

SENATE BILL NO. 439—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

MARCH 23, 2015

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Provides for the permitting and regulation of transportation network companies. (BDR 58-633)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to transportation services; providing for the regulation by the Public Utilities Commission of Nevada of transportation network companies; requiring the establishment of fees and annual assessments for a transportation network company; authorizing a transportation network company that holds a valid permit issued by the Commission to make its digital network or software application service available to one or more drivers to receive connections to passengers from the company; establishing requirements concerning the qualifications of, the provision of insurance for and the operation and maintenance of motor vehicles operated by drivers who provide transportation services; prohibiting a local government from imposing on a transportation network company or a driver for such a company any additional tax or fee or requirement as a condition of providing transportation services; providing that a transportation network company or driver who provides transportation services pursuant to a valid permit issued by the Commission is not subject to certain provisions of law governing motor carriers; providing penalties; and providing other matters properly relating thereto.



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Legislative Counsel's Digest:

This bill provides for the permitting by the Public Utilities Commission of Nevada of transportation network companies and the regulation by the Commission of the provision of transportation services. **Section 5** of this bill defines a "transportation network company" as an entity that uses a digital network or software application service to connect passengers to drivers who can provide transportation services to passengers. **Section 6** of this bill defines "transportation services" as the transportation by motor vehicle of one or more passengers between points chosen by the passenger or passengers and prearranged with a driver through the use of the digital network or software application service of a transportation network company. **Section 7** of this bill provides that it is the purpose and policy of the Legislature in enacting this bill to ensure the safety, reliability and cost-effectiveness of the transportation services provided by drivers affiliated with transportation network companies in this State.

Section 8 of this bill prohibits any person from doing business in this State as a transportation network company unless the person holds a valid permit issued by the Commission pursuant to the provisions of this bill. **Section 9** of this bill provides for the submission to the Commission of an application for a permit. **Section 10** of this bill requires the Commission to issue a permit to an applicant upon a determination by the Commission that the applicant meets all the applicable requirements for the issuance of the permit. **Section 10** further provides that a permit issued by the Commission authorizes a transportation network company to: (1) connect passengers to a driver who can provide transportation services through the use of a digital network or software application service; and (2) make its digital network or software application service available to one or more drivers to receive connections from the company. Additionally, **section 10** provides that a permit issued by the Commission does not authorize a transportation network company to engage in any activity regulated pursuant to chapter 706 of NRS, relating to motor carriers. **Section 11** of this bill requires the Commission to establish a fee for the issuance of a permit to operate a transportation network company. **Section 11** also requires the payment of an annual assessment by each transportation network company in this State beginning in the year after the company receives a permit. **Section 11** additionally requires the Commission to collect from a company a fee of 25 cents for each trip for which a driver provides transportation services using the company's digital network or software application service and to deposit this amount for credit to the State Highway Fund.

Section 14 of this bill authorizes a transportation network company to enter into agreements with one or more drivers to receive connections to potential passengers from the company. **Section 14** establishes the minimum qualifications for drivers and requires a transportation network company to conduct an investigation of the background of each driver, which must include a criminal background check, a search of a database containing information from the sex offender website maintained by each state and a review of the complete driving history of the driver. Further, **section 14** sets forth the conditions for which a transportation network company must terminate an agreement with a driver.

Section 15 of this bill provides that a transportation network company may, on behalf of a driver, charge a fare for the provision of transportation services by the driver and places certain requirements on the company concerning the fares and the information which must be provided to passengers concerning the amount and the calculation of fares.

Section 16 of this bill: (1) prohibits a transportation network company from allowing any driver who operates a motor vehicle that is not in compliance with all federal, state and local laws governing the operation and maintenance of a motor vehicle to be connected to potential passengers; and (2) requires annual inspections of each motor vehicle operated by a driver.



Sections 35-45 of this bill establish certain requirements concerning the provision of insurance for the payment of tort liabilities arising from the operation of a motor vehicle by a driver who provides transportation services.

Section 18 of this bill prohibits discrimination on account of national origin, religion, age, disability, sex, race, color, sexual orientation or gender identity or expression by a transportation network company or driver. **Section 19** of this bill requires a transportation network company to provide to passengers certain information relating to the identification of a driver. **Section 20** of this bill requires a transportation network company to provide an electronic receipt to each passenger. **Section 21** of this bill imposes on transportation network companies certain recordkeeping requirements. **Section 22** of this bill imposes on transportation network companies certain reporting requirements.

Section 23 of this bill establishes certain requirements relating to the provision of transportation services by a driver. **Section 23** also prohibits a driver from soliciting passengers or providing transportation services except to persons who have arranged for such transportation services through the digital network or software application service of a transportation network company. **Section 24** of this bill prohibits a driver from consuming, using or being under the influence of any intoxicating liquor or controlled substance during any period when the driver is providing transportation services or is logged into the digital network or software application service of a transportation network company. With certain exceptions, **section 25** of this bill prohibits a transportation network company from releasing the personally identifying information of passengers.

Section 26 of this bill provides for the investigation of complaints against a transportation network company or driver. **Section 27** of this bill: (1) authorizes the Commission to impose certain penalties for any violation of the provisions of this bill by a transportation network company or driver; and (2) provides that a person who violates any provision of this bill is not subject to a criminal penalty.

