

**LIMOUSINE, TAXICAB, AND TRANSPORTATION NETWORK COMPANY ACT**  
**Act 345 of 2016**

AN ACT to regulate transportation network companies, taxicabs, and certain limousines in this state; to provide for the powers and duties of certain state officers and entities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

*The People of the State of Michigan enact:*

**257.2101 Short title.**

Sec. 1. This act shall be known and may be cited as the "limousine, taxicab, and transportation network company act".

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2102 Definitions.**

Sec. 2. As used in this act:

- (a) "Department" means the department of licensing and regulatory affairs.
- (b) "Dispatch system" means any hardware, software, mobile device, or online-enabled application used by a limousine carrier or a taxicab carrier to connect limousine drivers or taxicab drivers to potential passengers.
- (c) "Dispatch system provider" means a person operating in this state that uses any device, method, means, or arrangement, including a dispatch system, to connect potential passengers with a limousine carrier, taxicab carrier, limousine driver, or taxicab driver. Dispatch system provider does not include a limousine carrier or a taxicab carrier.
- (d) "Limousine" means a self-propelled motor vehicle used in the carrying of passengers and the baggage of the passengers for hire with a seating capacity of 8 passengers or fewer, including the driver. Limousine does not include a commercial vehicle. Limousine also does not include a vehicle operated by any of the following:
  - (i) A county, city, township, or village as provided by law, or other authority incorporated under 1963 PA 55, MCL 124.351 to 124.359.
  - (ii) An authority incorporated under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or that operates a transportation service pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
  - (iii) Operating under a contract entered into under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or 1951 PA 35, MCL 124.1 to 124.13.
  - (iv) An authority incorporated under the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479, or a nonprofit corporation organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, that provides transportation services.
  - (v) An authority financing public improvements to transportation systems under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.
  - (vi) A person that is only operating limousines to provide the transportation of passengers for funerals.
  - (vii) An employer that is only using the vehicle, or on whose behalf the vehicle is being used, to transport its employees to and from their place of employment.
- (e) "Limousine carrier" means a person who, either directly or through any device, dispatch system, or arrangement, holds himself or herself out to the public as willing to transport passengers for hire by limousine.
- (f) "Limousine driver" means an individual who uses a limousine to provide transportation services to potential passengers.
- (g) "Person" means an individual, sole proprietorship, partnership, corporation, association, or other legal entity.
- (h) "Personal vehicle" means a motor vehicle with a seating capacity of 8 passengers or fewer, including the driver, that is used by a transportation network company driver that satisfies both of the following:
  - (i) The vehicle is owned, leased, or otherwise authorized for use by the transportation network company driver.
  - (ii) The vehicle is not a taxicab, limousine, or commercial vehicle.
- (i) "Taxicab" means a motor vehicle with a seating capacity of 8 passengers or fewer, including the driver, that is equipped with a roof light and that carries passengers for a fee usually determined by the distance traveled. Taxicab does not include a commercial vehicle.

(j) "Taxicab carrier" means a person who, either directly or through any device, dispatch system, or arrangement, holds himself or herself out to the public as willing to transport passengers for hire by taxicab.

(k) "Taxicab driver" means an individual who uses a taxicab to provide transportation services to potential passengers.

(l) "Transportation network company" means a person operating in this state that uses a digital network to connect transportation network company riders to transportation network company drivers who provide transportation network company prearranged rides. Transportation network company does not include a taxi service, transportation service arranged through a transportation broker, ridesharing arrangement, or transportation service using fixed routes at regular intervals.

(m) "Transportation network company digital network" means an online-enabled application, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers.

(n) "Transportation network company driver" means an individual who satisfies all of the following:

(i) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company.

(ii) Uses a personal vehicle to offer or provide transportation network company prearranged rides to transportation network company riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee.

(o) "Transportation network company prearranged ride" means the provision of transportation by a transportation network company driver to a transportation network company rider, beginning when a transportation network company driver accepts a ride requested by a transportation network company rider through a digital network controlled by a transportation network company, continuing while the transportation network company driver transports the requesting transportation network company rider, and ending when the last requesting transportation network company rider departs from the personal vehicle. Transportation network company prearranged ride does not include a shared-expense carpooling or vanpooling arrangement or transportation provided using a taxicab, limousine, or other vehicle.

