S T A T E O F N E W Y O R K

6090

2015-2016 Regular Sessions

I N A S S E M B L Y

March 16, 2015

Introduced by M. of A. CAHILL -- read once and referred to the Committee on Transportation

AN ACT to amend the insurance law, the vehicle and traffic law, the general municipal law and the transportation law, in relation to transportation network companies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 5106 of the insurance law is amended by adding a new subsection (e) to read as follows:

(E) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (D) OF THIS SECTION, IF (I) MORE THAN ONE INSURER HAS ISSUED AN OWNER'S POLICY OF LIABILITY INSURANCE ON THE SAME MOTOR VEHICLE, (II) ONE SUCH POLICY WAS ISSUED IN SATISFACTION OF THE REQUIREMENTS OF ARTICLE SIX OF THE VEHICLE AND TRAFFIC LAW, AND (III) ONE SUCH POLICY WAS ISSUED IN SATISFACTION OF THE REQUIREMENTS OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW, THEN THE INSURER ISSUING THE POLICY IN SATISFACTION OF THE REQUIREMENTS OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW SHALL BE RESPONSIBLE FOR PAYMENT OF FIRST PARTY BENEFITS WHEN A DISPUTE EXISTS AS TO WHICH SUCH POLICY IS APPLICABLE. WHEN THERE IS SUCH A DISPUTE, THE INSURER ISSUING THE POLICY IN SATISFACTION OF THE REQUIREMENTS OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW SHALL HAVE THE RIGHT TO RECOVER THE AMOUNT PAID FROM THE OTHER INSURER TO THE EXTENT THAT THE LOSS AROSE FROM THE USE AND OPERATION OF THE INSURED MOTOR VEHICLE OTHER THAN AS A TRANSPORTATION NETWORK VEHICLE. ANY SUCH DISPUTE SHALL BE RESOLVED IN ACCORDANCE WITH THE ARBITRATION PROCEDURES ESTABLISHED PURSUANT TO SECTION FIVE THOUSAND ONE HUNDRED FIVE OF THIS ARTICLE AND REGULATIONS AS PROMULGATED BY THE SUPERINTENDENT.

S 2. The insurance law is amended by adding a new section 3455 to read as follows:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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S 3455. TRANSPORTATION NETWORK COMPANY GROUP INSURANCE POLICIES. (A) FOR PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(1) "TRANSPORTATION NETWORK COMPANY" SHALL HAVE THE MEANING SET FORTH IN SUBDIVISION FOUR OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHICLE AND TRAFFIC LAW.

(2) "CERTIFICATE" OR "CERTIFICATE OF INSURANCE" MEANS ANY POLICY, CONTRACT OR OTHER EVIDENCE OF INSURANCE, OR RIDER OR ENDORSEMENT THERETO, ISSUED TO A GROUP MEMBER UNDER A TRANSPORTATION NETWORK COMPANY GROUP POLICY.

(3) "TRANSPORTATION NETWORK COMPANY GROUP POLICY" MEANS GROUP POLICY, INCLUDING CERTIFICATE ISSUED TO THE GROUP MEMBERS, WHERE THE GROUP POLICYHOLDER IS A TRANSPORTATION NETWORK COMPANY AND THE POLICY PROVIDES INSURANCE TO THE TRANSPORTATION NETWORK COMPANY AND TO GROUP MEMBERS OF THE TYPE DESCRIBED IN PARAGRAPHS THIRTEEN, FOURTEEN AND/OR NINETEEN OF SUBSECTION (A) OF SECTION ONE THOUSAND ONE HUNDRED THIRTEEN OF THIS CHAPTER, SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS INSURANCE FOR BODILY INJURY PURSUANT TO PARAGRAPH TWO OF SUBSECTION (F) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE AND OTHER COVERAGES AS PERMITTED BY THIS SECTION.

(4) "GROUP MEMBER" MEANS A "TRANSPORTATION NETWORK DRIVER" AS SUCH TERM IS DEFINED IN SUBDIVISION FIVE OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHICLE AND TRAFFIC LAW AND WHO IS INSURED UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLICY.

(B) A TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE MAY BE ISSUED OR ISSUED FOR DELIVERY IN THIS STATE ONLY IN COMPLIANCE WITH THE PROVISIONS OF THIS SECTION.

(C) COVERAGE UNDER A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL EXTEND TO GROUP MEMBERS AND THE TRANSPORTATION NETWORK COMPANY.

(D) A TRANSPORTATION NETWORK COMPANY GROUP POLICY MAY PROVIDE ONLY THE INSURANCE COVERAGES DESCRIBED IN PARAGRAPHS THIRTEEN, FOURTEEN AND/OR NINETEEN OF SUBSECTION (A) OF SECTION ONE THOUSAND ONE HUNDRED THIRTEEN OF THIS CHAPTER AND SUPPLEMENTARY UNINSURED/UNDERINSURED MOTORISTS INSURANCE FOR BODILY INJURY PURSUANT TO PARAGRAPH TWO IF SUBSECTION (F) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE. IF OBTAINED TO SATISFY THE FINANCIAL RESPONSIBILITY REQUIREMENTS OF SUBSECTION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW, A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL PROVIDE FOR THE PAYMENT OF FIRST PARTY BENEFITS PURSUANT TO ARTICLE FIFTY-ONE OF THIS CHAPTER AND BENEFITS IN ACCORDANCE WITH SECTION THREE THOUSAND FOUR HUNDRED TWENTY OF THIS ARTICLE.

(E) THE PREMIUM FOR THE TRANSPORTATION NETWORK COMPANY GROUP POLICY, INCLUDING CERTIFICATES MAY BE PAID BY THE GROUP POLICYHOLDER FROM THE FUNDS CONTRIBUTED:

(1) WHOLLY BY THE GROUP POLICYHOLDER;

(2) WHOLLY BY THE GROUP MEMBERS; OR

(3) JOINTLY BY THE GROUP POLICYHOLDER AND THE GROUP MEMBERS.

(F) (1) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETROSPECTIVE PREMIUM REFUND IN RESPECT OF PREMIUMS PAID BY THE GROUP POLICYHOLDER MAY:

(A) BE APPLIED TO REDUCE THE PREMIUM CONTRIBUTION OF THE GROUP POLICYHOLDER, BUT NOT IN EXCESS OF THE PROPORTION TO ITS CONTRIBUTION; OR

(B) BE RETAINED BY THE GROUP POLICYHOLDER.

(2) ANY POLICY DIVIDEND, RETROSPECTIVE PREMIUM CREDIT, OR RETROSPECTIVE PREMIUM REFUND NOT DISTRIBUTED UNDER PARAGRAPH ONE OF THIS SUBSECTION SHALL BE:

(A) APPLIED TO REDUCE FUTURE PREMIUMS AND, ACCORDINGLY, FUTURE CONTRIBUTIONS, OF EXISTING OR FUTURE GROUP MEMBERS, OR BOTH; OR

(B) PAID OR REFUNDED TO THOSE GROUP MEMBERS INSURED ON THE DATE THE PAYMENT OR REFUND IS MADE TO THE GROUP POLICYHOLDER, IF DISTRIBUTED BY THE GROUP POLICYHOLDER, OR ON THE DATE OF MAILING, IF DISTRIBUTED DIRECTLY BY THE INSURER, SUBJECT TO THE FOLLOWING REQUIREMENTS:

(I) THE INSURER SHALL BE RESPONSIBLE FOR DETERMINING THE ALLOCATION OF THE PAYMENT OF REFUND TO THE GROUP MEMBERS;

(II) IF THE GROUP POLICYHOLDER DISTRIBUTES THE PAYMENT OR REFUND, THE INSURER SHALL BE RESPONSIBLE FOR AUDIT TO ASCERTAIN THAT THE PAYMENT OR REFUND IS ACTUALLY MADE IN ACCORDANCE WITH THE ALLOCATION PROCEDURE; AND

(III) IF THE GROUP POLICYHOLDER FAILS TO MAKE THE PAYMENT OR REFUND, THE INSURER SHALL MAKE THE PAYMENT OR REFUND DIRECTLY OR USE THE METHOD PROVIDED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.

