Second Regular Session Seventy-first General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 18-1045.01 Jennifer Berman x3286

HOUSE BILL 18-1320

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House Committees

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Conci	ERNING	A I	REDUC	TION	IN	REGU	LATION	OF	LARG	E-MAI	RKET
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Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill reduces the regulation of taxicab service provided in large metropolitan areas by changing taxicab service provided in such areas from common carrier status to motor carrier status.

Sections 1 and 2 of the bill remove common carrier status for large-market taxicab service, which term is defined in section 2 as taxicab

HOUSE ord Reading Unamended April 24, 2018

HOUSE Amended 2nd Reading April 23, 2018

Shading denotes HOUSE amendment.

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

service serving within and between counties with a population of 70,000 or more, and **section 6** removes large-market taxicab service providers from the common carrier obligation to obtain a certificate of public convenience and necessity.

Sections 9 and 11 require large-market taxicab service providers to operate as motor carriers. As motor carriers, large-market taxicab service providers are required to obtain an annual permit (section 9) and are subject to the public utilities commission's regulations regarding safety and operational requirements, but not subject to regulations regarding times of operation, rates, or competition (section 11).

Section 4 continues to require drivers for a large-market taxicab service company to obtain a fingerprint-based criminal history record check

Section 3 declares large-market taxicab service to be affected with a public interest. Large-market taxicab service operators are still required to indiscriminately accept and carry passengers for compensation.

Section 11 requires the public utilities commission to promulgate rules requiring taxicab service and large-market taxicab service companies to collect information about each driver's driving record and violations and periodically to provide the information to the commission. A taxicab service or large-market taxicab service company may request that the commission share with the company information about a specific driver that any other taxicab service or large-market taxicab service company has provided to the commission. The commission is required otherwise to maintain the confidentiality of the information, and the information is not subject to disclosure under the "Colorado Open Records Act".

Sections 5, 7, 8, 10, and 12 make conforming amendments.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1.** In Colorado Revised Statutes, 40-1-102, amend the 3 introductory portion and (3)(b) as follows: 4 **40-1-102. Definitions.** As used in articles 1 to 7 of this title **40**, 5 unless the context otherwise requires: 6 (3) (b) "Common carrier" does not include a motor carrier that 7 provides transportation not subject to regulation pursuant to section 8 40-10.1-105, a motor carrier that is subject to part 3, 4, or 5, OR 7 of 9 article 10.1 of this title 40, a transportation network company, as defined

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1	in section 40-10.1-602 (3), or a transportation network company driver,
2	as defined in section 40-10.1-602 (4).
3	SECTION 2. In Colorado Revised Statutes, 40-1-103, amend (3)
4	as follows:
5	40-1-103. Public utility defined. (3) For the purposes of articles
6	1 to 7 of this title 40, a motor carrier that provides transportation not
7	subject to regulation pursuant to section 40-10.1-105 or that is subject to
8	part 3, 4, or 5, OR 7 of article 10.1 of this title 40 is not a public utility.
9	SECTION 3. In Colorado Revised Statutes, 40-7-113, amend
10	(1)(b) as follows:
11	40-7-113. Civil penalties - fines. (1) In addition to any other
12	penalty otherwise authorized by law and except as otherwise provided in
13	subsections (3) and (4) of this section, any person who violates article
14	10.1 or 10.5 of this title 40 or any rule promulgated by the commission
15	pursuant to article 10.1 or 10.5, which article or rule is applicable to the
16	person, may be subject to fines as specified in the following paragraphs:
17	(b) Any person who violates section 40-10.1-201 (1), 40-10.1-202
18	(1)(a), 40-10.1-302 (1)(a), 40-10.1-401 (1)(a), or 40-10.1-502 (1)(a), OR
19	40-10.1-702 (1)(a) may be assessed a civil penalty of not more than one
20	thousand one hundred dollars.
21	SECTION 4. In Colorado Revised Statutes, 40-10.1-101, amend
22	the introductory portion, (4), and (14); and add (9.5) as follows:
23	40-10.1-101. Definitions. As used in this article 10.1 , unless the
24	context otherwise requires:
25	(4) "Common carrier" means a common carrier as defined in
26	section 40-1-102; except that the term does not include:
27	(a) A contract carrier as defined in this section; or