(p) "Transportation network company rider" means an individual who uses a transportation network company's digital network to connect with a transportation network company driver who provides a transportation network company prearranged ride to the transportation network company rider in the transportation network company driver's personal vehicle between points chosen by the transportation network company rider.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

### **257.2103 Rules.**

Sec. 3. The department may promulgate rules to administer this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

### **257.2104 Limousine carrier, taxicab carrier, or transportation network company; registration required; fees; application; expiration; renewal; records; audit; public record; exception; application as void; cessation of fees.**

Sec. 4. (1) A limousine carrier, taxicab carrier, or transportation network company shall not operate in this state without first having registered with the department under this act.

(2) An application for registration shall be made on a form provided by the department and accompanied by a fee of \$25.00 if the applicant registers 10 or fewer vehicles under this section, a fee of \$50.00 if the applicant registers between 11 and 25 vehicles under this section, and a \$100.00 application fee if the applicant registers more than 25 vehicles under this section.

(3) The department shall issue a registration to an applicant that meets the requirements of this act and pays the application fee described in subsection (2) and an annual registration fee of \$100.00 for the first vehicle registered under this act and \$50.00 per vehicle for the second through ninth vehicles registered under this act. If the applicant registers more than 9 vehicles under this act, the applicant shall pay a registration fee according to the following schedule:

|                               |              |
|-------------------------------|--------------|
| 10 vehicles.....              | \$ 550.00    |
| 11 to 25 vehicles.....        | \$ 1,000.00  |
| 26 to 100 vehicles.....       | \$ 2,500.00  |
| 101 to 500 vehicles.....      | \$ 5,000.00  |
| 501 to 1,000 vehicles.....    | \$ 10,000.00 |
| More than 1,000 vehicles..... | \$ 30,000.00 |

The department shall expend money received from registration fees under this subsection to defray the costs of enforcing and administering this act.

(4) Fees collected by the department under this act shall be retained by the department to enforce and administer this act, and shall not lapse to the general fund.

(5) To obtain a registration under this act, a limousine carrier, taxicab carrier, or transportation network company shall submit an application, on a form developed by the department, to the department that includes all of the following information:

(a) Proof that the applicant has satisfied the insurance requirements of this act.

(b) Whether the applicant is an individual, a sole proprietorship, a partnership, a corporation, a limited liability company, or other type of business entity. An applicant that is a sole proprietorship or a general partnership shall be registered at the county level and shall provide to the department a copy of its certificate of conducting business under an assumed name or certificate of co-partnership. If the applicant is a business entity, the applicant shall be a Michigan entity in good standing or a foreign entity that has a certificate of authority and is authorized to do business in this state, and shall provide to the department its full legal name, a copy of its articles of incorporation, articles of organization, or certificate of authority, and its federal employer identification number.

(c) The name, telephone number, mailing address, and electronic mail address of a designated contact person for the applicant.

(d) The number of vehicles the applicant operates, according to the following schedule:

(i) Zero to 10.

(ii) 11 to 25.

(iii) 26 to 100.

(iv) 101 to 500.

(v) 501 to 1,000.

(vi) More than 1,000.

(e) If applicable, proof that the applicant has satisfied any penalties or conditions imposed by disciplinary action in this state.

(6) A registration granted under this section expires on August 31 of each year. The department shall renew a registration granted under this section upon payment of the annual registration fee provided for in subsection (3) and receipt of a completed renewal form provided by the department. The department may request any additional information it deems necessary for the administration of this act at the time of renewal.

(7) The department may audit the records of a registrant under this act, including, but not limited to, conducting a random sample of the registrant's records related to drivers, subject to all of the following:

(a) The audit described in this subsection may be conducted no more than 2 times per year.

(b) The audit may take place at a third-party location agreed upon by the department and the registrant.

(8) Subject to subsection (9), records obtained by the department or filed under this act, including a record contained in or filed with an application or report, are public records and shall be made available for public examination.

(9) All of the following records are not public record and shall not be made available for public examination as provided in subsection (8):

(a) A record obtained by the department in connection with an audit required under subsection (7).

(b) Part of a report prepared in connection with an audit under subsection (7) that contains trade secrets or confidential information, if the registrant has asserted a claim of confidentiality or privilege that is authorized by law.

