

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2068

Introduced by Assembly Member Nazarian

February 20, 2014

An act to *add Chapter 8.5 (commencing with Section 5430) to Division 2 of the Public Utilities Code, and to amend Section 40833 260 of the Vehicle Code, relating to vehicles transportation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2068, as amended, Nazarian. ~~Vehicles: civil actions: evidence. Transportation network companies: operating requirements.~~

The Passenger Charter-party Carriers' Act, with certain exceptions, prohibits a charter-party carrier of passengers from engaging in transportation services subject to regulation by the Public Utilities Commission without obtaining a specified certificate or permit, as appropriate, from the commission, and imposes various other requirements. Existing law establishes various exclusions to the act. Pursuant to existing law, the commission has adopted rules and regulations relating to public safety risks in the operation of transportation network companies. Existing regulations define a transportation network company as an organization that provides prearranged transportation services for compensation using an online-enabled platform to connect passengers with drivers using their personal vehicles.

Existing regulations of the commission require, among other things, a transportation network company to (1) obtain an operating permit from the commission, (2) conduct a criminal background check of each driver, (3) establish a driver training program, (4) adopt a

zero-tolerance policy on drugs and alcohol, (5) acquire a commercial liability policy of at least \$1,000,000 per-incident coverage for incidents involving transportation network company vehicles and drivers in transit to or during a transportation network company trip, (6) carry workers' compensation insurance for the company's employees, and (7) conduct a 19-point motor vehicle inspection of the vehicles operated by drivers under contract with the company.

This bill would more broadly define "transportation network company" by excluding the requirement that a transportation network company trip be prearranged and would require the commission to adopt additional rules and regulations that would require a transportation network company to meet specified requirements that include, among other things, participation in the Employer Pull Notice Program administered by the Department of Motor Vehicles, registration of the vehicles of its participating drivers as commercial vehicles, and placing permanent markings on the rear bumper of each of those vehicles that can be easily seen by the driving public and law enforcement agencies. The bill would authorize a city, county, or a city and county to adopt standards and requirements for clean fuel or clean air vehicles operated by a transportation network company and concerning the number of transportation network company vehicles that may operate in its jurisdiction. The bill would also require the Department of Food and Agriculture to establish a process for approving and sealing online-enabled applications or platforms utilized by a transportation network company.

~~Existing law requires that specified accident reports, certain actions taken by the Department of Motor Vehicles, the findings, if any, of the department upon which an action at law is based because of an accident, and specified security required to be filed under the Vehicle Code, not be referred to in any way, or be evidence of the negligence or due care of any party, at the trial of any action at law to recover damages.~~

~~This bill would make technical, nonsubstantive changes to these provisions:~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 8.5 (commencing with Section 5430) is
- 2 added to Division 2 of the Public Utilities Code, to read:

1 *CHAPTER 8.5. TRANSPORTATION NETWORK COMPANIES*

2
3 5430. As used in this chapter, a “transportation network
4 company” is an organization, including, but not limited to, a
5 corporation, partnership, sole proprietor, operating in this state
6 that provides transportation services for compensation using an
7 online-enabled application or platform to connect passengers with
8 drivers using their personal vehicles.

9 5432. The commission shall adopt rules and regulations that
10 require a transportation network company to do all of the
11 following:

12 (a) Adopt a drug and alcohol testing program that meets the
13 requirements of Section 53075.5 of the Government Code.

14 (b) Adopt a driver background check program that meets the
15 requirements of Section 12517.3 of the Vehicle Code.

16 (c) Participate in the Employer Pull Notice (EPN) Program
17 administered by the Department of Motor Vehicles.

18 (d) Submit its online-enabled application or platform along
19 with the algorithms used to measure the cost of trips to the
20 Department of Food and Agriculture for approval and sealing by
21 the department to determine that the online-enabled application
22 or platform and mobile electronic devices used by the
23 transportation network company and its participating drivers are
24 charging the correct amount for each trip.

25 (e) Ensure that the vehicles of its participating drivers are
26 registered as commercial vehicles.

27 (f) Place permanent markings on the rear bumper of each
28 vehicle providing transportation network company services that
29 can be easily seen by the driving public and law enforcement
30 agencies.

31 5433. The Department of Food and Agriculture shall establish
32 a process for approving and sealing online-enabled applications
33 or platforms utilized by a transportation network company.

34 5434. (a) A city, county, or city and county may adopt
35 standards and requirements for clean fuel or clean air vehicles
36 operated by a transportation network company.

37 (b) A city, county, or city and county may adopt standards and
38 requirements concerning the number of transportation network
39 company vehicles that may operate in its jurisdiction.

40 SEC. 2. Section 260 of the Vehicle Code is amended to read:

1 260. (a) (1) A “commercial vehicle” is a motor vehicle of a
2 type required to be registered under this code used or maintained
3 for the transportation of persons for hire, compensation, or profit
4 or designed, used, or maintained primarily for the transportation
5 of property.

6 (2) *A passenger vehicle or passenger transportation vehicle*
7 *operated for compensation in connection with a transportation*
8 *network company is a commercial vehicle.*

9 (b) Passenger vehicles and house cars that are not used for the
10 transportation of persons for hire, compensation, or profit are not
11 commercial vehicles. This subdivision shall not apply to Chapter
12 4 (commencing with Section 6700) of Division 3.

13 (c) Any vanpool vehicle is not a commercial vehicle.

14 (d) The definition of a commercial vehicle in this section does
15 not apply to Chapter 7 (commencing with Section 15200) of
16 Division 6.

17 ~~SECTION 1. Section 40833 of the Vehicle Code is amended~~
18 ~~to read:~~

19 ~~40833. The report required by Section 16000, 16001, 16002,~~
20 ~~or 16003, the action taken by the department pursuant to Chapter~~
21 ~~1 (commencing with Section 16000) of Division 7, the findings,~~
22 ~~if any, of the department upon which an action is based, or the~~
23 ~~security filed as provided in that chapter shall not be referred to~~
24 ~~in any way, or be evidence of the negligence or due care of a party,~~
25 ~~at the trial of any action at law to recover damages.~~