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1	(b) A motor carrier of passengers under part 3 of this article 10.1 ;
2	OR
3	(c) A MOTOR CARRIER OF PASSENGERS PROVIDING LARGE-MARKET
4	TAXICAB SERVICE UNDER PART 7 OF THIS ARTICLE 10.1 .
5	(9.5) "LARGE-MARKET TAXICAB SERVICE" MEANS INDISCRIMINATE
6	PASSENGER TRANSPORTATION FOR COMPENSATION IN A TAXICAB ON A
7	CALL-AND-DEMAND BASIS, WITHIN AND BETWEEN POINTS IN THE COUNTIES
8	OF ADAMS, ARAPAHOE, BOULDER, BROOMFIELD, DENVER, DOUGLAS, EL
9	PASO, JEFFERSON, LARIMER, AND WELD, AND BETWEEN THOSE POINTS
10	AND ALL POINTS WITHIN THE STATE OF COLORADO, WITH THE FIRST
11	PASSENGER IN THE TAXICAB HAVING EXCLUSIVE USE OF THE TAXICAB
12	UNLESS THE PASSENGER AGREES TO MULTIPLE LOADINGS.
13	(14) "Permit" means the permit issued to a contract carrier under
14	part 2 of this article 10.1 or to a motor carrier under part 3, 4, or 5, OR 7
15	of this article 10.1.
16	SECTION 5. In Colorado Revised Statutes, 40-10.1-108, amend
17	(1) as follows:
18	40-10.1-108. Commission to make safety rules. (1) The
19	commission has the authority and duty to establish, for motor carriers
20	subject to parts 2, and 3, AND 7 of this article 10.1, reasonable rules to
21	promote safety of operation.
22	SECTION 6. In Colorado Revised Statutes, 40-10.1-109, amend
23	(1) as follows:
24	40-10.1-109. Motor carrier compliance with safety rules. (1) A
25	motor carrier subject to part 2, or 3, OR 7 of this article 10.1 shall comply
26	with the safety rules adopted by the commission pursuant to section
27	40-10.1-108.

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1	SECTION <u>7.</u> In Colorado Revised Statutes, 40-10.1-110, amend
2	(1) as follows:
3	40-10.1-110. Criminal history record check - rules. (1) An
4	individual who wishes to drive either a taxicab for a motor carrier that is
5	the holder of a certificate to provide taxicab service issued under part 2
6	of this article or 10.1; a motor vehicle for a motor carrier that is the holder
7	of a permit to operate as a charter bus, children's activity bus, luxury
8	limousine, medicaid client transport, or off-road scenic charter under part
9	3 of this article 10.1 ; OR A MOTOR VEHICLE FOR A MOTOR CARRIER THAT
10	IS THE HOLDER OF A PERMIT TO OPERATE AS A LARGE-MARKET TAXICAB
11	SERVICE UNDER PART 7 OF THIS ARTICLE 10.1 shall submit a set of his or
12	her fingerprints to the commission. The commission shall forward the
13	fingerprints to the Colorado bureau of investigation for the purpose of
14	obtaining a fingerprint-based criminal history record check. Upon receipt
15	of fingerprints and payment for the costs, the Colorado bureau of
16	investigation shall conduct a state and national fingerprint-based criminal
17	history record check using records of the Colorado bureau of
18	investigation and the federal bureau of investigation. The commission is
19	the authorized agency to receive information regarding the result of a
20	national criminal history record check. The individual whose fingerprints
21	are checked shall pay the actual costs of the state and national
22	fingerprint-based criminal history record check.
23	SECTION 8. In Colorado Revised Statutes, 40-10.1-111, amend
24	(1) introductory portion and (1)(b) as follows:
25	40-10.1-111. Filing, issuance, and annual fees. (1) A motor
26	carrier shall pay the commission the following fees in amounts prescribed
27	in this section or, if not so prescribed IN THIS SECTION, as set

