

Assembly Bill No. 2763

CHAPTER 766

An act to amend Section 5431 of the Public Utilities Code, relating to transportation.

[Approved by Governor September 28, 2016. Filed with
Secretary of State September 28, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2763, Gatto. Transportation network companies: personal vehicles.

The Passenger Charter-party Carriers' Act provides for the regulation of charter-party carriers of passengers by the Public Utilities Commission and includes specific requirements for liability insurance coverage for transportation network companies, which are defined as certain organizations that, using an online-enabled application or platform, connect passengers with drivers using a personal vehicle.

This bill would define a personal vehicle as a vehicle that is used by a participating driver to provide prearranged transportation services for compensation, with a passenger capacity of eight persons or less, including the driver, that is owned, leased, rented for a term that does not exceed 30 days, as specified, or otherwise authorized for use by the participating driver, meets all inspection and other safety requirements imposed by the commission, and is not a taxicab or a limousine.

The people of the State of California do enact as follows:

SECTION 1. Section 5431 of the Public Utilities Code is amended to read:

5431. For purposes of this article, the following terms have the following meanings:

(a) "Participating driver" or "driver" means any person who uses a vehicle in connection with a transportation network company's online-enabled application or platform to connect with passengers.

(b) "Personal vehicle" means a vehicle that is used by a participating driver to provide prearranged transportation services for compensation that meets all of the following requirements:

- (1) Has a passenger capacity of eight persons or less, including the driver.
- (2) Is owned, leased, rented for a term that does not exceed 30 days, or otherwise authorized for use by the participating driver.
- (3) Meets all inspection and other safety requirements imposed by the commission.
- (4) Is not a taxicab or limousine.

(c) “Transportation network company” means 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.

(d) “Transportation network company insurance” means a liability insurance policy that specifically covers liabilities arising from a driver’s use of a vehicle in connection with a transportation network company’s online-enabled application or platform.