Section 28 of this bill provides that this bill does not exempt any person from any other laws governing the operation of a motor vehicle upon the highways of this State, except that a transportation network company or a driver who provides transportation services within the scope of a permit issued by the Commission is not subject to the provisions of existing law governing motor carriers or public utilities.

Section 29 of this bill prohibits a local government from: (1) imposing any tax or fee on a transportation network company, a driver who has entered into an agreement with such a company or a vehicle operated by such a driver or for transportation services provided by such a driver; (2) requiring a transportation network company or driver to obtain from the local government any certificate, license or permit to provide transportation services; or (3) imposing any other requirement on the operation of a motor vehicle by a transportation network company or driver which is not of general applicability. **Section 29** does not prohibit a local government from requiring a transportation network company or driver to obtain from the local government a business license or to pay any business license fee in the same manner that is generally applicable to any other business that operates within the jurisdiction of the local government. **Section 29** does not prohibit an airport from requiring a transportation network company or driver to obtain a permit or certification to operate at the airport, pay a fee to operate at the airport or comply with any other requirement to operate at the airport. **Section 29** also states that this bill does not exempt any person from the requirement to obtain a state business license.



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

Section 1. Title 58 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 30, inclusive, of this act.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Commission” means the Public Utilities Commission of Nevada.*

Sec. 4. *“Driver” means a natural person who:*

1. Operates a motor vehicle that is owned, leased or otherwise authorized for use by the person; and

2. Enters into an agreement with a transportation network company to receive connections to potential passengers and related services from a transportation network company in exchange for the payment of a fee to the transportation network company.

Sec. 5. *“Transportation network company” or “company” means an entity that uses a digital network or software application service to connect a passenger to a driver who can provide transportation services to the passenger.*

Sec. 6. *“Transportation services” means the transportation by a driver of one or more passengers between points chosen by the passenger or passengers and prearranged through the use of the digital network or software application service of a transportation network company. The term includes only the period beginning when a driver accepts a request by a passenger for transportation through the digital network or software application service of a transportation network company and ending when the last such passenger fully disembarks from the motor vehicle operated by the driver.*

Sec. 7. *It is hereby declared to be the purpose and policy of the Legislature in enacting this chapter to ensure the safety, reliability and cost-effectiveness of the transportation services provided by drivers affiliated with transportation network companies in this State.*

Sec. 7.3. *The provisions of this chapter do not apply to common motor carriers or contract motor carriers that are providing transportation services pursuant to a contract with the Department of Health and Human Services entered into pursuant to NRS 422.2705.*



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1 **Sec. 7.5.** *Nothing in this chapter shall be construed to deem*
2 *a motor vehicle operated by a driver to provide transportation*
3 *services to be a commercial motor vehicle.*

4 **Sec. 7.7.** *Except as otherwise provided in this chapter and the*
5 *regulations adopted pursuant thereto or by a written contract*
6 *between a transportation network company and a driver, a*
7 *company shall not control, direct or manage a driver or the motor*
8 *vehicle operated by a driver.*

9 **Sec. 8.** *1. A transportation network company shall not*
10 *engage in business in this State unless the company holds a valid*
11 *permit issued by the Commission pursuant to this chapter.*

12 *2. A driver shall not provide transportation services unless*
13 *the company with which the driver is affiliated holds a valid*
14 *permit issued by the Commission pursuant to this chapter.*

15 **Sec. 9.** *A person who desires to operate a transportation*
16 *network company in this State must submit to the Commission an*
17 *application for the issuance of a permit to operate a transportation*
18 *network company. The application must be in the form required*
19 *by the Commission, must be accompanied by the fee required by*
20 *section 11 of this act and must include such information as*
21 *reasonably required by the Commission by regulation.*

22 **Sec. 10.** *1. Upon receipt of a completed application and*
23 *payment of the required fee and upon a determination by the*
24 *Commission that an applicant meets the requirements for the*
25 *issuance of a permit to operate a transportation network company,*
26 *the Commission shall issue to the applicant within 120 days a*
27 *permit to operate a transportation network company in this State.*

28 *2. In accordance with the provisions of this chapter, a permit*
29 *issued pursuant to this section:*

30 *(a) Authorizes a transportation network company to connect*
31 *one or more passengers through the use of a digital network or*
32 *software application service to a driver who can provide*
33 *transportation services.*

34 *(b) Authorizes a transportation network company to make its*
35 *digital network or software application service available to one or*
36 *more drivers to receive connections to potential passengers from*
37 *the company in exchange for the payment of a fee by the driver to*
38 *the company.*

39 *(c) Does not authorize a transportation network company or*
40 *any driver to engage in any activity otherwise regulated pursuant*
41 *to chapter 706 of NRS.*

42 **Sec. 11.** *1. The Commission shall charge and collect a fee*
43 *in an amount established by the Commission by regulation from*
44 *each applicant for a permit to operate a transportation network*
45 *company in this State. The fee required by this subsection is not*



1 *refundable. The Commission shall not issue a permit to operate a*
2 *transportation network company in this State unless the applicant*
3 *has paid the fee required by this subsection.*