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1	administratively by the commission with approval of the executive
2	director of the department of regulatory agencies:
3	(b) The commission shall administratively set the ANNUAL filing
4	fee for an application A PERMIT TO OPERATE under part 2 7 of this article
5	10.1 to provide LARGE-MARKET taxicab service. within and between the
6	counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El
7	Paso, and Jefferson.
8	SECTION 9. In Colorado Revised Statutes, 40-10.1-203, amend
9	(2)(b), $(2)(c)(III)$, and (3) ; and repeal $(2)(c)(I)(A)$ as follows:
10	40-10.1-203. Rules for issuance of certificate - standing to
11	protest - judicial review - legislative declaration.
12	(2) (b) (I) Except as otherwise provided in subparagraph (II) of
13	this paragraph (b), The granting of a certificate to operate a taxicab
14	service within and between THOSE counties with a population of seventy
15	thousand or greater THAT ARE NOT SERVED BY A LARGE-MARKET TAXICAB
16	SERVICE PURSUANT TO PART 7 OF THIS ARTICLE 10.1, based on the most
17	recent available federal census figures, is not an exclusive grant or
18	monopoly, and the doctrine of regulated competition applies.
19	(II) (A) The general assembly hereby finds, determines, and
20	declares that House Bill 15-1316 may open the door to multiple taxicab
21	companies entering the taxicab service market within the metropolitan
22	areas of Colorado and will lead to free market competition, expanded
23	consumer choice, and improved quality of service.
24	(B) The general assembly further finds, determines, and declares
25	that nothing in this subparagraph (H) SUBSECTION (2) requires or prohibits
26	a taxicab company applying for a certificate to form a labor union nor
27	requires any taxicab driver to join a labor union.

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within and between the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, and Jefferson, the applicant has the burden of proving that it is operationally and financially fit to provide the proposed service. The commission shall not consider the applicant's corporate structure when determining whether to approve or disapprove the application for a certificate. The applicant need not prove the inadequacy of existing taxicab service, if any, within the applicant's proposed geographic area of operation. If the commission determines that the applicant has proved its operational and financial fitness, the commission shall grant the applicant a certificate.

(c) (I) (A) The holder of a certificate that contains authority to operate a taxicab service between points in the city and county of Denver also holds taxicab service authority from points in the city and county of Denver to all points in this state.

(III) The commission shall amend, by order and without notice or hearing, any existing taxicab service certificate as described in subparagraph (I) or (II) of this paragraph (c) to allow service from points in the city and county of Denver to either all points in this state or all points within the common carrier's base area to conform with the directives contained in said subparagraph (I) or (II) BY REMOVING ALL LANGUAGE AUTHORIZING LARGE-MARKET TAXICAB SERVICE OFFERED IN ACCORDANCE WITH PART 7 OF THIS ARTICLE 10.1.

(3) When an appeal A REQUEST FOR RECONSIDERATION of a commission WRITTEN RECOMMENDED decision under this section has been made by filing exceptions pursuant to section 40-6-109 and the commission has rendered a final decision on such THE exceptions as

