

Case No. 126605

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**In the  
Supreme Court of Illinois**

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JANE DOE,

Plaintiff-Appellant

v.

LYFT, INC.; ANGELO MCCOY; and Defendants-Appellees  
STERLING INFOSYSTEMS, INC.  
d/b/a STERLING TALENT SOLU-  
TIONS;

On Appeal from the Appellate Court of Illinois,  
First Judicial District, Case No. 1-19-1328  
There on Appeal from the Circuit Court of Cook County, Illinois  
County Department, Law Division, Case No. 17L11355  
Hon. Patricia O'Brien Sheahan, Judge Presiding

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**DEFENDANT-APPELLEE LYFT, INC.'S  
BRIEF IN OPPOSITION**

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## INTRODUCTION

This case presents two questions for the Court. The first, an issue of statutory construction, is whether a law stating that transportation network companies (“TNCs”) “are not common carriers” precludes holding TNCs to the heightened standard of care applicable to common carriers. The second, a constitutional inquiry, is whether the General Assembly constitutionally may regulate TNCs differently from traditional taxicabs. The answer to both is “yes”—an answer both lower courts deciding these questions reached, and an outcome that settled Illinois authority compels. The Court should affirm.

\* \* \* \* \*

TNCs, including Lyft, Inc., have created an innovative and popular alternative to taxicabs. In 2012, Lyft became the first U.S. company to establish a peer-to-peer, on-demand transportation network—what the world now knows as “ridesharing.” TNCs provide communities with better access to transportation and provide flexible job opportunities to millions of drivers. Tens of millions of riders and millions of drivers across the country use the Lyft platform every year.<sup>1</sup>

From its inception nearly a decade ago, Lyft’s ridesharing platform has offered significant safety features that taxicabs do not. Every rider receives information, including the driver’s license plate, photo, and first name, before getting in the car. And Lyft’s platform tracks every ride in real time via GPS, allowing riders

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<sup>1</sup> Lyft, Inc. SEC Form S-1 (Mar. 1, 2019).



to follow the route of the ride as it happens and to maintain a record of the trip afterwards.<sup>2</sup> Lyft's operations likewise differ dramatically from taxicabs: Lyft drivers do not take street hails, offering services only to the subset of the public that has entered into a pre-existing contractual relationship. Lyft drivers typically use their own vehicles, and they use the platform part-time: 94% of Illinois drivers use it for twenty hours per week or fewer.<sup>3</sup>

Illinois legislators specifically considered these facts during the year-long process of enacting the State's first comprehensive legislation addressing ridesharing, the Transportation Network Providers Act, 625 ILCS 57/1 to 57/35 ("TNPA"). PA250–61.<sup>4</sup> Spanning two bills and encompassing substantial debate, the process of the TNPA's passage was, as its sponsor explained, "painstaking, substantive, [and] detailed." Business & Occupational Licenses Committee ("Business Committee"), PA109 (Apr. 9, 2014) (statement of Rep. Zalewski); PA035–40; PA208–12. The

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<sup>2</sup> Lyft continually invests in new features and policies to protect riders. In the last several years, Lyft has launched more than a dozen new safety features, including daily continuous criminal background monitoring of all drivers; in-app emergency assistance to make reporting easier for riders; and a required safety-education program for drivers developed in collaboration with RAINN, the largest anti-sexual-violence organization in the United States.

<sup>3</sup> Lyft Economic Impact Report 2021 Illinois, <https://drive.google.com/file/d/1ahYpflx76UrEiftNxqWJ7KRnhfOeCzus/view> (last visited October 13, 2021).

<sup>4</sup> Citations to PA035–PA261 are to Lyft's December 8, 2020 appendix (filed as A035 to A261 to follow Plaintiff's naming convention in the appendix to Plaintiff's petition). Citations to MA001–MA149 are to Plaintiff's appendix filed with her May 28, 2021 merits brief. Citations to MA150 and thereafter are to Lyft's appendix filed contemporaneously with this brief. "Caase Br." refers to the *amicus* brief of the Chicago Alliance Against Sexual Exploitation, the Transportation Alliance, and the National Limousine Association.

TNPA reflected the General Assembly’s reasoned judgment about how best to regulate what was, at the time of its passage, “a new technology, a new industry, a new venture”—without “overregulat[ing] when something new is on the market that offers consumers value.” Ill. House Debate, H.B. 4075, 98th Gen. Assembly, PA143–44 (Apr. 10, 2014) (statement of Rep. Sandack). The TNPA was passed overwhelmingly, and it even was supported by the taxicab industry (which *amici* now contend is a victim of discriminatory “special legislation”).

One issue facing the General Assembly was whether to treat TNCs as common carriers, which are subject to a heightened common-law duty of care to passengers, or whether regulating TNCs to that degree would discourage them from doing business in Illinois. The General Assembly concluded the latter. Section 25(e) of the TNPA states that “TNCs or TNC drivers *are not common carriers*,” 625 ILCS 57/25(e) (emphasis added), which reflects the legislature’s considered judgment that it did not make sense to subject TNCs to heightened regulatory burdens given TNCs’ unique business model and the stranglehold of the then-existing taxicab monopoly. That provision, section 25(e), puts Illinois in the company of twenty of its sister states, which have enacted similar regulations.

Plaintiff alleges that a driver using the Lyft platform sexually assaulted her. Three of the five claims in Plaintiff’s lawsuit seek to hold Lyft (two counts) or its background-check vendor (one count) directly liable; those claims are not at issue in this appeal. This appeal concerns only whether Plaintiff may pursue the two remaining counts, which allege that Lyft is vicariously liable for the driver’s criminal acts.

Lyft has enormous sympathy for Plaintiff, who alleges an injury no one should have to endure. As a matter of law, however, Lyft is not vicariously liable for such acts. Precisely because sexual assaults are such heinous acts, they necessarily are not in service of an employer or principal and are outside the scope of employment or agency.<sup>5</sup> As such, Illinois law bars vicarious liability for sexual assaults committed by an employee or agent, except in narrowly-drawn circumstances. Plaintiff contends that one of those exceptions—the relationship of a common carrier with its passenger—applies here. But section 25(e) expressly provides that TNCs “are not common carriers,” precluding Plaintiff’s theory.

The appellate court unanimously agreed. And, against Plaintiff’s constitutional challenge, a majority found that section 25(e) is not special legislation and that the TNPA did not violate the three-readings rule. The Court should affirm.

### **ISSUES PRESENTED FOR REVIEW**

The circuit court certified two questions for review under Supreme Court Rule 308, each of which the appellate court addressed. Arising from the appellate court’s ruling (and those questions), before the Court are the following issues:

1. Whether TNCs can be held to the heightened duty of care applicable to common carriers where section 25(e) expressly states that TNCs “are not common carriers.”

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<sup>5</sup> Lyft reserves the right to contest that it is an employer or principal of the driver, but that issue is not before the Court.

2. Whether section 25(e) is a constitutional exercise of the legislature's power where:

a. Regulating TNCs differently than taxicabs is not arbitrary, given that TNCs have unique safety features and dissimilar privileges as compared to taxicabs, and the different regulatory treatment was rationally related to the General Assembly's goals, including of fostering access to TNCs in Illinois.

b. The Speaker and Senate President certified that the procedural requirements for passage of the legislation that became the TNPA were met.

### **CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED**

#### **1970 Illinois Constitution, article IV, section 13**

The General Assembly shall pass no special or local law when a general law is or can be made applicable. Whether a general law is or can be made applicable shall be a matter for judicial determination.

#### **1970 Illinois Constitution, article IV, section 8(d)**

A bill shall be read by title on three different days in each house. A bill and each amendment thereto shall be reproduced and placed on the desk of each member before final passage ....

The Speaker of the House of Representatives and the President of the Senate shall sign each bill that passes both houses to certify that the procedural requirements for passage have been met.

#### **Transportation Network Providers Act, 625 ILCS 57/25(e)**

TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.

### **PROCEDURAL HISTORY**

A. Plaintiff alleges that in July 2017, she ordered a ride using the Lyft platform. MA060. Plaintiff further alleges that her driver, Angelo McCoy, subjected

her to an abhorrent sexual assault. MA060. Lyft understands that McCoy is incarcerated pending a criminal trial. Plaintiff brought suit against Lyft asserting four counts: vicarious liability for assault, vicarious liability for false imprisonment, direct liability for negligent hiring, and direct liability for fraud. MA062–66. Plaintiff also brought a direct claim against Lyft’s background-check vendor. MA068–71. Lyft moved to dismiss Plaintiff’s vicarious-liability counts. MA004.

