

SENATE BILL NO. 226—COMMITTEE ON
COMMERCE, LABOR AND ENERGY

FEBRUARY 28, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to transportation network companies. (BDR 58-486)

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

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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 network companies; requiring a driver to provide to a transportation network company certain information relating to his or her state business registration; requiring a transportation network company to terminate an agreement with a driver who fails to comply with the requirement to provide such information to the company; requiring the Nevada Transportation Authority to provide certain information to the Secretary of State for the purpose of enforcing the provisions of law governing the state business registration; providing for the confidentiality of the information provided to the Secretary of State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law authorizes a transportation network company to enter into an
2 agreement with one or more drivers to receive connections to potential passengers
3 using the digital network or software application service of the company under
4 certain circumstances. (NRS 706A.160) **Section 2** of this bill requires a driver
5 affiliated with a transportation network company to provide verification to the
6 transportation network company that the driver holds a valid state business
7 registration: (1) not later than 6 months after the driver is allowed to receive
8 connections to potential passengers pursuant to the agreement with the company;
9 and (2) annually thereafter on or before the anniversary date of that agreement.
10 Under **section 2**, the verification may consist of providing to the company the
11 business identification number assigned to the driver by the Secretary of State upon
12 issuance of a state business registration. Finally, **section 2** requires a transportation
13 network company to terminate an agreement with a driver who fails to provide



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verification that he or she holds a valid state business registration as required by **section 2.**

Existing law requires a transportation network company to maintain certain records relating to the business of the company and to make those records available for inspection by the Nevada Transportation Authority as necessary to investigate complaints. (NRS 706A.230) **Section 2.3** of this bill requires the Authority to provide to the Secretary of State the name of each driver affiliated with a transportation network company and such other information as the Secretary of State deems necessary to enforce existing law relating to state business registration. Under **section 2.3**, the Secretary of State and any employee of the Secretary of State is required to keep such information confidential to the same extent that the Authority is required to keep the information confidential.

Under **section 2.7**, any driver who has an agreement with a transportation network company that is in effect on October 1, 2017, is required to provide the first verification that he or she holds a valid state business registration on or before the anniversary date of his or her registration.

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

Section 1. (Deleted by amendment.)

Sec. 2. 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.



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(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 483.240.

(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.



1 4. *A driver shall, not later than 6 months after a*
2 *transportation network company allows the driver to be connected*
3 *to potential passengers using the digital network or software*
4 *application service of the company pursuant to an agreement with*
5 *the company and annually thereafter, on or before the anniversary*
6 *date of that agreement, provide to the company verification that*
7 *the driver holds a valid state business registration pursuant to*
8 *chapter 76 of NRS. Such verification may consist of the business*
9 *identification number assigned by the Secretary of State to the*
10 *driver upon compliance with the provisions of chapter 76 of NRS.*

11 5. A transportation network company shall terminate an
12 agreement with any driver who:

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

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

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

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

27 *(e) Fails to comply with the provisions of subsection 4.*

28 **Sec. 2.3.** NRS 706A.230 is hereby amended to read as
29 follows:

30 706A.230 1. A transportation network company shall
31 maintain the following records relating to the business of the
32 company for a period of at least 3 years after the date on which the
33 record is created:

34 (a) Trip records;

35 (b) Driver records and vehicle inspection records;

36 (c) Records of each complaint and the resolution of each
37 complaint; and

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

40 2. Each transportation network company shall make its records
41 available for inspection by the Authority upon request and only as
42 necessary for the Authority to investigate complaints. This
43 subsection does not require a company to make any proprietary
44 information available to the Authority. ~~Any~~ *Except as otherwise*
45 *provided in subsection 3, any* records provided to the Authority are



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1 confidential and must not be disclosed other than to employees of
2 the Authority.

3 *3. The Authority shall disclose to the Secretary of State the*
4 *name of each driver and such other information as the Secretary*
5 *of State determines necessary to enforce the provisions of chapter*
6 *76 of NRS. If the Secretary of State obtains any confidential*
7 *information pursuant to this subsection, the Secretary of State,*
8 *and any employee of the Secretary of State engaged in the*
9 *administration of chapter 76 of NRS or charged with the custody*
10 *of any records or files relating to the administration of chapter 76*
11 *of NRS, shall maintain the confidentiality of that information in*
12 *the same manner and to the same extent as provided by law for the*
13 *Authority.*

14 **Sec. 2.7.** 1. Notwithstanding the provisions of NRS
15 706A.160, as amended by section 2 of this act, a person who, on or
16 before October 1, 2017, entered into an agreement with a
17 transportation network company to receive connections to potential
18 passengers which is in effect on October 1, 2017, must, on or before
19 the anniversary date of the agreement, provide to the company
20 verification that the person holds a valid state business registration
21 pursuant to chapter 76 of NRS. Such verification may consist of the
22 business identification number assigned by the Secretary of State to
23 the person entering into an agreement with the company upon
24 compliance with the provisions of chapter 76 of NRS.

25 2. As used in this section, "transportation network company"
26 and "company" have the meaning ascribed to them in
27 NRS 706A.050.

28 **Sec. 3.** (Deleted by amendment.)