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1	provided in article 6 of this title 40 , any party thereto TO THE PROCEEDING
2	may, within thirty days after the final decision, apply directly to a district
3	court in this state for judicial review pursuant to section 40-6-115. For
4	purposes of judicial review, a decision of the commission on exceptions
5	is final on the date the decision is served on the parties to the proceeding.
6	SECTION <u>10.</u> In Colorado Revised Statutes, add part 7 to article
7	10.1 of title 40 as follows:
8	PART 7
9	LARGE-MARKET TAXICAB SERVICES
10	40-10.1-701. Legislative declaration. (1) THE GENERAL
11	ASSEMBLY FINDS AND DECLARES THAT:
12	(a) Nothing in this part 7 requires or prohibits a motor
13	CARRIER APPLYING FOR A PERMIT PURSUANT TO SECTION 40-10.1-702
14	(1)(a) TO FORM A LABOR UNION NOR REQUIRES ANY LARGE-MARKET
15	TAXICAB SERVICE DRIVER TO JOIN A LABOR UNION; AND
16	(b) IF A MOTOR CARRIER PREVIOUSLY OBTAINED A CERTIFICATE OF
17	PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE TAXICAB SERVICE
18	PURSUANT TO SECTION 40-10.1-201 AND THE CERTIFICATE REMAINS VALID
19	AT A TIME THAT THE MOTOR CARRIER SUBSEQUENTLY OBTAINS A PERMIT
20	TO OPERATE LARGE-MARKET TAXICAB SERVICE UNDER THIS PART 7, THE
21	MOTOR CARRIER'S CERTIFICATE CONSTITUTES A DEVALUED ASSET FOR THE
22	MOTOR CARRIER.
23	40-10.1-702. Large-market taxicab service - permit required
24	- rules. (1) (a) On and after January 1, 2019, a person shall not
25	OPERATE OR OFFER TO OPERATE A LARGE-MARKET TAXICAB SERVICE IN
26	INTRASTATE COMMERCE WITHOUT FIRST HAVING OBTAINED A PERMIT TO
27	ODED ATE I ADGE-MADKET TAYICAR SEDVICE FROM THE COMMISSION IN

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1	ACCORDANCE WITH THIS PART /.
2	(b) A PERSON MAY APPLY FOR A PERMIT IN A FORM AND MANNER
3	PRESCRIBED BY THE COMMISSION.
4	(c) A PERMIT ISSUED PURSUANT TO THIS SECTION IS VALID FOR ONE
5	YEAR AFTER THE DATE OF ISSUANCE.
6	(2) EXCEPT AS PROVIDED IN SECTION 40-10.1-704, THE
7	COMMISSION SHALL ISSUE A PERMIT TO A MOTOR CARRIER OF PASSENGERS
8	UPON COMPLETION OF THE APPLICATION FILED PURSUANT TO SUBSECTION
9	(1) OF THIS SECTION, THE PAYMENT OF A FEE DETERMINED BY THE
10	COMMISSION, COMPLIANCE WITH THE FINANCIAL RESPONSIBILITY
11	REQUIREMENTS ESTABLISHED BY RULE BY THE COMMISSION PURSUANT TO
12	SECTION 40-10.1-107, AND SUBMISSION OF CURRENT RATE INFORMATION
13	PURSUANT TO SECTION 40-10.1-705.
14	(3) IN ORDER TO OBTAIN A PERMIT UNDER THIS SECTION, AN
15	APPLICANT MUST DEMONSTRATE THAT EACH VEHICLE OPERATED UNDER
16	THE PERMIT HAS BEEN INSPECTED WITHIN THE IMMEDIATELY PRECEDING
17	TWELVE MONTHS BY A QUALIFIED MECHANIC IN ACCORDANCE WITH RULES
18	PROMULGATED BY THE COMMISSION.
19	(4) (a) EXCEPT AS PROVIDED IN SUBSECTION (4)(b) OF THIS
20	SECTION, A MOTOR CARRIER PROVIDING LARGE-MARKET TAXICAB SERVICE
21	MUST HAVE AT LEAST TWENTY-FIVE VEHICLES IN ITS FLEET AT ALL TIMES.
22	(b) IN EL PASO, LARIMER, AND WELD COUNTIES, A MOTOR
23	CARRIER PROVIDING LARGE-MARKET TAXICAB SERVICE MUST HAVE AT
24	LEAST TEN VEHICLES IN ITS FLEET AT ALL TIMES.
25	(5) FOR EACH COUNTY SERVED BY A MOTOR CARRIER PROVIDING
26	LARGE-MARKET TAXICAB SERVICE PURSUANT TO THIS PART 7, THE
27	COMMISSION SHALL BY RULE DETERMINE THE MAXIMUM RATE THAT A

