

Amendment No. 361

Assembly Amendment to Assembly Bill No. 445	(BDR 57-1027)
<b>Proposed by:</b> Assembly Committee on Transportation	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>	Adopted	<input type="checkbox"/>	Lost <input type="checkbox"/>
Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>	Concurred In	<input type="checkbox"/>	Not <input type="checkbox"/>
Receded	<input type="checkbox"/>	Not <input type="checkbox"/>	Receded	<input type="checkbox"/>	Not <input type="checkbox"/>

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

DLJ/JRS



Date: 4/18/2017

A.B. No. 445—Revises provisions governing transportation network companies.  
(BDR 57-1027)





## ASSEMBLY BILL NO. 445—ASSEMBLYMAN WATKINS

MARCH 27, 2017

Referred to Committee on Transportation

SUMMARY—Revises provisions governing transportation network companies.  
(BDR 57-1027)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for  
Term of Imprisonment in County or City Jail or Detention  
Facility.  
Effect on the State: Yes.

~

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

AN ACT relating to transportation network companies; prohibiting an insurer from ~~increasing the rates of or denying a claim for~~ **refusing to provide coverage under a policy of** motor vehicle insurance because the insured is a driver for a transportation network company; **reducing the minimum amount of coverage required for certain transportation network company insurance**; requiring transportation network company insurance to provide medical payments coverage; ~~requiring a driver for a transportation network company to obtain a state business registration~~; prohibiting a driver for a transportation network company from refusing to complete transportation services after accepting a passenger for transportation; providing penalties; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires every owner of a motor vehicle which is registered in this State to continuously provide motor vehicle insurance. (NRS 485.185) Existing law additionally provides various other requirements on motor vehicle insurance, including prohibiting an insurer from increasing the rates for motor vehicle insurance because of a conviction of a violation of the speed limit ~~and prohibiting an insurer from cancelling~~ or ~~refusing to renew a policy of insurance for that reason.~~ (NRS 690B.028) ~~Section 1 of this bill prohibits an insurer from increasing the rates for motor vehicle insurance because the insured or group of insured is a driver for a transportation network company, nor shall an insurer refuse to enter into, cancel or refuse to renew a policy of insurance for that reason.~~ **Section 1** ~~(additionally)~~ **of this bill** prohibits an insurer from denying a claim that arises under a policy of motor vehicle insurance **for any accident or motor vehicle crash that occurs during the personal use of the motor vehicle** because the insured, claimant or group of insured or claimants is a driver for a transportation network company.

Existing law requires a transportation network company or a driver for a transportation network company to provide transportation network company insurance, which may include coverage for medical payments. (NRS 690B.470) **Section 2** of this bill : **(1) reduces the minimum amount of coverage required for certain transportation network company**

insurance; and (2) requires transportation network company insurance to provide for the medical payments coverage of ~~the driver and any passenger,~~ any occupant of the motor vehicle.

~~Existing law requires a transportation network company to be permitted before operating in this State. (NRS 706A.110-706A.140) Existing law does not require a driver for a transportation network company to obtain a state business registration or a permit. Sections 3, 4 and 7 of this bill require a driver for a transportation network company to obtain a state business registration from the Secretary of State within 1 year of applying to be a driver for a transportation network company. Existing law requires a transportation network company to obtain certain information regarding a person before it allows the person to be connected to potential passengers using the company's digital network or software application, including the driver's name, age, address, driver's license and driving history. (NRS 706A.160) Section 4 requires the transportation network company to provide such information to the Nevada Transportation Authority within 30 days of receiving the information. Section 3 requires the Authority to provide such information to the Secretary of State and for the Secretary of State to inform the Authority if the driver fails to obtain a state business registration within 1 year after the information was obtained. Section 3 allows the transportation network company or the driver an additional 30 days in which to obtain the state business registration after the 1 year time limit expires; and if the driver fails to obtain the registration, the transportation network company shall prohibit the driver from driving for the transportation network company. Section 7 provides that a person is not required to get a state business registration before they become a driver for a transportation network company.~~

~~Existing law authorizes the Authority to impose various penalties, including the revocation of a permit, prohibition of a person to be a driver and imposition of a fine, on a transportation network company or a driver of such a company if either has violated the provisions governing transportation network companies. (NRS 706A.300) Section 6 of this bill provides that a driver who violates the registration requirements in sections 3, 4 and 7 or a transportation network company that operates without a permit is guilty of a misdemeanor.~~

