



House of Representatives

General Assembly

File No. 375

February Session, 2024

Substitute House Bill No. 5470

House of Representatives, April 9, 2024

The Committee on Labor and Public Employees reported through REP. SANCHEZ, E. of the 24th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES AND THIRD-PARTY DELIVERY COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 13b-118 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2024*):

4 (b) (1) A transportation network company may charge a fare to a
5 transportation network company rider for a prearranged ride provided
6 the company discloses such fare to the rider through its digital network:
7 (A) The fare or fare calculation method; (B) the applicable rates being
8 charged; and (C) an option to receive an estimated fare before a
9 prearranged ride.

10 (2) [Within a reasonable period of time] Not later than five minutes
11 following the completion of a prearranged ride, a transportation
12 network company shall transmit, through its digital network, an initial

13 electronic receipt to the transportation network company rider on behalf
14 of the transportation network company driver that [lists] includes: (A)
15 The date and time of the prearranged ride; (B) the origin and destination
16 of the prearranged ride; [(B)] (C) the total time and distance of the
17 prearranged ride; [and (C)] (D) the first name of the transportation
18 network company driver; (E) an itemization of the total fare paid, if any;
19 and (F) the compensation paid to such driver for the prearranged ride,
20 including all relevant factors used by the transportation network
21 company to calculate such compensation. Not later than twenty-four
22 hours following the completion of a prearranged ride, a transportation
23 network company shall transmit to such rider a finalized electronic
24 receipt that includes the information specified in subparagraphs (A) to
25 (F), inclusive, of this subdivision.

26 (3) No transportation network company driver shall solicit or accept
27 cash payments for fares from transportation network company riders.
28 Any payment for a prearranged ride shall be made only through the
29 transportation network company's digital network.

30 (4) (A) For the purposes of this subdivision, "dynamic pricing" means
31 offering a prearranged ride at a price that changes according to the
32 demand for prearranged rides and availability of transportation
33 network company drivers.

34 (B) If a transportation network company elects to implement
35 dynamic pricing, the transportation network company, through its
36 digital network, shall: (i) Provide notice to a potential transportation
37 network company rider that dynamic pricing is in effect before a request
38 for a prearranged ride may be submitted; (ii) provide a fare estimator
39 that enables the potential rider to estimate the cost of such prearranged
40 ride under dynamic pricing; and (iii) include a feature that requires the
41 potential rider to confirm that he or she understands that dynamic
42 pricing will be applied to the cost of such prearranged ride.

43 (C) No transportation network company shall increase the price of a
44 prearranged ride to more than two and one-half times the usual price
45 charged for such prearranged ride in an area which is the subject of any

46 disaster emergency declaration issued by the Governor pursuant to
47 chapter 517, any transportation emergency declaration issued by the
48 Governor pursuant to section 3-6b or any major disaster or emergency
49 declaration issued by the President of the United States.

50 Sec. 2. (NEW) (*Effective July 1, 2024*) (a) Not later than five minutes
51 following the completion of a prearranged ride, a transportation
52 network company shall transmit, through its digital network, an initial
53 electronic receipt to the transportation network company driver that
54 includes, but need not be limited to: (1) The total time and distance of
55 the prearranged ride, (2) the total distance driven by the driver
56 beginning when the driver accepted the request from the rider through
57 the digital network and ending when the rider entered the
58 transportation network company vehicle, (3) the total fare charged to
59 the rider, (4) the driver's rate of pay, including, but not limited to, the
60 rate per minute, rate per mile, percentage of rider's fare received by the
61 driver and any dynamic pricing, as defined in subdivision (4) of
62 subsection (b) of section 13b-118 of the general statutes, as amended by
63 this act, that was applied to the cost of the prearranged ride, (5) any tips
64 or gratuities paid to the driver, (6) the gross payment to the driver, (7)
65 the net payment to the driver after the deduction of any fees, tolls,
66 surcharges, lease fees or other charges, and (8) an itemization of any
67 such deductions. Not later than twenty-four hours following the
68 completion of a prearranged ride, a transportation network company
69 shall transmit to such driver a finalized electronic receipt that includes
70 the information specified in subdivisions (1) to (8), inclusive, of this
71 subsection.

