27 transportation network company prearranged rides using the

1 transportation network company's digital network. An individual
2 driver record shall contain all of the following information:

3 (i) The name and contact information of the driver.

4 (ii) The make, model, and registration plate number of the
5 vehicle operated by the driver.

6 Sec. 15. (1) A local unit of government shall not impose a tax
7 or fee upon or require a license for a limousine carrier, taxicab
8 carrier, or transportation network company, a limousine driver,
9 taxicab driver, or transportation network company driver, or a
10 limousine, taxicab, or personal vehicle, if the tax, fee, or
11 license is related to the provision of limousine or taxicab service
12 or transportation network company prearranged rides. Except as
13 otherwise provided in this section, a local unit of government
14 shall not enact or enforce an ordinance regulating a limousine
15 carrier, taxicab carrier, limousine driver, taxicab driver, or
16 transportation network company. A local unit of government may
17 issue a civil infraction to a limousine, taxicab, or transportation
18 network company driver for a violation of section 11, 23(8), 41, or
19 45.

20 (2) Notwithstanding any other provision of this act, an
21 article of incorporation in existence upon passage of this act
22 covering a transportation network company, limousine carrier, or
23 taxicab carrier by an authority created to regulate limousines,
24 taxicabs, or transportation network companies under the municipal
25 partnership act, 2011 PA 258, MCL 124.111 to 124.123, or the public
26 transportation authority act, 1986 PA 196, MCL 124.451 to 124.479,
27 shall remain valid. This subsection does not apply after 4 years

1 206, MCL 259.621.

2 (e) An airport authority created under section 1 of 1970 PA
3 73, MCL 259.801.

4 Sec. 17. (1) If the insurance coverage required under section
5 19, 21, or 23 is canceled for any reason, or if, after an audit,
6 the department determines that a registrant's violation of this act
7 poses a threat to the public health, safety, or welfare, the
8 department shall issue an order summarily suspending the
9 registration issued to that limousine carrier, taxicab carrier, or
10 transportation network company, based on an affidavit by an
11 individual who is familiar with the facts set forth in the
12 affidavit, or, if appropriate, based on an affidavit made on
13 information and belief that an imminent threat to the public
14 health, safety, or welfare exists.

15 (2) A limousine carrier, taxicab carrier, or transportation
16 network company whose registration is summarily suspended under
17 this section may petition the department to dissolve the order. The
18 department may grant or deny the petition without a hearing, or may
19 immediately schedule a hearing to decide whether to grant or deny
20 the petition.

21 (3) At a hearing described in subsection (2), an
22 administrative law hearings examiner shall dissolve the summary
23 suspension order unless sufficient evidence is presented that an
24 imminent threat to the public health, safety, or welfare exists
25 that requires emergency action and continuation of the department's
26 summary suspension order.

27 Sec. 19. A limousine carrier shall acquire the following

1 insurance coverage for acts or omissions of the applicant as a
2 limousine carrier:

3 (a) Bodily injury and property damage liability insurance with
4 a minimum combined single limit of \$1,000,000.00 for all persons
5 injured or for property damage.

6 (b) Personal protection insurance and property protection
7 insurance as required by chapter 31 of the insurance code of 1956,
8 1956 PA 218, MCL 500.3101 to 500.3179. A limousine carrier shall
9 maintain the insurance described in this section as a condition of
10 maintaining a license issued under this act.

11 Sec. 21. A taxicab carrier shall acquire all of the following
12 insurance coverage for acts or omissions of the applicant as a
13 taxicab carrier:

14 (a) Bodily injury and property damage liability insurance with
15 a minimum combined single limit of \$300,000.00 for all persons
16 injured or for property damage.

17 (b) Personal protection insurance and property protection
18 insurance as required by chapter 31 of the insurance code of 1956,
19 1956 PA 218, MCL 500.3101 to 500.3179.

20 Sec. 23. (1) Beginning on the effective date of this act, a
21 transportation network company driver, or a transportation network
22 company on a transportation network company driver's behalf, shall
23 maintain primary automobile insurance on a personal vehicle that
24 recognizes that the transportation network company driver uses the
25 vehicle as a transportation network company driver or otherwise
26 uses a vehicle to transport passengers for compensation and covers
27 the transportation network company driver while he or she is logged

1 on to the transportation network company's digital network or while
2 he or she is engaged in a transportation network company
3 prearranged ride.

4 (2) During the time that a transportation network company
5 driver is logged on to the transportation network company's digital
6 network and is available to receive transportation requests but is
7 not engaged in a transportation network company prearranged ride,
8 all of the following types of automobile insurance are required:

9 (a) Residual third party automobile liability insurance as
10 required under section 3101 of the insurance code of 1956, 1956 PA
11 218, MCL 500.3101, in the amount of at least \$50,000.00 per person
12 for death or bodily injury, \$100,000.00 per incident for death or
13 bodily injury, and \$25,000.00 for property damage.