4 *2. For each year after the year in which the Commission*
5 *issues a permit to a transportation network company, the*
6 *Commission shall levy and collect an annual assessment from*
7 *the transportation network company at a rate determined by the*
8 *Commission based on the gross operating revenue derived from*
9 *the intrastate operations of the transportation network company in*
10 *this State.*

11 *3. The annual assessment levied and collected by the*
12 *Commission pursuant to subsection 2 must be used by the*
13 *Commission for the regulation of transportation network*
14 *companies.*

15 *4. The Commission shall charge and collect from each*
16 *transportation network company a fee of 25 cents for each trip for*
17 *which a driver provides transportation services to a passenger with*
18 *whom the driver connected using the digital network or software*
19 *application service of the company. All fees collected by the*
20 *Commission pursuant to this subsection must be deposited with*
21 *the State Treasurer for credit to the State Highway Fund.*

22 **Sec. 12.** (Deleted by amendment.)

23 **Sec. 13.** *A transportation network company shall appoint*
24 *and keep in this State a registered agent as provided in*
25 *NRS 14.020.*

26 **Sec. 14. 1.** *A transportation network company may enter*
27 *into an agreement with one or more drivers to receive connections*
28 *to potential passengers from the company in exchange for the*
29 *payment of a fee by the driver to the company.*

30 *2. Before a transportation network company allows a person*
31 *to be connected to potential passengers using the digital network*
32 *or software application service of the company pursuant to an*
33 *agreement with the company, the company must:*

34 *(a) Require the person to submit an application to the*
35 *company, which must include, without limitation:*

36 *(1) The name, age and address of the applicant.*

37 *(2) A copy of the driver's license of the applicant.*

38 *(3) A record of the driving history of the applicant.*

39 *(4) A description of the motor vehicle of the applicant and a*
40 *copy of the motor vehicle registration.*

41 *(5) Proof that the applicant has complied with the*
42 *requirements of NRS 485.185.*

43 *(6) Any other information required by the company or any*
44 *regulations adopted by the Commission pursuant to section 30 of*
45 *this act.*



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(b) *At the time of application and not less than once every 3 years thereafter, conduct or contract with a third party to conduct an investigation of the criminal history of the applicant, which must include, without limitation:*

(1) *A review of a commercially available database containing criminal records from each state which are validated using a search of the primary source of each record.*

(2) *A search of a database containing the information available in the sex offender registry maintained by each state.*

(c) *At the time of application and not less than once every year thereafter, obtain and review a complete record of the driving history of the applicant.*

3. *A transportation network company may enter into an agreement with a driver if:*

(a) *The applicant is at least 19 years of age.*

(b) *The applicant possesses a valid driver's license issued by the Department of Motor Vehicles.*

(c) *The applicant provides proof that the motor vehicle operated by him or her is registered with the Department of Motor Vehicles.*

(d) *The applicant provides proof that the motor vehicle operated by him or her is operated and maintained in compliance with all applicable federal, state and local laws.*

(e) *The applicant provides proof that he or she currently is in compliance with the provisions of NRS 485.185.*

(f) *In the 3 years immediately preceding the date on which the application is submitted, the applicant has not been found guilty of three or more violations of the motor vehicle laws of this State or any traffic ordinance of any city or town, the penalty prescribed for which is a misdemeanor.*

(g) *In the 3 years immediately preceding the date on which the application is submitted, the applicant has not been found guilty of any violation of the motor vehicle laws of this State or any traffic ordinance of any city or town, the penalty prescribed for which is a gross misdemeanor or felony.*

(h) *In the 7 years immediately preceding the date on which the application is submitted, the applicant has not been found guilty of any violation of federal, state or local law prohibiting driving or being in actual physical control of a vehicle while under the influence of intoxicating liquor or a controlled substance.*

(i) *In the 7 years immediately preceding the date on which the application is submitted, the applicant has not been found guilty of any crime involving an act of terrorism, an act of violence, a sexual offense, fraud, theft, damage to property of another or the use of a motor vehicle in the commission of a felony.*



(j) The name of the applicant does not appear in the database searched pursuant to subparagraph (2) of paragraph (b) of subsection 2.

4. A transportation network company shall terminate an agreement with any driver who:

(a) Fails to submit to the transportation network company a change in his or her address, driver's license, motor vehicle registration or automobile liability insurance information within 30 days after the date of the change.

(b) Fails to immediately report to the transportation network company any change in his or her driving history or criminal history.

(c) Refuses to authorize the transportation network company to obtain and review an updated complete record of his or her driving history not less than once each year and an investigation of his or her criminal history not less than once every 3 years.

(d) Is determined by the transportation network company to be ineligible for an agreement pursuant to subsection 3 on the basis of any updated information received by the transportation network company.

Sec. 15. 1. In accordance with the provisions of this chapter, a transportation network company which holds a valid permit issued by the Commission pursuant to this chapter may, on behalf of a driver, charge a fare for transportation services provided to a passenger by the driver.

2. If a fare is charged, the company must disclose the rates charged by the company and the method by which the amount of a fare is calculated:

(a) On an Internet website maintained by the company; or

(b) Within the digital network or software application service of the company.

3. If a fare is charged, the company must offer to each passenger the option to receive, before the passenger enters the motor vehicle of a driver, an estimate of the amount of the fare that will be charged to the passenger.