(c) A record that is not required to be provided to the department or filed under this act and is provided to the department only on the condition that the record will not be subject to public examination or disclosure.

(10) Unless otherwise provided by this act or rules promulgated under this act, an applicant for registration under this act shall complete all requirements for registration within 1 year after receipt of the registration application by the department or mailing of a notice of an incomplete registration to the last known address on file with the department, whichever is later. If the applicant does not complete the requirements of this act within the time period provided in this subsection, any fees paid by the applicant are forfeited to the department and the application for registration is void. An applicant whose application is void under this subsection and who wishes to register under this act shall submit a new application and fees and shall meet the standards in effect on the date of receipt by the department of the new application for registration.

(11) Beginning March 21, 2023, the department shall cease to impose the fees provided for in this section.

**History:** 2016, Act 345, Eff. Mar. 21, 2017;—Am. 2019, Act 72, Imd. Eff. Sept. 30, 2019.

## **257.2105 Disclosure of information.**

Sec. 5. A limousine carrier, taxicab carrier, or transportation network company shall disclose to the department on an annual basis and in the event of a material reduction in insurance coverage maintained by the limousine carrier, taxicab carrier, or transportation network company on behalf of each driver providing transportation services for that limousine carrier, taxicab carrier, or transportation network company all of the following information:

(a) The automobile insurance coverage, including the types of coverage and limits for each type of coverage, that the limousine carrier, taxicab carrier, or transportation network company maintains on behalf of each driver while he or she operates a limousine, operates a taxicab, or uses a personal vehicle in connection with a transportation network company's digital network.

(b) If the person subject to this act is a transportation network company, whether the transportation network company maintains comprehensive and collision insurance that covers a transportation network company driver's personal vehicle and, if such coverage is maintained by the transportation network company, the limits of coverage, applicable deductible, and conditions under which the coverage applies to a vehicle operated by a transportation network company driver.

(c) As used in this section, "material reduction in insurance coverage" does not include the replacement of insurance coverage with substantially similar insurance coverage from a different insurer by a transportation network company.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2107 Operation of limousine or taxicab on behalf of carrier or company; application; submission; requirements; duties of carrier or company; operation prohibited; conditions; records subject to audit.**

Sec. 7. (1) Before an individual may operate a limousine or taxicab on behalf of a limousine carrier or taxicab carrier or accept transportation network company prearranged ride requests as a transportation network company driver using a transportation network company's digital network, he or she shall submit an application to the limousine carrier, taxicab carrier, or transportation network company. The application required under this subsection shall include, but is not limited to, the applicant's name, address, age, operator's license number, driving history, motor vehicle registration information, and automobile liability insurance information. A limousine carrier, taxicab carrier, or transportation network company receiving an application under this subsection shall do both of the following before allowing the applicant to operate a limousine or taxicab or accept transportation network company prearranged ride requests as a transportation network company driver using the transportation network company's digital network:

(a) Annually conduct, or use a third party to annually conduct, a local and national criminal background check of the applicant. The background checks required under this subdivision shall include a search of all of the following:

(i) A multistate or multijurisdiction criminal records locator or similar commercial nationwide database with validation.

(ii) The national sex offender registry database.

(b) Annually obtain and review a driving history research report for the applicant.

(2) A limousine carrier, taxicab carrier, or transportation network company shall not allow an individual to operate a limousine or taxicab or accept transportation network company prearranged ride requests as a transportation network company driver using its digital network if any of the following apply:

(a) The individual has had more than 4 moving violations or 1 major violation in the 3-year period before the date of the application. As used in this subdivision, "major violation" includes, but is not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license.

(b) The individual has a felony conviction within 5 years before the date of the application of any of the following:

(i) Driving under the influence of drugs or alcohol.

(ii) Fraud.

(iii) A sexual offense.

(iv) Use of a motor vehicle to commit a felony.

(v) A crime involving property damage.

(vi) Theft.

(vii) An act of violence.

(viii) An act of terror.

(c) The individual is listed on the national sex offender registry database.

(d) The individual does not possess a valid operator's license issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, or a valid operator's license issued by another state.

(e) The individual does not possess proof of registration issued under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, or proof of registration issued by another state for each personal vehicle that he or she intends to use to provide transportation network company prearranged rides. This subdivision applies only to a transportation network company.