In support of its motion to dismiss, Lyft explained that a claim for vicarious liability does not lie unless the wrongdoing is within the scope of employment or agency. Sexual assault is outside the scope of employment or agency as a matter of law because “aggravated criminal sexual abuse[] by its very nature precludes a conclusion that it was committed within the scope of employment.” *Deloney v. Board of Education of Thornton Township*, 281 Ill. App. 3d 775, 783 (1996). Plaintiff’s briefing did not dispute this principle of black-letter Illinois law. Instead, Plaintiff argued that an exception to the rule applies—that Lyft is a “common carrier” subject to heightened duties. Because section 25(e) of the TNPA states that Lyft is “not a common carrier,” Plaintiff responded that either (1) section 25(e) of the TNPA is unconstitutional, such that Lyft may be a common carrier; or (2) even if Lyft is not a common carrier, it shares sufficient characteristics with a common carrier that it should be subject to a common carrier’s liability just the same.

The circuit court agreed with Lyft, and dismissed Plaintiff’s vicarious-liability claims. In connection with the dismissal, the court certified two questions for appellate review under Rule 308. The first was whether section 25(e) precludes holding

TNCs to the same standard of care as common carriers. The second was whether the TNPA is constitutional. MA010.

B. The appellate court found for Lyft on both certified questions. MA075–108 (“Opinion”), ¶¶ 17–55.

*First*, it unanimously concluded that section 25(e) precludes holding TNCs to a heightened standard of care. The court began by observing that heightened duties generally are only available in the presence of a special relationship, such as a common carrier and passenger. Op. ¶ 20. “The problem for” Plaintiff, the court explained, “is that section 25(e) declares that TNCs are *not* common carriers.” Op. ¶ 22. The court then rejected Plaintiff’s argument, based on *Doe v. Sanchez*, 2016 IL App (2d) 150554, and *Green v. Carlinville Community Unit School District No. 1*, 381 Ill. App. 3d 207 (2008), “that any provider of transportation services that exercises a high degree of control over its passengers’ safety must be held to the same duty of care that applies to common carriers.” Op. ¶ 22. It explained that those decisions arose in the unique circumstance of transporting school children, and thus they could not support the general rule Plaintiff sought to take from them. Op. ¶ 25. Indeed, the court explained that *Green*’s “holding was ‘limited to the common-law duty school districts owe student passengers while the students are being transported on a school bus.’” Op. ¶ 25 (quoting *Green*, 381 Ill. App. 3d at 214). And it explained that *Sanchez* rested on “the strong public policy to ensure the safe transportation of students.” Op. ¶ 25 (quoting *Sanchez*, 2016 IL App (2d) 150554, ¶ 27).

The court further held that “[e]ven if there were support for the general proposition that common carrier liability may be extended to non-common carriers other than school bus operators, it would be inappropriate for us to extend such liability to transportation providers that the legislature has specifically declared are not common carriers.” Op. ¶ 27. And the court rejected Plaintiff’s argument that section 25(e) was not sufficiently express in abrogating TNCs’ pre-TNPA status as common carriers (if any) because holding TNCs to the same standards as common carriers would render section 25(e) meaningless. Op. ¶¶ 28–30.

A majority found the TNPA and section 25(e) constitutional, concluding both that it was not special legislation and that the manner of its passage did not violate the three-readings rule. As to the former, the court first noted the governing rational-basis-review standard (as with equal-protection challenges), which requires a court to uphold the constitutionality of a statute if the court can “‘reasonably conceive of any set of facts that justifies distinguishing the class the statute benefits from the class outside its scope.’” Op. ¶ 36 (citation omitted). Applying this standard, the majority identified a number of safety-related distinctions between TNCs and taxicabs, finding (along with the four federal courts of appeals it cited) that these differences could provide a non-arbitrary basis for regulating TNCs differently than taxicabs—particularly in service of the legitimate state goals of promoting competition and economic development. Op. ¶¶ 36–46. Among other things:

- “TNCs use part-time drivers extensively,” which “allows TNCs to dramatically expand the availability of on-demand transportation services to the public, particularly in areas that are not well served by traditional taxicabs.” Op. ¶ 38 (citation omitted).

- “Unlike taxis, TNC drivers may not accept passengers via street hail,” and the smartphone application through which a TNC ride is requested “provide[s] passengers with more information in advance about their prospective rides.” Op. ¶ 39 (citation omitted).

Based on these and other distinctions, the court held that “the General Assembly could reasonably conclude that TNCs’ business model and technological platforms justify exempting them, but not traditional taxicabs, from common carrier status.” Op. ¶ 41. This differential regulation “balanced the competing aims of ensuring the safety of TNC passengers and creating a regulatory environment that would allow the then-nascent ridesharing industry to flourish in Illinois.” Op. ¶ 43.

The court then rejected Plaintiff’s argument that section 25(e) was irrational because it arbitrarily distinguished between victims of sexual assault by drivers on TNC platforms and victims of sexual assault by taxicab drivers. Op. ¶¶ 47–48. The court explained that such a distinction arose from the rider’s voluntary associations (and not happenstance), such that the distinction is rational. Op. ¶¶ 49–50.

One member of the appellate panel dissented from the court’s special-legislation holding. Op. ¶¶ 60–72 (Gordon, J., concurring in part and dissenting in part). The dissent asserted that section 25(e) unreasonably distinguishes between TNC riders (finding “no relevant differences” between TNCs and taxicabs), and “basically” renders TNCs “immune from suit” for alleged sexual assaults. Op. ¶¶ 67, 70. The dissent took the position that “the mere fact that a passenger chose one form of transportation over the other should have no effect on the relief she is entitled to seek in court.” Op. ¶ 67. In reaching this conclusion, the dissent downplayed the



distinctions between TNCs and taxicabs that the majority identified and that federal courts have found justify differential regulatory treatment. Op. ¶¶ 64, 67.

The majority also concluded that the enrolled-bill doctrine barred Plaintiff's three-readings-rule challenge. Op. ¶ 55. The dissent did not reach that argument.

The Court granted leave to appeal.

### ARGUMENT

The plain text of section 25(e)—stating that “TNCs or TNC drivers are not common carriers”—precludes Plaintiff's theory that Lyft is subject to a common carrier's heightened standard of care. As the legislative deliberations preceding the TNPA's passage demonstrate, the statute as a whole, and section 25(e) specifically, effectuate the legislature's intent to balance rider safety with promoting the beneficial and, at the time of passage, new TNC industry.

Plaintiff's constitutional arguments are no better. *First*, far from being prohibited “special legislation” that unfairly discriminates against taxicabs, the TNPA and section 25(e) survive the controlling rational-basis review because they facilitate competition and innovation through differential regulation based on meaningful differences between TNCs and taxicabs. *Second*, although Plaintiff contends that the TNPA was not read three times prior to passage, she does not dispute that the enrolled-billed doctrine forecloses that challenge. And her request to modify or dispense with that doctrine is, among other things, inconsistent with the Illinois constitution and insufficiently protective of the separation of powers.

#### **I. The TNPA Is the Product of Extensive Legislative Deliberations.**

While the meaning of section 25(e) is plain on its face—TNCs like Lyft “are

not common carriers”—a review of the legislative record makes equally plain that the section was drafted with the constitutionally-permissible purpose of encouraging TNCs to do business in Illinois by balancing regulation with support for a then-nascent industry.

The TNPA did not begin with Senate Bill 2774. Rather, the General Assembly first attempted to regulate TNCs via House Bill 4075, which the Governor vetoed as too restrictive on the emerging TNC industry. In express response to this veto, the General Assembly then enacted, and the Governor signed, the TNPA, which lessened H.B. 4075’s proposed taxicab-like restrictions on TNCs to encourage them to do business in Illinois, while still including substantial regulations to enhance rider safety. The legislative record also makes clear that legislators identified significant differences between TNCs and taxicabs that they reasonably believed justified treating the industries differently. Section 25(e), which confirms that TNCs will not be subject to the enhanced duties of care for common carriers, was an integral part of this balance that allowed the TNPA to become law.