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1	MOTOR CARRIER PROVIDING LARGE-MARKET TAXICAB SERVICE MAY
2	CHARGE ITS PASSENGERS.
3	40-10.1-703. Large-market taxicab service license plates -
4	rules. (1) THE COMMISSION SHALL CREATE EITHER A DOCUMENT OR AN
5	ELECTRONIC SYSTEM THAT A PERSON AUTHORIZED TO PROVIDE
6	LARGE-MARKET TAXICAB SERVICE UNDER THIS PART 7 MAY USE TO VERIFY
7	TO THE DEPARTMENT OF REVENUE OR THE DEPARTMENT'S AUTHORIZED
8	AGENT THAT THE PERSON PROVIDES LARGE-MARKET TAXICAB SERVICE.
9	(2) UPON REQUEST, THE COMMISSION SHALL:
10	(a) IF THE COMMISSION CREATES A DOCUMENT PURSUANT TO
11	SUBSECTION (1) OF THIS SECTION, PROVIDE THE DOCUMENT TO THE PERSON
12	AUTHORIZED TO PROVIDE LARGE-MARKET TAXICAB SERVICE; OR
13	(b) If the commission creates an electronic system
14	PURSUANT TO SUBSECTION (1) OF THIS SECTION, PROVIDE THE ELECTRONIC
15	VERIFICATION TO THE DEPARTMENT OF REVENUE OR ITS AUTHORIZED
16	AGENT.
17	(3) THE COMMISSION MAY PROMULGATE RULES TO IMPLEMENT
18	THIS SECTION AND TO ENFORCE SECTION 42-3-236.
19	40-10.1-704. Permit revocation. (1) IF A MOTOR CARRIER THAT
20	HOLDS A PERMIT UNDER THIS PART 7 FAILS TO COMPLY WITH A FINAL
21	COMMISSION DECISION THAT ASSESSES A FINE OR CIVIL PENALTY
22	PURSUANT TO SECTION 40-7-113 FOR A VIOLATION OF THIS ARTICLE 10.1
23	OR A RULE ADOPTED PURSUANT TO THIS ARTICLE 10.1, THE MOTOR
24	CARRIER'S PERMIT IS REVOKED IMMEDIATELY. ANY OF THE FOLLOWING
25	PERSONS ARE DISQUALIFIED FROM APPLYING FOR A PERMIT FOR
26	TWENTY-FOUR MONTHS AFTER THE DATE OF THE PERMIT REVOCATION:
27	(a) THE MOTOR CARRIED:

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1	(b) AN OWNER, PRINCIPAL, OFFICER, MEMBER, PARTNER, OR
2	DIRECTOR OF THE MOTOR CARRIER; AND
3	(c) Any other entity owned or operated by an owner,
4	PRINCIPAL, OFFICER, MEMBER, PARTNER, OR DIRECTOR OF THE MOTOR
5	CARRIER.
6	(2) THE DISQUALIFICATION SET FORTH IN SUBSECTION (1) OF THIS
7	SECTION DOES NOT APPLY TO REVOCATION BASED ON A FAILURE TO CARRY
8	INSURANCE UNLESS THE PERSON KNOWINGLY OPERATED THE MOTOR
9	CARRIER WITHOUT INSURANCE.
10	(3) THE DISQUALIFICATION SET FORTH IN SUBSECTION (1) OF THIS
11	SECTION IS IN ADDITION TO AND NOT IN LIEU OF ANY OTHER PENALTY OR
12	DISQUALIFICATION, INCLUDING THE PERIOD OF DISQUALIFICATION
13	SPECIFIED IN SECTION $40-10.1-112$ (4).
14	40-10.1-705. Rates - limitations - rules. (1) EXCEPT AS
15	PROVIDED IN SUBSECTIONS (2) AND (3) OF THIS SECTION, LARGE-MARKET
16	TAXICAB SERVICES ARE NOT SUBJECT TO RATE LIMITATIONS IMPOSED
17	UNDER PART 2 OF THIS ARTICLE 10.1.
18	(2) (a) A MOTOR CARRIER OPERATING A LARGE-MARKET TAXICAB
19	SERVICE SHALL FILE WITH THE COMMISSION, IN THE FORM AND MANNER
20	THAT THE COMMISSION MAY DESIGNATE, A SCHEDULE SHOWING THE
21	RATES, CHARGES, AND COLLECTIONS THAT THE MOTOR CARRIER
22	COLLECTS, ENFORCES, OR INTENDS TO COLLECT OR ENFORCE THAT AFFECT
23	OR RELATE TO THE MOTOR CARRIER'S LARGE-MARKET TAXICAB SERVICE
24	OPERATIONS.
25	(b) The commission shall not limit the number or
26	FREQUENCY OF RATE SCHEDULES THAT A MOTOR CARRIER MAY FILE WITH
27	THE COMMISSION PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