(f) The individual does not possess proof of automobile liability insurance for each personal vehicle that he or she intends to use to provide transportation network company prearranged rides. This subdivision applies only to a transportation network company.

(g) The individual is under 19 years of age.

(3) All background records of drivers described in this section are subject to audit by the department at any time.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

### **257.2109 Vehicle safety inspection.**

Sec. 9. (1) A limousine carrier or taxicab carrier shall not operate a limousine or taxicab, and a transportation network company shall not allow a transportation network company driver to accept trip requests through that transportation network company's digital network, unless the limousine, taxicab, or personal vehicle has undergone a safety inspection conducted annually by a mechanic licensed by this state before being used to provide transportation services. Each limousine carrier and taxicab carrier shall maintain, and each transportation network company driver shall provide to the transportation network company, documentation of the inspection required by this section showing that all of the following vehicle components were inspected:

- (a) Foot brakes.
- (b) Parking brakes.
- (c) Steering mechanism.
- (d) Windshield.
- (e) Rear window and other glass.
- (f) Windshield wipers.
- (g) Headlights.
- (h) Taillights.
- (i) Brake lights.
- (j) Front seat adjustment mechanism.
- (k) Doors.
- (l) Turn signal lights.
- (m) Horn.
- (n) Speedometer.
- (o) Bumpers.
- (p) Muffler and exhaust system.
- (q) Tires, including tread depth.
- (r) Interior and exterior mirrors.
- (s) Safety belts.
- (t) Defrosting system.

(2) The vehicle inspections described in this section are subject to audit by the department at any time.

(3) The vehicle inspections described in this section only apply to vehicles that are 5 years old or older.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

### **257.2111 Signage, emblem, or department of licensing and regulatory affairs registration number.**

Sec. 11. (1) Subject to subsection (2), a vehicle subject to this act shall display a consistent and distinctive signage or emblem at all times while the vehicle is being used to provide transportation services or while the vehicle is being used by a transportation network company driver for a transportation network company prearranged ride or while the transportation network company driver is available to receive a transportation request. Subject to subsection (2), a vehicle subject to this act may also display a department of licensing and regulatory affairs registration number. The signage, emblem, or department of licensing and regulatory affairs registration number shall satisfy both of the following:

(a) The signage, emblem, or department of licensing and regulatory affairs registration number shall be color-contrasted to be visible during daylight hours from a distance of at least 50 feet.

(b) The signage, emblem, or department of licensing and regulatory affairs registration number shall sufficiently identify the limousine carrier, taxicab carrier, transportation network company, or dispatch system

provider with which the vehicle is affiliated.

(2) If a limousine carrier, taxicab carrier, or transportation network company is providing services in association with a dispatch system provider, the limousine carrier, taxicab carrier, or transportation network company shall display its signage or emblem or the signage or emblem of the dispatch system provider. If a limousine carrier, taxicab carrier, or transportation network company displays the signage or emblem of a dispatch system provider as provided in this subsection, it shall also display its department of licensing and regulatory affairs registration number.

(3) If a limousine carrier, taxicab carrier, or transportation network company displays a department of licensing and regulatory affairs registration number, the 10-digit registration number shall be displayed with the "#" symbol prior to the registration number and shall use numbers and symbols that are at least 1-1/2 inches in height.

**History:** 2016, Act 345, Eff. Mar. 21, 2017;—Am. 2018, Act 150, Eff. Aug. 14, 2018.

#### **257.2113 Records.**

Sec. 13. A limousine driver, taxicab driver, or transportation network company shall maintain all of the following records, as applicable:

(a) Individual trip records. A limousine driver, taxicab driver, or a transportation network company shall maintain an individual trip record for a period of at least 1 year after the date the trip was provided. An individual trip record shall contain all of the following information:

- (i) Pickup and drop-off location.
- (ii) Duration of the trip, distance traveled, and fee.