(3) NOTWITHSTANDING PARAGRAPHS ONE AND TWO OF THIS SUBSECTION, IF A DIVIDEND ACCRUES UPON TERMINATION OF COVERAGE UNDER A TRANSPORTATION NETWORK COMPANY GROUP POLICY, THE PREMIUM FOR WHICH WAS PAID OUT OF FUNDS CONTRIBUTED BY GROUP MEMBERS SPECIFICALLY FOR THE COVERAGE, THE DIVIDEND SHALL BE PAID OR REFUNDED BY THE GROUP POLICYHOLDER TO THE GROUP MEMBERS INSURED ON THE DATE THE PAYMENT OR REFUND IS MADE TO THE GROUP POLICYHOLDER, NET OF REASONABLE EXPENSES INCURRED BY THE GROUP POLICYHOLDER IN PAYING OR REFUNDING THE DIVIDEND TO SUCH GROUP MEMBERS.

(4) FOR THE PURPOSES OF THIS SUBSECTION, "DIVIDEND" MEANS A RETURN BY THE INSURER OF A TRANSPORTATION NETWORK COMPANY GROUP POLICY OF EXCESS PREMIUMS TO THE GROUP POLICYHOLDER IN LIGHT OF FAVORABLE LOSS EXPERIENCE, INCLUDING RETROSPECTIVE PREMIUM CREDITS OR RETROSPECTIVE PREMIUM REFUNDS. THE TERM "DIVIDEND" DOES NOT INCLUDE REIMBURSEMENTS OR FEES RECEIVED BY A GROUP POLICYHOLDER IN CONNECTION WITH THE OPERATION OR ADMINISTRATION OF A TRANSPORTATION NETWORK COMPANY GROUP POLICY, INCLUDING ADMINISTRATIVE REIMBURSEMENTS, FEES FOR SERVICES PROVIDED BY THE GROUP POLICYHOLDER, OR TRANSACTIONAL SERVICE FEES.

(G) THE INSURER MUST TREAT IN LIKE MANNER ALL ELIGIBLE GROUP MEMBERS OF THE SAME CLASS.

(H) A TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE SHALL NOT BE ELIGIBLE FOR PLACEMENT BY AN EXCESS LINE BROKER LICENSED PURSUANT TO ARTICLE TWENTY-ONE OF THIS CHAPTER.

(I) EACH POLICY WRITTEN PURSUANT TO THIS SECTION SHALL PROVIDE PER OCCURRENCE LIMITS OF COVERAGE FOR EACH GROUP MEMBER IN AN AMOUNT NOT LESS THAN THAT REQUIRED BY OF SUBDIVISION TWO OF SECTION TWO THOUSAND TWO HUNDRED THREE OF THE VEHICLE AND TRAFFIC LAW, AND MAY PROVIDE COVERAGE FOR LIMITS HIGHER THAN THE MINIMUM LIMITS REQUIRED UNDER THE LAW.

(J) (1) THE INSURER OR THE GROUP POLICYHOLDER SHALL BE RESPONSIBLE FOR MAILING OR DELIVERY OF A CERTIFICATE OF INSURANCE TO EACH GROUP MEMBER INSURED UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLICY. THE INSURER OR THE GROUP POLICYHOLDER SHALL ALSO BE RESPONSIBLE FOR THE MAILING OR DELIVERY TO EACH GROUP MEMBER OF AN AMENDED CERTIFICATE OF INSURANCE OR ENDORSEMENT TO THE CERTIFICATE, WHENEVER THERE IS A CHANGE IN LIMITS; CHANGE IN TYPE OF COVERAGE; ADDITION, REDUCTION, OR ELIMINATION OF COVERAGE; OR ADDITION OF EXCLUSION, UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE.

(2) THE CERTIFICATE SHALL CONTAIN IN SUBSTANCE ALL MATERIAL TERMS AND CONDITIONS OF COVERAGE AFFORDED TO GROUP MEMBERS, UNLESS THE TRANSPORTATION NETWORK COMPANY GROUP POLICY IS INCORPORATED BY REFERENCE AND A COPY OF THE GROUP POLICY ACCOMPANIES THE CERTIFICATE.

(3) IF ANY COVERAGE AFFORDED TO THE GROUP MEMBER IS EXCESS OF APPLICABLE INSURANCE COVERAGE, THE CERTIFICATE SHALL CONTAIN A NOTICE ADVISING

THE GROUP MEMBERS THAT, IS THE MEMBER HAS OTHER INSURANCE COVERAGE, SPECIFIED COVERAGES UNDER THE TRANSPORTATION NETWORK COMPANY GROUP POLICY WILL BE EXCESS OVER THE OTHER INSURANCE.

(K) A GROUP POLICYHOLDER SHALL COMPLY WITH THE PROVISIONS OF SECTION TWO THOUSAND ONE HUNDRED TWENTY-TWO OF THIS CHAPTER, IN THE SAME MANNER AS AN AGENT OR BROKER, IN ANY ADVERTISEMENT, SIGN, PAMPHLET, CIRCULAR, CARD, OR OTHER PUBLIC ANNOUNCEMENT REFERRING TO COVERAGE UNDER A TRANSPORTATION NETWORK COMPANY GROUP POLICY OR CERTIFICATE.

(L) A TRANSPORTATION NETWORK COMPANY GROUP POLICY SHALL NOT BE SUBJECT TO SECTION THREE THOUSAND FOUR HUNDRED TWENTY-FIVE OR SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS CHAPTER; PROVIDED THAT THE FOLLOWING REQUIREMENTS SHALL APPLY WITH REGARD TO TERMINATION OF COVERAGE:

(1)(A) AN INSURER MAY TERMINATE A GROUP POLICY OR CERTIFICATE ONLY IF CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN SUBPARAGRAPH (A) THROUGH (D) OR (F) THROUGH (H) OF PARAGRAPH ONE OF SUBSECTION (C) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE; PROVIDED, HOWEVER, THAT AN ACT OR OMISSION BY A GROUP MEMBER THAT WOULD CONSTITUTE THE BASIS FOR CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL NOT CONSTITUTE THE BASIS FOR CANCELLATION OF THE GROUP POLICY.

(B) WHERE THE PREMIUM IS DERIVED WHOLLY FROM FUNDS CONTRIBUTED BY THE GROUP POLICYHOLDER, AN INSURER MAY CANCEL AN INDIVIDUAL CERTIFICATE ONLY IF CANCELLATION IS BASED ON ONE OR MORE OF THE REASONS SET FORTH IN SUBPARAGRAPH (B), (C) OR (H) OF PARAGRAPH ONE OF SUBSECTION (C) OF SECTION THREE THOUSAND FOUR HUNDRED TWENTY-SIX OF THIS ARTICLE.