72 (b) A transportation network company shall maintain a digital copy
73 of each initial and finalized electronic receipt transmitted pursuant to
74 subsection (a) of this section on its digital network and make such
75 receipts available for downloading by the transportation network
76 company driver for a period of not less than three years from the date
77 of the prearranged ride.

78 (c) A transportation network company shall provide, through its

79 digital network, a weekly summary to the transportation network
80 company driver regarding the prearranged rides completed by such
81 driver during the previous week. Such summary shall include, but need
82 not be limited to: (1) The total time and distance of the prearranged rides
83 completed by the driver during such week, (2) the total amount of fares
84 charged to transportation network company riders during such week as
85 a result of such prearranged rides, (3) the total amount of tips or
86 gratuities paid to the driver during such week, (4) the driver's gross
87 payment received during such week, itemized by (A) rate per minute,
88 including the average rate across all completed prearranged rides, (B)
89 rate per mile, including the average rate across all completed
90 prearranged rides, and (C) any other method used to calculate pay,
91 including, but not limited to, base pay, percentage of the rider's fare or
92 any dynamic pricing that was applied to the cost of the prearranged
93 ride, (5) the driver's net payment during such week after the deduction
94 of any fees, tolls, surcharges, lease fees or other charges, and (6) an
95 itemization of any such deductions.

96 Sec. 3. Section 13b-116 of the general statutes is repealed and the
97 following is substituted in lieu thereof (*Effective July 1, 2024*):

98 As used in this section, [and] sections 13b-117 to 13b-120, inclusive,
99 and section 2 of this act:

100 (1) "Transportation network company" means a company,
101 corporation, partnership, trust, association, sole proprietorship or
102 similar organization that operates in this state and uses a digital network
103 to connect transportation network company riders to transportation
104 network company drivers to provide prearranged rides.
105 "Transportation network company" does not include the holder of a
106 certificate of public convenience and necessity issued under the
107 provisions of section 13b-97 to operate a taxicab or the holder of a permit
108 issued under the provision of section 13b-103 to operate a motor vehicle
109 in livery service.

110 (2) "Transportation network company driver" or "driver" means an
111 individual who [is not an employee of a transportation network

112 company, but who] uses a transportation network company vehicle to
113 provide prearranged rides.

114 (3) "Transportation network company rider" or "rider" means an
115 individual or individuals who use a digital network to connect with a
116 transportation network company driver to receive a prearranged ride
117 between points chosen by the individual or individuals.

118 (4) "Potential transportation network company rider" or "potential
119 rider" means an individual or individuals who use a digital network to
120 request a prearranged ride but have not entered the transportation
121 network company vehicle.

122 (5) "Digital network" means any online-enabled application, web site
123 or system offered or utilized by a transportation network company that
124 enables the provision of prearranged rides.

125 (6) "Prearranged ride" means transport by a transportation network
126 company driver of a transportation network company rider, (A)
127 beginning when the driver accepts a request from the rider through a
128 digital network, (B) continuing while the driver transports the rider, and
129 (C) ending when the last rider exits the transportation network
130 company vehicle.

131 (7) "Transportation network company vehicle" means a motor vehicle
132 as described in subsection (h) of section 13b-119 that is owned, leased or
133 otherwise used by a transportation network company driver when the
134 driver is connected to a digital network or is engaged in the provision
135 of a prearranged ride.

136 Sec. 4. (NEW) (*Effective July 1, 2024*) (a) As used in this section:

137 (1) "Third-party delivery company" means a company, corporation,
138 partnership, trust, association, sole proprietorship or similar
139 organization that operates in this state and uses a digital network to
140 connect customers to third-party delivery company drivers to provide
141 prearranged deliveries.