(b) Individual records of limousine, taxicab, or transportation network company drivers. An individual driver record shall be maintained for a period of at least 1 year after the driver ceases to operate a limousine or taxicab for a limousine carrier or taxicab carrier or the driver ceases to provide transportation network company prearranged rides using the transportation network company's digital network. An individual driver record shall contain all of the following information:

- (i) The name and contact information of the driver.
- (ii) The make, model, and registration plate number of the vehicle operated by the driver.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2115 Imposition of tax, fee, or license by local unit of government; validity of existing article of incorporation; applicability of subsection.**

Sec. 15. (1) A local unit of government shall not impose a tax or fee upon or require a license for a limousine carrier, taxicab carrier, or transportation network company, a limousine driver, taxicab driver, or transportation network company driver, or a limousine, taxicab, or personal vehicle, if the tax, fee, or license is related to the provision of limousine or taxicab service or transportation network company prearranged rides. Except as otherwise provided in this section, a local unit of government shall not enact or enforce an ordinance regulating a limousine carrier, taxicab carrier, limousine driver, taxicab driver, or transportation network company. A local unit of government may issue a civil infraction to a limousine, taxicab, or transportation network company driver for a violation of section 11, 23(8), 41, or 45.

(2) Notwithstanding any other provision of this act, an article of incorporation in existence upon passage of this act covering a transportation network company, limousine carrier, or taxicab carrier by an authority created to regulate limousines, taxicabs, or transportation network companies under the municipal partnership act, 2011 PA 258, MCL 124.111 to 124.123, or the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479, shall remain valid. This subsection does not apply after 4 years after the effective date of this act.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2116 Enactment of ordinances and regulations by airport; "airport" defined.**

Sec. 16. An airport may enact ordinances and regulations governing a limousine carrier, taxicab carrier, or transportation network company that adopt reasonable procedures and fees for operations conducted by that limousine carrier, taxicab carrier, or transportation network company on airport property. An ordinance or regulation described in this section shall be consistent with industry standards, shall not impose requirements that have the effect of unreasonably impeding service, and shall not duplicate or contradict the requirements of this act. As used in this section, "airport" means 1 of the following:

(a) An airport as that term is defined in section 2 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.2.

(b) A public airport authority created under section 110 of the aeronautics code of the state of Michigan,

1945 PA 327, MCL 259.110.

(c) A regional airport authority created under section 137 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.137.

(d) A community airport created under section 1 of 1957 PA 206, MCL 259.621.

(e) An airport authority created under section 1 of 1970 PA 73, MCL 259.801.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2117 Summary suspension of registration.**

Sec. 17. (1) If the insurance coverage required under section 19, 21, or 23 is canceled for any reason, or if, after an audit, the department determines that a registrant's violation of this act poses a threat to the public health, safety, or welfare, the department shall issue an order summarily suspending the registration issued to that limousine carrier, taxicab carrier, or transportation network company, based on an affidavit by an individual who is familiar with the facts set forth in the affidavit, or, if appropriate, based on an affidavit made on information and belief that an imminent threat to the public health, safety, or welfare exists.

(2) A limousine carrier, taxicab carrier, or transportation network company whose registration is summarily suspended under this section may petition the department to dissolve the order. The department may grant or deny the petition without a hearing, or may immediately schedule a hearing to decide whether to grant or deny the petition.

(3) At a hearing described in subsection (2), an administrative law hearings examiner shall dissolve the summary suspension order unless sufficient evidence is presented that an imminent threat to the public health, safety, or welfare exists that requires emergency action and continuation of the department's summary suspension order.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2119 Limousine carrier; insurance coverage.**

Sec. 19. A limousine carrier shall acquire the following insurance coverage for acts or omissions of the applicant as a limousine carrier:

(a) Bodily injury and property damage liability insurance with a minimum combined single limit of \$1,000,000.00 for all persons injured or for property damage.

(b) Personal protection insurance and property protection insurance as required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179. A limousine carrier shall maintain the insurance described in this section as a condition of maintaining a license issued under this act.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2121 Taxicab carrier; insurance coverage.**

Sec. 21. A taxicab carrier shall acquire all of the following insurance coverage for acts or omissions of the applicant as a taxicab carrier:

(a) Bodily injury and property damage liability insurance with a minimum combined single limit of \$300,000.00 for all persons injured or for property damage.

(b) Personal protection insurance and property protection insurance as required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2123 Transportation network company driver or transportation network company on driver's behalf; automobile insurance.**

Sec. 23. (1) Beginning on the effective date of this act, a transportation network company driver, or a transportation network company on a transportation network company driver's behalf, shall maintain primary automobile insurance on a personal vehicle that recognizes that the transportation network company driver uses the vehicle as a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the transportation network company driver while he or she is logged on to the transportation network company's digital network or while he or she is engaged in a transportation network company prearranged ride.

