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S.F. No. 4780 – Regulation of transportation network companies – 1st engrossment

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S.F. 4780 proposes to regulate transportation network companies with regard to insurance, pay transparency, minimum compensation, deactivation procedures, enforcement, and other provisions affecting transportation network companies and transportation network company drivers.

Section 1. **Transportation network financial responsibility.** [65B.472] **Subdivision 1** provides new definitions for terms used in this section. Terms include “disability and income loss benefits;” “P1,” “P2,” and “P3;” “funeral and burial expenses,” “medical expense benefit,” “personal injury,” “replacement services loss benefits,” “survivors economic loss benefits,” and “survivors replacement services loss benefits.”

Subdivision 2 clarifies the driver time periods during which automobile insurance requirements apply and who is responsible for maintaining coverage for those time periods. Requires a TNC to provide, at no cost to a TNC driver, insurance that provides reimbursement for loss suffered through injury arising from the driver's work for the TNC not covered by auto coverage of \$1,000,000 per incident due to personal injury, including medical expense benefits, disability and income loss benefits, funeral and burial expenses, replacement services loss benefits, survivor's economic loss benefits, and survivor's replacement services loss benefits. Allows an insurer authorized to write accident and sickness insurance in Minnesota to issue a blanket accident and sickness policy as described after approval of the form by the commissioner of commerce.

Subdivisions 3 and 4 make conforming changes to reference the additional coverage provided and covered driver time periods.

Section 2. **Definitions.** [181C.01] Defines terms used in this section including “deactivation,” “digital network,” “driver time periods,” “personal vehicle,” “transportation network company,” “transportation network driver” and “transportation network rider.”

Section 3. **Notice and pay transparency.** [181C.02] **Subdivision 1** specifies the compensation notice information a TNC must provide a driver including: the right to legally required minimum compensation; the frequency and manner of a driver's pay; the rights and remedies available to a driver for a TNC's failure to comply minimum compensation requirements; and the driver's right to elect coverage of paid family and medical leave benefits provided under law. Requires the notice to be provided annually in the languages specified.

Subdivision 2 requires a TNC to make a ride offer available for sufficient time and with information estimating the travel time and compensation when alerting a driver of assignments.

Subdivision 3 requires a TNC to provide drivers with a detailed electronic receipt with information on the date, locations, mileage, fare or fee, and total compensation for each unique trip or portion of a unique trip within 24 hours of each trip completion.

Subdivision 4 requires a TNC to provide a weekly summary to drivers containing information on total in-application time logged, total time and mileage for trip segments, total fares or fees paid by riders, and total compensation to the driving including tips.

Subdivision 5 requires a TNC to maintain trip receipts and weekly summary records for three years.

Section 4. **Minimum compensation.** [181C.03] Provides the minimum compensation amounts to be paid by a TNC to a driver for each trip on a per mile, per minute basis, additional amounts for mobility aid access or as a cancellation fee, and a minimum fee of \$5.00 for any transport of a rider.

Requires a TNC to pay a driver over a reasonable period not to exceed 14 calendar days. Specifies that gratuities are the property of the driver and not part of minimum compensation. Requires a TNC to compare earnings against minimum compensation and account for any difference to the driver. Requires payment of a driver regardless of whether the TNC actually collects the fares or fees for a trip. Requires minimum compensation to be adjusted annually using the same process as the statewide minimum wage.

Section 5. **Deactivation.** [181C.04] **Subdivision 1** requires a TNC to have a clear written policy for the suspension or termination of a driver's ability to receive connection to riders from the TNC. Requires the policy to be available to drivers at least 30 days before the policy goes into effect and to be provided in the additional languages specified.

Subdivision 2 prohibits a TNC from deactivating a driver for a violation that is not a part of the written policy; a driver's ability to work a minimum number of hours; acceptance or rejection of a ride; a driver's good faith statement about compensation or working conditions; or asserting legal rights under the law.

Subdivision 3 except for serious misconduct by a driver, requires a TNC to provide a written notice of deactivation to a driver three business days before deactivation. Requires the notice to provide the reason for deactivation, anticipated length, effective date, steps for the driver to take to reverse a deactivation, instructions to challenge the deactivation and the appeals process, and information on how to contact a driver advocacy group for assistance.

Subdivision 4 specifies that a driver advocacy group must be an independent organization operating without control or influence from the TNC.

Subdivision 5 provides an appeal process for deactivations. Requires a deactivation policy to provide a driver at least 30 days to appeal a deactivation and to allow for an initial meeting no later than seven days after a deactivation. Requires a decision on an appeal within 15 days of receipt of the appeal and if not made within that time may not form the basis of any further deactivation. For deactivations based on an allegation of serious misconduct, the TNC must follow a separate timeline. Requires the TNC to consider information provided by a driver. Provides evidentiary standards for upholding a deactivation. Specifies that the appeal process does not apply to deactivations for economic reasons. Requires reasonable compensation to a driver that was deactivated due to a technical issue.

Subdivision 6 allows a driver deactivated after January 1, 2021, but before August 1, 2024, to request an appeal of a deactivation if the appeal is made within 90 days of enactment. Requires a TNC to contact the deactivated drivers to provide notice of a right to appeal using the methods specified for contact. Allows a TNC to take up to 30 days to conduct and initial meeting with a deactivated driver and up to 45 days to issue a final decision.

Provides an **effective date** of August 1, 2024, except as provided for subdivision 6 (process and timeline for prior deactivations).

Section 6. **Private civil action; enforcement.** [181C.05] Allows a driver or a driver's beneficiary to bring a civil action against a TNC in district court for violations of sections 181C.02 (pay transparency), 181C.03 (minimum compensation), and 181C.04 (deactivation), or for retaliating against or disciplining a TNC driver. Provides a two-year statute of limitations to bring an action. Allows the DLI commissioner to issue compliance orders for violations. Provides enforcement authority to the attorney general. Prohibits retaliation or discipline by a TNC against a driver for raising a complaint or pursuing enactment or enforcement of the TNC law.

Section 7. **Discrimination prohibited.** [181C.06] Prohibits a TNC from discriminating against drivers or qualified applicants due to race, national origin, color, creed, religion, sex, disability, sexual orientation, marital status, or gender identity. Entitles a driver injured by a violation of this section to access the remedies provided under sections 363A.28 to 363A.35 (Human Rights).

Section 8. **Collective bargaining agreements.** [181C.07] Specifies that this chapter does not prohibit collective bargaining.

Section 9. **Forced arbitration prohibited.** [181C.08] Provides that the rights and remedies provided in Chapter 181C do not need to be pursued through arbitration and that arbitration is at the election of the driver. Provides that drivers are entitled to the rights and damages as provided in this chapter in a case that goes to arbitration.

Section 10. **Revocation of license.** [181C.09] Allows a local unit of government to refuse to issue or revoke a license and right to operate issued to a TNC for a TNC's failure to comply with this chapter.