142 (2) "Third-party delivery company driver" or "driver" means an
143 individual who uses the digital network of a third-party delivery
144 company to provide prearranged deliveries.

145 (3) "Prearranged delivery" means the delivery by a third-party
146 delivery company driver of groceries, food, beverages, commercial
147 goods or other items prepared by another entity, or food and beverages
148 from not fewer than ten separately owned and operated food service
149 establishments, (A) beginning when the driver accepts a request from
150 the customer through a digital network, (B) continuing while the driver
151 transports the groceries, food, beverages, commercial goods or other
152 items, and (C) ending when the driver delivers the groceries, food,
153 beverages, commercial goods or other items to the location requested by
154 the customer.

155 (4) "Food service establishment" has the same meaning as provided
156 in section 21a-62b of the general statutes.

157 (5) "Digital network" means any online-enabled application, web site
158 or system offered or utilized by a third-party delivery company that
159 enables the provision of prearranged deliveries.

160 (6) "Dynamic pricing" means offering a prearranged delivery at a
161 price that changes according to the demand for prearranged deliveries
162 and availability of third-party delivery company drivers.

163 (b) Not later than five minutes following the completion of a
164 prearranged delivery, a third-party delivery company shall transmit,
165 through its digital network, an initial electronic receipt to the customer
166 on behalf of the third-party delivery company driver that includes an
167 estimation of: (1) The date and time of the prearranged delivery, (2) the
168 origin and destination of the prearranged delivery, (3) the total time and
169 distance of the prearranged delivery, (4) the first name of the third-party
170 delivery company driver, (5) an itemization of the total cost of such
171 prearranged delivery, and (6) the compensation paid to such driver for
172 the prearranged delivery, including all relevant factors used by the
173 third-party delivery company to calculate such compensation. Not later

174 than twenty-four hours following the completion of a prearranged
175 delivery, a third-party delivery company shall transmit to such
176 customer a finalized electronic receipt that includes the information
177 specified in subdivisions (1) to (6), inclusive, of this subsection.

178 (c) Not later than five minutes following the completion of a
179 prearranged delivery, a third-party delivery company shall transmit,
180 through its digital network, an initial electronic receipt to the third-party
181 delivery company driver that includes, but need not be limited to: (1)
182 The total time and distance of the prearranged delivery, (2) the total
183 distance driven by the driver beginning when the driver accepted the
184 request from the customer through the digital network and ending
185 when the driver picked up the groceries, food, beverages, commercial
186 goods or other items to be delivered, (3) the total cost of such
187 prearranged delivery charged to the customer, (4) the driver's rate of
188 pay, including, but not limited to, the rate per minute, rate per mile,
189 percentage of the cost of the prearranged delivery received by the driver
190 and any dynamic pricing that was applied to the cost of the prearranged
191 delivery, (5) any tips or gratuities paid to the driver, (6) the gross
192 payment to the driver, (7) the net payment to the driver after the
193 deduction of any fees, tolls, surcharges, lease fees or other charges, and
194 (8) an itemization of any such deductions. Not later than twenty-four
195 hours following the completion of a prearranged delivery, a third-party
196 delivery company shall transmit a finalized electronic receipt to such
197 driver with the information specified in subdivisions (1) to (8), inclusive,
198 of this subsection.

199 (d) A third-party delivery company shall maintain a digital copy of
200 each initial and finalized electronic receipt transmitted pursuant to
201 subsection (c) of this section on its digital network and make such
202 receipts available for downloading by the third-party delivery company
203 driver for a period of not less than three years from the date of the
204 prearranged delivery.