(2) During the time that a transportation network company driver is logged on to the transportation network company's digital network and is available to receive transportation requests but is not engaged in a transportation network company prearranged ride, all of the following types of automobile insurance are required:

(a) Residual third party automobile liability insurance as required under section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, in the amount of at least \$50,000.00 per person for death or bodily

injury, \$100,000.00 per incident for death or bodily injury, and \$25,000.00 for property damage.

(b) Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

(3) During the time that a transportation network company driver is engaged in a transportation network company prearranged ride, all of the following types of automobile insurance are required:

(a) Residual third party automobile liability insurance with a minimum combined single limit of \$1,000,000.00 for all bodily injury or property damage.

(b) Personal protection insurance and property protection insurance in the amounts and of the types of coverage required by chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.

(4) The requirements of subsections (2) and (3) may be satisfied by automobile insurance maintained by a transportation network company driver or a transportation network company, or a combination of both.

(5) If the insurance required by subsection (2) or (3) lapses or does not provide the required coverage, insurance maintained by a transportation network company shall provide the coverage required by this section, beginning with the first \$1.00 of a claim, and the transportation network company's insurer shall defend the claim.

(6) Coverage provided under an automobile insurance policy maintained by a transportation network company shall not be dependent upon a personal automobile insurer denying the claim first and shall not require a personal automobile insurer to deny the claim first.

(7) All of the following apply to the automobile insurance described in subsections (2) and (3):

(a) It may be placed with an insurer licensed under chapter 4 of the insurance code of 1956, 1956 PA 218, MCL 500.402 to 500.480, or, if the insurance is maintained by a transportation network company, an eligible unauthorized insurer under chapter 19 of the insurance code of 1956, 1956 PA 218, MCL 500.1901 to 500.1955.

(b) The insurance policy satisfies the financial responsibility requirements described in chapter V of the Michigan vehicle code, 1949 PA 300, MCL 257.501 to 257.532.

(8) A transportation network company driver shall carry proof of the insurance required under subsections (2) and (3) with him or her at all times during his or her use of a personal vehicle in connection with a transportation network company's digital network. The transportation network company driver may provide proof of insurance by a paper or electronic copy of the certificate of insurance. If an accident occurs during the time that a transportation network company driver is using a personal vehicle in connection with a transportation network company's digital network, he or she shall provide all of the following information upon request to directly interested parties, automobile insurers, and investigating law enforcement officers as required under section 328 of the Michigan vehicle code, 1949 PA 300, MCL 257.328:

(a) Insurance coverage information.

(b) Whether he or she was logged on to the transportation network company's digital network or on a transportation network company prearranged ride at the time of the accident.

(9) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the transportation network company's insurer shall issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the vehicle.

(10) A transportation network company shall disclose all of the following information in writing to a transportation network company driver before that transportation network company driver may accept a request for a transportation network company prearranged ride on that transportation network company's digital network:

(a) The insurance coverage, including the types of coverage and limits for each type of coverage, that the transportation network company provides while the transportation network company driver uses a personal vehicle in connection with the transportation network company's digital network.

(b) That, depending on the terms of the policy, the transportation network company driver's personal automobile insurance policy might not provide coverage while the transportation network company driver is logged on to the transportation network company's digital network or is engaged in a prearranged ride.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

## **257.2125 Terms of service; disclosure by transportation network company to prospective driver.**

Sec. 25. A transportation network company shall disclose prominently, with a separate acknowledgment of acceptance for subdivisions (a) and (c), to a prospective transportation network company driver in the transportation network company driver's written terms of service all of the following before that driver may accept a request for a transportation network company prearranged ride on the transportation network

company's digital network:

(a) "Most personal auto insurance policies in Michigan exclude comprehensive and collision coverage while you carry passengers for charge in your motor vehicle and are logged into a transportation network company's digital network. I acknowledge that my personal auto insurance policy may exclude comprehensive and collision coverage while my motor vehicle is carrying passengers for charge."

(b) "Is your motor vehicle subject to a lease, loan, or lien? Please indicate Yes or No: \_\_\_\_\_."

