



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2015 Assembly Bill 143**

**Assembly Amendments 1 and 5**

*Memo published: April 15, 2015*

*Contact: Anna Henning, Staff Attorney (266-0292)*

2015 Assembly Bill 143 relates to the regulation of transportation network companies.

### **2015 ASSEMBLY BILL 143**

Assembly Bill 143 requires transportation network companies to be licensed by the Department of Safety and Professional Services (DSPS) before operating in this state. The bill defines “transportation network company” to mean a business that, for compensation, uses a digital network to connect passengers to participating drivers for the purpose of providing transportation services in participating drivers’ personal vehicles. The bill establishes various criteria for licensure, including various requirements relating to fare disclosures, nondiscrimination, driver background checks, insurance coverage, and other matters.

The bill preempts local regulation of licensed transportation network companies. Under the bill, no city, village, town, or county may enact or enforce an ordinance (or adopt or enforce a resolution) that regulates a transportation network company or its participating drivers and their personal vehicles in connection with transportation network services.

### **ASSEMBLY AMENDMENT 1**

Assembly Amendment 1 provides limited exceptions to the general preemption of local regulation to allow certain local regulation relating to airport use. Specifically, under the amendment, a city, village, county, or town may do either of the following with respect to a transportation network company:

- To the extent necessary to comply with conditions required under federal law for certain Federal Aviation Administration grants, impose fees or charges established for use of an airport. Any such fees and charges must be imposed on a transportation

network company and may not exceed fees or charges imposed by the city, village, county, or town for the use of an airport by other for-hire vehicles.

- Require a transportation network company to comply with a permit developed by an airport and issued to the transportation network company regarding the manner of operation on airport property by participating drivers engaged in transportation network services. A single such permit must be issued to each transportation network company, and the permit must apply to all of the participating drivers for the company.

### **ASSEMBLY AMENDMENT 5**

Assembly Amendment 5 makes various changes to the bill. First, it makes several changes relating to conformance with state and federal transportation laws. The key changes relating to transportation laws include:

- For purposes of being a participating driver for a transportation network company, **the bill** defines “personal vehicle” to mean a motor vehicle that the participating driver owns, leases, or is otherwise authorized to use that is not a taxicab, limousine, shuttle, or other for-hire vehicle. **The amendment** adds to that definition to specifically exclude certain vehicles that are subject to federal laws regulating commercial motor vehicles that travel in interstate commerce.
- **The bill** prohibits licensed transportation network companies from allowing certain individuals to be participating drivers for the companies, including individuals who, during the past three years, have had more than three moving violations or one “major violation,” defined to include certain major driving offenses. **The amendment** replaces the reference to “major violation” and certain specific offenses in that prohibition with a general reference to all offenses that are included as major violations under the state habitual traffic offender law.
- **The bill** also prohibits transportation network companies from allowing individuals who have committed certain criminal offenses during the last seven years to be participating drivers. Among the listed offenses is convictions for driving under the influence of an intoxicant or other drug in violation of s. 346.63, Stats. **The amendment** replaces the reference to convictions under s. 346.63, Stats., with a reference to a broader set of offenses – namely those offenses that result in a suspension, revocation, or other conviction counted under Wisconsin’s operating while intoxicated (OWI) law.

Second, the amendment adds a provision relating to insurance payments. **The bill** requires transportation network companies to maintain certain levels of insurance coverage. Under **the amendment**, if a transportation network company’s insurer covers an insurance claim under a policy’s comprehensive or collision coverage, then the insurer must issue the payment for the claim to either of the following, as directed by the relevant transportation network company:

- Jointly, to the owner of the personal vehicle and the primary lienholder.
- Directly to the person repairing the personal vehicle in satisfaction of completion of repairs as payment in full.

Finally, **the bill** provides for a criminal fine of not more than \$1,000 for any person who violates the provisions in the bill. In addition to, or in lieu of, those criminal penalties, **the amendment** authorizes DSPS to assess a forfeiture of not more than \$1,000 against a transportation network company that violates the bill. The amendment specifies that such forfeitures may be assessed for each separate offense by a transportation network company.

### **BILL HISTORY**

Representatives August and Mason offered Assembly Amendment 1 to Assembly Bill 143 on April 6, 2015. On April 8, 2015, the Assembly Committee on State Affairs and Government Operations voted to recommend adoption of the amendment on a vote of Ayes, 13; Noes, 0. On the same day, the committee voted to recommend passage of the bill, as amended, on a vote of Ayes, 11; Noes, 2.

Representatives August and Mason offered Assembly Amendment 5 on April 14, 2015. On the same day, the Assembly adopted Assembly Amendments 1 and 5 on voice votes. The Assembly then passed the bill, as amended, on a vote of Ayes, 79; Noes, 19.

AH:ksm:jal