205 (e) A third-party delivery company shall provide, through its digital
206 network, a weekly summary to the third-party delivery company driver

207 regarding the prearranged deliveries completed by such driver during
208 the previous week. Such summary shall include, but need not be limited
209 to: (1) The total time and distance of the prearranged deliveries
210 completed by the driver during such week, (2) the total amount of fares
211 charged to customers during such week as a result of such prearranged
212 deliveries, (3) the total amount of tips or gratuities paid to the driver
213 during such week, (4) the driver's gross payment received during such
214 week, itemized by (A) rate per minute, including the average rate across
215 all completed prearranged deliveries, (B) rate per mile, including the
216 average rate across all completed prearranged deliveries, and (C) any
217 other method used to calculate pay, including, but not limited to, base
218 pay, the percentage of the cost of the prearranged delivery received by
219 the driver or any dynamic pricing that was applied to the cost of the
220 prearranged delivery, (5) the driver's net payment during such week
221 after the deduction of any fees, tolls, surcharges, lease fees or other
222 charges, and (6) an itemization of any such deductions.

223 Sec. 5. (*Effective from passage*) (a) For the purposes of this section,
224 "transportation network company driver" and "prearranged ride" have
225 the same meanings as provided in section 13b-116 of the general
226 statutes, as amended by this act.

227 (b) The Commissioner of Transportation shall negotiate and enter
228 into a memorandum of understanding with the proper authorities of the
229 states of New York, Massachusetts, Rhode Island and New Jersey to
230 establish a regional approach to permitting a transportation network
231 company driver who possesses a motor vehicle operator's license in one
232 state to provide a prearranged ride that originates in a different state.
233 Not later than January 1, 2025, the commissioner shall report, in
234 accordance with the provisions of section 11-4a of the general statutes,
235 to the joint standing committee of the General Assembly having
236 cognizance of matters relating to transportation on the results of such
237 negotiations and any legislation needed to implement such regional
238 approach.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024</i>	13b-118(b)
Sec. 2	<i>July 1, 2024</i>	New section
Sec. 3	<i>July 1, 2024</i>	13b-116
Sec. 4	<i>July 1, 2024</i>	New section
Sec. 5	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Sections 2(b) and 4(d) "not less than" was added before "three years" for conformity with standard drafting conventions.

LAB *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill makes changes to the disclosure and recordkeeping requirements for transportation network companies and third-party delivery companies which does not result in a fiscal impact to the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5470*****AN ACT CONCERNING TRANSPORTATION NETWORK COMPANIES AND THIRD-PARTY DELIVERY COMPANIES.*****SUMMARY**

This bill requires transportation network companies (TNCs) and third-party delivery companies to provide receipts that detail time, distance, and pay rate to their respective drivers. The bill also requires an initial receipt to be sent through a company's digital network within five minutes after the ride or delivery is completed and a final receipt must be sent within 24 hours after the ride or delivery. Further, the bill adds more items that must be listed on receipts provided to TNC ride customers and creates a similar receipt requirement for delivery company customers.

It also requires these companies to keep copies of the receipts for three years from the prearranged ride or delivery date and make them available to the drivers. The companies must also give weekly summaries to the drivers (§§ 1, 2 & 4).

Additionally, the bill amends state law's definition of TNC driver by eliminating a provision that specifies a driver is not an employee of a TNC (§ 3).

Finally, the bill requires the transportation commissioner to negotiate with New York, Massachusetts, Rhode Island, and New Jersey authorities to make a TNC driver reciprocity agreement (§ 5).

EFFECTIVE DATE: July 1, 2024, except the provision requiring the transportation commissioner to negotiate a reciprocity agreement with other states is effective upon passage.

§§ 2 & 4 — DRIVER RECEIPTS

The bill requires the TNC and delivery company to send initial electronic receipts to rideshare and delivery drivers within five minutes of a ride or delivery's completion.

The receipts must include the following:

1. the total time and distance of the prearranged ride or delivery;
2. the total distance driven by the driver beginning when the driver accepted the request from the rider or delivery customer through the digital network and ending when the rider entered the TNC vehicle or the driver picked up the food, drink, or other items for delivery;
3. the total fare charged to the rider or delivery cost to the customer;
4. the driver's rate of pay including, the rate per minute, rate per mile, percentage of rider's fare or the delivery cost received by the driver, and any dynamic pricing costs applied to the prearranged ride or delivery;
5. any driver tips or gratuities;
6. the driver's gross pay;
7. the driver's net pay after the deduction of any fees, tolls, surcharges, lease fees, or other charges; and
8. an itemization of any deductions.

