

## S.F. No. 2319 – Transportation network company driver protections

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S.F. 2319 established transportation network company driver protections.

Section 1. **Definitions.** [181C.01] Defines terms used in this section. Terms include “deactivation,” “digital network,” “prearranged ride,” “prearranged package delivery,” “transportation network company,” and “transportation network driver.”

Section 2. **Obligations and duties; insurance requirements.** [181C.02] Requires a transportation network company (TNC) to provide insurance that covers injuries sustained by a driver while a driver is picking up, transporting, or between transporting passengers or packages. Insurance is also required to be provided by the TNC for the protection of the transporting vehicles and passengers or third parties.

Section 3. **Minimum compensation.** [181C.03] Provides the minimum compensation amounts to be paid by a TNC to a driver on a per mile and per minute basis, as a cancellation fee, and a minimum fee for any transport of a rider or package. Requires a TNC to provide all tips to the driver within one week of the ride or package transport. Specifies that fares and fees be adjusted annually based on the cost of living published by the U.S. Department of Labor.

Section 4. **Reimbursement costs.** [181C.04] Requires a TNC to pay reimbursement costs to drivers for fuel and energy costs and any tolls or fees, for wear and tear on the vehicle for the use of the driver’s own vehicle, an additional amount for specialized vehicles, and for the purchase of any special equipment required by the TNC. Prohibits a TNC from receiving compensation from a car rental company.

Section 5. **Deactivation.** [181C.05] Requires a TNC to have clear written rules providing the reasons a driver may be deactivated or sanctioned. Limits the circumstances for which a deactivation for more than three days may occur. Requires the TNC to provide the driver with a written account of the basis for any proposed deactivation. Provides a process, including the opportunity for a hearing, for a driver to contest any proposed deactivation. Allows a driver to appeal certain deactivations to the Office of Administrative hearings. Allows a driver deactivated

after January 1, 2019, the opportunity to be reinstated by following the hearing procedures under the section.

Section 6. **Retaliation prohibited.** [181C.06] Prohibits a TNC for retaliating against a driver for making a complaint, pursuing enforcement of chapter 181C, or for joining with other drivers to address concerns.

Section 7. **Equal access to transport.** [181C.07] Prohibits a TNC for favoring or disfavoring drivers through assignment of rides or deliveries.

Section 8. **Discrimination prohibited.** [181C.08] Prohibits a TNC from discriminating against drivers, applicants, riders, customers, or service receivers.

Section 9. **Civil action.** [181C.09] Allows a driver to bring a civil action for damages for noncompliance or a violation of chapter 181C against a TNC in district court. Provides for three times the damages suffered to a prevailing plaintiff. Provides a \$1,000 penalty for each violation payable by the TNC to the injured party. Provides a three year statute of limitations for complaints of violations affecting the complaining party.

Section 10. **Revocation of license.** [181C.10] Specifies that a failure to comply with this chapter subjects a TNC to revocation of any license issued by a local unit of government. Allows the commissioner of labor and industry to initiate a license revocation proceeding with a local unit of government.

Section 11. **Transparency.** [181C.11] Specifies the information a TNC must provide a driver of when making a possible assignment to transport a rider or package, including the number of miles and likely travel time. Requires the TNC to provide a detailed receipt of each trip within 24 hours or each trip completion. Requires the TNC to provide a weekly summary of completed trip information. Requires a TNC to provide a detailed ad itemized explanation of how the driver's compensation is calculated. Specifies that at least 30 days before any changes are made to the formula or method of calculating driver compensation that information must be provided in writing to drivers.

Section 12. **Collective bargaining agreements; employment status.** [181C.12] Clarifies that this chapter does not prohibit collective bargaining or provide a basis to conclude whether a driver is an employee or independent contractor.

Section 13. **Driver contract requirements.** [181C.13] Requires a copy of chapter 181C to be attached to every driver contract. Specifies that arbitration is not mandatory in pursuing remedies under this chapter and is at the election of the driver.

Section 14. **Driver resource center.** [181C.14] Subdivision 1. **Selection; purpose.** Requires the commissioner of labor and industry to facilitate the creation of and selection of an organization to oversee a driver resource center. Requires the driver resource center to conduct outreach to and educate drivers on their rights and obligations under chapter 181C, consult with drivers facing deactivation, educate drivers on laws related to their role as drivers, ensure that the purposes of chapter 181C are met.

Subdivision 2. **Administration.** Allows the center to be administered by a nonprofit organization with experience advocating for the rights of drivers.

Subdivision 3. **TNC agreements.** Requires TNCs to enter into agreements with the center, approved by the Department of Labor and Industry, regarding the driver deactivation hearing process.

Subdivision 4. **Funding.** Provides a funding mechanism for the driver resource center through collection of 25 cents from each trip or portion of a trip that is remitted by the TNC to the driver resource center fund.

Subdivision 5. **Fund created.** Creates the driver resource center fund in the special revenue fund in the state treasury for deposit of funds collected from the remittance under subdivision 4.

Subdivision 6. **Reporting.** Requires the entity selected to administer the center to submit a monthly accounting of funds expended to the commissioner of labor and industry. Directs the commissioner to disburse funds to the center upon verification of the expense within 15 days of receipt by the commissioner.