(c) "Most auto loans and leases in Michigan require the borrower to ensure that the motor vehicle is protected by comprehensive and collision coverage. If your written agreement with your lessor or loan provider requires you to maintain comprehensive and collision insurance on the motor vehicle, using the motor vehicle while logged onto a transportation network company's digital network may violate your legal obligation to your lessor or loan provider under Michigan law. I acknowledge that I may breach the terms of my auto loan or lease if I fail to secure appropriate or additional comprehensive and collision coverage during the term of the loan or lease, while I carry passengers for charge in my motor vehicle."

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2127 Carrier or company as common, motor, or contract carrier; registration of personal vehicle as commercial or for-hire vehicle not required; "motor carrier" defined.**

Sec. 27. (1) A limousine carrier, taxicab carrier, transportation network company, limousine driver, taxicab driver, or transportation network company driver shall not be considered a common carrier, motor carrier, or contract carrier, or to provide commercial vehicle service.

(2) A transportation network company driver is not required to register his or her personal vehicle as a commercial or for-hire vehicle.

(3) As used in this section, "motor carrier" means that term as defined in section 1 of the motor carrier act, 1933 PA 254, MCL 475.1.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2129 Service of process; agent.**

Sec. 29. A transportation network company operating under a license issued under this act shall maintain an agent authorized to receive service of process in this state.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2131 Charging and collecting fee on behalf of transportation network company driver; conditions.**

Sec. 31. On behalf of a transportation network company driver, a transportation network company may charge and collect a fee for services provided to a transportation network company rider, if all of the following are satisfied:

(a) The transportation network company discloses the fee calculation method on its website or within the software application service.

(b) The transportation network company provides the transportation network company rider with the applicable rate being charged and the option to receive an estimated fee before the transportation network company rider enters the transportation network company driver's personal vehicle.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2133 Display of picture and registration plate number by transportation network digital network.**

Sec. 33. A transportation network company digital network shall display a picture of the transportation network company driver and the registration plate number of the personal vehicle to be used for the transportation network company prearranged ride before the transportation network company rider enters the personal vehicle.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2135 Electronic receipt; information.**

Sec. 35. Within a reasonable period of time after a transportation network company prearranged ride is completed, a transportation network company shall transmit an electronic receipt to the transportation network company rider listing all of the following information:

(a) The origin and destination of the trip.

(b) The total time and distance of the trip.

(c) An itemization of the total fee paid, if any.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2137 Transportation network company driver as independent contractor; conditions.**

Sec. 37. (1) A transportation network company driver shall be considered an independent contractor, and not an employee of a transportation network company, if all of the following conditions are met:

(a) The transportation network company does not prescribe the specific hours during which the transportation network company driver is required to be logged in to the transportation network company's digital network.

(b) The transportation network company does not impose any restrictions on the transportation network company driver's ability to use other transportation network companies' digital networks.

(c) The transportation network company does not assign a transportation network company driver a particular territory within this state in which he or she may provide transportation network company prearranged rides.

(d) The transportation network company does not restrict a transportation network company driver from engaging in any other occupation or business.

(e) The transportation network company and the transportation network company driver agree in writing that the transportation network company driver is an independent contractor.

(2) A transportation network company shall not be deemed to control, direct, or manage a personal vehicle or a transportation network company driver who connects to its digital network, unless the parties have agreed otherwise in a written contract.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2139 Zero-tolerance policy.**

Sec. 39. (1) A limousine carrier, taxicab carrier, or transportation network company shall develop and implement a zero-tolerance policy regarding a limousine, taxicab, or transportation network company driver's activities while providing transportation services or accessing the transportation network company's digital network. The zero-tolerance policy required under this subsection shall address the use of drugs or alcohol while a driver is providing transportation services or a transportation network company prearranged ride or is logged in to a transportation network company's digital network and available to receive a transportation request.

(2) A limousine carrier, taxicab carrier, or transportation network company, or the parent company if the limousine carrier, taxicab carrier, or transportation network company does not have a website, shall provide notice of the zero-tolerance policy required under subsection (1) on its website, and shall also provide on its website a procedure for a passenger to report a complaint about a driver who the passenger reasonably suspects was under the influence of drugs or alcohol during a trip or a transportation network company prearranged ride.

(3) Upon receipt of a complaint described in subsection (2), a limousine carrier, taxicab carrier, or transportation network company shall immediately suspend the driver and, if applicable, the driver's access to the transportation network company's digital network, and shall investigate the incident. The driver's suspension shall last for the duration of the investigation.

