



STATE OF VERMONT
OFFICE OF LEGISLATIVE COUNCIL

MEMORANDUM

To: Senator Dick Sears
From: Maria Royle, Legislative Counsel
Erik FitzPatrick, Legislative Counsel
Date: May 4, 2017
Subject: **H.143 – Summary of Finance Report and Floor Amendment**

The Finance report proposes **five instances of amendment** to the report of the Committee on Judiciary, summarized below.

The first instance of amendment pertains to the financial responsibility (insurance) requirements. Specifically, it refers to the time period when a driver is logged onto the company's network, but is not yet engaged in a prearranged ride.

The amendment reduces the minimum auto liability coverage from \$100k/\$300k to \$50k/\$100k (bodily injury per person/per accident). The lower requirement is consistent with the NCOIL model act, adopted in many other states, and the requirements of Burlington's "vehicle for hire" ordinance. It also reflects the House proposal.

The second instance of amendment imposes civil penalties for violations of the insurance requirements in the bill, such as a failure to maintain the required level of insurance or a failure to carry proof of insurance. The penalties are modeled after existing penalties generally applicable to State-mandated auto insurance requirements under chapter 11 of Title 23.

The third instance of amendment, in Sec. 1, deletes § 751. Section 751 requires a company to obtain a license from the Department of Motor Vehicles prior to operating in Vermont. Commissioner Ide testified that, without additional resources and time, the Department could not begin processing license applications. (Under general corporations law, a TNC, as other business entities, is required to register with the Secretary of State.)

The fourth instance of amendment essentially rewrites the enforcement provision proposed in the Judiciary report to remove all references to a company's license

(suspension/revocation) because, under the Finance proposal, companies are no longer required to obtain a license.

The fifth instance of amendment requires the Commissioner of Motor Vehicles, in consultation with the Director of the Office of Professional Regulation, to conduct a study of whether and to what extent all vehicles for hire, vehicle for hire drivers, and vehicle for hire companies should be regulated at the State level.

For purposes of the study, “vehicle for hire” is broadly defined as a passenger vehicle transporting passengers for compensation of any kind. It does not include mass transit vehicles, such as buses and trains, courtesy vehicles offered by a hotel or car dealer, employer vehicles used to transport employees, or vehicles used under a special government transportation program.

The study requires the Commissioner to review regulatory models adopted in other jurisdictions and to consider essentially all aspects of vehicle for hire regulation, including matters related to passenger safety, insurance coverage, fares, and licensing.

In addition, the study requires the Commissioner to consider the extent to which all such vehicles, drivers, and companies should be treated similarly with respect to statewide regulation.

The report is due on or before December 15, 2017.

Cummings Floor Amendment (on behalf of Finance)

This amendment pertains to the Vermont criminal record check and current TNC drivers. It specifies that the Vermont check is satisfied during the period when a request is pending with VCIC.

The purpose of the amendment is to ensure that current drivers do not have to stop driving because of a delay in obtaining the State background check from VCIC.