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New Rules and Regulations Set for New Jersey Ride-Hailing Companies

Following is an excerpt from the press release published by the Limousine Association of New Jersey's lobbying firm Kaufman Zita Group that details the rules and regulations of the "Transportation Network Company Safety and Regulatory Act," the new law signed by Governor Christie on February 10, 2017, which establishes standards for ridehailing companies in New Jersey.

"The rules and regulations include:

GENERAL TNC OPERATIONS

- All TNCs would be required to secure a permit from the Motor Vehicle Commission. The permit application would require submission of proof of insurance, proof that the TNC is licensed to conduct business in New Jersey and a \$25,000 permit fee, to be paid upon initial application and annually thereafter. The permit may be revoked if the TNC fails to comply with the bill's provisions.
- Failure to obtain a permit is subject to a penalty of \$500 per day.
- TNCs must adopt a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation or gender identity with respect to riders and potential riders.
- All passengers must be provided with the fare or method by which the TNC calculates the fare.
- All passengers must have the option to receive a fare estimate prior to entering the driver's vehicle.
- Each TNC driver must maintain information on his or her smartphone while using its digital network that would allow a police officer to confirm the following information: the driver's identity and color photo, the vehicle's make and model, the license plate number and an electronic record of a prearranged ride underway, if any.

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- Drivers must be at least 21 years of age.
- Driver applications must include, at minimum, an applicant's address, age and Social Security number and a copy of his or her license, registration and insurance.
- All applicants must undergo a driving record check and criminal background check prior to using the app as a driver. The following are among disqualifying crimes that would prohibit the applicant from driving with a TNC: homicide, sexual assault, driving under the influence, reckless driving and possession or sale of a controlled dangerous substance.
- A driver's picture and license plate number must appear on the app prior to the passenger entering the vehicle.
- Drivers may only solicit rides that are prearranged through the transportation network company.
- Drivers must adhere to a zero-tolerance policy regarding the use of drugs and alcohol.

VEHICLES

- A driver's personal vehicle used to provide rides must meet New Jersey vehicle inspection requirements.
- A driver's personal vehicle must display an identifying marker when the driver logs on to the app as a driver or provides a prearranged ride.

INSURANCE

- The TNC, the driver or any combination of the two must maintain a primary auto insurance policy obtained from an insurance company duly licensed to transact business in New Jersey that recognizes the driver as a TNC driver and covers the driver both while he or she is logged on to the app but without a passenger and while he or she is providing a ride.
- If the driver's insurance coverage does not meet the coverage requirements outlined in the bill, insurance maintained by the TNC shall provide the appropriate coverage, beginning with the first dollar of a claim, and the TNC shall have the duty to defend the claim.
- The uninsured and underinsured motorist coverage required when a driver is providing a prearranged ride would increase from the statutory minimums to at least \$1,500,000.
- The limitation on lawsuit option set forth in current law will not to be assertable by a transportation network company or driver in any action for damages arising from a prearranged ride, or asserted against any party not receiving personal injury protection benefits in any action for damages arising from a prearranged ride.

COMPANY RECORDS

- Each TNC must maintain a six-year history of rides as well as individual records of each driver for at least five years after the driver stops providing rides with the company.
- In the event of a complaint filed against a driver, the MVC or the Division of Consumer Affairs may inspect the company's records to investigate and resolve the complaint.
- TNC's must enter into a memorandum of understanding with DOT for data collection."

See "Standards for Ride-Hailing Companies" at <u>LANJ.org/legislation</u> to read the complete press release.

Sales Tax Elimination Effective 5/1/17



The new state law that eliminates the 7% sales tax that limousine owners currently collect and pay is effective May 1, 2017.

Hence, April 30, 2017 is the last day for New Jersey chauffeured transportation operators to collect sales tax on their services.

FMCSA Guidance for Interstate Transportation

The Federal Motor Carrier Safety Administration (FMCSA) recently issued guidance to companies that transport passengers in interstate commerce, clarifying existing FMCSA regulations and requirements.

The FMCSA has contructed an online resource page to help advise organizations and businesses that provide interstate passenger travel services.

See <u>FMCSA.dot.gov/upcr</u> to learn more about federal passenger carrier regulations and determine if they apply to your company.

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