**A. The TNPA’s Predecessor, H.B. 4075, Would Have Regulated TNCs Like Taxicabs.**

By March 2014, “ride sharing apps ... ha[d] become prevalent within the state” of Illinois. Business Committee, PA064 (Mar. 26, 2014) (statement of Rep. Zalewski).<sup>6</sup> The less-than-two-year-old industry developed as a solution to longstanding transportation problems, including some that had deepened unfair

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<sup>6</sup> The transcript at PA063 is dated March 6, 2014, but this is a transcription error. The Committee met on March 26, 2014. PA038.

race- and class-based distinctions: as Representative Davis put it, “this new industry emerged” because “[p]eople need[ed] to get places quickly, and they couldn’t count on cabs or taxi service.” Ill. House Debate, H.B. 4075, 98th Gen. Assembly, PA150 (Apr. 10, 2014). Representative Davis also observed that he “can’t get a cab from 107th Street” and “everybody[] doesn’t have access to public transportation.” PA150.<sup>7</sup>

Although Chicago was in the process of negotiating its own regulatory scheme with TNCs, PA142, state legislators noted a “very strong case to be made” that TNCs were presently “not regulated at all,” Business Committee (Mar. 26, 2014), PA064 (statement of Rep. Zalewski). Enter H.B. 4075. Its sponsor, Representative Zalewski, explained:

House Bill 4075 [] create[s] a new set of regulations designed to properly regulate these companies, *while at the same time allowing their growth to expand and allowing the consumer to make use of them, because obviously they’re popular, and we want to see them grow in Illinois and be successful.*

PA064 (emphasis added).

H.B. 4075 would have imposed stringent requirements on TNCs and regulated them much like taxicabs. For example, it obligated TNC drivers to procure

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<sup>7</sup> As Michelle Obama noted: “Before [becoming president], Barack Obama was a black man that lived on the South Side of Chicago, who had his share of troubles catching cabs.” Sandra Sobieraj Westfall, *The Obamas: How We Deal with Our Own Racist Experiences*, People, Dec. 17, 2014, <http://www.people.com/article/barack-obama-michelle-obama-ferguson-racism-racial-profiling-interview>. Lyft calculates that 42% of its rides state-wide begin or end in a low-income area. “Economic Impact Report 2021 Illinois.”

chauffeurs' licenses, prohibited use of vehicles more than four years old, and mandated that TNC drivers obtain special registration plates and stickers for their vehicles. H.B. 4075, 98th Gen. Assembly (2014); PA035–40. During the debates that followed, legislators struggled with whether it made sense to subject TNCs to the same regulations as taxicab companies and other common carriers, or whether different regulations were appropriate in light of TNCs' unique business model and the existing taxicab monopoly. In committee, Representative Davidsmeyer pointedly asked Lyft's representative why TNCs should be regulated differently when they were "providing the same service that a cab company provides." Business Committee, PA071 (Mar. 26, 2014). Lyft's representative and others enumerated the unique features of TNCs relative to traditional taxicabs that merited different treatment, including that: TNCs do not accept street hails, the TNC model eliminates anonymity by providing riders with driver information before the car arrives, and the TNC knows "where they are" and "exactly who is picking up whom at all times." PA071 (statement of Candice Taylor); Business Committee, PA108–09 (Apr. 9, 2014) (statement of John Nicolay). Lyft's representative argued against H.B. 4075 as written, explaining:

[W]e're not dealing with professional drivers who do this as a fulltime living. We're dealing with your neighbor next door, who might just do it for an hour a week, who might do it for three hours a week. These are regular people who want to give rides to others in their community, and to impose all of these burdensome restrictions would mean that people wouldn't participate.

Business Committee, PA065 (Mar. 26, 2014) (statement of Candice Taylor).

H.B. 4075 was amended before passage, PA035–40, but it was introduced to

the Senate floor with its taxi-like requirements intact. Echoing the dual purposes of the legislation that Representative Zalewski had articulated when introducing the bill, Senator Radogno noted on the Senate floor that “we’re dealing with a delicate balance here between regulation and allowing this entrepreneurial enterprise to flourish.” Ill. Senate Debate, H.B. 4075, 98th Gen. Assembly, PA164 (May 15, 2014).

Floor debate was punctuated with some Senators’ and Representatives’ concern that stringent requirements would strangle ridesharing in Illinois. Senator Murphy acknowledged “a reasonable point to be made for some level of regulation,” but was concerned that H.B. 4075 “regulates too far and ... sends a message that innovation will be kneecapped in Illinois if you compete against a powerful monopoly.” Ill. Senate Debate, H.B. 4075, 98th Gen. Assembly, PA162–63 (May 15, 2014). After observing that ridesharing is “a new technology, a new industry, a new venture,” Representative Sandack warned against repeating the legislature’s “unmistakable history of trying to overregulate when something new is on the market that offers consumers value,” and cautioned that “[w]hen in doubt on something new and innovative we ought not to choke it.” Ill. House Debate, H.B. 4075, 98th Gen. Assembly, PA143–44 (Apr. 10, 2014); see also PA147 (Apr. 10, 2014) (Rep. Morrison: “we tend to be protectionists in this state .... We want to encourage technology and innovation benefitting consumers.”); PA150 (Rep. Davis: “We need to keep this industry and ... keep it free of restraints.”). TNCs’ relative newness, and taxicabs’ dominance, in 2014 is illustrated by *amici*’s note that taxi usage peaked in Chicago in June 2014. *Caase Br.* 29.

Governor Quinn vetoed the bill, citing similar concerns about regulatory burdens: the bill “would not only stifle innovation, it would be a disservice to consumers who utilize the service.” Ill. Gov., Veto Msg., H.B. 4075, PA206–207 (Aug. 25, 2014).

**B. S.B. 2774, Which Became the TNPA, Proposed a More-Balanced Regulatory Regime.**

On November 17, 2014, Representative Zalewski filed a motion to override the Governor’s veto, but no action was taken. PA040. Having committed to implement a TNC regulatory scheme by the end of 2014, the legislature renewed its efforts, working “[o]ver the course of the holiday break” to craft an acceptable bill. Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA225–26 (Dec. 3, 2014) (“We’re doing this now because ... we agreed to do it in the 98th General Assembly.”) (statement of Rep. Zalewski). Per one committee member, Representative Zalewski “worked [his] butt off.” Business Committee, PA217 (Dec. 3, 2014) (statement of Rep. Martwick).

S.B. 2774, as amended by House Amendment No. 1, was a direct successor to the vetoed H.B. 4075. Representative Zalewski introduced S.B. 2774 as “a lighter version of what we passed in the spring dealing with driver regulations, dealing with local ability to regulate these services, and dealing with insurance.” PA225. In both the December 4, 2014 committee hearing regarding the bill and in floor debate, proponents and opponents of S.B. 2774 discussed the bill in the context of H.B. 4075. Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA242 (Dec. 3, 2014) (Rep. Lang noting that he “preferred the original Bill” but recognizing the need for compromise); PA232–33 (Rep. Harris reading from an editorial regarding Governor Quinn’s

veto); Business Committee (Dec. 3, 2014), PA222 (Rep. Zalewski: “I filed the bill in February, and we’re here December 3rd.”); PA214–15, 219–21, 223 (comparing insurance coverage requirements in S.B. 2774 with those in H.B. 4075).

S.B. 2774’s changes from H.B. 4075 were the product of months of debate, spanning both bills and the Governor’s veto, about the appropriate balance between regulation and fostering the innovation that TNCs offered relative to existing transportation options. That debate specifically included a discussion about whether TNCs should bear the same regulatory burdens as taxicabs, with the legislature and governor concluding that they should not, and intentionally easing the restrictions of S.B. 2774 to avoid stifling industry growth. S.B. 2774 accordingly eliminated the requirement of chauffeur’s licenses, the prohibition against using vehicles less than four years old, and the requirement of “distinctive registration plates.” Compare H.B. 4075, PA035–40, with S.B. 2774, PA249–61. The bill also added section 25(e), which expressly states that TNCs are “not common carriers, nor do they provide taxicab or for-hire vehicle service.” S.B. 2774, 98th Gen. Assembly (2014) § 25(e); PA257. The provision is one part of the legislature’s balanced judgment that TNCs should neither be regulated as common carriers such as taxicabs, nor given the full privileges of taxicabs, such as street hails. 625 ILCS 57/5.<sup>8</sup>

The TNPA regulates TNCs differently than traditional taxicabs in multiple additional material ways, none of which Plaintiff argues is improper. For example,

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<sup>8</sup> Plaintiff’s canard that the TNPA was purely the product of backdoor negotiations, Br. 9–10, ignores the “painstaking” efforts and considerable floor and committee debate that spanned H.B. 4075 and S.B. 2774.

taxicabs must post driver biographical information conspicuously in the vehicle, 625 ILCS 55/5; for TNCs, such information is conveyed via application, 625 ILCS 57/30(c), and thus available before a rider enters the vehicle. Cities may set fares for taxicabs, as Chicago does, Chi. Mun. Code 9-112-600; TNCs must quote a fare before the ride begins, 625 ILCS 57/30(b), but that fare is set by market pressures rather than by the city, 625 ILCS 57/30(a). Similarly, the TNPA recognizes that “TNC service is not ... street hail service,” 625 ILCS 57/5; 625 ILCS 57/25(e) (“nor do they provide taxicab or for-hire vehicle service”), and Chicago expressly prohibits TNCs from accepting street hails, Chi. Mun. Code 9-115-180(e) (“No transportation network driver shall accept or respond to passengers’ or potential passengers’ requests for service via traditional street hail”).