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1	(c) UNLESS A FILED RATE SCHEDULE EXCEEDS THE MAXIMUM RATE
2	SET BY THE COMMISSION BY RULE PURSUANT TO SECTION 40-10.1-702 (5),
3	THE COMMISSION SHALL NOT REJECT A RATE SCHEDULE FILED with the
4	commission unless the schedule was not filed in the form and manner
5	designated by the commission pursuant to subsection (2)(a) OF THIS
6	SECTION. THE COMMISSION SHALL NOT AMEND ANY RATE SCHEDULE FILED
7	WITH THE COMMISSION PURSUANT TO THIS SECTION.
8	(3) It is unlawful for a motor carrier operating a
9	LARGE-MARKET TAXICAB SERVICE TO CARRY OR ADVERTISE THAT IT WILL
10	CARRY INDIVIDUALS IN A MANNER CONTRARY TO THE FILING REQUIRED
11	UNDER SUBSECTION (2)(a) OF THIS SECTION.
12	(4) THE COMMISSION MAY PROMULGATE RULES CONSISTENT WITH
13	THIS SECTION TO IMPLEMENT THE SYSTEM OF SCHEDULE FILINGS REQUIRED
14	BY THIS SECTION.
15	SECTION 11. In Colorado Revised Statutes, 42-3-236, amend
16	(2) and (5) as follows:
17	42-3-236. Taxicab license plates - taxicabs. (2) A person who
18	THAT is authorized to provide taxicab service OR LARGE-MARKET TAXICAB
19	SERVICE under article 10.1 of title 40 C.R.S., shall register a motor
20	vehicle used for taxicab purposes under this article 3 and display taxicab
21	license plates on the vehicle. Upon registration, the department shall issue
22	taxicab license plates for the vehicle in accordance with this section. The
23	department shall not issue a taxicab license plate unless the person either
24	submits a verification document or the public utilities commission
25	electronically verifies the authorization as provided in section
26	40-10.1-207. C.R.S.
27	(5) If the person who owns the motor vehicle with taxical license

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1 plates is not the person under whose authority the motor vehicle operates 2 under article 10.1 of title 40, C.R.S., the person with the authority may 3 request that the department of revenue require the plate to be replaced. 4 Within thirty days after receiving the request, the department shall require 5 the owner of the motor vehicle to return the taxicab license plate and be 6 issued a new license plate. The owner of the motor vehicle shall surrender 7 the taxicab license plate to the department within ten days after receiving 8 notice from the department unless the owner of the motor vehicle obtains 9 authority to operate a taxicab under part 2 OR 7 of article 10.1 of title 40, 10 C.R.S., either directly or as an agent, and either the person submits a 11 verification document or the public utilities commission electronically 12 verifies the authorization as provided in section 40-10.1-207. C.R.S. 13 **SECTION 12.** Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the 14 15 ninety-day period after final adjournment of the general assembly (August 16 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a 17 referendum petition is filed pursuant to section 1 (3) of article V of the 18 state constitution against this act or an item, section, or part of this act 19 within such period, then the act, item, section, or part will not take effect 20 unless approved by the people at the general election to be held in 21 November 2018 and, in such case, will take effect on the date of the 22 official declaration of the vote thereon by the governor.

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