

SENATE BILL No. 347

DIGEST OF SB 347 (Updated February 3, 2015 10:52 am - DI 103)

Citations Affected: IC 8-2.1; IC 9-19; IC 36-9.

Synopsis: Transportation network companies. Requires a transportation network company (TNC) to have a permit issued by the Indiana department of transportation to provide TNC services in Indiana. Establishes requirements that a TNC must satisfy in order to be issued a permit. Provides that a person that violates TNC requirements commits a Class A infraction. Provides that a person that violates TNC requirements related to accessibility is subject to an additional penalty of up to \$10,000. Establishes the accessible transportation fund to provide grants to TNCs that provide accessible services. Deposits the additional penalties in the fund.

Effective: July 1, 2015.

Yoder, Hershman, Arnold J

January 8, 2015, read first time and referred to Committee on Homeland Security & Transportation.
February 3, 2015, amended, reported favorably — Do Pass.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 347

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

Be it enacted by the General Assembly of the State of Indiana:

1	SECTION 1. IC 8-2.1-1/-16 IS AMENDED TO READ AS
2	FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 16. "Taxicab" means
3	a motor vehicle that:
4	(1) is designed and constructed to accommodate and transport not
5	more than six (6) passengers in addition to the driver;
6	(2) does not operate over any definite and designated routes
7	within the corporate boundaries of a city or town and the
8	suburban territory of a city or town; and
9	(3) transports passengers to the destination designated by the
0	passengers at the time of their transportation.
1	The term does not include a vehicle operated by a transportation
2	network company driver.
3	SECTION 2. IC 8-2.1-17-18 IS ADDED TO THE INDIANA CODE
4	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5	1, 2015]: Sec. 18. "Transportation network company" or "TNC"
6	means an entity that uses a digital network or software application



l	service to connect passengers to transportation network company
2	services provided by transportation network company drivers. The
3	term does not include:
4	(1) taxicab associations; or
5	(2) for hire vehicle owners.
6	SECTION 3. IC 8-2.1-17-19 IS ADDED TO THE INDIANA CODE
7	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8	1, 2015]: Sec. 19. "Transportation network company driver" or
9	"TNC driver" means an individual who:
10	(1) owns, leases, or is otherwise authorized to use a motor
1	vehicle; and
12	(2) uses the motor vehicle to provide transportation network
13	company services.
14	The term does not include the operator of a taxicab or a for hire
15	vehicle.
16	SECTION 4. IC 8-2.1-17-20 IS ADDED TO THE INDIANA CODE
17	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18	1, 2015]: Sec. 20. (a) "Transportation network company services"
19	or "TNC services" means services that are:
20	(1) provided by a transportation network company driver to
21	a passenger; and
22	(2) prearranged by the passenger through the use of a TNC
23	digital network or software application.
24	(b) The term includes the following:
25	(1) The period of time after a TNC driver accepts a
26	passenger's request for transportation between locations
27	chosen by the passenger and before the TNC driver picks up
28	the passenger.
29	(2) The transportation by a TNC driver of a passenger in a
30	vehicle operated by the TNC driver, up to and including the
31	exit of the passenger from the vehicle.
32	(c) The term does not include:
33	(1) any events that occur after a passenger exits a vehicle
34	operated by a TNC driver; or
35	(2) services rendered by a taxicab or a limousine.
36	SECTION 5. IC 8-2.1-19-3 IS ADDED TO THE INDIANA CODE
37	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
38	1, 2015]: Sec. 3. This chapter does not apply to a vehicle operated
39	by a transportation network company driver.
10	SECTION 6. IC 8-2.1-19.1 IS ADDED TO THE INDIANA CODE
1 1	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12	JULY 1, 2015]:



1	Chapter 19.1. Transportation Network Companies
2	Sec. 1. (a) A transportation network company may not operate
3	in Indiana without a permit issued under section 3 of this chapter.
4	(b) The fee for a permit is five thousand dollars (\$5,000).
5	(c) A permit is valid for one (1) year from the date of issuance
6	Sec. 2. A TNC or a TNC driver is not:
7	(1) a common carrier;
8	(2) a contract carrier; or
9	(3) a motor carrier.
10	Sec. 3. The department shall issue a permit to a TNC that:
11	(1) pays the fee under section 1(b) of this chapter; and
12	(2) satisfies the following requirements:
13	(A) Establishes a zero tolerance policy for drug and alcohol
14	use under section 5 of this chapter.
15	(B) Requires compliance with applicable vehicle
16	requirements under section 6 of this chapter.
17	(C) Imposes motor vehicle insurance requirements that
18	meet or exceed the requirements under section 7 of this
19	chapter.
20	(D) Establishes fare guidelines under section 8 of this
21	chapter.
22	(E) Establishes a privacy policy under section 9 of this
23	chapter.
24	(F) Adopts nondiscrimination and accessibility policies
25	under section 10 of this chapter.
26	(G) Establishes record maintenance guidelines under
27	section 11 of this chapter.
28	Sec. 4. (a) Before a TNC allows an individual to act as a TNC
29	driver on its digital network or software application service, the
30	TNC shall:
31	(1) require the individual to submit to the TNC an application
32	that includes:
33	(A) the individual's name, address, and age;
34	(B) a copy of the individual's driver's license;
35	(C) a copy of the certificate of registration for the vehicle
36	that the individual will use to provide TNC services;
37	(D) proof of financial responsibility for the vehicle
38	described in clause (C) of a type and in the amounts
39	required by the TNC; and
40	(E) any other information required by the TNC;
41	(2) with respect to the individual, conduct, or contract with a
42	third party to conduct:



1	(A) a local and national criminal background check; and
2 3	(B) a search of the national sex offender registry; and
3	(3) obtain a copy of the individual's driving record maintained
4	under IC 9-14-3-7.
5	(b) A TNC may not allow to act as a TNC driver on its digital
6	network or software application service an individual:
7	(1) who has been convicted of more than one (1) traffic
8	violation in the three (3) preceding years;
9	(2) against whom a judgment has been entered for more than
10	three (3) traffic violations in the preceding three (3) years;
11	(3) who has been convicted of a felony in the seven (7)
12	preceding years;
13	(4) who is a match in the national sex offender registry;
14	(5) who is unable to provide information required under
15	subsection (a); or
16	(6) who is less than nineteen (19) years of age.
17	Sec. 5. (a) A TNC shall establish and enforce a zero tolerance
18	policy for drug and alcohol use by TNC drivers during any period
19	when a TNC driver is providing, or is logged into the TNC's digital
20	network but is not providing TNC services. The policy must
21	include provisions for:
22	(1) investigations of alleged policy violations; and
23	(2) suspensions of TNC drivers under investigation.
24	(b) A TNC shall publish on the TNC's Internet web site:
25	(1) the policy established under subsection (a); and
26	(2) the procedure by which a passenger may report a violation
27	of the policy by a TNC driver.
28	Sec. 6. (a) A TNC must require that a vehicle used to provide
29	TNC services must comply with all applicable laws and regulations
30	concerning vehicle equipment.
31	(b) A TNC is not considered to own, control, operate, or manage
32	a vehicle used by a TNC driver to provide TNC services.
33	Sec. 7. (a) A TNC or TNC driver shall maintain motor vehicle
34	insurance that meets the following requirements:
35	(1) The insurance product is issued:
36	(1) by an insurance company that holds a certificate of
37	authority to do insurance business in Indiana; or
38	(2) through a surplus lines producer licensed under
39	IC 27-1-15.8.
40	(2) The insurance provides primary liability coverage:
41	(A) for liability arising from the operation of a vehicle by
42	a TNC driver while providing TNC services; and