(2) (A) AN INSURER'S CANCELLATION OF A GROUP POLICY, INCLUDING ALL CERTIFICATES, SHALL NOT BECOME AFFECTIVE UNTIL THIRTY DAYS AFTER THE INSURER MAILS OR DELIVERS WRITTEN NOTICE OF CANCELLATION TO THE GROUP POLICYHOLDER AT THE MAILING ADDRESS SHOWN IN THE POLICY.

(I) WHERE ALL OR PART OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED BY THE GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, THE INSURER SHALL ALSO MAIL OR DELIVER WRITTEN NOTICE OF CANCELLATION OF THE GROUP POLICY TO THE GROUP MEMBER AT THE GROUP MEMBER'S MAILING ADDRESS.

(II) WHERE NONE OF THE PREMIUM IS DERIVED FROM FUNDS CONTRIBUTED BY A GROUP MEMBER SPECIFICALLY FOR THE COVERAGE, THE GROUP POLICY HOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO THE GROUP MEMBER ADVISING THE GROUP MEMBER OF THE CANCELLATION OF THE GROUP POLICY AND THE EFFECTIVE DATE OF CANCELLATION. THE GROUP POLICY HOLDER SHALL MAIL OR DELIVER THE WRITTEN NOTICE WITHIN NINETY DAYS AFTER RECEIVING NOTICE OF CANCELLATION FROM THE INSURER.

(B) AN INSURER'S CANCELLATION OF AN INDIVIDUAL CERTIFICATE SHALL NOT BECOME EFFECTIVE UNTIL THIRTY DAYS AFTER THE INSURER MAILS OR DELIVERS WRITTEN NOTICE OF CANCELLATION TO THE GROUP MEMBER AT THE GROUP MEMBER'S MAILING ADDRESS AND TO THE GROUP POLICYHOLDER AT THE MAILING ADDRESS SHOWN IN THE GROUP POLICY.

(C) (I) A GROUP POLICYHOLDER MAY CANCEL A GROUP POLICY, INCLUDING ALL CERTIFICATES, OR ANY INDIVIDUAL CERTIFICATE, FOR A REASON UPON THIRTY DAYS WRITTEN NOTICE TO THE INSURER AND EACH GROUP MEMBER; AND

(II) THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH AFFECTED GROUP MEMBER OF THE GROUP POLICYHOLDER'S CANCELLATION OF THE GROUP POLICY OR CERTIFICATE AND THE EFFECTIVE DATE OF CANCELLATION. THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER THE WRITTEN NOTICE TO THE GROUP MEMBER'S MAILING ADDRESS AT LEAST THIRTY DAYS PRIOR TO THE EFFECTIVE DATE OF CANCELLATION.

(3) (A) UNLESS A GROUP POLICY PROVIDES FOR A LONGER POLICY PERIOD, THE POLICY AND ALL CERTIFICATES SHALL BE ISSUED OR RENEWED FOR A ONE-YEAR POLICY PERIOD.

(B) THE GROUP POLICYHOLDER SHALL BE ENTITLED TO RENEW THE GROUP POLICY AND ALL CERTIFICATES UPON TIMELY PAYMENT OF THE PREMIUM BILLED TO THE GROUP POLICYHOLDER FOR THE RENEWAL, UNLESS:

(I) THE INSURER MAILS OR DELIVERS TO THE GROUP POLICYHOLDER AND ALL GROUP MEMBERS WRITTEN NOTICE OF NONRENEWAL, OR CONDITIONAL RENEWAL; AND

(II) THE INSURER MAILS OR DELIVERS THE WRITTEN NOTICE AT LEAST THIRTY, BUT NOT MORE THAN ONE HUNDRED TWENTY DAYS PRIOR TO THE EXPIRATION DATE SPECIFIED IN THE POLICY OR, IF NO DATE IS SPECIFIED, THE NEXT ANNIVERSARY DATE OF THE POLICY.

(4) WHERE THE GROUP POLICYHOLDER NONRENEWS THE GROUP POLICY, THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE TO EACH GROUP MEMBER ADVISING THE GROUP MEMBER OF NONRENEWAL OF THE GROUP POLICY AND THE EFFECTIVE DATE OF NONRENEWAL. THE GROUP POLICYHOLDER SHALL MAIL OR DELIVER WRITTEN NOTICE AT LEAST THIRTY DAYS PRIOR TO THE NONRENEWAL.

(5) EVERY NOTICE OF CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL SHALL SET FORTH THE SPECIFIC REASON OR REASONS FOR CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL.

(6) (A) AN INSURER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION TO GIVE NOTICE TO A GROUP MEMBER IF THE INSURER HAS BEEN ADVISED BY EITHER THE GROUP POLICYHOLDER OR ANOTHER INSURER THAT SUBSTANTIALLY SIMILAR COVERAGE HAS BEEN OBTAINED FROM THE OTHER INSURER WITHOUT LAPSE OF COVERAGE.

(B) A GROUP POLICYHOLDER SHALL NOT BE REQUIRED UNDER THIS SUBSECTION TO GIVE NOTICE TO A GROUP MEMBER IF SUBSTANTIALLY SIMILAR COVERAGE HAS BEEN OBTAINED FROM ANOTHER INSURER WITHOUT LAPSE OF COVERAGE.

(7) (A) IF, PRIOR TO THE EFFECTIVE DATE OF CANCELLATION, NONRENEWAL, OR CONDITIONAL RENEWAL OF THE GROUP POLICY, OR A CERTIFICATE, WHETHER INITIATED BY THE INSURER, GROUP POLICYHOLDER OR BY THE GROUP MEMBER IN REGARD TO THE GROUP MEMBER'S CERTIFICATE, COVERAGE ATTACHES PURSUANT TO THE TERMS OF A GROUP POLICY, THEN THE COVERAGE SHALL BE EFFECTIVE UNTIL EXPIRATION OF THE APPLICABLE PERIOD OF COVERAGE PROVIDED IN THE GROUP POLICY NOTWITHSTANDING THE CANCELLATION, NONRENEWAL OR CONDITIONAL NONRENEWAL OF THE GROUP POLICY.

(B) NOTWITHSTANDING SUBPARAGRAPH (A) OF THIS PARAGRAPH, AN INSURER MAY TERMINATE COVERAGE UNDER AN INDIVIDUAL CERTIFICATE ON THE EFFECTIVE DATE OF CANCELLATION, IF THE CERTIFICATE IS CANCELLED IN ACCORDANCE WITH THE PROVISIONS OF SUBPARAGRAPH (B) OF PARAGRAPH ONE OF THIS SUBSECTION.

(M) ANY MAILING OR DELIVERY TO A GROUP MEMBER REQUIRED OR PERMITTED UNDER THIS SECTION MAY BE MADE BY ELECTRONIC MAIL IF CONSENT TO SUCH METHOD OF DELIVERY HAS BEEN PREVIOUSLY RECEIVED FROM SUCH GROUP MEMBER.

(N) FORMS AND RATES FOR ANY GROUP POLICY ISSUED OR ISSUED FOR DELIVERY IN THIS STATE PURSUANT TO THIS SECTION SHALL BE FILED WITH THE SUPERINTENDENT IN ACCORDANCE WITH ARTICLE TWENTY-THREE OF THIS CHAPTER.