Existing law prohibits a driver for a transportation network company from, at the time the driver picks up a passenger, refusing or neglecting to provide transportation services to any orderly passenger. (NRS 706A.280) **Section 5** of this bill prohibits a driver for a transportation network company from, after accepting a passenger for transportation through the digital network or software application of the transportation network company, refusing to complete the transportation services. **Section 5** additionally provides that if a driver for a transportation network company refuses to complete the transportation services, the driver ~~and the transportation network company are~~ is liable for an administrative fine ~~of not more than \$1,000.~~

---

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

**Section 1.** Chapter 690B of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. *An insurer shall not impose on an insured or group of insured an increase in rates for motor vehicle insurance because of the insured or group of insured being a driver for a transportation network company as defined in NRS 706A.050, nor shall an insurer refuse to enter into, cancel or refuse to renew a policy of insurance for that reason.*~~

~~2. *An insurer shall not deny a claim arising under*~~ *for any accident or motor vehicle crash that occurs during the personal use of a motor vehicle, refuse to provide coverage under or refuse to fulfill the obligations of a policy of motor vehicle insurance that is held by an insured, claimant or group of insured or claimants because of the insured, claimant or group of insured or claimants being a driver for a transportation network company.* ~~*as defined in NRS 706A.050.*~~

2. As used in this section:(a) "Driver" has the meaning ascribed to it in NRS 706A.040.(b) "Personal use of the motor vehicle" means any use of the motor vehicle which is insured by the driver that occurs while the driver is not:(1) Providing transportation services; or(2) Logged into the digital network or software application service of the transportation network company and available to receive requests for transportation services.(c) "Transportation network company" has the meaning ascribed to it in NRS 706A.050.(d) "Transportation services" has the meaning ascribed to it in NRS 706A.060.

Sec. 2. NRS 690B.470 is hereby amended to read as follows:

690B.470 1. Every transportation network company or driver shall continuously provide, during any period in which the driver is providing transportation services, transportation network company insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State or a broker licensed pursuant to chapter 685A of NRS or procured directly from a nonadmitted insurer, as defined in NRS 685A.0375:

(a) For the payment of tort liabilities arising from the maintenance or use of a motor vehicle:

(1) In an amount of not less than ~~+\$1,500,000~~ \$1,000,000 for bodily injury to or death of one or more persons and injury to or destruction of property of others ~~and for the medical payments coverage of the driver and any passenger~~ in any one accident or motor vehicle crash that occurs while the driver is providing transportation services;

~~+~~ (2) In an amount of not less than \$50,000 for bodily injury to or death of one person in any one accident or motor vehicle crash that occurs while the driver is logged into the digital network or software application service of the transportation network company and available to receive requests for transportation services but is not otherwise providing transportation services;

~~+~~ (3) Subject to the minimum amount for one person required by paragraph (b), in an amount of not less than \$100,000 for bodily injury to or death of two or more persons in any one accident or motor vehicle crash that occurs while the driver is logged into the digital network or software application service of the transportation network company and available to receive requests for transportation services but is not otherwise providing transportation services; and

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

~~+~~ (b) In an amount of not less than ~~+\$100,000~~ \$10,000 for the medical payments coverage of ~~the driver and any passenger~~ any occupant of the motor vehicle in any one accident or motor vehicle crash that occurs while the driver is ~~logged~~ :

(1) Providing transportation services; or(2) Logged into the digital network or software application service of the transportation network company and available to receive requests for transportation services but is not otherwise providing transportation services. ~~+~~~~+~~ for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

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

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

(a) Lapses; or

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

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

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

6. An insurer who provides transportation network company insurance shall not require a policy of insurance for the operation of a motor vehicle required pursuant to NRS 485.185 or 485.186, as appropriate, to deny a claim before the transportation network company insurance provides coverage for a claim.

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

8. An insurer who provides transportation network company insurance which includes comprehensive coverage or collision coverage for the operation of a motor vehicle against which a lienholder holds a lien shall issue any payment for a claim under such coverage:

(a) Directly to the person who performs repairs upon the vehicle; or

(b) Jointly to the owner of the vehicle and the lienholder.