1	(B) in an amount equal to at least one million dollars
2	(\$1,000,000) per occurrence for death, personal injury, and
3	property damage.
4	(3) During the period when a TNC driver is logged into the
5	TNC's digital network, but is not providing TNC services, the
6	insurance provides liability coverage in the following
7	amounts:
8	(A) An amount equal to at least fifty thousand dollars
9	(\$50,000) per person for bodily injury.
0	(B) An amount equal to at least one hundred thousand
11	dollars (\$100,000) per occurrence for personal injury to
12	two (2) or more individuals.
13	(C) An amount equal to at least twenty-five thousand
14	dollars (\$25,000) per occurrence for property damage.
15	(b) A TNC or TNC driver may maintain coverage described in
16	subsection (a)(3) through a combination of policies maintained by
17	the TNC, the TNC driver, or both the TNC and the TNC driver.
18	(c) A motor vehicle insurance policy that provides the coverage
19	required by subsection (a) satisfies the financial responsibility
20	requirement of IC 9-25-4-5 for:
21	(1) the period during which TNC services are provided; and
22	(2) the period described in subsection (a)(3).
23	(d) A TNC shall, before the TNC allows an individual to act as
24	a TNC driver on its digital network or software application service,
25	disclose all of the following:
26	(1) The motor vehicle insurance coverage and limits of
27	liability that the TNC provides during the period during
28	which the TNC driver uses a personal motor vehicle in
29	connection with a TNC's digital network or software
30	application service.
31	(2) That the terms of the TNC driver's personal motor vehicle
32	insurance policy may limit or exclude coverage during the
33	period during which the TNC driver uses a personal motor
34	vehicle in connection with a TNC's digital network or
35	software application service.
36	(e) For purposes of a claim coverage investigation, a TNC and
37	an insurer that issues a motor vehicle insurance policy described
38	in this section shall cooperate to facilitate the exchange of
39	information, including:
10	(1) the precise time that a TNC driver logs onto and off of the

TNC's digital network during the twenty-four (24) hour



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1	period immediately preceding the accident that is the subject
2	of the claim coverage investigation; and
3	(2) disclosure among the parties of a clear description of the
4	insurance coverage, exclusions, and limitations that apply
5	under any applicable motor vehicle insurance policy issued or
6	maintained by a party.
7	(f) Coverage:
8	(1) under a motor vehicle insurance policy required by this
9	section; and
10	(2) for liability in connection with a TNC driver's use of the
11	motor vehicle in connection with a TNC's digital network;
12	may not be conditioned on a denial of a claim for coverage under
13	a personal motor vehicle insurance policy. An insurer that issues
14	a personal motor vehicle insurance policy is not required to deny
15	a claim as a condition of the coverage described in subdivisions (1)
16	and (2).
17	(g) If the exclusion is:
18	(1) expressly set forth in the motor vehicle insurance policy;
19	and
20	(2) approved by the commissioner of insurance appointed
21	under IC 27-1-1-2;
22	an insurer that issues a motor vehicle insurance policy in Indiana
23	may exclude coverage, and any duty to indemnify and defend, for
24	a loss or injury that occurs while an insured motor vehicle provides
25	or is available to provide TNC services.
26	(h) An insurer's right described in subsection (g) to exclude
27	coverage and any duty to indemnify and defend applies to any
28	coverage under a motor vehicle insurance policy, including the
29	following:
30	(1) Liability coverage for bodily injury and property damage.
31	(2) Uninsured and underinsured motorist coverage.
32	(3) Medical payment coverage.
33	(4) Comprehensive physical damage coverage.
34	(5) Collision physical damage coverage.
35	(i) If a TNC driver is involved in an accident while operating a
36	vehicle to provide TNC service, the TNC driver shall:
37	(1) provide proof of financial responsibility required under
38	this section to all parties involved in the accident; and
39	(2) notify the TNC of the accident.
40	Sec. 8. (a) A TNC shall establish guidelines under which a TNC
41	may charge a fare for TNC services. The guidelines must require
42	the following:



(1) Disclosure of the fare calculation method:
(A) on the TNC's Internet web site; or
(B) within the TNC's software application service.
(2) Publication to passengers of applicable rates at the time of
service.
(3) Providing a passenger the option to receive an estimated
fare before the passenger enters a vehicle operated by a TNC
driver.
(4) Payment of a fare only by electronic means using the
TNC's digital network or software application service.
(b) A TNC driver may not solicit or accept cash payments from
passengers.
Sec. 9. (a) A TNC shall establish a privacy policy to protect the
personal identifying information of a passenger.
(b) A policy established under subsection (a) shall prohibit the
disclosure of a passenger's personal identifying information unless:
(1) the passenger consents in writing to the disclosure;
(2) the disclosure is required under law; or
(3) the disclosure is necessary to:
(A) protect or defend; or
(B) investigate violations of;
the terms of use of TNC services.
(c) A policy established under subsection (a) may authorize the
disclosure of a passenger's name and telephone number by a TNC
to a TNC driver to facilitate the provision of TNC services by the
TNC driver to the passenger.
Sec. 10. (a) A TNC shall adopt policies concerning
nondiscrimination and accessibility that comply with state and
federal law.
(b) A TNC may not impose an additional charge on or a
different fare schedule for a passenger who is an individual with a
disability.
(c) At the time a passenger requests TNC services through a
TNC's digital network or software application service, the TNC
shall provide the passenger an opportunity to indicate whether the
passenger requires a vehicle that is wheelchair accessible. If the
TNC is unable to make available a vehicle that is wheelchair
accessible, the TNC shall inform the passenger of an alternative
service that is wheelchair accessible.
(d) The department may impose, as an additional penalty to any

other penalty imposed under this chapter, a penalty not to exceed

ten thousand dollars (\$10,000) on a person who violates this



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1	section. The penalty shall be deposited in the accessible
2	transportation fund established by section 15 of this chapter.
3	Sec. 11. A TNC shall establish record maintenance guidelines
4	that require the following:
5	(1) Records related to the enforcement of a zero tolerance
6	policy established under section 5(a) of this chapter must be
7	maintained for at least two (2) years following the date on
8	which a passenger reports a violation of the policy.
9	(2) Individual trip records must be maintained for at least one
10	(1) year from the date of each trip.
11	(3) Records related to a TNC driver must be maintained for
12	at least one (1) year following the date on which a TNC driver
13	is no longer permitted to act as a TNC driver on the TNC's
14	digital network or software application service.
15	Sec. 12. At the time a passenger arranges with a TNC for TNC
16	services, the TNC shall display on its Internet web site or within its
17	software application:
18	(1) a digital photograph of the TNC driver; and
19	(2) the license plate number of the TNC vehicle;
20	that will be used to provide TNC services to the passenger.
21	Sec. 13. Within a reasonable time after a TNC provides TNC
22	services to a passenger, the TNC shall transmit to the passenger an
23	electronic receipt that includes the following information:
24	(1) The origin and destination of the trip.
25	(2) The total duration and distance of the trip.
26	(3) An itemization of the total fare.
27	Sec. 14. A TNC or a TNC driver may not solicit or accept street
28	hails.
29	Sec. 15. (a) The accessible transportation fund is established to
30	provide grants to TNCs or TNC drivers that provide accessible
31	TNC services that comply with applicable state and federal
32	requirements.
33	(b) The department shall administer the fund.
34	(c) The fund consists of the following:
35	(1) Penalties deposited in the fund under section 10 of this
36	chapter.
37	(2) Money deposited in the fund from any other source.
38	(d) The expenses of administering the fund shall be paid from
39	money in the fund.
40	(e) Money in the fund at the end of a state fiscal year does not
41	revert to the state general fund.
42	(f) The treasurer of state shall invest the money in the fund not