S 3. Section 121-e of the vehicle and traffic law, as added by chapter 15 of the laws of 1983, is amended to read as follows:

S 121-e. Livery. Every motor vehicle, other than a taxicab or a bus, used in the business of transporting passengers for compensation. However, it shall not include vehicles which are rented or leased without a driver AND IT SHALL NOT INCLUDE TRANSPORTATION NETWORK VEHICLES AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER.

S 4. Section 148-a of the vehicle and traffic law, as amended by chapter 15 of the laws of 1983, is amended to read as follows:

S 148-a. Taxicab. Every motor vehicle, other than a bus, used in the business of transporting passengers for compensation, and operated in such business under a license or permit issued by a local authority. However, it shall not include vehicles which are rented or leased without a driver AND IT SHALL NOT INCLUDE TRANSPORTATION NETWORK VEHICLES AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER.

S 5. The opening paragraph of subdivision 7 of section 401 of the vehicle and traffic law, as amended by chapter 55 of the laws of 1992, is amended to read as follows:

FOR PURPOSES OF THIS SUBDIVISION A MOTOR VEHICLE THAT MEETS THE DEFINITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER SHALL NOT BE REQUIRED TO OBTAIN A FOR HIRE OR COMMERCIAL VEHICLE REGISTRATION. The registration fees to be paid upon the registration or reregistration, in accordance with the provisions of this article, of buses, of motor vehicles constructed or specially equipped for the transportation of goods, wares and merchandise, commonly known as auto trucks or light delivery cars, of taxicabs, livery and of certain other motor vehicles specified herein are hereby established as follows:

S 6. Paragraph c of subdivision 1 of section 498 of the vehicle and traffic law, as added by chapter 549 of the laws of 2006, is amended to read as follows:

c. "Pre-arranged for-hire vehicle" shall mean a motor vehicle, other than a bus, that is used in the business of transporting passengers for compensation on a pre-arranged basis, and operated in such business under a license or permit issued by a licensing jurisdiction, EXCEPT THAT IT SHALL NOT MEAN A MOTOR VEHICLE THAT MEETS THE DEFINITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THIS CHAPTER. The term "pre-arranged for-hire vehicle" shall apply to vehicles as defined herein regardless of any other provision of local law or rule defining or describing such vehicles by any other terms such as livery, black car, or luxury limousine.

S 7. Section 181 of the general municipal law is amended by adding a new closing paragraph to read as follows:

FOR THE PURPOSES OF THIS SECTION, THE TERMS TAXICABS, LIMOUSINES OR LIVERY VEHICLES SHALL NOT INCLUDE MOTOR VEHICLES THAT MEET THE DEFINITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHICLE AND TRAFFIC LAW.

S 8. Section 151 of the transportation law is amended by adding a new subdivision 13 to read as follows:

13. IN A VEHICLE THAT MEETS THE DEFINITION OF A TRANSPORTATION NETWORK VEHICLE AS DEFINED IN SUBDIVISION EIGHT OF SECTION TWO THOUSAND TWO HUNDRED ONE OF THE VEHICLE AND TRAFFIC LAW.

S 9. The vehicle and traffic law is amended by adding a new title 10-a to read as follows:

TITLE X-A

TRANSPORTATION NETWORK COMPANIES

ARTICLE 46-A. TRANSPORTATION NETWORK COMPANIES.

ARTICLE 46-A

TRANSPORTATION NETWORK COMPANIES

SECTION 2200. SHORT TITLE.

2201. DEFINITIONS.

2202. REGULATION OF TRANSPORTATION NETWORK COMPANIES.

2203. REGISTRATION, FINANCIAL RESPONSIBILITY OF TRANSPORTATION NETWORK COMPANIES, AND INSURANCE.
2204. OPERATIONAL REQUIREMENTS OF TRANSPORTATION NETWORK COMPANIES.
2205. TRANSPORTATION NETWORK SERVICE LIMITATIONS.
2206. VEHICLE REQUIREMENTS FOR TRANSPORTATION NETWORK VEHICLES.
2207. PERMIT REQUIRED FOR TRANSPORTATION NETWORK COMPANIES, PENALTY FOR VIOLATION, AND RULES.
2208. DRIVER LICENSING REQUIREMENT.
2209. DISTRIBUTION OF FEES AND PENALTIES.
2210. RULES AND INSPECTIONS.

S 2200. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "TRANSPORTATION NETWORK COMPANY ACT".

S 2201. DEFINITIONS. WHEN USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "PERSONAL VEHICLE" MEANS A MOTOR VEHICLE THAT IS USED BY A TRANSPORTATION NETWORK DRIVER IN CONNECTION WITH PROVIDING SERVICES FOR A TRANSPORTATION NETWORK COMPANY THAT MEETS THE MOTOR VEHICLE CRITERIA SET FORTH IN THIS ARTICLE AND IS REGISTERED TO THE TRANSPORTATION NETWORK DRIVER.

2. "PREARRANGED RIDE" MEANS A PERIOD OF TIME THAT BEGINS WHEN A TRANSPORTATION NETWORK DRIVER ACCEPTS A REQUESTED RIDE THROUGH A DIGITAL NETWORK, CONTINUES WHILE THE TRANSPORTATION NETWORK DRIVER TRANSPORTS THE TRANSPORTATION NETWORK RIDER, AND ENDS WHEN THE TRANSPORTATION NETWORK RIDER DEPARTS FROM THE TRANSPORTATION NETWORK VEHICLE.

3. "SERIOUS CRIMINAL OFFENSE" SHALL MEAN A CONVICTION OF (I) A FELONY INVOLVING THE USE OF A MOTOR VEHICLE; (II) A FELONY INVOLVING MANUFACTURING, DISTRIBUTING OR DISPENSING A DRUG AS DEFINED IN SECTION ONE HUNDRED FOURTEEN-A OF THIS CHAPTER OR POSSESSION OF ANY SUCH DRUG WITH INTENT TO MANUFACTURE, DISTRIBUTE OR DISPENSE SUCH DRUG IN WHICH A MOTOR VEHICLE WAS USED; (III) A VIOLATION OF SUBDIVISION ONE OR TWO OF SECTION SIX HUNDRED OF THIS CHAPTER; (IV) OPERATING A MOTOR VEHICLE WHEN, AS A RESULT OF PRIOR VIOLATIONS COMMITTED WHILE OPERATING A MOTOR VEHICLE, THE INDIVIDUAL'S DRIVER'S LICENSE IS REVOKED, SUSPENDED, OR CANCELED; (V) CAUSING A FATALITY THROUGH THE NEGLIGENT OPERATION OF A MOTOR VEHICLE, INCLUDING BUT NOT LIMITED TO THE CRIMES OF VEHICULAR MANSLAUGHTER OR CRIMINALLY NEGLIGENT HOMICIDE; (VI) HOMICIDE; AND (VII) A FELONY OR ASSAULT, SEXUAL OFFENSES, KIDNAPPING, OR BURGLARY.

4. "TRANSPORTATION NETWORK COMPANY" MEANS A CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP, OR OTHER ENTITY, OPERATING IN NEW YORK, THAT USES A DIGITAL NETWORK TO CONNECT TRANSPORTATION NETWORK DRIVERS TO TRANSPORTATION NETWORK RIDERS FOR THE PURPOSE OF PROVIDING TRANSPORTATION. A TRANSPORTATION NETWORK COMPANY IS NOT DEEMED TO OWN, CONTROL, OPERATE, OR MANAGE THE PERSONAL VEHICLES USED BY TRANSPORTATION NETWORK DRIVERS.