4. A transportation network company may accept payment of a fare only electronically. A transportation network company or a driver shall not solicit or accept cash as payment of a fare.

5. A transportation network company shall not impose any additional charge for a driver who provides transportation services to a person with a physical disability because of the disability.

6. The Commission may adopt regulations establishing a maximum fare that may be charged during an emergency, as defined in NRS 414.0345.



1 **Sec. 16. 1. A transportation network company shall not**
2 *allow a driver to be connected to potential passengers using the*
3 *digital network or software application service of the company if*
4 *the motor vehicle operated by the driver to provide transportation*
5 *services:*

6 *(a) Is not in compliance with all federal, state and local laws*
7 *concerning the operation and maintenance of the motor vehicle.*

8 *(b) Has less than four doors.*

9 *(c) Is designed to carry more than eight passengers, including*
10 *the driver.*

11 *(d) Is a farm tractor, mobile home, recreational vehicle,*
12 *semitractor, semitrailer, trailer, bus or tow car.*

13 **2. A transportation network company shall inspect or cause**
14 *to be inspected every motor vehicle used by a driver to provide*
15 *transportation services to ensure that the vehicle complies with the*
16 *provisions of subsection 1 and any regulations adopted by the*
17 *Commission before allowing the driver to use the motor vehicle to*
18 *provide transportation services and not less than once each year*
19 *thereafter.*

20 **Sec. 17. (Deleted by amendment.)**

21 **Sec. 18. 1. A transportation network company shall adopt a**
22 *policy which prohibits discrimination against a passenger or*
23 *potential passenger on account of national origin, religion, age,*
24 *disability, sex, race, color, sexual orientation or gender identity or*
25 *expression.*

26 **2. A driver shall not discriminate against a passenger or**
27 *potential passenger on account of national origin, religion, age,*
28 *disability, sex, race, color, sexual orientation or gender identity or*
29 *expression.*

30 **3. A transportation network company shall provide to each**
31 *passenger an opportunity to indicate whether the passenger*
32 *requires transportation in a motor vehicle that is wheelchair*
33 *accessible. If the company cannot provide the passenger with*
34 *transportation services in a motor vehicle that is wheelchair*
35 *accessible, the company must direct the passenger to an*
36 *alternative provider or means of transportation that is wheelchair*
37 *accessible, if available.*

38 **Sec. 19. For each instance in which a driver provides**
39 *transportation services to a passenger, the transportation network*
40 *company which connected the passenger to the driver shall*
41 *provide to the passenger, before the passenger enters the motor*
42 *vehicle of a driver, a photograph of the driver who will provide the*
43 *transportation services and the license plate number of the motor*
44 *vehicle operated by the driver. The information required by this*
45 *section must be provided to the passenger:*



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- 1 *1. On an Internet website maintained by the company; or*
- 2 *2. Within the digital network or software application service*
- 3 *of the company.*

4 **Sec. 20.** *A transportation network company which connected*
5 *a passenger to a driver shall, within a reasonable period following*
6 *the provision of transportation services by the driver to the*
7 *passenger, transmit to the passenger an electronic receipt, which*
8 *must include, without limitation:*

9 *1. A description of the point of origin and the destination of*
10 *the transportation services;*

11 *2. The total time for which transportation services were*
12 *provided;*

13 *3. The total distance traveled; and*

14 *4. An itemization of the fare, if any, charged for the*
15 *transportation services.*

16 **Sec. 21.** *1. A transportation network company shall*
17 *maintain the following records relating to the business of the*
18 *company for a period of at least 3 years after the date on which the*
19 *record is created:*

20 *(a) Trip records;*

21 *(b) Driver records and vehicle inspection records;*

22 *(c) Records of each complaint and the resolution of each*
23 *complaint; and*

24 *(d) Records of each accident or other incident that involved a*
25 *driver and was reported to the transportation network company.*

26 *2. Each transportation network company shall make its*
27 *records available for inspection by the Commission and the*
28 *Regulatory Operations Staff of the Commission upon request to*
29 *investigate complaints, promote public safety and ensure*
30 *compliance with the provisions of this chapter.*

31 **Sec. 22.** *1. Each transportation network company shall:*

32 *(a) Keep uniform and detailed accounts of all business*
33 *transacted in this State and provide such accounts to the*
34 *Commission upon request; and*

35 *(b) On or before May 15 of each year, provide an annual*
36 *report to the Commission regarding all business conducted by the*
37 *company in this State during the preceding calendar year.*

38 *2. The Commission shall adopt regulations setting forth the*
39 *form and contents of the information required to be provided*
40 *pursuant to subsection 1.*

41 *3. If the Commission determines that a transportation*
42 *network company has failed to include information in its accounts*
43 *or report required pursuant to subsection 1, the Commission shall*
44 *notify the company to provide such information. A company which*



1 receives a notice pursuant to this subsection shall provide the
2 specified information within 15 days after receipt of such a notice.

3 4. All information required to be provided pursuant to this
4 section must be signed by an officer or agent of, or other person
5 authorized by, the transportation network company under oath.

6 **Sec. 23.** 1. A driver shall not solicit or accept a passenger
7 or provide transportation services to any person unless the person
8 has arranged for the transportation services through the digital
9 network or software application service of the transportation
10 network company.