Within 24 hours of a ride or delivery, the TNC or delivery company must transmit the final receipt to the driver with this information.

The bill defines "third-party delivery company" as a company, corporation, partnership, sole proprietorship, or similar organization operating in Connecticut that uses a digital network to connect customers to third-party delivery company drivers to provide prearranged deliveries. A "third-party deliver company driver," is a person who uses a third-party deliver company's digital network to provide prearranged deliveries.

Maintaining Receipt Records

The bill also requires the companies to keep digital copies of the receipts (initial and final) for three years from the prearranged ride or delivery date and make them available to the drivers for downloading from the company's digital network. Under the bill, "digital network" for delivery companies means any online-enabled application, website, or system offered or used by a delivery company that provides prearranged deliveries. By law, a digital network for TNCs uses an online-enabled system to provide prearranged rides.

Weekly Summaries for Drivers

The companies must also give drivers weekly summaries of rides or deliveries completed during the week. The summaries must include the following:

1. total ride or delivery time and distance the driver completes during the week;
2. total fares charged to TNC riders or delivery customers during the week from the rides and deliveries;
3. total amount of tips or gratuities paid to the driver during the week;
4. the driver's gross payment received during the week, itemized by (a) rate per minute, including the average across completed rides or deliveries, (b) rate per mile, including the average across completed rides or deliveries, and (c) any other method used to calculate pay;
5. the driver's net payment during the week after the deduction of any fees, tolls, surcharges, lease fees, or other charges; and
6. an itemization of any deductions.

The other methods of calculating driver gross pay can include:

1. base pay,
2. percentage received by the drivers of (a) the rider's fare or (b) the

cost of the prearranged delivery, or

3. any dynamic pricing costs applied to the prearranged ride or delivery.

Under the bill, dynamic pricing for delivery drivers (dynamic pricing for TNC drivers is already in existing law) means offering a prearranged delivery at a price that changes according to the demand for deliveries and availability of third-party delivery company drivers.

In the bill, “prearranged delivery” means the delivery by a third-party delivery company driver of groceries, food, beverages, commercial goods, or other items prepared by another entity, or food and beverages from at least 10 separately owned and operated food service establishments, that (1) begins when the driver accepts a customer request through a digital network, (2) continues while the driver transports the items, and (3) ends when the driver delivers the items to the location the customer requested.

§§ 1 & 4 — CUSTOMER RECEIPTS

Current law requires certain items to be detailed in a rider’s receipt from a TNC, including (1) the ride’s origin and destination, (2) its time and distance, and (3) an itemized fare. The bill adds items that must be detailed and requires both the existing and new items be included on delivery company customer receipts.

Under the bill, the receipts must include the following:

1. the ride or delivery date and time;
2. the ride or delivery origin and destination;
3. the ride or delivery total time and distance;
4. the TNC or third-party delivery company driver’s first name;
5. an itemization of the total ride or delivery cost; and
6. the compensation paid to the driver for the ride or delivery, including all relevant compensation factors used by the TNC or delivery company.

The bill requires the initial rider and delivery customer receipts to be transmitted within five minutes of the completion of the ride. Under current law, receipts must be provided to riders within a reasonable period. Additionally, the bill requires the TNC to send final electronic receipts to the riders or delivery customers within 24 hours of the ride or delivery's completion.

§ 5 — DRIVER RECIPROCITY WITH NEIGHBORING STATES

The bill also requires the transportation commissioner to negotiate with the proper authorities of New York, Massachusetts, Rhode Island, and New Jersey and enter into a memorandum of understanding that would permit a TNC driver who possesses a motor vehicle operator's license in one state to provide a prearranged ride that originates in a different participating state. By January 1, 2025, the commissioner must report to the Transportation Committee on the results of the negotiations and any legislation needed to implement the regional approach.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 8 Nay 4 (03/21/2024)