5. "TRANSPORTATION NETWORK DRIVER" MEANS AN INDIVIDUAL WHO USES HIS OR HER PERSONAL VEHICLE TO PROVIDE TRANSPORTATION NETWORK SERVICES FOR RIDERS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK.

6. "TRANSPORTATION NETWORK RIDER" MEANS A PASSENGER IN A NETWORK TRANSPORTATION VEHICLE FOR WHOM TRANSPORT IS PROVIDED, INCLUDING:

(A) AN INDIVIDUAL WHO USES A TRANSPORTATION NETWORK COMPANY'S ONLINE APPLICATION OR DIGITAL NETWORK TO CONNECT WITH A TRANSPORTATION NETWORK DRIVER TO OBTAIN TRANSPORTATION NETWORK SERVICES IN A TRANSPORTATION NETWORK VEHICLE FOR THE INDIVIDUAL AND ANYONE IN THE INDIVIDUAL'S PARTY; OR

(B) ANYONE FOR WHOM ANOTHER INDIVIDUAL USES A TRANSPORTATION NETWORK COMPANY'S ONLINE APPLICATION OR DIGITAL NETWORK TO OBTAIN TRANSPORTATION NETWORK SERVICES IN A TRANSPORTATION NETWORK VEHICLE.

7. "TRANSPORTATION NETWORK SERVICES" MEANS THE PROVISION OF TRANSPORTATION BY A TRANSPORTATION NETWORK DRIVER TO A TRANSPORTATION NETWORK RIDER WITH WHOM THE TRANSPORTATION NETWORK DRIVER IS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY. THE TERM DOES NOT INCLUDE SERVICES PROVIDED EITHER DIRECTLY BY OR UNDER CONTRACT WITH A POLITICAL SUBDIVISION OR OTHER ENTITY EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 115 OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS AMENDED.

8. "TRANSPORTATION NETWORK VEHICLE" MEANS A MOTOR VEHICLE USED BY A TRANSPORTATION NETWORK DRIVER THAT IS HIS OR HER OWN PERSONAL MOTOR VEHICLE AND ALSO USED TO PROVIDE A PREARRANGED RIDE FOR TRANSPORTATION NETWORK RIDERS MATCHED THROUGH A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK. A TRANSPORTATION NETWORK VEHICLE IS NOT A TAXICAB, AS DEFINED IN SECTION ONE HUNDRED FORTY-EIGHT-A OF THIS CHAPTER, OR A LIVERY AS DEFINED IN SECTION ONE HUNDRED TWENTY-ONE-E OF THIS CHAPTER.

S 2202. REGULATION OF TRANSPORTATION NETWORK COMPANIES.

1. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, TRANSPORTATION NETWORK COMPANIES ARE GOVERNED EXCLUSIVELY BY THIS ARTICLE.

2. THE PROVISIONS OF SECTIONS NINETY-SIX, NINETY-EIGHT, NINETY-NINE, ONE HUNDRED THREE, ONE HUNDRED SIXTEEN, ONE HUNDRED FORTY, ONE HUNDRED FORTY-TWO, ONE HUNDRED FORTY-THREE, ONE HUNDRED FIFTY-TWO, ONE HUNDRED FIFTY-SIX, ONE HUNDRED FIFTY-SEVEN, AND ONE HUNDRED FIFTY-EIGHT OF THE TRANSPORTATION LAW, AND 17 NYCRR PT. 720, 17 NYCRR PT. 721, 17 NYCRR PT. 730, AND 17 NYCRR PT. 741, SHALL NOT APPLY TO TRANSPORTATION NETWORK VEHICLES.

3. THE PROVISIONS OF SUBPARAGRAPH (V) OF PARAGRAPH (A) OF SUBDIVISION TWO OF SECTION FIVE HUNDRED ONE OF THIS CHAPTER SHALL NOT APPLY TO TRANSPORTATION NETWORK COMPANIES OR TRANSPORTATION NETWORK DRIVERS.

S 2203. REGISTRATION, FINANCIAL RESPONSIBILITY OF TRANSPORTATION NETWORK COMPANIES, AND INSURANCE.

1. A TRANSPORTATION NETWORK COMPANY SHALL OBTAIN AUTHORIZATION TO DO BUSINESS IN NEW YORK AS REQUIRED BY SECTION ONE THOUSAND THREE HUNDRED ONE OF THE BUSINESS CORPORATION LAW.

2. A TRANSPORTATION NETWORK COMPANY SHALL FILE WITH THE COMMISSIONER OF MOTOR VEHICLES DOCUMENTATION EVIDENCING THAT THE TRANSPORTATION NETWORK COMPANY OR THE TRANSPORTATION NETWORK DRIVER HAS SECURED PRIMARY LIABILITY INSURANCE COVERAGE FOR THE DRIVER FOR INCIDENTS INVOLVING THE DRIVER DURING A PREARRANGED RIDE INCLUDING, BUT NOT LIMITED TO, A GROUP TRANSPORTATION NETWORK COMPANY POLICY AUTHORIZED PURSUANT TO SECTION THREE THOUSAND FOUR HUNDRED FIFTY-FIVE OF THE INSURANCE LAW. COVERAGE FOR INCIDENTS INVOLVING A DRIVER DURING A PREARRANGED RIDE MUST BE IN THE AMOUNT OF AT LEAST ONE MILLION DOLLARS PER OCCURRENCE. THE INSURANCE POLICY MUST PROVIDE COVERAGE AT ALL TIMES THE DRIVER IS ENGAGED IN A PREARRANGED RIDE. THE INSURANCE POLICY MUST ALSO PROVIDE FOR THE PAYMENT OF FIRST PARTY BENEFITS PURSUANT TO ARTICLE FIFTY-ONE OF THE INSURANCE LAW AND BENEFITS IN ACCORDANCE WITH SECTION THREE THOUSAND FOUR HUNDRED TWENTY OF THE INSURANCE LAW. SUCH COVERAGE MAY BE PROVIDED IN ONE GROUP POLICY OR SEPARATE GROUP POLICIES.

S 2204. OPERATIONAL REQUIREMENTS OF TRANSPORTATION NETWORK COMPANIES.

1. THE FOLLOWING REQUIREMENTS APPLY TO THE PROVISION OF TRANSPORTATION NETWORK SERVICES:

(A) A TRANSPORTATION NETWORK COMPANY SHALL PROVIDE TRANSPORTATION NETWORK SERVICES TO THE PUBLIC IN A NONDISCRIMINATORY MANNER, REGARDLESS OF GEOGRAPHIC LOCATION OF THE DEPARTURE POINT OR DESTINATION, ONCE THE

DRIVER AND RIDER HAVE BEEN MATCHED THROUGH THE DIGITAL NETWORK, AS REQUIRED BY SECTION ONE HUNDRED SIX OF THE TRANSPORTATION LAW.