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

*10. As used in this section, "medical payments coverage" means coverage for the payment of reasonable and necessary hospital and medical expenses resulting from an accident or motor vehicle crash.*

~~Sec. 3. Chapter 706A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Authority shall, upon receiving the information required from a transportation network company pursuant to subsection 5 of NRS 706A.160, provide the information and date the Authority received the information to the Secretary of State for the purpose of complying with NRS 76.100.~~

~~2. The Secretary of State shall notify the Authority of any driver who has failed to obtain a state business registration pursuant to NRS 76.100 1 year after the date the Authority received the information required pursuant to subsection 5 of NRS 706A.160.~~

~~3. Upon receiving the notification pursuant to subsection 2, the Authority shall notify the transportation network company of the failure of the driver to comply with NRS 76.100.~~

~~4. The transportation network company or driver shall provide documentation that the driver has complied with NRS 76.100 within 30 calendar days immediately following the receipt of the notification provided pursuant to subsection 2.~~

~~5. If the transportation network company or driver fails to provide the documentation required pursuant to subsection 4, the transportation network company shall prohibit the driver from being a driver for the transportation network company until the driver obtains a state business registration pursuant to NRS 76.100.~~ **(Deleted by amendment.)**

**Sec. 4. [NRS 706A.160 is hereby amended to read as follows:**

~~706A.160 1. A transportation network company may enter into an agreement with one or more drivers to receive connections to potential passengers from the company in exchange for the payment of a fee by the driver to the company.~~

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

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

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

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

~~(3) A record of the driving history of the applicant.~~

~~(4) A description of the motor vehicle of the applicant and a copy of the motor vehicle registration.~~

~~(5) Proof that the applicant has complied with the requirements of NRS 485.185.~~

~~(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 unless the applicant is exempt from the requirement to obtain a Nevada driver's license pursuant to NRS 482.240.~~

~~(c) The applicant provides proof that the motor vehicle operated by him or her is registered with the Department of Motor Vehicles unless the applicant is exempt from the requirement to register the motor vehicle in this State pursuant to NRS 482.385.~~

~~(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 or motor vehicle registration 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.~~

~~5. A transportation network company shall transmit to the Authority the information obtained pursuant to paragraph (a) of subsection 2 within 30 days of receiving the information.~~ **(Deleted by amendment.)**

**Sec. 5.** NRS 706A.280 is hereby amended to read as follows:

706A.280 1. A driver shall not solicit or accept a passenger or provide transportation services to any person unless the person has arranged for the transportation services through the digital network or software application service of the transportation network company.

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

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

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

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

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



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

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

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

4. *Except as otherwise provided in subsection 3, a driver shall not, after accepting a passenger for transportation through the digital network or software application service of the transportation network company, refuse to complete the transportation services for which the passenger is being charged a fare. If a driver refuses to complete the transportation services for which the passenger is being charged a fare, the driver ~~and the transportation network company are~~ is liable for an administrative fine of not more than \$1,000 to be assessed and imposed by the Authority. ~~pursuant to NRS 706A.300.~~*

Sec. 6. ~~NRS 706A.300 is hereby amended to read as follows:~~

~~706A.300 1. If the Authority determines that a transportation network company or driver has violated the terms of a permit issued pursuant to this chapter or any provision of this chapter or any regulations adopted pursuant thereto, the Authority may, depending on whether the violation was committed by the company, the driver, or both:~~

~~(a) If the Authority determines that the violation is willful and endangers public safety, suspend or revoke the permit issued to the transportation network company;~~

~~(b) If the Authority determines that the violation is willful and endangers public safety, impose against the transportation network company an administrative fine in an amount not to exceed \$100,000 per violation;~~

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

~~(d) Impose any combination of the penalties provided in paragraphs (a), (b) and (c);~~

~~2. To determine the amount of an administrative fine imposed pursuant to paragraph (b) or (d) of subsection 1, the Authority shall consider:~~

~~(a) The size of the transportation network company;~~

~~(b) The severity of the violation;~~

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

~~(d) The history of previous violations by the transportation network company;~~

~~and~~

~~(e) Any other factor that the Authority determines to be relevant.~~

~~3. Notwithstanding the provisions of NRS 193.170, [a] any person who violates any provision of this chapter is not subject to any criminal penalty for such a violation.], in violation of section 3 of this act, operates as a driver without obtaining a state business registration or any transportation network company that, in violation of NRS 706A.110 to 706A.140, inclusive, operates without a permit as a transportation network company in this State is guilty of a misdemeanor and shall be punished:~~

~~(a) For the first offense within a period of 12 consecutive months, by a fine of not less than \$500 nor more than \$1,000. In addition to the fine, the person may be punished by imprisonment in the county jail for not more than 6 months.~~

~~(b) For a second offense within a period of 12 consecutive months and for each subsequent offense that is committed within a period of 12 consecutive months of any prior offense under this subsection, by a fine of \$1,000. In addition to the fine, the person may be punished by imprisonment in the county jail for not more than 6 months.~~ (Deleted by amendment.)

