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HOUSE BILL NO. 924
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Transportation
on _____)
(Patron Prior to Substitute--Delegate Srinivasan)

A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 57, consisting of sections numbered 59.1-603 through 59.1-606, relating to Disclosures by Transportation Network Companies and Delivery Network Companies Act created; civil penalty.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 57, consisting of sections numbered 59.1-603 through 59.1-606, as follows:

CHAPTER 57.

DISCLOSURES BY TRANSPORTATION NETWORK COMPANIES AND DELIVERY NETWORK COMPANIES ACT.

§ 59.1-603. Definitions.

For purposes of this chapter:

"Delivery network company" means a person that, using a digital platform, sells delivered goods or services and connects consumers with delivery drivers through a digital platform.

"DNC partner" means a property carrier authorized by a delivery network company to use a DNC partner vehicle to provide prearranged deliveries on an intrastate basis in the Commonwealth.

"DNC partner vehicle" means a personal vehicle authorized by a delivery network company and used by a DNC partner to provide prearranged deliveries on an intrastate basis in the Commonwealth.

"Fare" means the total amount actually paid by the consumer in a transaction.

"TNC partner" means the same as that term is defined in § 46.2-2000.

"Transportation network company" means the same as that term is defined in § 46.2-2000.

§ 59.1-604. Disclosure requirements for transportation network companies.

27 A. For purposes of this section:

28 "Deactivation process" means conduct that a transportation network company engages in to
29 materially restrict a TNC partner's access to the digital platform, including blocking access to the digital
30 platform, suspending a TNC partner, or changing a TNC partner's status from eligible to ineligible to
31 provide transportation services for the transportation network company.

32 "Digital platform" means the same as that term is defined in § 46.2-2000.

33 "Nonlinear compensation system" means an offer of compensation that (i) features hidden
34 algorithms rather than a transparent per-mile, per-minute, or per-trip pay system or (ii) a transportation
35 network company makes to a TNC partner based on the number or type of delivery or transportation tasks
36 that the TNC partner performs within a certain period of time or in a consecutive manner, including a
37 bonus or payment scheme described as a "quest" or "ride challenge" or other temporary payment scheme.

38 B. A transportation network company shall disclose to TNC partners the use of any nonlinear
39 compensation system and details about the transportation network company's deactivation process for
40 TNC partners. Transportation network companies shall also provide each TNC partner with a weekly
41 report that includes the average fare collected, total hours worked, and total amount earned by such TNC
42 partner that week.

43 C. A transportation network company shall publish on its public website and associated digital
44 platform separate weekly reports on the average fare collected, total hours worked, and percentage earned
45 by TNC partners for each market area in which such transportation network company operates.

46 **§ 59.1-605. Disclosure requirements for delivery network companies.**

47 A. For purposes of this section:

48 "Deactivation process" means conduct that a delivery network company engages in to materially
49 restrict a DNC partner's access to the digital platform, including blocking access to the digital platform,
50 suspending a DNC partner, or changing a DNC partner's status from eligible to ineligible to provide
51 delivery services for the delivery network company.

52 "Digital platform" means any online-enabled application, software, website, or system offered or
53 utilized by a delivery network company that enables the prearrangement of deliveries with DNC partners.

54 "Nonlinear compensation system" means an offer of compensation that (i) features hidden
55 algorithms rather than a transparent per-mile, per-minute, or per-trip pay system or (ii) a delivery network
56 company makes to a DNC partner based on the number or type of delivery or transportation tasks that the
57 DNC partner performs within a certain period of time or in a consecutive manner, including a bonus or
58 payment scheme described as a "quest" or "delivery challenge" or other temporary payment scheme.

59 B. A delivery network company shall disclose to DNC partners the use of any nonlinear
60 compensation system and details about the delivery network company's deactivation process for DNC
61 partners. Delivery network companies shall also provide each DNC partner with a weekly report that
62 includes the average fare collected, total hours worked, and total amount earned by such DNC partner that
63 week.

64 C. A delivery network company shall publish on its public website and associated digital platform
65 separate weekly reports on the average fare collected, total hours worked, and percentage earned by DNC
66 partners for each market area in which such delivery network company operates.

67 **§ 59.1-606. Enforcement; civil penalty.**

68 A. Notwithstanding any contrary provision of law, the Attorney General may cause an action to
69 be brought in the appropriate circuit court in the name of the Commonwealth to enjoin any violation of
70 this chapter. The circuit court having jurisdiction may enjoin such violation notwithstanding the existence
71 of an adequate remedy at law. In any action brought pursuant to this section, it shall not be necessary that
72 damages be proved.

73 B. Any person who violates the provisions of this chapter shall be subject to a civil penalty in an
74 amount not to exceed \$1,000 plus reasonable attorney fees, expenses, and court costs, as determined by
75 the court. Each violation of this chapter shall constitute a separate violation and shall be subject to any
76 civil penalties imposed under this section.

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