(B) A TRANSPORTATION NETWORK COMPANY SHALL NOT IMPOSE ADDITIONAL CHARGES FOR PROVIDING TRANSPORTATION NETWORK SERVICES TO PERSONS WITH PHYSICAL OR MENTAL DISABILITIES BECAUSE OF THOSE DISABILITIES AND SHALL REQUIRE TRANSPORTATION NETWORK DRIVERS TO PERMIT A SERVICE ANIMAL TO ACCOMPANY A TRANSPORTATION NETWORK RIDER ON A PREARRANGED RIDE UNLESS THE PRESENCE OF A SERVICE ANIMAL WOULD SIGNIFICANTLY COMPROMISE THE HEALTH OF THE TRANSPORTATION NETWORK DRIVER DUE TO A MEDICALLY DIAGNOSED ALLERGY. IF A TRANSPORTATION NETWORK RIDER WITH PHYSICAL OR MENTAL DISABILITIES REQUIRES THE USE OF THE TRANSPORTATION NETWORK RIDER'S MOBILITY EQUIPMENT, A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE TRANSPORTATION NETWORK DRIVERS TO STORE THE MOBILITY EQUIPMENT IN THE TRANSPORTATION NETWORK VEHICLE DURING A PREARRANGED RIDE IF THE TRANSPORTATION NETWORK VEHICLE IS REASONABLY CAPABLE OF STORING THE MOBILITY EQUIPMENT. IF THE TRANSPORTATION NETWORK DRIVER IS UNABLE TO STORE A TRANSPORTATION NETWORK RIDER'S MOBILITY EQUIPMENT IN THE TRANSPORTATION NETWORK VEHICLE, THE TRANSPORTATION NETWORK DRIVER SHALL REFER THE TRANSPORTATION NETWORK RIDER TO ANOTHER TRANSPORTATION NETWORK DRIVER OR TRANSPORTATION SERVICE PROVIDER WITH A VEHICLE THAT IS EQUIPPED TO ACCOMMODATE THE RIDER'S MOBILITY EQUIPMENT.

(C) A TRANSPORTATION NETWORK COMPANY IS NOT LIABLE FOR A TRANSPORTATION NETWORK DRIVER'S VIOLATION OF PARAGRAPH (B) OF THIS SUBDIVISION UNLESS THE TRANSPORTATION NETWORK DRIVER'S VIOLATION HAS BEEN PREVIOUSLY REPORTED TO THE TRANSPORTATION NETWORK COMPANY IN WRITING, AND THE TRANSPORTATION NETWORK COMPANY HAS FAILED TO REASONABLY ADDRESS THE ALLEGED VIOLATION. THE COMMISSIONER SHALL AFFORD A TRANSPORTATION NETWORK COMPANY THE SAME DUE PROCESS RIGHTS AFFORDED TRANSPORTATION PROVIDERS IN DEFENDING AGAINST CIVIL PENALTIES ASSESSED BY THE COMMISSIONER OF MOTOR VEHICLES.

(D) ALTHOUGH TRANSPORTATION NETWORK COMPANIES MAY PROVIDE PLATFORMS ALLOWING DRIVERS AND PASSENGERS TO "RATE" EACH OTHER, A TRANSPORTATION NETWORK COMPANY SHALL USE REASONABLE EFFORTS TO ENSURE THAT SUCH RATINGS ARE NOT BASED ON UNLAWFUL DISCRIMINATION.

(E) A TRANSPORTATION NETWORK COMPANY SHALL MAKE AVAILABLE TO PROSPECTIVE TRANSPORTATION NETWORK RIDERS AN EXPLANATION OF THE METHOD BY WHICH THE TRANSPORTATION NETWORK COMPANY CALCULATES FARES AND THE OPTION TO DETERMINE AN ESTIMATED FARE ON ITS DIGITAL NETWORK OR WEBSITE.

(F) UPON COMPLETION OF A PREARRANGED RIDE, A TRANSPORTATION NETWORK COMPANY SHALL TRANSMIT TO THE TRANSPORTATION NETWORK RIDER AN ELECTRONIC RECEIPT DOCUMENTING: (I) THE POINT OF ORIGIN AND DESTINATION OF THE PREARRANGED RIDE; (II) THE TOTAL DURATION AND DISTANCE OF THE PREARRANGED RIDE; (III) THE TOTAL FARE PAID, INCLUDING THE BASE FARE AND ANY ADDITIONAL CHARGES INCURRED FOR DISTANCE TRAVELED OR DURATION OF THE PREARRANGED RIDE; AND (IV) THE DRIVER'S FIRST NAME.

(G) A TRANSPORTATION NETWORK COMPANY SHALL MAKE AVAILABLE TO ALL TRANSPORTATION NETWORK RIDERS A CUSTOMER SUPPORT CONTACT ON ITS DIGITAL NETWORK OR WEBSITE FOR TRANSPORTATION NETWORK RIDER INQUIRIES.

(H) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL CONFIRM THAT THE PERSON IS AT LEAST TWENTY-ONE YEARS OF AGE AND POSSESSES: (I) A VALID DRIVER'S LICENSE; (II) PROOF OF AUTOMOBILE INSURANCE; AND (III) PROOF OF A NEW YORK VEHICLE REGISTRATION;

(I) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE EACH TRANSPORTATION NETWORK DRIVER TO WEAR A SAFETY BELT WHILE PERFORMING TRANSPORTA-

TION NETWORK SERVICES. THE TRANSPORTATION NETWORK COMPANY SHALL ESTABLISH A DRIVER TRAINING PROGRAM FOR ALL TRANSPORTATION NETWORK DRIVERS CONCERNING SAFETY AND PROPER OPERATION OF A TRANSPORTATION NETWORK VEHICLE PRIOR TO THE DRIVER BEING ABLE TO OFFER SERVICE.

(J) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL OBTAIN THE PROSPECTIVE TRANSPORTATION NETWORK DRIVER'S CRIMINAL HISTORY FROM THE DEPARTMENT OF CRIMINAL JUSTICE SERVICES OR AN EQUIVALENT CRIMINAL HISTORY FROM A THIRD PARTY PROVIDER. A TRANSPORTATION COMPANY SHALL NOT PERMIT AN INDIVIDUAL TO PROVIDE TRANSPORTATION NETWORK SERVICES AS A TRANSPORTATION NETWORK DRIVER IF THE INDIVIDUAL HAS BEEN CONVICTED OF A SERIOUS CRIMINAL OFFENSE.

(K) A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE ALL TRANSPORTATION NETWORK DRIVERS TO REPORT ANY CRIMINAL CONVICTIONS IMMEDIATELY AND SHALL NO LONGER PERMIT A TRANSPORTATION NETWORK DRIVER TO PROVIDE TRANSPORTATION NETWORK SERVICES IF THE TRANSPORTATION NETWORK COMPANY BECOMES AWARE THAT THE SUBJECT TRANSPORTATION NETWORK DRIVER HAS BEEN CONVICTED OF A SERIOUS CRIMINAL OFFENSE.

(L) BEFORE PERMITTING A PERSON TO ACT AS A TRANSPORTATION NETWORK DRIVER, A TRANSPORTATION NETWORK COMPANY SHALL CONDUCT A REVIEW OF THE DRIVING RECORD OF EVERY PROSPECTIVE TRANSPORTATION NETWORK DRIVER AND SHALL NOT PERMIT AN INDIVIDUAL TO BECOME A TRANSPORTATION NETWORK DRIVER IF SUCH INDIVIDUAL HAS MORE THAN THREE MOVING VIOLATIONS WITHIN THE TWELVE MONTH PERIOD PRIOR TO PROVIDING TRANSPORTATION NETWORK SERVICES AS A TRANSPORTATION NETWORK DRIVER.