Like many bills, S.B. 2774 reflects an effort to find a middle ground. Representative Zalewski called it a “heavily-negotiated bill.” Business Committee, PA214 (Dec. 3, 2014). Before voting in favor of S.B. 2774, Representative Lang acknowledged that although he “certainly preferred the original Bill[, the General Assembly] is a place of compromise.” Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA242 (Dec. 3, 2014). Representative Harris read from a Chicago Tribune editorial from August 26, 2014 endorsing Governor Quinn’s decision to “err on the side of innovation” in vetoing H.B. 4075. PA233. Although he disagreed with the Governor and the Tribune, and ultimately voted against the bill, PA233, Representative Harris nevertheless explained that “the taxicab industry has had virtually a monopoly. And the best way to defeat a monopoly is to introduce competition into the marketplace.



*And the ridesharing apps do that. They bring in competition.”* PA232 (emphasis added).<sup>9</sup> The final compromise embodied in S.B. 2774 even garnered the support of the taxicab lobby. Witness Slips, Proponent Tab, S.B. 2774, 98th Gen. Assembly (noting “Il [T]ransportation Trade Association” as proponent), PA244; see *Illinois Transportation Trade Ass’n v. City of Chicago*, 839 F.3d 594, 596 (7th Cir. 2016) (noting association as taxicab group).<sup>10</sup>

S.B. 2774 passed in the House by 105 to 7, and in the Senate by 52 to 2. PA245–26; PA247–48. Governor Quinn signed the bill on January 12, 2015. PA212.

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The TNPA contained a standard sunset clause, specifying that “[t]his Act is repealed on June 1, 2020.” 625 ILCS 57/34; PA261. Because COVID-19 disrupted the Spring 2020 legislative session, the General Assembly convened a special session on May 20, 2020 “to consider new or pending legislative matters in relation to” seven topics, including “[l]aws or authority scheduled to be repealed prior to June 1,

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<sup>9</sup> Plaintiff emphasizes Representative Davidsmeyer’s statement that “I think we are somewhat picking winners and losers in an industry that provides the same service.” Br. 10–11. In context, this statement referred to an insurance difference—a “contingency” rule under which a TNC’s insurance would only cover loss if the driver’s personal insurance did not, PA241–42—that Plaintiff has not challenged.

<sup>10</sup> *Amici* Transportation Alliance, Inc. and the National Limousine Association assert that they lacked “knowledge of the TNPA .... Had they known that the TNPA bestowed the unique benefit of common carrier immunity upon rideshare companies, they would have opposed the TNPA and counselled its members in Illinois to oppose the TNPA.” Caase Br. 4–5, 35–36. But they have nothing to say about the Illinois Transportation Trade Association’s support for S.B. 2774.

2021.”<sup>11</sup> Public Act 101–639, which was passed unanimously by the Senate and House in May 2020, extended the TNPA by a year. The Governor signed the Act on June 12, 2020.<sup>12</sup>

On May 28, 2021, the legislature extended the TNPA to January 1, 2023, representing the third time the General Assembly and the Governor adopted the TNPA as the regulatory framework for TNCs.<sup>13</sup>

## **II. Under the Plain Language and Purpose of the TNPA, TNCs Are Not Subject to Heightened Common-Carrier Duties.**

Section 25(e) states that TNCs “are not common carriers.” 625 ILCS 57/25(e). As the appellate court correctly and unanimously held, that plain language means that TNCs cannot be subject to the heightened duty of care applicable to

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<sup>11</sup> 101st General Assembly Joint Proclamation No. 2020-45, 44 Ill. Reg. 9302–03 (May 13, 2020), [https://www.cyberdriveillinois.com/departments/index/register/volume44/register\\_volume44\\_issue\\_22.pdf](https://www.cyberdriveillinois.com/departments/index/register/volume44/register_volume44_issue_22.pdf).

<sup>12</sup> “Bill Status of HB2174,” Illinois General Assembly, <https://www.ilga.gov/legislation/billstatus.asp?DocNum=2174&GAID=15&GA=101&DocTypeID=HB&LegID=117899&SessionID=108&SpecSess=> (last visited Oct. 13, 2021). Before the appellate court, Plaintiff questioned the effectiveness of renewal, but that is irrelevant because all parties agree the TNPA was effective on the date of Mr. McCoy’s assault.

<sup>13</sup> “Bill Status of SB2183,” Illinois General Assembly, <https://www.ilga.gov/legislation/BillStatus.asp?DocNum=2183&GAID=16&DocTypeID=SB&LegId=134836&SessionID=110&GA=102> (last visited Oct. 13, 2021).

That the sponsor of the extension bill apparently said “[t]he intent of this bill is solely to extend the sunset ... to allow the [Supreme] Court ample time to consider” section 25(e)’s constitutionality, Br. 14, is entirely self-serving: Representative Zalewski, the sponsor of the extension bill, as well as both H.B. 4075 and S.B. 2774, is Of Counsel at the firm of Plaintiff’s counsel. See Michael J. Zalewski, Taft Stettinius & Hollister LLP, <https://www.taftlaw.com/people/michael-j-zalewski> (last visited Oct. 13, 2021).

common carriers.

Although Plaintiff can pursue direct-liability claims against Lyft (those are not at issue in this appeal), Lyft can be held vicariously liable for a sexual assault committed by a driver on its platform only if it is subject to a heightened duty of care. See *Iseberg v. Gross*, 227 Ill. 2d 78, 87 (2007). Four “special” relationships yield that heightened duty under Illinois law: common carrier-passenger, inn-keeper-guest, custodian-ward, and business invitor-invitee. *Id.* Under section 25(e), Lyft is not a common carrier; and Plaintiff does not suggest any of the other three relationships applies (they do not). The provision precludes TNCs from being subject to the highest duty of care under Illinois law; any other reading would strip the provision of its plain meaning and contradict the legislature’s considered judgment.

**A. Under Section 25(e), TNCs Are Not Common Carriers and thus Not Subject to Heightened Duties.**

Section 25(e) is unequivocal that “TNCs or TNC drivers are not common carriers ... as defined by applicable State law.” That unambiguous statement abrogates a TNC’s possible status as a common carrier.<sup>14</sup> And a plain meaning and implication of that statement must be that TNCs are not subject to the heightened duty of care common carriers owe their passengers by virtue of being common carriers. If a consequence of common-carrier status is being subject to heightened tort duties, then a consequence of not being a common carrier is not being subject to those duties. That effect flows from the language the General Assembly chose for section 25(e). See

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<sup>14</sup> Lyft disputes that it would be a common carrier under a common-law analysis in any event, but that issue is not before the Court.

*People v. Clark*, 2019 IL 122891 ¶ 20 (“The most reliable indicator of legislative intent is the language of the statute, given its plain and ordinary meaning.”); *People ex rel. Scott v. Schwulst Building Center, Inc.*, 89 Ill. 2d 365, 371 (1982) (“There is no rule of construction which authorizes a court to declare that the legislature did not mean what the plain language of the statute imports.” (citation omitted)).

Plaintiff imagines a different consequence of section 25(e): Observing that common carriers “must carry all persons indifferently,” Br. 31 (citation omitted), Plaintiff says that section 25(e) can be “read to confirm that rideshare carriers ‘are not common carriers’ because they are not required to carry all persons indifferently,” Br. 31–32. But even assuming that is one effect of the provision,<sup>15</sup> it is not the only one. Another, as detailed above, is setting the standard of care applicable to TNCs. To read that latter consequence out of section 25(e), as Plaintiff asks the Court to do, would improperly narrow the provision’s meaning. *Contra, e.g., People v. Simpson*, 2015 IL 116512, ¶ 29 (“A statute should be interpreted so that no part is rendered meaningless or superfluous. We also give the statutory language the fullest, rather than the narrowest, possible meaning to which it is susceptible.” (citations omitted)). There is no canon of construction that contemplates enforcing some, but not all, of a statute’s plain-language effects. Quite the opposite. *Dew-Becker v. Wu*, 2020 IL 124472, ¶ 14 (explaining that courts “are not free to read into a statute exceptions, limitations, or conditions the legislature did not express”).