14 (b) Personal protection insurance and property protection
15 insurance in the amounts and of the types of coverage required by
16 chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101
17 to 500.3179.

18 (3) During the time that a transportation network company
19 driver is engaged in a transportation network company prearranged
20 ride, all of the following types of automobile insurance are
21 required:

22 (a) Residual third party automobile liability insurance with a
23 minimum combined single limit of \$1,000,000.00 for all bodily
24 injury or property damage.

25 (b) Personal protection insurance and property protection
26 insurance in the amounts and of the types of coverage required by
27 chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101

1 to 500.3179.

2 (4) The requirements of subsections (2) and (3) may be
3 satisfied by automobile insurance maintained by a transportation
4 network company driver or a transportation network company, or a
5 combination of both.

6 (5) If the insurance required by subsection (2) or (3) lapses
7 or does not provide the required coverage, insurance maintained by
8 a transportation network company shall provide the coverage
9 required by this section, beginning with the first \$1.00 of a
10 claim, and the transportation network company's insurer shall
11 defend the claim.

12 (6) Coverage provided under an automobile insurance policy
13 maintained by a transportation network company shall not be
14 dependent upon a personal automobile insurer denying the claim
15 first and shall not require a personal automobile insurer to deny
16 the claim first.

17 (7) All of the following apply to the automobile insurance
18 described in subsections (2) and (3):

19 (a) It may be placed with an insurer licensed under chapter 4
20 of the insurance code of 1956, 1956 PA 218, MCL 500.402 to 500.480,
21 or, if the insurance is maintained by a transportation network
22 company, an eligible unauthorized insurer under chapter 19 of the
23 insurance code of 1956, 1956 PA 218, MCL 500.1901 to 500.1955.

24 (b) The insurance policy satisfies the financial
25 responsibility requirements described in chapter V of the Michigan
26 vehicle code, 1949 PA 300, MCL 257.501 to 257.532.

27 (8) A transportation network company driver shall carry proof

1 of the insurance required under subsections (2) and (3) with him or
2 her at all times during his or her use of a personal vehicle in
3 connection with a transportation network company's digital network.
4 The transportation network company driver may provide proof of
5 insurance by a paper or electronic copy of the certificate of
6 insurance. If an accident occurs during the time that a
7 transportation network company driver is using a personal vehicle
8 in connection with a transportation network company's digital
9 network, he or she shall provide all of the following information
10 upon request to directly interested parties, automobile insurers,
11 and investigating law enforcement officers as required under
12 section 328 of the Michigan vehicle code, 1949 PA 300, MCL 257.328:

13 (a) Insurance coverage information.

14 (b) Whether he or she was logged on to the transportation
15 network company's digital network or on a transportation network
16 company prearranged ride at the time of the accident.

17 (9) If a transportation network company's insurer makes a
18 payment for a claim covered under comprehensive coverage or
19 collision coverage, the transportation network company's insurer
20 shall issue the payment directly to the business repairing the
21 vehicle or jointly to the owner of the vehicle and the primary
22 lienholder on the vehicle.

23 (10) A transportation network company shall disclose all of
24 the following information in writing to a transportation network
25 company driver before that transportation network company driver
26 may accept a request for a transportation network company
27 prearranged ride on that transportation network company's digital

1 network:

2 (a) The insurance coverage, including the types of coverage
3 and limits for each type of coverage, that the transportation
4 network company provides while the transportation network company
5 driver uses a personal vehicle in connection with the
6 transportation network company's digital network.

7 (b) That, depending on the terms of the policy, the
8 transportation network company driver's personal automobile
9 insurance policy might not provide coverage while the
10 transportation network company driver is logged on to the
11 transportation network company's digital network or is engaged in a
12 prearranged ride.

13 Sec. 25. A transportation network company shall disclose
14 prominently, with a separate acknowledgment of acceptance for
15 subdivisions (a) and (c), to a prospective transportation network
16 company driver in the transportation network company driver's
17 written terms of service all of the following before that driver
18 may accept a request for a transportation network company
19 prearranged ride on the transportation network company's digital
20 network:

21 (a) "Most personal auto insurance policies in Michigan exclude
22 comprehensive and collision coverage while you carry passengers for
23 charge in your motor vehicle and are logged into a transportation
24 network company's digital network. I acknowledge that my personal
25 auto insurance policy may exclude comprehensive and collision
26 coverage while my motor vehicle is carrying passengers for
27 charge."

1 (b) "Is your motor vehicle subject to a lease, loan, or lien?
2 Please indicate Yes or No: _____."