11 2. With respect to a passenger's destination, a driver shall
12 not:

13 (a) Deceive or attempt to deceive any passenger who rides or
14 desires to ride in the driver's motor vehicle.

15 (b) Convey or attempt to convey any passenger to a destination
16 other than the one directed by the passenger.

17 (c) Take a longer route to the passenger's destination than is
18 necessary, unless specifically requested to do so by the passenger.

19 (d) Fail to comply with the reasonable and lawful requests of
20 the passenger as to speed of travel and route to be taken.

21 3. A driver shall not, at the time the driver picks up a
22 passenger, refuse or neglect to provide transportation services to
23 any orderly passenger unless the driver can demonstrate to the
24 satisfaction of the Commission that:

25 (a) The driver has good reason to fear for the driver's personal
26 safety; or

27 (b) The driver is prohibited by law or regulation from carrying
28 the person requesting transportation services.

29 **Sec. 24.** 1. A driver is prohibited from consuming, using or
30 being under the influence of any intoxicating liquor or controlled
31 substance during any period in which the driver is providing
32 transportation services on behalf of the transportation network
33 company and any period in which the driver is logged into the
34 digital network or software application service of the
35 transportation network company and available to receive requests
36 for transportation services but is not providing transportation
37 services.

38 2. Each transportation network company shall:

39 (a) Provide notice of the provisions of subsection 1:

40 (1) On an Internet website maintained by the company; or

41 (2) Within the digital network or software application
42 service of the company; and

43 (b) Provide for the submission to the company of a complaint
44 by a passenger who reasonably believes that a driver is operating a
45 motor vehicle in violation of the provisions of subsection 1.



1 3. Upon receipt of a complaint submitted by a passenger who
2 reasonably believes that a driver is operating a motor vehicle in
3 violation of the provisions of subsection 1, a transportation
4 network company shall immediately suspend the access of the
5 driver to the digital network or software application service of the
6 company and conduct an investigation of the complaint. The
7 company shall not allow the driver to access the digital network or
8 software application service of the company or provide
9 transportation services on behalf of the company until after the
10 investigation is concluded.

11 4. If a transportation network company determines, pursuant
12 to an investigation conducted pursuant to subsection 3, that a
13 driver has violated the provisions of subsection 1, the company
14 shall terminate the agreement entered into with the driver and
15 shall not allow the driver to access the digital network or software
16 application service of the company.

17 5. Each transportation network company shall maintain a
18 record of each complaint described in subsection 3 and received by
19 the company for a period of not less than 3 years after the date on
20 which the complaint is received. The record must include, without
21 limitation, the name of the driver, the date on which the complaint
22 was received, a summary of the investigation conducted by the
23 company and the results of the investigation.

24 **Sec. 25.** 1. Except as otherwise provided in this section, a
25 transportation network company shall not disclose to any person
26 the personally identifiable information of a passenger who
27 received services from the company unless:

28 (a) The disclosure is otherwise required by law;

29 (b) The company determines that disclosure is required to
30 protect or defend the terms of use of the services or to investigate
31 violations of those terms of use; or

32 (c) The passenger consents to the disclosure.

33 2. A transportation network company may disclose to a driver
34 the name and telephone number of a passenger for the purposes
35 of facilitating correct identification of the passenger and
36 facilitating communication between the driver and the passenger.

37 **Sec. 26.** 1. Each transportation network company shall:

38 (a) Provide notice of the contact information of the Division of
39 Consumer Complaint Resolution of the Commission on an
40 Internet website maintained by the company or within the digital
41 network or software application service of the company; and

42 (b) Create a system to receive and address complaints from
43 consumers which is available during normal business hours in
44 this State.



1 2. *The Division of Consumer Complaint Resolution of the*
2 *Commission shall accept, promptly investigate and attempt to*
3 *resolve each complaint submitted to the Division by a person who*
4 *alleges that a transportation network company or driver has*
5 *violated the provisions of this chapter.*

6 3. *The Commission shall adopt regulations to establish*
7 *procedures for investigating a complaint, holding a hearing and*
8 *imposing disciplinary action, including, without limitation, the*
9 *imposition of the penalties described in section 27 of this act, for a*
10 *violation of this chapter.*

11 Sec. 27. 1. *If the Commission determines that a*
12 *transportation network company or driver has violated the terms*
13 *of a permit issued pursuant to this chapter or any provision of this*
14 *chapter or any regulations adopted pursuant thereto, the*
15 *Commission may, depending on whether the violation was*
16 *committed by the company, the driver, or both:*

17 (a) *Suspend or revoke the permit issued to the transportation*
18 *network company;*

19 (b) *Impose against the transportation network company an*
20 *administrative fine in an amount not to exceed \$100,000 per*
21 *violation;*

22 (c) *Prohibit a person from operating as a driver; or*

23 (d) *Impose any combination of the penalties provided in*
24 *paragraphs (a), (b) and (c).*

25 2. *To determine the amount of an administrative fine imposed*
26 *pursuant to paragraph (b) or (d) of subsection 1, the Commission*
27 *shall consider:*