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<sup>15</sup> The appellate court found that that reading would conflict with the TNPA’s anti-discrimination provisions. Op. ¶ 29 (citing 625 ILCS 57/20(a), (c), (d) & (f)).

Plaintiff says “[t]he existence of a duty is ultimately a question of policy.” Br. 33. Correct. Here, the legislature answered that policy question by choosing not to subject TNCs to a heightened duty of care. It eliminated the possibility that TNCs would be deemed common carriers under the common law in section 25(e)—with the straightforward implication of that provision’s “not [a] common carrier[.]” language being the corresponding elimination of any heightened duties.<sup>16</sup> The Court should give effect to that legislative choice, expressed in the plain text of section 25(e).

**B. Lyft Cannot Be Held to a Common Carrier’s Heightened Duties if it Is Not a Common Carrier.**

Because Plaintiff can find no refuge in the plain language of section 25(e), her primary statutory argument is that, whatever the provision says, Lyft remains vicariously liable under Illinois common law. In effect, Plaintiff asks the Court to read section 25(e) as allowing that “TNCs are not common carriers but are treated as common carriers for purposes of liability.”

Plaintiff builds her alinguistic theory on *Doe v. Sanchez*, 2016 IL App (2d) 150554, and *Green v. Carlinville Community Unit School District No. 1*, 381 Ill. App. 3d 207 (2008), which, her brief contends, imposed a heightened duty of care on entities operating “like” common carriers—but which are not common carriers. Reasoning from these cases, Plaintiff offers that section 25(e) does not alter that

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<sup>16</sup> This answers Plaintiff’s charge, Br. 29–30, that section 25(e) is too unspecific to abrogate the common law—even if that principle had purchase here, see *Adams v. Northern Illinois Gas Co.*, 211 Ill. 2d 32, 69 (2004) (“[A] court cannot construe a statute in derogation of the common law beyond what the words of the statute expresses or *beyond what is necessarily implied from what is expressed.*” (emphasis added)).

purported common-law rule. But there is no such common-law rule: *Green* and *Sanchez* expressly addressed only the narrow (and inapposite) circumstance of transporting schoolchildren—a category, unlike here, for which there is no statutory authority addressing common-carrier status.

Neither *Green* nor *Sanchez* involved a defendant *statutorily excluded* from common-carrier duties. *Green*, in fact, expressly contemplated that the legislature may enact a provision like section 25(e). While it found that the school district would be held to common-carrier duty-of-care standards when busing schoolchildren, the court added that “[t]he legislature may determine, for sound policy reasons, that school districts should not be held to this standard of care.” 381 Ill. App. 3d at 214 (emphasis added). That is precisely what the General Assembly chose to do in section 25(e). See Op. ¶ 27 (“Even if there were support for the general proposition that common carrier liability may be extended to non-common carriers other than school bus operators, it would be inappropriate ... to extend such liability to transportation providers that the legislature has specifically declared are not common carriers.”).

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The Court thus need not accept Plaintiff’s invitation to parse the meaning of *Green* and *Sanchez*, or delve into what the common law would be in the absence of section 25(e). But even if it did, those cases are expressly limited and do not create a general common-law rule imposing heightened liability on entities that are not common carriers but operate “like” common carriers.

1. Plaintiff’s reading of *Green* and *Sanchez* stretches those cases far beyond their limited holdings. The *Green* and *Sanchez* courts found that although a school district and school-bus company, respectively, were not common carriers when transporting schoolchildren, they nonetheless could be subject to the heightened duties of a common carrier due to the peculiar nature of schoolchildren in transit. *Sanchez*, 2016 IL App (2d) 150554, ¶ 27; *Green*, 381 Ill. App. 3d at 213. Both cases expressly limited this heightened liability to the narrow circumstance of school busing. As *Green* explained:

Our holding on this issue is *limited to the common-law duty school districts owe student passengers while the students are being transported on a school bus*. It neither enhances nor weakens the duties school districts already owe their students in other circumstances.

381 Ill. App. 3d at 214 (emphasis added). And *Sanchez* confirmed that “the issue is only whether the bus driver owed the student a higher duty of care while transporting her, the same issue present in *Green*.” 2016 IL App (2d) 150554, ¶ 32.

That school buses may be held to common-carrier standards does not mean the same rule applies to every business that touches transportation. Plaintiff points to no other case imposing common-carrier liability on any other non-common-carrier entity. For good reason: schoolchildren in transit comprise a unique class. See *id.* ¶¶ 26–27, 39, 55 (resting on the “public policy favoring the safe transportation of students”). Plaintiff attempts to reframe *Green* and *Sanchez* as turning on control over rider safety, Br. 24–26, but that ignores that the decisions *expressly turn on the unique nature of schoolchildren in transit*. *Sanchez* detailed that “*Green*’s core rationale ... is that school children require the highest standard of care in their

transport.” 2016 IL App (2d) 150554, ¶¶ 29–30. And *Green* explained that “children on a school bus” are “the most vulnerable members of our society.” 381 Ill. App. 3d at 213.

Plaintiff offers that *Sanchez* “misconstru[ed]” *Green*’s rationale, Br. 28, but *Green* explained that its holding was “limited to the common-law duty school districts owe student passengers while the students are being transported on a school bus”—resolving Plaintiff’s charge. To this, Plaintiff offers that the language does not mean what it says in light of *Green*’s next sentence, Br. 27, which is that the holding “neither enhances nor weakens the duties school districts already owe their students in other circumstances,” 381 Ill. App. 3d at 214. But that merely confirms *Green*’s holding does not apply “in other circumstances”—outside of busing schoolchildren. Those two sentences confirm that *Green* cannot be read outside the confines of school districts and schoolchildren.

2. Neither *Green* nor *Sanchez* creates a general common-law rule that entities operating similarly to common carriers—but which are not common carriers—are subject to heightened duties. Nor is there anything else in Illinois law that would do so. The Court recently, as well as repeatedly, has reaffirmed that under the common law, heightened, affirmative duties otherwise are available only within the four “special” relationships. See, e.g., *Bogenberger v. Pi Kappa Alpha Corp.*, 2018 IL 120951, ¶¶ 33, 38; *Iseberg*, 227 Ill. 2d at 98–100. *Iseberg* did so in the face of arguments, similar to Plaintiff’s, that (i) the restriction of affirmative duty to four special relationships had been “eroded” and (ii) the Court should discard the special-



relationship limitation “because the no-affirmative-duty rule is out of step with modern notions of morality.” 227 Ill. 2d at 89, 94–95. Indeed, *Isenberg* fully endorsed narrowly drawing heightened duties:

Contrary to plaintiffs’ assertions, the no-affirmative-duty rule, as a common law tort principle, has been retained in every jurisdiction .... Thus, given the wide acceptance of the no-duty rule and the ‘special relationship’ doctrine, it cannot be said that they are ‘antiquated’ or ‘outmoded.’

*Id.* at 99–100. In *Bogenberger*, the Court specifically rejected the expansion of affirmative duties, even though the plaintiff alleged (again echoing Plaintiff’s argument here) that the defendant had unique control over the plaintiff’s safety. 2018 IL 120951, ¶ 38. Thus, to the extent Plaintiff suggests “policy” considerations should provide the basis to hold Lyft to heightened, affirmative duties in the absence of a special relationship, Br. 17, *Bogenberger*, *Isenberg*, and their brethren preclude it.

They also answer Plaintiff’s suggestion that under Restatement (Second) of Torts § 314(A), cmt. b (Am. Law Inst. 2021), there may be additional exceptions to the general rule that principals cannot be vicariously liable for sexual assaults by agents. Br. 24–25. Even the Restatement itself is more limited: In a “caveat” Plaintiff ignores, the authors note that “[t]he Institute expresses no opinion as to whether there may be other relations which impose a similar duty.” Restatement § 314(A), caveat. Plaintiff also offers the Restatement’s observation that the law is “working slowly toward” recognizing “the duty to aid or protect in any relation of dependence,” Br. 24–25—omitting that the only hypothetical mentioned is “that of husband and wife,” Restatement § 314A, cmt. b. Finally, Plaintiff notes that the definition of

a common carrier has expanded with technology, Br. 23, yet *what* qualifies as a common carrier has no bearing on whether the common law has expanded heightened duties *beyond* common carriers.