3 (c) "Most auto loans and leases in Michigan require the
4 borrower to ensure that the motor vehicle is protected by
5 comprehensive and collision coverage. If your written agreement
6 with your lessor or loan provider requires you to maintain
7 comprehensive and collision insurance on the motor vehicle, using
8 the motor vehicle while logged onto a transportation network
9 company's digital network may violate your legal obligation to your
10 lessor or loan provider under Michigan law. I acknowledge that I
11 may breach the terms of my auto loan or lease if I fail to secure
12 appropriate or additional comprehensive and collision coverage
13 during the term of the loan or lease, while I carry passengers for
14 charge in my motor vehicle."

15 Sec. 27. (1) A limousine carrier, taxicab carrier,
16 transportation network company, limousine driver, taxicab driver,
17 or transportation network company driver shall not be considered a
18 common carrier, motor carrier, or contract carrier, or to provide
19 commercial vehicle service.

20 (2) A transportation network company driver is not required to
21 register his or her personal vehicle as a commercial or for-hire
22 vehicle.

23 (3) As used in this section, "motor carrier" means that term
24 as defined in section 1 of the motor carrier act, 1933 PA 254, MCL
25 475.1.

26 Sec. 29. A transportation network company operating under a
27 license issued under this act shall maintain an agent authorized to

1 receive service of process in this state.

2 Sec. 31. On behalf of a transportation network company driver,
3 a transportation network company may charge and collect a fee for
4 services provided to a transportation network company rider, if all
5 of the following are satisfied:

6 (a) The transportation network company discloses the fee
7 calculation method on its website or within the software
8 application service.

9 (b) The transportation network company provides the
10 transportation network company rider with the applicable rate being
11 charged and the option to receive an estimated fee before the
12 transportation network company rider enters the transportation
13 network company driver's personal vehicle.

14 Sec. 33. A transportation network company digital network
15 shall display a picture of the transportation network company
16 driver and the registration plate number of the personal vehicle to
17 be used for the transportation network company prearranged ride
18 before the transportation network company rider enters the personal
19 vehicle.

20 Sec. 35. Within a reasonable period of time after a
21 transportation network company prearranged ride is completed, a
22 transportation network company shall transmit an electronic receipt
23 to the transportation network company rider listing all of the
24 following information:

25 (a) The origin and destination of the trip.

26 (b) The total time and distance of the trip.

27 (c) An itemization of the total fee paid, if any.

1 Sec. 37. (1) A transportation network company driver shall be
2 considered an independent contractor, and not an employee of a
3 transportation network company, if all of the following conditions
4 are met:

5 (a) The transportation network company does not prescribe the
6 specific hours during which the transportation network company
7 driver is required to be logged in to the transportation network
8 company's digital network.

9 (b) The transportation network company does not impose any
10 restrictions on the transportation network company driver's ability
11 to use other transportation network companies' digital networks.

12 (c) The transportation network company does not assign a
13 transportation network company driver a particular territory within
14 this state in which he or she may provide transportation network
15 company prearranged rides.

16 (d) The transportation network company does not restrict a
17 transportation network company driver from engaging in any other
18 occupation or business.

19 (e) The transportation network company and the transportation
20 network company driver agree in writing that the transportation
21 network company driver is an independent contractor.

22 (2) A transportation network company shall not be deemed to
23 control, direct, or manage a personal vehicle or a transportation
24 network company driver who connects to its digital network, unless
25 the parties have agreed otherwise in a written contract.

26 Sec. 39. (1) A limousine carrier, taxicab carrier, or
27 transportation network company shall develop and implement a zero-

1 tolerance policy regarding a limousine, taxicab, or transportation
2 network company driver's activities while providing transportation
3 services or accessing the transportation network company's digital
4 network. The zero-tolerance policy required under this subsection
5 shall address the use of drugs or alcohol while a driver is
6 providing transportation services or a transportation network
7 company prearranged ride or is logged in to a transportation
8 network company's digital network and available to receive a
9 transportation request.

10 (2) A limousine carrier, taxicab carrier, or transportation
11 network company, or the parent company if the limousine carrier,
12 taxicab carrier, or transportation network company does not have a
13 website, shall provide notice of the zero-tolerance policy required
14 under subsection (1) on its website, and shall also provide on its
15 website a procedure for a passenger to report a complaint about a
16 driver who the passenger reasonably suspects was under the
17 influence of drugs or alcohol during a trip or a transportation
18 network company prearranged ride.

19 (3) Upon receipt of a complaint described in subsection (2), a
20 limousine carrier, taxicab carrier, or transportation network
21 company shall immediately suspend the driver and, if applicable,
22 the driver's access to the transportation network company's digital
23 network, and shall investigate the incident. The driver's
24 suspension shall last for the duration of the investigation.

25 (4) A limousine carrier, taxicab carrier, or transportation
26 network company shall maintain records of a passenger complaint for
27 at least 2 years after the date the complaint was received by the

1 limousine carrier, taxicab carrier, or transportation network
2 company.