(M) A TRANSPORTATION NETWORK COMPANY SHALL INSTITUTE A ZERO TOLERANCE INTOXICATING SUBSTANCE POLICY WITH RESPECT TO TRANSPORTATION NETWORK DRIVERS AS FOLLOWS: (I) THE TRANSPORTATION NETWORK COMPANY SHALL INCLUDE ON ITS WEBSITE, MOBILE APPLICATION AND TRANSPORTATION NETWORK RIDERS' RECEIPTS A NOTICE CONCERNING THE TRANSPORTATION NETWORK COMPANY'S ZERO-TOLERANCE POLICY AND THE METHODS TO REPORT A DRIVER WHOM THE RIDER REASONABLY SUSPECTS WAS UNDER THE INFLUENCE OF DRUGS OR ALCOHOL DURING THE COURSE OF THE TRANSPORTATION NETWORK RIDE; AND (II) PROMPTLY AFTER A ZERO-TOLERANCE COMPLAINT IS FILED, THE TRANSPORTATION NETWORK COMPANY SHALL SUSPEND THE TRANSPORTATION NETWORK DRIVER FOR FURTHER INVESTIGATION.

(N) A TRANSPORTATION NETWORK COMPANY SHALL REQUIRE THAT EACH TRANSPORTATION NETWORK VEHICLE DISPLAYS A MARKING THAT IDENTIFIES THE VEHICLE AS A TRANSPORTATION NETWORK VEHICLE THAT IS VISIBLE FROM THE EXTERIOR OF THE VEHICLE AT ALL TIMES DURING WHICH THE VEHICLE IS BEING USED AS A TRANSPORTATION NETWORK VEHICLE. THE MOBILE PHONE APPLICATION USED BY A TRANSPORTATION NETWORK COMPANY TO CONNECT DRIVERS AND RIDERS MUST DISPLAY FOR THE TRANSPORTATION NETWORK RIDER: A PICTURE OF THE TRANSPORTATION NETWORK DRIVER AND A PICTURE OF THE TRANSPORTATION NETWORK VEHICLE THE TRANSPORTATION NETWORK DRIVER IS APPROVED TO USE, INCLUDING THE LICENSE PLATE NUMBER TO IDENTIFY THE TRANSPORTATION NETWORK VEHICLE.

(O) A TRANSPORTATION NETWORK COMPANY SHALL NOT PERMIT A TRANSPORTATION NETWORK DRIVER TO OFFER OR PROVIDE TRANSPORTATION NETWORK SERVICES FOR MORE THAN TWELVE CONSECUTIVE HOURS.

(P) A TRANSPORTATION NETWORK COMPANY SHALL IMPLEMENT AN INTOXICATING SUBSTANCE POLICY FOR TRANSPORTATION NETWORK DRIVERS THAT DISALLOWS ANY AMOUNT OF INTOXICATION OF THE TRANSPORTATION NETWORK DRIVER WHILE PROVIDING TRANSPORTATION NETWORK SERVICES. THE TRANSPORTATION NETWORK COMPANY SHALL INCLUDE ON ITS WEBSITE AND MOBILE DEVICE APPLICATION SOFTWARE A NOTICE CONCERNING THE TRANSPORTATION NETWORK COMPANY'S INTOXICATING SUBSTANCE POLICY.

(Q) A TRANSPORTATION NETWORK COMPANY SHALL MAKE THE FOLLOWING DISCLOSURE TO A PROSPECTIVE TRANSPORTATION NETWORK DRIVER IN THE PROSPECTIVE TRANSPORTATION NETWORK DRIVER'S TERMS OF SERVICE:

WHILE OPERATING ON THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK, YOUR PERSONAL AUTOMOBILE INSURANCE MIGHT NOT AFFORD LIABILITY COVERAGE, DEPENDING ON THE POLICY'S TERMS.

(R) A TRANSPORTATION NETWORK COMPANY SHALL MAKE THE FOLLOWING DISCLOSURE THAT IS PLACED PROMINENTLY IN THE PROSPECTIVE TRANSPORTATION NETWORK DRIVER'S WRITTEN TERMS OF SERVICE:

IF THE VEHICLE THAT YOU PLAN TO USE TO PROVIDE TRANSPORTATION NETWORK SERVICES FOR OUR TRANSPORTATION NETWORK COMPANY HAS A LIEN AGAINST IT, YOU MUST NOTIFY THE LIENHOLDER THAT YOU WILL BE USING THE VEHICLE FOR TRANSPORTATION NETWORK SERVICES THAT MAY VIOLATE THE TERMS OF YOUR CONTRACT WITH THE LIENHOLDER.

(S) OTHER THAN THE DISCLOSURE OF AGGREGATED USER DATA AND OTHER INFORMATION ABOUT TRANSPORTATION NETWORK USERS THAT IS NOT PERSONALLY IDENTIFIABLE, A TRANSPORTATION NETWORK COMPANY SHALL NOT DISCLOSE TO A THIRD PARTY ANY PERSONALLY IDENTIFIABLE INFORMATION CONCERNING A USER OF THE TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK UNLESS: (I) THE TRANSPORTATION NETWORK COMPANY OBTAINS THE USER'S CONSENT TO DISCLOSE PERSONALLY IDENTIFIABLE INFORMATION; (II) DISCLOSURE IS NECESSARY TO COMPLY WITH A LEGAL OBLIGATION; OR (III) DISCLOSURE IS NECESSARY TO PROTECT OR DEFEND THE TERMS AND CONDITIONS FOR USE OF THE SERVICE OR TO INVESTIGATE VIOLATIONS OF THE TERMS AND CONDITIONS.

2. IF ANY PERSON FILES A COMPLAINT WITH THE COMMISSIONER OF MOTOR VEHICLES AGAINST A TRANSPORTATION NETWORK COMPANY OR TRANSPORTATION NETWORK DRIVER, THE COMMISSIONER MAY INSPECT THE TRANSPORTATION NETWORK COMPANY'S RECORDS AS REASONABLY NECESSARY TO INVESTIGATE AND RESOLVE THE COMPLAINT.

S 2205. TRANSPORTATION NETWORK SERVICE LIMITATIONS. A TRANSPORTATION NETWORK DRIVER SHALL NOT PROVIDE TRANSPORTATION NETWORK SERVICES UNLESS A TRANSPORTATION NETWORK COMPANY HAS MATCHED THE TRANSPORTATION NETWORK DRIVER TO A TRANSPORTATION NETWORK RIDER THROUGH A DIGITAL NETWORK. A TRANSPORTATION NETWORK DRIVER SHALL NOT SOLICIT OR ACCEPT THE ON-DEMAND SUMMONING OF A RIDE, OTHERWISE KNOWN AS A "STREET HAIL".

S 2206. VEHICLE REQUIREMENTS FOR TRANSPORTATION NETWORK VEHICLES.

1. THE FOLLOWING REQUIREMENTS APPLY TO THE TRANSPORTATION NETWORK VEHICLES:

(A) A TRANSPORTATION NETWORK VEHICLE MUST HAVE AT LEAST FOUR DOORS AND BE DESIGNED TO CARRY NO MORE THAN EIGHT PASSENGERS, INCLUDING THE TRANSPORTATION NETWORK DRIVER.