3. There is nothing in Illinois jurisprudence creating a general common-law principle holding non-common carriers that may act similarly to common carriers to a heightened duty of care. Any suggestion, then, that section 25(e) is too un-specific to abrogate that (non-existent) common-law rule is a red herring. So too is the assertion that section 25(e) is not sufficiently express in conferring immunity given the purported background principle, Br.29–31.<sup>17</sup>

Further, the Court has rejected efforts to displace a clear statutory command (like section 25(e)) with a purported common-law principle. In *Epstein v. Chicago Board of Education*, the defendant claimed immunity under § 3-108(a) of the Tort Immunity Act from a lawsuit brought under the Structural Work Act. 178 Ill. 2d 370, 373–74 (1997). “Section 3-108(a) by its plain terms immunizes a local governmental unit’s failure to supervise ‘an activity’ on public property.” *Id.* at 376. The plaintiff, citing *Eck v. McHenry County Public Building Commission*, 237 Ill. App. 3d 755 (2d Dist. 1992), *overruled by Epstein v. Chicago Board of Education*, 178 Ill. 2d 370, 687 N.E. 3d 1042 (1997), argued that “activity” should not be interpreted to

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<sup>17</sup> Plaintiff contends section 25(e) is dissimilar to other immunity clauses, Br. 29–31, but unlike the absolute-immunity provisions Plaintiff cites, section 25(e) does not purport to immunize TNCs from, for example, direct liability. It thus is irrelevant that the appellate court “identified no other immunity provision worded” in the same manner. Br. 30.

include activities, like construction, that are not traditionally regarded as governmental functions under common law. The Court disagreed: “The old common law governmental/proprietary function distinction is not contained in the Tort Immunity Act and, as a result, it no longer governs a local governmental unit’s immunity,” *id.* at 379; thus, the “*Eck* court erred when it departed from section 3–108(a)’s plain language,” *id.* at 378. Here, too, it would be error to set the TNPA’s plain text aside in favor of Plaintiff’s purported (but non-existent) common-law principle.

### **III. The TNPA Is Constitutional.**

The TNPA and section 25(e) are constitutional, and Plaintiff bears a heavy burden to show otherwise. “Statutes are presumed constitutional and the party challenging a statute’s validity” must “demonstrate[e] a clear constitutional violation.” *McElwain v. Office of Illinois Secretary of State*, 2015 IL 117170, ¶ 14; *Crusius v. Illinois Gaming Board*, 216 Ill. 2d 316, 324 (2005). Because deference is owed to the legislature’s policy decisions, a court “will uphold the constitutionality of a statute whenever reasonably possible.” *McElwain*, 2015 IL 117170, ¶ 14. Although Plaintiff cites this burden, her brief suggests that “the prohibition against special legislation poses concerns larger than those presented in the typical constitutional challenge.” Br. 35. If this is meant to suggest the burden of establishing unconstitutionality is somehow lessened in a special-legislation challenge, that is not the law. *Piccioli v. Board of Trustees of Teachers’ Retirement System*, 2019 IL 122905, ¶ 17.

Plaintiff cannot carry the burden of establishing the TNPA’s unconstitutionality, either on a theory that section 25(e) is special legislation or based on a violation of the three-readings rule.

**A. The TNPA Is Not Unconstitutional Special Legislation.**

Recognizing that courts are not lawmakers, the special-legislation clause of the Illinois Constitution permits striking down legislation only in those rare circumstances where a statute “mak[es] classifications that arbitrarily discriminate in favor of a select group.” *Crusius*, 216 Ill. 2d at 325. A statute is not arbitrary where there is “any set of facts that justifies distinguishing the class the statute benefits from the class outside its scope,” and the “classification ... is rationally related to a legitimate state interest.” *Id.* The TNPA, and section 25(e), satisfy this test.

Here, although section 25(e) favors TNCs (as against taxicabs), that classification is not arbitrary. TNCs have unique safety features and dissimilar privileges that, among many other differences, make it reasonable to regulate TNCs differently than taxicabs. Further, exempting TNCs from common-carrier duties was rationally related to the General Assembly’s goal of fostering access to TNCs in Illinois. These facts meet the applicable rational-basis standard. They also would satisfy the more-searching standard Plaintiff demands, which is inconsistent with Illinois law.

**1. Plaintiff’s special-legislation challenge is evaluated under the rational-basis test.**

a. Where, as here, legislation does not involve a fundamental right or a suspect classification, it is evaluated under the “deferential rational basis test.” *General Motors Corp. v. State Motor Vehicle Review Board*, 224 Ill. 2d 1, 30–31 (2007) (special-legislation challenge evaluated by the same standards as equal-protection claim); *accord Piccioli*, 2019 IL 122905, ¶ 20; *Crusius*, 216 Ill. 2d at 324. The Court

has rejected invitations to apply a higher standard of review to economic and commercial legislation. *Bernier v. Burris*, 113 Ill. 2d 219, 227–28 (1986); see also *Napleton v. Village of Hinsdale*, 229 Ill. 2d 296, 306–15 (2008) (zoning ordinances). With good reason: rational-basis review reflects due regard for the legislature’s policy decisions. *Crusius*, 216 Ill. 2d at 324; accord *City of New Orleans v. Dukes*, 427 U.S. 297, 303–04 (1976) (per curiam) (“[T]he judiciary may not sit as a superlegislature to judge the wisdom or desirability of legislative policy determinations made in areas that neither affect fundamental rights nor proceed along suspect lines.”).

“Under the rational basis test, the court may hypothesize reasons for the legislation, even if the reasoning advanced did not motivate the legislative action.” *Piccioli*, 2019 IL 122905, ¶ 20 (emphasis and citation omitted). See generally *F.C.C. v. Beach Commc’ns, Inc.*, 508 U.S. 307, 315 (1993) (“[B]ecause we never require a legislature to articulate its reasons for enacting a statute, it is entirely irrelevant for constitutional purposes whether the conceived reason for the challenged distinction actually motivated the legislature.”). A statute passes muster if a “court can reasonably conceive of any set of facts that justifies distinguishing the class the statute benefits from the class outside its scope,” where the classification is “rationally related to a legitimate state interest.” *Crusius*, 216 Ill. 2d at 325. The Court takes the “any-set-of-facts standard” seriously, and upholds legislation if they can conceive of a justification for the statute—even a justification that does not appear in the legislative history. See *Bilyk v. Chicago Transit Authority*, 125 Ill. 2d 230, 236–44 (1988); *People ex rel. Lumpkin v. Cassidy*, 184 Ill. 2d 117, 127 (1998).

b. Plaintiff contends that although Illinois courts consistently say they are applying rational-basis review in special-legislation challenges, in practice they actually do something “more”—and, if not, they should. Br. 37–40. The latter demand founders in the face of consistent Illinois authority, and *stare decisis*.

To support the theory that courts do more in reviewing special legislation than they say, Plaintiff points to several cases observing that the special-legislation clause “‘supplements’ equal protection” and asks: “[i]f the prohibition on special legislation ‘supplements’ equal protection, how can their tests for passing constitutional muster be identical?” Br. 39–40 (citing, *e.g.*, *Estate of Jolliff v. Jolliff*, 199 Ill. 2d 510, 519 (2002) and *Unzicker v. Kraft Food Ingredients Corp.*, 203 Ill. 2d 64, 86 (2002)). The clauses have complementary, yet distinct, functions: Whereas special legislation involves a “special benefit or exclusive privilege” *in favor of* a person or group, a violation of equal protection “consists of arbitrary and invidious discrimination *against* a person or a class of persons.” *Illinois Polygraph Society v. Pellicano*, 83 Ill. 2d 130, 137–38 (1980) (emphasis added); see also *Schuman v. Chicago Transit Authority*, 407 Ill. 313, 317 (1950) (special-legislation clause “supplements the equal-protection clause ... and prevents the enlargement of the rights of one or more persons in discrimination against the rights of others”). The provisions “supplement” each other because one addresses a positive grant of privilege whereas the other confronts negative discrimination. It thus is with good reasons the clauses share a review standard.

Plaintiff also asks “[w]hy ... the framers of the 1970 Constitution retain[ed]

the special legislation clause if they intended for it to be perfectly coextensive with, and offer no more protection than, the equal protection clause?” Br. 40–41. *Illinois Polygraph* answers that inquiry. But so too does Plaintiff’s brief—two pages before posing that question, the brief explains that the special-legislation and equal-protection clauses “are different,” even if “partially overlapping.” Br. 38.