(4) A limousine carrier, taxicab carrier, or transportation network company shall maintain records of a passenger complaint for at least 2 years after the date the complaint was received by the limousine carrier, taxicab carrier, or transportation network company.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2141 Acceptance of transportation request.**

Sec. 41. A transportation network company driver shall not accept a request for transportation unless the request is accepted through the transportation network company's digital network.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

#### **257.2143 Payments for transportation.**

Sec. 43. (1) A transportation network company driver shall not solicit or accept cash payments from transportation network company riders for transportation network company prearranged rides.

(2) A payment for a transportation network company prearranged ride shall only be made electronically using a transportation network company's digital network.

(3) A transportation network company shall adopt a policy prohibiting a transportation network company driver from soliciting or accepting cash payments from transportation network company riders, and shall notify transportation network company drivers using its digital platform of the policy required by this subsection.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2145 Nondiscrimination; accommodation of service animals; services to passenger with physical disability.**

Sec. 45. (1) A limousine carrier, taxicab carrier, and transportation network company shall adopt a policy of nondiscrimination with respect to passengers and potential passengers and shall notify limousine drivers, taxicab drivers, and transportation network company drivers of the policy adopted under this subsection.

(2) A limousine driver, taxicab driver, and transportation network company driver shall comply with all applicable laws regarding nondiscrimination against a passenger or potential passenger.

(3) A limousine driver, taxicab driver, and transportation network company driver shall comply with all applicable laws regarding accommodation of service animals.

(4) A limousine carrier, taxicab carrier, and transportation network company shall not impose an additional charge for providing services to a passenger with a physical disability because of his or her disability.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2147 Lease of limousine or taxicab; informing person of act requirements.**

Sec. 47. A lessor shall be required to inform any person leasing any limousine or taxicab for the transportation of passengers for hire of the requirements of this act on a motor vehicle lease agreement.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2149 Certain conduct as misdemeanor; fine; proceeding.**

Sec. 49. (1) A limousine carrier, taxicab carrier, or transportation network company, or an officer or agent of a limousine carrier, taxicab carrier, or transportation network company who requires or knowingly permits a driver to drive or operate a limousine, taxicab, or personal vehicle in violation of this act, or a rule promulgated under this act, is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 per violation or imprisonment for not more than 90 days, or both.

(2) In addition to the fine authorized by this section, the department may assess a fine against a person who violates this act that covers the actual cost to the department of the investigation and enforcement of the violation, including attorney fees.

(3) A proceeding held under this act shall be held under chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2151 Violation of act or rules.**

Sec. 51. All of the following apply to a person that violates this act or rules or an order promulgated or issued under this act:

(a) The person is subject to denial of a registration or renewal of a registration.

(b) The attorney general or the proper prosecuting attorney may institute appropriate criminal proceedings under this act against the person with or without reference from the department.

(c) The department or any other person, to enforce compliance with this act, may bring an action in a circuit court in any county in which the limousine carrier, taxicab carrier, or transportation network company has solicited or sold its services, whether or not that person purchased or used the limousine carrier's, taxicab carrier's, or transportation network company's services or is personally aggrieved by a violation of this act. The court may award damages, issue equitable orders in accordance with the Michigan court rules to restrain conduct in violation of this act, and award reasonable attorney fees and costs to a prevailing party.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

**257.2153 Cease and desist order.**

Sec. 53. (1) The director of the department or his or her designee may order a limousine carrier, taxicab carrier, or transportation network company to cease and desist from a violation of this act, a rule promulgated under this act, or an order issued under this act.

(2) A limousine carrier, taxicab carrier, or transportation network company that receives an order to cease and desist described in subsection (1) may request a hearing before the department if the limousine carrier, taxicab carrier, or transportation network company files a written request for a hearing no later than 30 days after the effective date of the cease and desist order.

(3) If a limousine carrier, taxicab carrier, or transportation network company violates an order to cease and desist issued under subsection (1), the attorney general may apply to a court of competent jurisdiction to restrain and enjoin, either temporarily or permanently, that limousine carrier, taxicab carrier, or transportation network company from further violating the order to cease and desist.

**History:** 2016, Act 345, Eff. Mar. 21, 2017.

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