(B) A TRANSPORTATION NETWORK VEHICLE SHALL DISPLAY THE NAME OR LOGO OF THE TRANSPORTATION NETWORK COMPANY AFFIXED TO THE WINDSHIELD IN A FORM AND MANNER THAT IS VISIBLE FROM THE EXTERIOR OF THE VEHICLE.

(C) EACH TRANSPORTATION NETWORK VEHICLE MUST BE INSPECTED NO LESS FREQUENTLY THAN EVERY TWELVE MONTHS BY AN OFFICIAL INSPECTION STATION LICENSED PURSUANT TO SECTION THREE HUNDRED THREE OF THIS CHAPTER, OR, IF THE TRANSPORTATION NETWORK VEHICLE IS REGISTERED IN ANOTHER STATE, BY THE AGENCY RESPONSIBLE FOR VEHICLE REGISTRATION AND INSPECTION IN THAT STATE, AND EACH TRANSPORTATION NETWORK VEHICLE MUST DISPLAY A VALID INSPECTION STICKER INDICATING THE DATE OF THE LAST INSPECTION AND/OR THE EXPIRATION DATE, IF SUCH STICKERS ARE ISSUED BY THE STATE OF REGISTRATION.

S 2207. PERMIT REQUIRED FOR TRANSPORTATION NETWORK COMPANIES, PENALTY FOR VIOLATION, AND RULES.

1. A PERSON SHALL NOT OPERATE A TRANSPORTATION NETWORK COMPANY IN NEW YORK WITHOUT FIRST HAVING OBTAINED A PERMIT FROM THE COMMISSIONER OF MOTOR VEHICLES.

2. THE COMMISSIONER OF MOTOR VEHICLES SHALL ISSUE A PERMIT TO EACH TRANSPORTATION NETWORK COMPANY THAT MEETS THE REQUIREMENTS OF THIS ARTICLE AND PAYS AN ANNUAL PERMIT FEE.

3. THE ANNUAL PERMIT FEE SHALL BE ESTABLISHED AND LEVIED BY THE COMMISSIONER OF MOTOR VEHICLES SUBJECT TO THE APPROVAL OF THE DIRECTOR OF THE DIVISION OF THE BUDGET IN AN AMOUNT THAT IS REASONABLY SUFFICIENT TO RAISE FUNDS TO DEFRAY THE EXPENSES OF THE DEPARTMENT IN ADMINISTERING AND ENFORCING THIS ARTICLE. THE COMMISSIONER MAY PROMULGATE THE RULES AND REGULATIONS NECESSARY TO ADMINISTER THE ANNUAL PERMIT FEE.

4. THE COMMISSIONER OF MOTOR VEHICLES SHALL DETERMINE A REASONABLE FORM AND MANNER OF APPLICATION FOR A TRANSPORTATION NETWORK COMPANY PERMIT.

5. A PERMIT MAY BE SUSPENDED BY THE COMMISSIONER OF MOTOR VEHICLES FOR FAILURE TO COMPLY WITH THE INSURANCE, REPORTING, OR SAFETY REQUIREMENTS OF THIS ARTICLE. ANY SUCH PERMIT MAY THEREAFTER BE REVOKED IN NO LESS THAN THIRTY DAYS AFTER THE DATE OF SUSPENSION ORDERED BY THE COMMISSIONER OF MOTOR VEHICLES IF THE CARRIER DOES NOT COMPLY WITH THE RATE, INSURANCE, ANNUAL REPORTING, OR SAFETY REQUIREMENTS OF THIS ARTICLE.

6. FOR A VIOLATION OF THIS ARTICLE OR A FAILURE TO COMPLY WITH A COMMISSIONER OF MOTOR VEHICLES ORDER, DECISION, OR RULE ISSUED UNDER THIS ARTICLE, A TRANSPORTATION NETWORK COMPANY IS SUBJECT TO THE COMMISSIONER'S AUTHORITY UNDER THIS CHAPTER.

7. THE COMMISSIONER OF MOTOR VEHICLES MAY DENY AN APPLICATION UNDER THIS ARTICLE OR REFUSE TO RENEW THE PERMIT OF A TRANSPORTATION NETWORK COMPANY BASED ON A DETERMINATION THAT THE TRANSPORTATION NETWORK COMPANY HAS NOT SATISFIED A CIVIL PENALTY ARISING OUT OF AN ADMINISTRATIVE OR ENFORCEMENT ACTION BROUGHT BY THE COMMISSIONER.

S 2208. DRIVER LICENSING REQUIREMENT. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A CLASS D DRIVER'S LICENSE SHALL BE VALID FOR THE PERFORMANCE OF TRANSPORTATION NETWORK SERVICES BY A TRANSPORTATION NETWORK DRIVER.

S 2209. DISTRIBUTION OF FEES AND PENALTIES. ALL PERMIT FEES CHARGED AND COLLECTED BY THE COMMISSIONER UNDER THIS ARTICLE SHALL BE DEPOSITED BY THE COMPTROLLER INTO THE SPECIAL OBLIGATION RESERVE AND PAYMENT ACCOUNT OF THE HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED PURSUANT TO SECTION EIGHTY-NINE-B OF THE STATE FINANCE LAW. ALL MONEYS RECOVERED IN AN ACTION TO RECOVER A PENALTY OR FORFEITURE SHALL BE PAID INTO THE STATE TREASURY TO THE CREDIT OF THE GENERAL FUND.

S 2210. RULES AND INSPECTIONS.

1. THE COMMISSIONER MAY PROMULGATE RULES CONSISTENT WITH THIS ARTICLE, INCLUDING RULES CONCERNING ADMINISTRATION, FEES, AND SAFETY REQUIREMENTS SO LONG AS THOSE RULES DO NOT EXPAND THE SUBSTANTIVE REQUIREMENTS OF THIS ARTICLE.

2. THE COMMISSIONER MAY PROMULGATE RULES REQUIRING A TRANSPORTATION NETWORK COMPANY TO MAINTAIN AND FILE WITH THE COMMISSIONER EVIDENCE OF FINANCIAL RESPONSIBILITY AND PROOF OF THE CONTINUED VALIDITY OF THE INSURANCE POLICY, SURETY BOND, OR SELF-INSURANCE.

3. A TRANSPORTATION NETWORK DRIVER MAY BE ORDERED BY A CITY WITH A POPULATION OF ONE MILLION OR MORE, OR A COUNTY WITHIN NEW YORK STATE CONTIGUOUS TO SUCH CITY OR THE COUNTY OF SUFFOLK OR THE COUNTY OF ROCKLAND TO REPAIR THE TRANSPORTATION NETWORK VEHICLE WHERE IT APPEARS THAT THE TRANSPORTATION NETWORK VEHICLE NO LONGER MEETS THE REASONABLE STANDARDS FOR SAFE OPERATION PRESCRIBED BY REGULATIONS OF SUCH JURISDICTION.

UPON FAILURE OF THE TRANSPORTATION NETWORK VEHICLE OWNER TO COMPLY WITH SUCH AN ORDER WITHIN TEN DAYS AFTER SERVICE THEREOF, THE TRANSPORTATION NETWORK COMPANY SHALL NO LONGER PERMIT SUCH TRANSPORTATION NETWORK VEHICLE TO BE USED FOR TRANSPORTATION NETWORK SERVICES.

S 10. This act shall take effect immediately.