That Plaintiff asserts the special-legislation clause “is designed to suppress legislative favoritism,” Br. 37, does not change the analysis. “Favoritism,” such as it is, is the flip side of the “invidious discrimination” equal protection is designed to address, and to the extent Plaintiff is suggesting the special-legislation clause occupies a privileged place in the constitutional firmament, as compared to the equal-protection clause, there is no jurisprudential basis for that value judgment. Illinois authority, indeed, forecloses it.

Plaintiff also says that *Jolliff* and *Unzicker* show that courts look to legislative history and examine legislative intent when doing a special-legislation analysis—which is not required by rational-basis review—and thus confirm the more-searching review she demands. Br. 39–40. The more natural interpretation of these cases, both of which upheld legislation as constitutional under the special-legislation clause, is that courts will rely on a stated legislative purpose if one exists, simply because pointing to the record is easier than generating hypotheticals. Neither requires that a court consult legislative history. And neither holds, either facially or implicitly, that a court can invalidate a statute as special legislation only if it cannot hypothesize reasons it may be upheld.

The Court’s most-recent special-legislation case, *Piccioli*, makes this plain. Although Plaintiff’s brief mentions *Piccioli*, which confirms that rational-basis review applies to special-legislation challenges—and even recognizes that under the decision “the legislature’s actual intent in enacting a law is irrelevant,” Br. 37 (quoting *Piccioli*, 2019 IL 122905, ¶ 20)—the brief makes no effort to square its proposed review standard with that case. Plaintiff’s fight with governing rational-basis analysis confirms the special-legislation challenge fails under it.

**2. Section 25(e) is rationally related to promoting consumer access to TNCs.**

The appellate court correctly found that the differential regulation of TNCs and taxicabs embodied in section 25(e) (and other provisions of the TNPA) are rationally related to the legitimate state goals of fostering access to TNCs and creating economic competition. The statute furthered these goals while recognizing that TNCs’ unique safety features and functional differences meaningfully distinguish them from taxicabs. See *Crusius*, 216 Ill. 2d at 324 (finding it rational, and not special legislation, for different provisions of statute “to focus” on different goals).

a. The stage for the TNPA was Governor Quinn’s veto of its predecessor bill, H.B. 4075. As the Governor explained, he vetoed that legislation because he feared it “would not only stifle innovation, it would be a disservice to consumers who utilize the service.” Ill. Gov., Veto Msg., H.B. 4075, PA206–207 (Aug. 25, 2014). The result was S.B. 2774, which reduced the regulatory burdens proposed in the predecessor bill in response to the Governor’s veto, to enable TNCs like Lyft to compete more effectively with taxicabs. “Advancement of the State’s economic goals clearly



is a legitimate rationale for legislation.” *Piccioli*, 2019 Ill. 133905, ¶ 21 (citing cases); see also *Crusius*, 216 Ill. 2d at 327 (General Assembly may enact legislation to “assist[] economic development” and “generat[e] economic benefits”); *Abrasic 90 Inc. v. Weldcote Metals, Inc.*, 364 F. Supp. 3d 888, 909 (N.D. Ill. 2019) (public interest in “encourag[ing] innovation and development”); *Lisle Corp. v. A.J. Manufacturing Co.*, No. 02-C-7024, 2004 WL 765872, at \*6 (N.D. Ill. Apr. 7, 2004) (“public interest in promoting invention”). The legislature could—and did—rely on the unique safety features and functional distinctions between TNCs and taxis to craft a differential regulatory regime promoting this consumer-access and economic goal, of which section 25(e) was one part. By the same token, legislators could have concluded that holding TNCs to a common carrier’s duties would unduly burden a new industry in a way that threatened its survival.

The Court can begin, and end, its special-legislation analysis there. After all, the Court may “hypothesize” these economic-development, competition-promotion, and transportation-access reasons for the TNPA and section 25(e). But, in fact, the legislative history confirms these reasons animated the TNPA, at least in part. As bill sponsor Representative Zalewski stated when discussing H.B. 4075, the legislature wanted to ensure proper regulation, “while at the same time allowing [TNCs’] growth to expand and allowing the consumer to make use of them, because obviously they’re popular, and we want to see them grow in Illinois and be successful.” Business Committee, PA064 (Mar. 26, 2014). Other legislators also emphasized the need to promote competition. Ill. Senate Debate, H.B. 4075, 98th Gen. Assembly, PA161–

63 (May 15, 2014) (statement of Sen. Murphy); Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA232 (Dec. 3, 2014) (statement of Rep. Harris). And the legislative complaint about the poor, inaccessible state of pre-TNC transportation demonstrates an intention to foster TNCs' entry into the market. Ill. House Debate, H.B. 4075, 98th Gen. Assembly, PA150 (Apr. 10, 2014) (statement of Rep. Davis) (noting that taxicabs were inaccessible for many).

The legislative history extensively documents why the legislature was rationally motivated to allow entrepreneurial enterprise to flourish. *First*, there was a consumer need unmet by then-existing transportation options. PA143–44, PA150, PA161–63 (statements of Sen. Murphy, Rep. Sandack, and Rep. Davis stressing need to “keep this industry” to service communities without access to public transportation). *Second*, the legislature recognized a need to break up the existing monopolies by facilitating competition. Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA232 (Dec. 3, 2014). *Third*, the legislative history reflects a desire to create new work opportunities. Ill. Senate Debate, H.B. 4075, 98th Gen. Assembly, PA162 (May 15, 2014) (“[I]t’s a great time for us to be seen as rewarding innovation and entrepreneurial risk, as we sit here with the third highest unemployment rate in the country.”). As the Director of the University of Chicago Law School’s Institute for Justice Clinic on Entrepreneurship testified, TNCs “have made it possible for drivers to make ends meet.” Business Committee, PA068–69 (Mar. 26, 2014) (statement of Beth Kregor).

In view of this legislative history, the state interests of fostering competition

and promoting economic development underlay S.B. 2774. The TNPA's predecessor tipped the scales too far in the direction of regulation, and in S.B. 2774, the legislature altered the regulatory balance to promote their growth. Plaintiff does not dispute that this history would suggest a General Assembly motivated, at least in part, by economic-development and transportation-access goals. Instead, Plaintiff calls the history "a fiction," and suggests the "only thing" H.B. 4075 and S.B. 2774 "had in common was their general subject matter." Br. 45. To the contrary, the direct connection between the two bills is plain on the face of the legislative record. Ill. House Debate, H.B. 4075, 98th Gen. Assembly, PA225 (Dec. 3, 2014) (statement of Rep. Zalewski) (describing the amended S.B. 2774 as "a lighter version of what we passed in the spring."); Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA242 (Dec. 3, 2014) (noting, in debate over S.B. 2774, that although some legislators "certainly preferred the original Bill," referring to H.B. 4075, "this is a place of compromise"). There is no basis to exclude the record of prior or related legislation from the analysis. *Cf. In re Marriage of Logston*, 103 Ill. 2d 266, 284 (1984) ("[W]here a statute is ambiguous, it is appropriate to examine not only its history and related legislation, but also the future consequences that would result from adopting one construction as opposed to another."). And Plaintiff's *amici* demonstrate the propriety of considering related bills in evaluating legislative history. *Caase* Br. 20–21.

That S.B. 2774 may have taken a different approach than the "comprehensive regulatory regime that came close to treating rideshare carriers as common carriers" of H.B. 4075, Br. 45, is precisely the point, given Governor Quinn's veto.

b. Plaintiff asserts that the sole purpose of the TNPA is promoting safety, and that section 25(e) is inconsistent with that goal. But section 25(e) is no different in this regard than the other changes that were made between H.B. 4075 and S.B. 2774—such as eliminating the requirement for a chauffeur’s license and specific license plates, and eliminating the vehicle-age and registration requirements. Plaintiff never explains why the legislators could not have rationally concluded that in light of the inherent safety features that TNCs offer, section 25(e) struck an appropriate balance.

But even accepting Plaintiff’s theory that section 25(e) is inconsistent with the TNPA’s safety purpose would not alter the special-legislation analysis. Safety may be one purpose of the TNPA; but it is not the only one. Although Plaintiff’s brief cherry-picks remarks from S.B. 2774’s sponsor to suggest that that bill was focused solely on safety, Br. 44, the discussion above demonstrates economic development and competition was on the forefront of legislators’ minds during the debate over regulating TNCs. That was true even as regards S.B. 2774 specifically. PA232–33 (Rep. Harris: “the taxicab industry has had virtually a monopoly. And the best way to defeat a monopoly is to introduce competition into the marketplace.”).