Sec. 7. ~~NRS 76.100 is hereby amended to read as follows:~~

~~76.100 1. [A] Except as otherwise provide in subsection 7, a person shall not conduct a business in this State unless and until the person obtains a state business registration issued by the Secretary of State. If the person is:~~

~~(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business registration at the time of filing the initial or annual list.~~

~~(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business registration before conducting a business in this State.~~

~~2. An application for a state business registration must:~~

~~(a) Be made upon a form prescribed by the Secretary of State;~~

~~(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the business identification number as assigned by the Secretary of State pursuant to NRS 225.082, and the location in this State of the place or places of business;~~

~~(c) Be accompanied by a fee in the amount of \$200, except that if the applicant is a corporation organized pursuant to chapter 78, 78A or 78B of NRS, or a foreign corporation required to file an initial or annual list with the Secretary of State pursuant to chapter 80 of NRS, the application must be accompanied by a fee of \$500; and~~

~~(d) Include any other information that the Secretary of State deems necessary.~~

~~→ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.~~

~~3. The application must be signed pursuant to NRS 239.330 by:~~

~~(a) The owner of a business that is owned by a natural person;~~

~~(b) A member or partner of an association or partnership;~~

~~(c) A general partner of a limited partnership;~~

~~(d) A managing partner of a limited liability partnership;~~

~~(e) A manager or managing member of a limited liability company;~~

~~(f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.~~

~~4. If the application for a state business registration is defective in any respect or the fee required by this section is not paid, the Secretary of State may return the application for correction or payment.~~

~~5. A state business registration issued pursuant to this section must contain the business identification number assigned by the Secretary of State pursuant to NRS 225.082.~~

~~6. The state business registration required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.~~

~~7. A person who performs the service of a driver for a transportation network company pursuant to chapter 706A of NRS is exempt from the provisions of this chapter pursuant to section 3 of this act.~~

~~8. For the purposes of this chapter, a person:~~

~~(a) Shall be deemed to conduct a business in this State if a business for which the person is responsible:~~

~~(1) Is organized pursuant to this title, other than a business organized pursuant to:~~

~~(i) Chapter 82 or 84 of NRS; or~~

~~(H) Chapter 81 of NRS if the business is a nonprofit unit owners' association or a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax exempt organization pursuant to 26 U.S.C. § 501(c);~~

~~(2) Has an office or other base of operations in this State;~~

~~(3) Except as otherwise provided in NRS 76.102, has a registered agent in this State; or~~

~~(4) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid.~~

~~(b) Shall be deemed not to conduct a business in this State if the business for which the person is responsible:~~

~~(1) Is not organized pursuant to this title;~~

~~(2) Does not have an office or base of operations in this State;~~

~~(3) Does not have a registered agent in this State;~~

~~(4) Does not pay wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid, other than wages or other remuneration paid to a natural person for performing duties in connection with an activity described in subparagraph (5); and~~

~~(5) Is conducting activity in this State solely to provide vehicles or equipment on a short term basis in response to a wildland fire, a flood, an earthquake or another emergency.~~

~~[8.] 9. As used in this section, "registered agent" has the meaning ascribed to it in NRS 77.230.] (Deleted by amendment.)~~

**Sec. 8.** ~~[NRS 76.102 is hereby amended to read as follows:~~

~~76.103 1. A manufacturer who maintains a registered agent in this State solely because of the requirements set forth in NRS 370.680 and who is not otherwise required to obtain a state business registration pursuant to NRS 76.100 is not deemed, pursuant to subparagraph (3) of paragraph (a) of subsection [7] 8 of NRS 76.100, to conduct a business in this State.~~

~~2. As used in this section, "manufacturer" has the meaning ascribed to it in NRS 370.0315.] (Deleted by amendment.)~~

**Sec. 9.** This act becomes effective on July 1, ~~{2017,}~~ 2018.