3 Sec. 41. A transportation network company driver shall not
4 accept a request for transportation unless the request is accepted
5 through the transportation network company's digital network.

6 Sec. 43. (1) A transportation network company driver shall not
7 solicit or accept cash payments from transportation network company
8 riders for transportation network company prearranged rides.

9 (2) A payment for a transportation network company prearranged
10 ride shall only be made electronically using a transportation
11 network company's digital network.

12 (3) A transportation network company shall adopt a policy
13 prohibiting a transportation network company driver from soliciting
14 or accepting cash payments from transportation network company
15 riders, and shall notify transportation network company drivers
16 using its digital platform of the policy required by this
17 subsection.

18 Sec. 45. (1) A limousine carrier, taxicab carrier, and
19 transportation network company shall adopt a policy of
20 nondiscrimination with respect to passengers and potential
21 passengers and shall notify limousine drivers, taxicab drivers, and
22 transportation network company drivers of the policy adopted under
23 this subsection.

24 (2) A limousine driver, taxicab driver, and transportation
25 network company driver shall comply with all applicable laws
26 regarding nondiscrimination against a passenger or potential
27 passenger.

1 (3) A limousine driver, taxicab driver, and transportation
2 network company driver shall comply with all applicable laws
3 regarding accommodation of service animals.

4 (4) A limousine carrier, taxicab carrier, and transportation
5 network company shall not impose an additional charge for providing
6 services to a passenger with a physical disability because of his
7 or her disability.

8 Sec. 47. A lessor shall be required to inform any person
9 leasing any limousine or taxicab for the transportation of
10 passengers for hire of the requirements of this act on a motor
11 vehicle lease agreement.

12 Sec. 49. (1) A limousine carrier, taxicab carrier, or
13 transportation network company, or an officer or agent of a
14 limousine carrier, taxicab carrier, or transportation network
15 company who requires or knowingly permits a driver to drive or
16 operate a limousine, taxicab, or personal vehicle in violation of
17 this act, or a rule promulgated under this act, is guilty of a
18 misdemeanor punishable by a fine of not more than \$1,000.00 per
19 violation or imprisonment for not more than 90 days, or both.

20 (2) In addition to the fine authorized by this section, the
21 department may assess a fine against a person who violates this act
22 that covers the actual cost to the department of the investigation
23 and enforcement of the violation, including attorney fees.

24 (3) A proceeding held under this act shall be held under
25 chapter 4 of the administrative procedures act of 1969, 1969 PA
26 306, MCL 24.271 to 24.287.

27 Sec. 51. All of the following apply to a person that violates

1 this act or rules or an order promulgated or issued under this act:

2 (a) The person is subject to denial of a registration or
3 renewal of a registration.

4 (b) The attorney general or the proper prosecuting attorney
5 may institute appropriate criminal proceedings under this act
6 against the person with or without reference from the department.

7 (c) The department or any other person, to enforce compliance
8 with this act, may bring an action in a circuit court in any county
9 in which the limousine carrier, taxicab carrier, or transportation
10 network company has solicited or sold its services, whether or not
11 that person purchased or used the limousine carrier's, taxicab
12 carrier's, or transportation network company's services or is
13 personally aggrieved by a violation of this act. The court may
14 award damages, issue equitable orders in accordance with the
15 Michigan court rules to restrain conduct in violation of this act,
16 and award reasonable attorney fees and costs to a prevailing party.

17 Sec. 53. (1) The director of the department or his or her
18 designee may order a limousine carrier, taxicab carrier, or
19 transportation network company to cease and desist from a violation
20 of this act, a rule promulgated under this act, or an order issued
21 under this act.

22 (2) A limousine carrier, taxicab carrier, or transportation
23 network company that receives an order to cease and desist
24 described in subsection (1) may request a hearing before the
25 department if the limousine carrier, taxicab carrier, or
26 transportation network company files a written request for a
27 hearing no later than 30 days after the effective date of the cease

1 and desist order.

2 (3) If a limousine carrier, taxicab carrier, or transportation
3 network company violates an order to cease and desist issued under
4 subsection (1), the attorney general may apply to a court of
5 competent jurisdiction to restrain and enjoin, either temporarily
6 or permanently, that limousine carrier, taxicab carrier, or
7 transportation network company from further violating the order to
8 cease and desist.

9 Enacting section 1. The limousine transportation act, 1990 PA
10 271, MCL 257.1901 to 257.1939, is repealed.

11 Enacting section 2. This act takes effect 90 days after the
12 date it is enacted into law.

13 Enacting section 3. This act does not take effect unless all
14 of the following bills of the 98th Legislature are enacted into
15 law:

16 (a) Senate Bill No. 392.

17 (b) House Bill No. 4639.

18 (c) House Bill No. 4640.

19 (d) House Bill No. 4641.