1	currently needed to meet the obligations of the fund in the same
2	manner as other public funds may be invested. Interest that
3	accrues from these investments shall be deposited in the fund.
4	Sec. 16. A person that violates this chapter commits a Class A
5	infraction.
6	SECTION 7. IC 9-19-11-1, AS AMENDED BY P.L.24-2006,
7	SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8	JULY 1, 2015]: Sec. 1. This chapter does not apply to a person who
9	operates any of the following vehicles:
10	(1) A school bus.
11	(2) A taxicab.
12	(3) An ambulance.
13	(4) A public passenger bus.
14	(5) A motor vehicle having a seating capacity greater than nine
15	(9) individuals that is owned or leased and operated by a religious
16	or not-for-profit youth organization.
17	(6) An antique motor vehicle.
18	(7) A motorcycle.
19	(8) A motor vehicle that is owned or leased by a governmental
20	unit and is being used in the performance of official law
21	enforcement duties.
22	(9) A motor vehicle that is being used in an emergency.
23	(10) A motor vehicle that is funeral equipment used in the
24	operation of funeral services when used in:
25	(A) a funeral procession;
26	(B) the return trip to a funeral home (as defined in
27	IC 25-15-2-15); or
28	(C) both the funeral procession and return trip.
29	(11) A motor vehicle used to provide transportation network
30	company services (as defined in IC 8-2.1-17-20).
31	SECTION 8. IC 36-9-2-4 IS AMENDED TO READ AS FOLLOWS
32	[EFFECTIVE JULY 1, 2015]: Sec. 4. (a) Except as provided in
33	subsection (b), a unit may regulate the services offered by persons who
34	hold out for public hire the use of vehicles. This includes the power to
35	fix the price to be charged for that service.
36	(b) A unit may not regulate the following:
37	(1) A transportation network company (as defined in
38	IC 8-2.1-17-18).
39	(2) A transportation network company driver (as defined in
40	IC 8-2.1-17-19).



COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security and Transportation, to which was referred Senate Bill No. 347, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- Page 2, line 1, after "passengers to" insert "**transportation network company**".
 - Page 2, line 9, delete "operates a motor vehicle" and insert ":".
- Page 2, delete lines 10 through 14, begin a new line block indented and insert:
 - "(1) owns, leases, or is otherwise authorized to use a motor vehicle; and
 - (2) uses the motor vehicle to provide transportation network company services.".
 - Page 2, line 21, after "company" insert "driver".
- Page 2, line 26, delete "acceptance by a TNC driver of" and insert "period of time after a TNC driver accepts".
- Page 2, line 27, delete "." and insert "and before the TNC driver picks up the passenger.".
 - Page 2, line 28, after "in" insert "a vehicle operated by".
- Page 2, line 29, delete "driver's vehicle." and insert "driver, up to and including the exit of the passenger from the vehicle."
 - Page 2, delete line 30.
 - Page 2, line 32, after "exits" insert "a vehicle operated by".
 - Page 2, line 33, delete "driver's vehicle;" and insert "driver;".
- Page 3, line 27, delete "employs an individual as a TNC driver," and insert "allows an individual to act as a TNC driver on its digital network or software application service,".
- Page 3, line 36, delete "(C);" and insert "(C) of a type and in the amounts required by the TNC;".
- Page 4, line 2, delete "employ as a TNC driver an individual:" and insert "allow to act as a TNC driver on its digital network or software application service an individual:".
- Page 4, line 3, delete "one (1) or more" and insert "more than one (1)".
 - Page 4, line 4, delete "violations" and insert "violation".
- Page 4, line 15, delete "available to provide" and insert "**logged into** the TNC's digital network but is not providing".
 - Page 4, line 23, after "6." insert "(a)".
 - Page 4, between lines 25 and 26, begin a new paragraph and insert:



"(b) A TNC is not considered to own, control, operate, or manage a vehicle used by a TNC driver to provide TNC services.".

Page 4, line 26, delete "the owner of a vehicle used to provide TNC" and insert "TNC driver".

Page 4, line 27, delete "services".

Page 4, line 29, after "issued" insert ":

(1)".

Page 4, line 31, delete "." and insert "; or

(2) through a surplus lines producer licensed under IC 27-1-15.8.".

Page 4, line 33, delete "provision of" and insert "operation of a vehicle by a TNC driver while providing".