28 (a) *The size of the transportation network company;*

29 (b) *The severity of the violation;*

30 (c) *Any good faith efforts by the transportation network*
31 *company to remedy the violation;*

32 (d) *The history of previous violations by the transportation*
33 *network company; and*

34 (e) *Any other factor that the Commission determines to be*
35 *relevant.*

36 3. *Notwithstanding the provisions of NRS 193.170, a person*
37 *who violates any provision of sections 2 to 30, inclusive, of this act*
38 *is not subject to any criminal penalty for such a violation.*

39 Sec. 28. 1. *Except as otherwise provided in subsection 2,*
40 *the provisions of this chapter do not exempt any person from any*
41 *law governing the operation of a motor vehicle upon the highways*
42 *of this State.*

43 2. *A transportation network company which holds a valid*
44 *permit issued by the Commission pursuant to this chapter, a driver*



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1 *who has entered into an agreement with such a company and a*
2 *vehicle operated by such a driver are exempt from:*

3 *(a) The provisions of chapter 706 of NRS; and*

4 *(b) The provisions of chapter 704 relating to public utilities,*
5 *↳ to the extent that the services provided by the company or driver*
6 *are within the scope of the permit.*

7 **Sec. 29. 1.** *Except as otherwise provided in subsection 2, a*
8 *local governmental entity shall not:*

9 *(a) Impose any tax or fee on a transportation network*
10 *company operating within the scope of a valid permit issued by the*
11 *Commission pursuant to this chapter, a driver who has entered*
12 *into an agreement with such a company or a vehicle operated by*
13 *such a driver or for transportation services provided by such a*
14 *driver.*

15 *(b) Require a transportation network company operating*
16 *within the scope of a valid permit issued by the Commission*
17 *pursuant to this chapter to obtain from the local government any*
18 *certificate, license or permit to operate within that scope or require*
19 *a driver who has entered into an agreement with such a company*
20 *to obtain from the local government any certificate, license or*
21 *permit to provide transportation services.*

22 *(c) Impose any other requirement upon a transportation*
23 *network company or a driver which is not of general applicability*
24 *to all persons who operate a motor vehicle within the jurisdiction*
25 *of the local government.*

26 **2.** *Nothing in this section:*

27 *(a) Prohibits a local governmental entity from requiring a*
28 *transportation network company or driver to obtain from the local*
29 *government a business license or to pay any business license fee in*
30 *the same manner that is generally applicable to any other business*
31 *that operates within the jurisdiction of the local government.*

32 *(b) Prohibits an airport or its governing body from requiring a*
33 *transportation network company or a driver to:*

34 *(1) Obtain a permit or certification to operate at the airport;*

35 *(2) Pay a fee to operate at the airport; or*

36 *(3) Comply with any other requirement to operate at the*
37 *airport.*

38 *(c) Exempts a vehicle operated by a driver from any tax*
39 *imposed pursuant to NRS 354.705, 371.043 or 371.045.*

40 **3.** *The provisions of this chapter do not exempt any person*
41 *from the requirement to obtain a state business license issued*
42 *pursuant to chapter 76 of NRS.*

43 **Sec. 30.** *The Commission shall adopt such regulations as are*
44 *necessary to carry out the provisions of this chapter.*



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Sec. 31. NRS 703.150 is hereby amended to read as follows:

703.150 The Commission shall supervise and regulate the operation and maintenance of public utilities and other persons named and defined in chapters 704, 704A and 708 of NRS *and sections 2 to 30, inclusive, of this act* pursuant to the provisions of those chapters.

Sec. 32. NRS 703.164 is hereby amended to read as follows:

703.164 1. The Commission may employ, or retain on a contract basis, legal counsel who shall:

(a) Except as otherwise provided in subsection 2, be counsel and attorney for the Commission in all actions, proceedings and hearings.

(b) Prosecute in the name of the Commission all civil actions for the enforcement of NRS 702.160 and 702.170 and chapters 704, 704A, 704B, 705 and 708 of NRS *and sections 2 to 30, inclusive, of this act* and for the recovery of any penalty or forfeiture provided for therein.

(c) Generally aid the Commission in the performance of its duties and the enforcement of NRS 702.160 and 702.170 and chapters 704, 704A, 704B, 705 and 708 of NRS *and sections 2 to 30, inclusive, of this act*.

2. Each district attorney shall:

(a) Prosecute any violation of chapter 704, 704A, 705, 708 or 711 of NRS for which a criminal penalty is provided and which occurs in the district attorney's county.

(b) Aid in any investigation, prosecution, hearing or trial held under the provisions of chapter 704, 704A, 705, 708 or 711 of NRS and, at the request of the Commission or its legal counsel, act as counsel and attorney for the Commission.

3. The Attorney General shall, if the district attorney fails or refuses to do so, prosecute all violations of the laws of this state by public utilities under the jurisdiction of the Commission and their officers, agents and employees.

4. The Attorney General is not precluded from appearing in or moving to intervene in any action and representing the interest of the State of Nevada in any action in which the Commission is a party and is represented by independent counsel.

