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AB-1422 Transportation network companies. (2015-2016)

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Assembly Bill No. 1422

CHAPTER 791

An act to add Section 5444 to the Public Utilities Code, relating to transportation.

[Approved by Governor October 11, 2015. Filed with Secretary of State October 11, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1422, Cooper. Transportation network companies.

Existing law, the Passenger Charter-party Carriers' Act, provides for the regulation of transportation network companies by the Public Utilities Commission, and imposes specified requirements for liability insurance coverage for those transportation network companies and their participating drivers, as defined. A violation of the act is generally a crime. Existing law defines a "transportation network company" to mean an organization, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, operating in California that provides prearranged transportation services for compensation using an online-enabled application or platform to connect passengers with drivers using a personal vehicle.

This bill would provide that a transportation network company is eligible and required to participate in the Department of Motor Vehicles' pull-notice system to regularly check the driving records of a participating driver regardless of whether the participating driver is an employee or an independent contractor of the transportation network company. Because a violation of this requirement would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 5444 is added to the Public Utilities Code, immediately following Section 5443, to read:

5444. Notwithstanding any limitations contained in Section 1808.1 of the Vehicle Code, a transportation network company is eligible to participate and shall participate in the pull-notice system established pursuant to Section 1808.1 of the Vehicle Code to regularly check the driving records of a participating driver regardless of whether the participating driver is an employee or an independent contractor of the transportation network company.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or

infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.