Transportation Network Company Registration Act Info Sheet

This info sheet addresses how Transportation Network Companies (TNCs), and those who drive for TNCs, are regulated under Utah law. TNCs are companies that connect drivers and passengers thorough a software application (an app)—Uber and Lyft are TNCs. TNCs are regulated by the State of Utah's Division of Consumer Protection within the Department of Commerce.

Under Utah law, local governments (like Park City Municipal Corporation) cannot regulate any areas regarding TNCs that are regulated by state law. The only exception to this is local government regulations regarding TNCs at an airport.

Driver Regulations:

Drivers may only provide rides through the app. They may only accept payment through the app.

Drivers are independent contractors of a TNC and not TNC employees.

Drivers must follow the TNC's policy prohibiting unlawful discrimination. They must accommodate service animals or individuals with a disability, without any additional charge.

To drive for a TNC, a driver must:

- Consent to a criminal background check by the TNC or the TNC's designee and a report on the individual's driving history.
- TNCs may not allow an individual to drive who:
 - Has more than three moving violations in the three years before their application;
 - Has been convicted, in the seven years before the application, of:
 - driving under the influence of alcohol or drugs; fraud; a sexual offense; a felony involving a motor vehicle; a crime involving property damage; a crime involving theft; a crime of violence; or an act of terror.
 - Is required to register as a sex offender;
 - Does not have a valid Utah driver license; or
 - Is not at least 19 years old.

Drivers may not provide TNC services unless their vehicles comply with equipment and emissions standards in <u>Utah Code §§ 41-6a-1601 and 41-6a-1642</u>.

<u>Insurance Requirements:</u>

A driver must carry proof that they are covered by insurance that covers, on a primary basis, the driver's use of the vehicle during a ride that includes:

- An acknowledgment that the vehicle is being used for TNC services or for commercial purposes;
- Liability coverage for a minimum amount of \$1,000,000 per occurrence during a ride;
- Liability coverage for a minimum amount of \$50,000/individual; \$100,000 to all individuals; and \$30,000 for property damage during a period while the driver is logged into the app and waiting for a ride; and
- Personal injury protection, uninsured motorist coverage, and underinsured motorist coverage under <u>Utah Code §§ 31A-22-306, 309, 305, 305.3</u>.

The insurance requirements may be satisfied by the driver purchasing the policy, the TNC purchasing the policy on the driver's behalf, or some combination.

TNC must disclose to the driver:

- A description of the insurance coverage the TNC provides the driver, including the liability limit;
- That the driver's personal insurance may not provide coverage when the driver is providing TNC services;
- That if the driver is using a vehicle with a lien, the driver must notify the lienholder that the vehicle is being used for TNC services;
- That using a vehicle with a lien may violate the driver's contract with the lienholder.

If an incident occurs while a driver is providing TNC services, the TNC and TNC's insurer must cooperate with the insurer that insures the vehicle, including providing information from the app about the incident, within in 10 business days.

Company Regulations:

TNCs must register with the Division. The registration is valid for one year and renewable if the TNC continues to meet the statutory requirements. TNCs must maintain an agent for service of process in Utah and they must notify the Division of the agent's name and address.

TNCs must:

- Post the method for calculating the fare and provide the passenger the rate used to calculate the fare;
- Allow the passenger to obtain an estimated fare before entering the vehicle;
- Display a picture of the driver before the passenger enters the vehicle; and
- Transmit a receipt shortly after the ride is complete, including the ride's start and end points; total time and distance; and an itemization of the total fare.

TNCs must have a policy prohibiting drivers from being under the influence of a drug or alcohol while providing TNC services. When a TNC receives a complaint that a driver is suspected of violating the policy, the TNC must suspend the driver and investigate the complaint.

TNCs must maintain records of all trips and all driver information for a minimum of five years.