Sec. 33. NRS 703.380 is hereby amended to read as follows:

703.380 1. Unless another administrative fine is specifically provided, a person, including, without limitation, a public utility, alternative seller, provider of discretionary natural gas service, provider of new electric resources or holder of any certificate of registration, license or permit issued by the Commission, or any officer, agent or employee of a public utility, alternative seller, provider of discretionary natural gas service, provider of new



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1 electric resources or holder of any certificate of registration, license
2 or permit issued by the Commission who:

3 (a) Violates any applicable provision of this chapter or chapter
4 704, 704B, 705 or 708 of NRS, *or sections 2 to 30, inclusive, of this*
5 *act*, including, without limitation, the failure to pay any applicable
6 tax, fee or assessment;

7 (b) Violates any rule or regulation of the Commission; or

8 (c) Fails, neglects or refuses to obey any order of the
9 Commission or any order of a court requiring compliance with an
10 order of the Commission,

11 ➔ is liable for an administrative fine, to be assessed by the
12 Commission after notice and the opportunity for a hearing, in an
13 amount not to exceed \$1,000 per day for each day of the violation
14 and not to exceed \$100,000 for any related series of violations.

15 2. In determining the amount of the administrative fine, the
16 Commission shall consider the appropriateness of the fine to the size
17 of the business of the person charged, the gravity of the violation,
18 the good faith of the person charged in attempting to achieve
19 compliance after notification of a violation and any repeated
20 violations committed by the person charged.

21 3. An administrative fine assessed pursuant to this section is
22 not a cost of service of a public utility and may not be included in
23 any new application by a public utility for a rate adjustment or rate
24 increase.

25 4. All money collected by the Commission as an administrative
26 fine pursuant to this section must be deposited in the State General
27 Fund.

28 5. The Commission may bring an appropriate action in its own
29 name for the collection of any administrative fine that is assessed
30 pursuant to this section. A court shall award costs and reasonable
31 attorney's fees to the prevailing party in an action brought pursuant
32 to this subsection.

33 6. The administrative fine prescribed by this section is in
34 addition to any other remedies, other than a monetary fine, provided
35 by law, including, without limitation, the authority of the
36 Commission to revoke a certificate of public convenience and
37 necessity, license or permit pursuant to NRS 703.377.

38 **Sec. 34.** Chapter 690B of NRS is hereby amended by adding
39 thereto the provisions set forth as sections 35 to 45, inclusive, of this
40 act.

41 **Sec. 35.** *As used in sections 35 to 45, inclusive, of this act,*
42 *the words and terms defined in sections 36 to 39, inclusive, of this*
43 *act have the meanings ascribed to them in those sections.*

44 **Sec. 36.** *"Driver" has the meaning ascribed to it in section 4*
45 *of this act.*



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1 **Sec. 37.** *“Transportation network company” has the*
2 *meaning ascribed to it in section 5 of this act.*

3 **Sec. 38.** *“Transportation network company insurance”*
4 *means a policy of insurance that includes coverage specifically for*
5 *the use of a vehicle by a driver pursuant to sections 35 to 45,*
6 *inclusive, of this act.*

7 **Sec. 39.** *“Transportation services” has the meaning ascribed*
8 *to it in section 6 of this act.*

9 **Sec. 40.** *The provisions of sections 35 to 45, inclusive, of this*
10 *act do not apply to a person who is regulated pursuant to chapter*
11 *704 or 706 of NRS.*

12 **Sec. 41.** *Before allowing a natural person to be connected to*
13 *a potential passenger using the digital network or software*
14 *application service of a transportation network company to*
15 *provide transportation services as a driver, a transportation*
16 *network company shall, in writing:*

17 1. *Disclose the insurance coverage and limits of liability that*
18 *the transportation network company provides for a driver while*
19 *the driver is providing transportation services; and*

20 2. *Notify the person that his or her insurance for the*
21 *operation of a motor vehicle required pursuant to NRS 485.185*
22 *may not provide coverage for the use of a motor vehicle to provide*
23 *transportation services.*

24 **Sec. 42.** 1. *Every transportation network company or driver*
25 *shall continuously provide, during any period in which the driver*
26 *is providing transportation services, transportation network*
27 *company insurance provided by an insurance company licensed by*
28 *the Division of Insurance of the Department of Business and*
29 *Industry and approved to do business in this State or a broker*
30 *licensed pursuant to chapter 685A of NRS or procured directly*
31 *from a nonadmitted insurer, as defined in NRS 685A.0375:*

32 (a) *In an amount of not less than \$1,500,000 for bodily injury*
33 *to or death of one or more persons and injury to or destruction of*
34 *property of others in any one accident that occurs while the driver*
35 *is providing transportation services;*

36 (b) *In an amount of not less than \$50,000 for bodily injury to*
37 *or death of one person in any one accident that occurs while the*
38 *driver is logged into the digital network or software application*
39 *service of the transportation network company and available to*
40 *receive requests for transportation services but is not otherwise*
41 *providing transportation services;*

42 (c) *Subject to the minimum amount for one person required by*
43 *paragraph (b), in an amount of not less than \$100,000 for bodily*
44 *injury to or death of two or more persons in any one accident that*
45 *occurs while the driver is logged into the digital network or*



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1 software application service of the transportation network
2 company and available to receive requests for transportation
3 services but is not otherwise providing transportation services; and

4 (d) In an amount of not less than \$25,000 for injury to or
5 destruction of property of others in any one accident that occurs
6 while the driver is logged into the digital network or software
7 application service of the transportation network company and
8 available to receive requests for transportation services but is not
9 otherwise providing transportation services,

10 ➤ for the payment of tort liabilities arising from the maintenance
11 or use of the motor vehicle.