Page 4, line 38, delete "available to" and insert "**logged into the TNC's digital network**,".

Page 4, line 39, delete "receive requests for,".

Page 5, line 8, delete "the owner of a vehicle used to provide TNC" and insert "TNC driver".

Page 5, line 9, delete "services".

Page 5, line 10, after "TNC, the" insert "TNC driver, or both the TNC and the TNC driver.

- (c) A motor vehicle insurance policy that provides the coverage required by subsection (a) satisfies the financial responsibility requirement of IC 9-25-4-5 for:
 - (1) the period during which TNC services are provided; and
 - (2) the period described in subsection (a)(3).
- (d) A TNC shall, before the TNC allows an individual to act as a TNC driver on its digital network or software application service, disclose all of the following:
 - (1) The motor vehicle insurance coverage and limits of liability that the TNC provides during the period during which the TNC driver uses a personal motor vehicle in connection with a TNC's digital network or software application service.
 - (2) That the terms of the TNC driver's personal motor vehicle insurance policy may limit or exclude coverage during the period during which the TNC driver uses a personal motor vehicle in connection with a TNC's digital network or software application service.
- (e) For purposes of a claim coverage investigation, a TNC and an insurer that issues a motor vehicle insurance policy described in this section shall cooperate to facilitate the exchange of information, including:



- (1) the precise time that a TNC driver logs onto and off of the TNC's digital network during the twenty-four (24) hour period immediately preceding the accident that is the subject of the claim coverage investigation; and
- (2) disclosure among the parties of a clear description of the insurance coverage, exclusions, and limitations that apply under any applicable motor vehicle insurance policy issued or maintained by a party.
- (f) Coverage:
 - (1) under a motor vehicle insurance policy required by this section; and
- (2) for liability in connection with a TNC driver's use of the motor vehicle in connection with a TNC's digital network; may not be conditioned on a denial of a claim for coverage under a personal motor vehicle insurance policy. An insurer that issues a personal motor vehicle insurance policy is not required to deny a claim as a condition of the coverage described in subdivisions (1) and (2).
 - (g) If the exclusion is:
 - (1) expressly set forth in the motor vehicle insurance policy; and
 - (2) approved by the commissioner of insurance appointed under IC 27-1-1-2;

an insurer that issues a motor vehicle insurance policy in Indiana may exclude coverage, and any duty to indemnify and defend, for a loss or injury that occurs while an insured motor vehicle provides or is available to provide TNC services.

- (h) An insurer's right described in subsection (g) to exclude coverage and any duty to indemnify and defend applies to any coverage under a motor vehicle insurance policy, including the following:
 - (1) Liability coverage for bodily injury and property damage.
 - (2) Uninsured and underinsured motorist coverage.
 - (3) Medical payment coverage.
 - (4) Comprehensive physical damage coverage.
 - (5) Collision physical damage coverage.
- (i) If a TNC driver is involved in an accident while operating a vehicle to provide TNC service, the TNC driver shall:
 - (1) provide proof of financial responsibility required under this section to all parties involved in the accident; and
 - (2) notify the TNC of the accident.".

Page 5, delete line 11.



Page 5, line 20, after "Providing" insert "a passenger the option to receive".

Page 5, line 20, delete "to a passenger".

Page 5, line 36, delete "shall" and insert "may".

Page 6, line 5, delete "Internet web site" and insert "digital network".

Page 6, line 7, delete "is an individual with a disability who requires an" and insert "requires a vehicle that is wheelchair accessible. If the TNC is unable to make available a vehicle that is wheelchair accessible, the TNC shall inform the passenger of an alternative service that is wheelchair accessible."

Page 6, delete lines 8 through 10.

Page 6, line 25, delete "the TNC" and insert "a TNC driver is no longer permitted to act as a TNC driver on the TNC's digital network or software application service.".

Page 6, delete lines 26 through 27.

and when so amended that said bill do pass.

(Reference is to SB 347 as introduced.)

YODER, Chairperson

Committee Vote: Yeas 8, Nays 0.

