

*******NEWS RELEASE*******

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Lagana, Singleton & Wisniewski Bill to Establish Standards for Ride-Hailing Companies Becomes Law

Legislation is Aimed at Protecting Consumers Via Insurance, Recordkeeping Requirements

Legislation Assemblymen Joseph Lagana, Troy Singleton and John Wisniewski sponsored to protect customers of Uber, Lyft and other ride-hailing services was signed into law on Friday.

"New Jersey has no safety and insurance standards whatsoever to govern an industry that has the potential to affect all motorists - regardless of whether or not they have a direct affiliation with a transportation network company. I admire the modernization these companies bring to transportation, but that does not excuse them from an obligation to conduct business safely," said Lagana (D-Bergen/Passaic). "Residents of our state who take advantage of ride-hailing services must be able to do so without compromising their own well-being or that of other drivers on the road."

The new law (A-3695), the "Transportation Network Company Safety and Regulatory Act," establishes statewide standards for transportation network companies (TNCs), including requirements regarding driver eligibility, insurance coverage and records retention. The sponsors noted that the uniformity inherent in the legislation would stabilize the market for TNCs in New Jersey, effectively dispelling discrepancies in standards across different municipalities.

"Ride-hailing companies provide a valuable service for individuals who may not otherwise have access to transportation, and clearly

their business model is effective," said Singleton (D-Burlington). "This law is aimed at striking a balance that makes public safety the first priority while also allowing transportation network companies to continue innovating."

"Fundamentally, this is about creating statewide standards to eliminate confusion about how much insurance coverage is appropriate, who has jurisdiction over transportation network companies' operations and what happens if there's a dispute between a passenger and a driver," said Wisniewski (D-Middlesex). "We have to create an environment in which these companies can meet the obvious demand while keeping all participants in the market safe."

The rules and regulations outlined in the bill 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.

Drivers

- 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.

Vincent LeGrand

Legislative Associate



The Offices at Trenton Junction

400 Sullivan Way

West Trenton, NJ 08628

609-530-1234 / 609-530-0110 FAX

646-981-3435 cell

www.kaufmanzitagroup.com