12 2. The transportation network company insurance required
13 by subsection 1 may be provided through one or a combination of
14 insurance policies provided by the transportation network
15 company or the driver, or both.

16 3. Every transportation network company shall continuously
17 provide, during any period in which the driver is providing
18 transportation services, transportation network company
19 insurance provided by an insurance company licensed by the
20 Division of Insurance of the Department of Business and Industry
21 and approved to do business in this State or a broker licensed
22 pursuant to chapter 685A of NRS or procured directly from a
23 nonadmitted insurer, as defined in NRS 685A.0375, which meets
24 the requirements of subsection 1 as primary insurance if the
25 insurance provided by the driver:

26 (a) Lapses; or

27 (b) Fails to meet the requirements of subsection 1.

28 4. Notwithstanding the provisions of NRS 485.185 and
29 485.186 which require the owner or operator of a motor vehicle to
30 provide insurance, transportation network company insurance
31 shall be deemed to satisfy the requirements of NRS 485.185 or
32 485.186, as appropriate, regardless of whether the insurance is
33 provided by the transportation network company or the driver, or
34 both, if the transportation network company insurance otherwise
35 satisfies the requirements of NRS 485.185 or 485.186, as
36 appropriate.

37 5. In addition to the coverage required pursuant to subsection
38 1, a policy of transportation network company insurance may
39 include additional coverage, including, without limitation,
40 coverage for medical payments, coverage for uninsured or
41 underinsured motorists, comprehensive coverage and collision
42 coverage.

43 6. An insurer who provides transportation network company
44 insurance shall not require a policy of insurance for the operation
45 of a motor vehicle required pursuant to NRS 485.185 or 485.186,



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1 *as appropriate, to deny a claim before the transportation network*
2 *company insurance provides coverage for a claim.*

3 7. *An insurer who provides transportation network company*
4 *insurance has a duty to defend and indemnify the driver and the*
5 *transportation network company.*

6 8. *A transportation network company that provides*
7 *transportation network company insurance for a motor vehicle is*
8 *not deemed to be the owner of the motor vehicle.*

9 **Sec. 43.** 1. *A policy of insurance for the operation of a*
10 *motor vehicle required pursuant to NRS 485.185 or 485.186, as*
11 *appropriate, is not required to include transportation network*
12 *company insurance. An insurer providing a policy which excludes*
13 *transportation network company insurance does not have a duty to*
14 *defend or indemnify a driver for any claim arising during any*
15 *period in which the driver is logged into the digital network or*
16 *software application service of the transportation network*
17 *company, available to receive requests for transportation services*
18 *or providing transportation services.*

19 2. *An insurer who provides a policy of insurance for the*
20 *operation of a motor vehicle required pursuant to NRS 485.185 or*
21 *485.186, as appropriate, may include transportation network*
22 *company insurance in such a policy. An insurer may charge an*
23 *additional premium for the inclusion of transportation network*
24 *company insurance in such a policy.*

25 3. *An insurer who:*

26 (a) *Defends or indemnifies a driver for a claim arising during*
27 *any period in which the driver is logged into the digital network or*
28 *software application service of the transportation network*
29 *company, available to receive requests for transportation services*
30 *or providing transportation services; and*

31 (b) *Excludes transportation network company insurance from*
32 *the policy of insurance for the operation of a motor vehicle*
33 *provided to the driver,*

34 *↳ has the right of contribution against other insurers who provide*
35 *coverage to the driver to satisfy the coverage required by section*
36 *42 of this act at the time of the loss.*

37 **Sec. 44.** *In any investigation relating to tort liability arising*
38 *from the operation of a motor vehicle, each transportation*
39 *network company and driver, and each insurer providing*
40 *transportation network company insurance to a transportation*
41 *network company or driver, who is involved in the underlying*
42 *incident shall cooperate with any other party to the incident and*
43 *any other insurer involved in the investigation and share*
44 *information, including, without limitation:*

45 1. *The date and time of an accident involving a driver.*



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2. *The dates and times that the driver involved in an accident logged into the digital network or software application service of the transportation network company for a period of 12 hours immediately preceding and 12 hours immediately following the accident.*

3. *The dates and times that the driver involved in an accident logged out of the digital network or software application service of the transportation network company for a period of 12 hours immediately preceding and 12 hours immediately following the accident.*

4. *A clear description of the coverage, exclusions and limits provided under any policy of transportation network company insurance which applies.*

Sec. 45. 1. *A driver shall carry proof of coverage under a policy of transportation network company insurance at all times when the driver is logged into the digital network or software application service of the transportation network company, available to receive requests for transportation services or providing transportation services.*

2. *A driver shall provide proof of coverage under a policy of transportation network company insurance and disclose whether he or she was logged into the digital network or software application service of the transportation network company, available to receive requests for transportation services or providing transportation services at the time of an accident upon request to a law enforcement officer and to any party with whom the driver is involved in an accident.*

Sec. 46. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

2. On July 1, 2015, for all other purposes.

