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S.F. No. 4780 – Regulation of transportation network companies (as amended by delete-all SCS4780A22)

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S.F. 4780 proposes to regulate transportation network companies with regard to insurance, pay transparency, minimum compensation, deactivation procedures, enforcement, and other provisions affecting transportation network companies and transportation network company drivers.

Section 1. **Transportation network financial responsibility.** [65B.472] **Subdivision 1** provides new definitions for terms used in this section. Terms include “disability and income loss benefits;” “P1,” “P2,” and “P3;” “funeral and burial expenses,” “medical expense benefit,” “personal injury,” “replacement services loss benefits,” “survivors economic loss benefits,” and “survivors replacement services loss benefits.”

Subdivision 2 clarifies the driver time periods during which automobile insurance requirements apply and who is responsible for maintaining coverage for those time periods. Requires a TNC to provide, at no cost to a TNC driver, insurance that provides reimbursement for loss suffered through personal injury arising from the driver's work for the TNC not covered by auto coverage of \$1,000,000 per incident due to personal injury, including medical expense benefits, disability and income loss benefits, funeral and burial expenses, replacement services loss benefits, survivor's economic loss benefits, and survivor's replacement services loss benefits. Allows an insurer authorized to write accident and sickness insurance in Minnesota to issue a blanket accident and sickness policy with required provisions as described.

Subdivisions 3 and 4 make conforming changes to reference the additional coverage provided and covered driver time periods.

Section 2. **Definitions.** [181C.01] Defines terms used in this section including “deactivation,” “digital network,” “driver time periods,” “personal vehicle,” “transportation network company,” “transportation network company driver” and “transportation network company rider.”

Section 3. **Notice and pay transparency.** [181C.02] **Subdivision 1** specifies the compensation notice information a TNC must provide a driver including: the right to legally required minimum compensation; the frequency and manner of a driver's pay; the rights and remedies available to a driver for a TNC's failure to comply minimum compensation requirements; and the driver's right to elect coverage of paid family and medical leave benefits provided under law. Requires the notice to be provided annually in the languages specified. Requires the TNC to provide 48-hour notice to a driver of any changes to compensation before it takes effect.

Subdivision 2 requires a TNC to make a ride offer available for sufficient time and with information estimating the travel time and compensation when alerting a driver of assignments.

Subdivision 3 requires a TNC to provide drivers with a detailed electronic receipt with information on the date, pickup and dropoff locations, mileage, fare or fee, and total compensation to the driver for each unique trip or portion of a unique trip within 24 hours of each trip completion.

Subdivision 4 requires a TNC to provide a weekly summary to drivers containing information on total in-application time logged, total time and mileage for trip segments, total fares or fees paid by riders, and total compensation to the driving including tips.

Subdivision 5 requires a TNC to maintain trip receipts and weekly summary records for three years.

Section 4. **Minimum compensation.** [181C.03] Provides the minimum compensation amounts to be paid by a TNC to a driver for each trip on a per mile, per minute basis, additional amounts for mobility aid access or as a cancellation fee, and a minimum fee of \$5.00 for any transport of a rider.

Requires a TNC to pay a driver over a reasonable period not to exceed 14 calendar days. Specifies that gratuities are the property of the driver and not part of minimum compensation. Requires a TNC to compare earnings against minimum compensation and account for any difference to the driver. Requires payment of a driver regardless of whether the TNC actually collects the fares or fees for a trip. Requires minimum compensation to be adjusted annually using the same process as the statewide minimum wage.

Section 5. **Deactivation.** [181C.04] **Subdivision 1** requires a TNC to have a written plain-language policy for the blocking, suspension, or ending of a driver's ability to receive connection to riders from the TNC. Requires the policy and any updates to be available to drivers at least 48 hours before the policy goes into effect and to be provided in the additional languages specified.

Subdivision 2 prohibits a TNC from deactivating a driver for a violation that is not reasonably understood as a part of the written policy; a driver's ability to work a minimum number of hours; acceptance or rejection of a ride; a driver's good faith statement about compensation or working conditions; or asserting legal rights under the law.

Subdivision 3 requires a TNC to provide a written notice of deactivation to a driver at the time of deactivation or for serious misconduct notice written three business days before deactivation. Requires the notice to provide the reason for deactivation, anticipated length, effective date, steps

for the driver to take to reverse a deactivation, instructions to challenge the deactivation and the appeals process, and information on how to contact a driver advocacy group for assistance.

Subdivision 4 requires a TNC to contract with a driver advocacy organization to provide services to drivers at no cost including: assistance with deactivation appeals, education, and related legal assistance. Specifies that a driver advocacy group must be an independent organization operating without control or influence from the TNC.

Subdivision 5 provides an appeal process for deactivations. Requires a deactivation policy to provide a driver at least 30 days to appeal a deactivation. Requires a decision on an appeal within 15 days of receipt of the appeal. Requires the TNC to consider information provided by a driver. Provides evidentiary standards for upholding a deactivation. Specifies that the appeal process does not apply to deactivations for economic reasons or during a public emergency. Requires reasonable compensation not to exceed 21 days to a driver that was deactivated due to a technical issue not caused by the driver.

Subdivision 6 allows a driver deactivated after January 1, 2021, but before November 1, 2024, to request an appeal of a deactivation if the appeal is made within 90 days of enactment. Allows a TNC to take up to 90 days to issue a final decision.

Provides an **effective date** of November 1, 2024, except as provided for subdivision 6 (prior deactivations).

Section 6. **Enforcement.** [181C.05] Allows the DLI commissioner to issue compliance orders for violations. Prohibits retaliation or discipline by a TNC against a driver for raising a complaint or pursuing enactment or enforcement of the TNC law.

Section 7. **Discrimination prohibited.** [181C.06] Prohibits a TNC from discriminating against drivers or qualified applicants due to race, national origin, color, creed, religion, sex, disability, sexual orientation, marital status, or gender identity. Entitles a driver injured by a violation of this section to access the remedies provided under sections 363A.28 to 363A.35 (Human Rights).

Section 8. **Collective bargaining; employment status.** [181C.07] Specifies that this chapter does not prohibit collective bargaining or be construed to alter whether a TNC is an employer of a TNC driver or whether a TNC driver is an employee.

Section 9. **Arbitration; requirements.** [181C.08] Allows a driver to opt out of arbitration with a TNC. Makes Minnesota the venue and chapter 181C the governing law in an arbitration. Allows a driver to appear by electronic means. Requires joint selection of arbitrators as specified.

Section 10. **Revocation of license.** [181C.09] Allows a local unit of government to refuse to issue or revoke a license and right to operate issued to a TNC for a TNC's failure to comply with this chapter.

Section 11. **Appropriation.** Appropriates money to DLY for fiscal year 2025 and beyond for the purposes of enforcement, education, and outreach.