In all events, when the legislative history of a statute reflects multiple aims, a provision will be upheld if it is rationally related to one of those articulated aims—even if the provision may conflict with another articulated aim. Statutes commonly reflect legislators’ collective judgment that a particular balance of operational privi-

leges and regulatory burdens will best benefit the general welfare. “Legislation often has multiple purposes whose furtherance involves balancing and compromise by the legislature. For a provision in a law to pass the rational basis test, it does not have to promote all of the law’s disparate and potentially conflicting objectives.” *Crusius*, 216 Ill. 2d at 318–20, 329–30; *Big Sky Excavating, Inc. v. Illinois Bell Telephone Co.*, 217 Ill. 2d 221, 239 (2005) (upholding bill that effectively deregulated telephone lines in exchange for one-time payment by incumbent monopolist).

In *Crusius*, the Gaming Board denied a riverboat casino’s license renewal after questioning its “suitability.” 216 Ill. 2d at 318–20, 326. The legislature amended the statute to restore the license. *Id.* at 318–20. Plaintiff challenged the provision, arguing that it undermined the Riverboat Gambling Act’s “goal of maintaining public confidence in the riverboat gambling industry and its regulation.” *Id.* at 326. The court disagreed, noting that the Act had *two* goals: maintaining public confidence and encouraging economic development. *Id.* at 327–28. Because the provision rationally furthered one of the two goals, it was constitutional. *Id.* at 327–28, 330. That holding applies equally here.

### **3. Distinctions between TNCs and taxicabs justify their differential regulatory treatment.**

The General Assembly’s decision to regulate TNCs and taxicabs differently rationally rests on differences between the two forms of transportation. The legislature reasonably concluded these distinctions justify different regulatory schemes. Plaintiff apparently does not dispute that it is proper to regulate TNCs and taxicabs differently as a general matter. Br. 48–49. Indeed, Plaintiff does not question the

many other provisions in the TNPA that distinguish between TNCs and taxicabs—just section 25(e).

a. TNCs do not operate in the same manner as taxicabs, which traditionally accept street hails. See 625 ILCS 57/5, 57/25(e) (prohibiting TNC street hails); Chi. Mun. Code 9-115-180(e) (same). Instead, TNC services are available only to the subset of the public that has entered into a preexisting relationship with the TNC, downloaded its application, and consented to its terms of service. *Illinois Transportation*, 839 F.3d at 598 (preexisting relationship “[a] major difference” between TNCs and taxicabs); accord *Newark Cab Association v. City of Newark*, 901 F.3d 146, 157 (3d Cir. 2018); *Progressive Credit Union v. City of New York*, 889 F.3d 40, 50 (2d Cir. 2018); see also 625 ILCS 57/5 (TNC service must be “prearranged ... through the use of a TNC digital network or software application”). This provides riders with “more information about their prospective rides” significantly earlier than when hailing a taxicab. Op. ¶¶ 39–40 (quoting *Newark Cab*, 901 F.3d at 157).

In *Illinois Transportation*, the Seventh Circuit found that these operational differences provided a rational basis for regulating TNCs differently from taxicabs. There, an association of taxicabs challenged the City of Chicago’s 2014 Transportation Network Providers Ordinance which, in an effort “to stimulate greater competition in the ‘for-hire auto transportation market,’” regulated TNCs differently than taxicabs on matters of vehicle qualifications, licensing, insurance, driver screening (TNCs could use third-party contractors), and fares (TNCs could set their own). 839 F.3d at 595–96. In concluding that such distinctions satisfied rational-basis review,

the Seventh Circuit highlighted safety features of TNCs that may reasonably lead a legislature to adopt different regulatory regimes for TNCs than for taxicabs:

- “[C]ustomers, rather than being able to hail an Uber [TNC] car, must sign up with Uber before being able to summon it.”
- Signing up “creates a contractual relationship specifying such terms as fares, driver qualifications, insurance, and any special need of the potential customer owing to hi[m] or her having a disability.”
- “Unlike taxicab service Uber assumes primary responsibility for screening potential drivers and hiring only those found to be qualified.”
- Before beginning the ride, “passengers receive more information in advance about their prospective rides—information that includes not only the driver’s name but also pictures of him (or her) and of the car.”
- The part-time nature of most TNC drivers means fewer miles driven; “the fewer miles driven the less likely a vehicle is to experience wear and tear that may .... increase the risk of an accident or a breakdown.”

*Id.* at 598. The court rejected plaintiff’s insistence that TNCs be treated identically: “Different products or services do not as a matter of constitutional law, and indeed of common sense, always require identical regulatory rules.” *Id.* at 598.

That TNCs use part-time drivers provides an additional reasonable basis for regulating TNCs and taxicabs differently. A legislature concerned with promoting transportation access and economic development—as here—could rationally conclude that it would be prohibitive to the operations of TNCs to hold them vicariously liable for the acts of a large network of predominantly part-time drivers. The appellate court found as much. *Op.* ¶¶ 38, 41. Distinctions based on the relationship between defendant and agent are a feature of the common law, and thus not irrational. See, *e.g.*, *Anderson v. Marathon Petroleum Co.*, 801 F.2d 936, 938 (7th Cir. 1986)

(distinguishing between liability for acts of employee and independent contractor).

The appellate court and *Illinois Transportation* are not alone in finding a rational basis to regulate TNCs and taxicabs differently. To date, every federal court of appeals to consider the issue has found meaningful distinctions between TNCs and taxicabs that provide a rational basis for different regulatory treatment, and has dismissed equal protection claims at the motion-to-dismiss stage. See *Newark Cab*, 901 F.3d at 146; *Checker Cab v. Miami Dade County*, 899 F.3d 908, 908 (11th Cir. 2018); *Progressive Credit*, 889 F.3d at 40. The dissent sought to distinguish this consistent authority on the basis that they involved equal-protection challenges, Op. ¶ 64, but the analysis is the same. Nor is Illinois alone in enacting legislation that distinguishes TNCs from taxicabs: statutes or regulations explicitly stating that TNCs are not common carriers exist in 20 sister states. MA150. This itself strongly supports a finding of rationality. *General Motors Corp.*, 224 Ill. 2d at 7–8 (observing statute was comparable to sister-state statutes).

b. Plaintiff suggests that although it generally may be proper to regulate TNCs and taxicabs differently given their operational differences, Br. 48–49, those differences are insufficient to support exempting TNCs from common-carrier status. The contradictory positions are hard to square—why is the common-carrier exemption unconstitutional if exempting TNCs from chauffeur licensing or vehicle-age requirements (matters that go to safety) are not? The attempt to carve out common-carrier regulations as *sui generis* is inconsistent with *Illinois Transportation* and its brethren.



Plaintiff attempts to distinguish *Illinois Transportation* by suggesting that the issue there “was whether *any* regulatory treatment of rideshare carriers lesser than the regulatory treatment of taxicab companies” was problematic, not specifically whether differential common-carrier treatment was. The dissent similarly noted that the Seventh Circuit did not specifically address a provision exempting TNCs from common-carrier liability. Op. ¶ 64. And it asserted “there is no rational basis for treating a TNC differently than a taxicab with respect to the duty owed to its passengers.” Op. ¶ 64. *Illinois Transportation*, however, considered provisions that imposed different safety standards on TNCs—including vehicle qualifications, licensing, insurance, driver screening, and fare-setting—and found that safety features and driver relationships unique to TNCs provide a rational basis for treating TNCs and taxicabs differently. 839 F.3d at 595–96. That analysis is equally applicable to section 25(e). If differences in kind between TNCs and taxicabs permit differential regulatory treatment, then legislators may choose, as part of that regulatory balance, how to express those differences in policy. See generally *Piccioli*, 2019 IL 122905, ¶ 20.

Plaintiff’s other attempts to distinguish the numerous decisions confirming the rationality of regulating TNCs and taxicabs differently fall flat. Plaintiff’s brief emphasizes that the relationship between TNCs and their customers is not a distinguishing feature because “Illinois law has long recognized the existence of contractual relationships between other common carriers and their passengers.” Br. 50.

That statement ignores that the crux of *Illinois Transportation* is a *preexisting* contractual relationship, by virtue of which users receive driver and vehicle information before vehicle arrival. 839 F.3d at 598; see also *Newark Cab*, 901 F.3d at 156–58. Plaintiff then argues that *some* common carriers like metropolitan transit authorities have pre-existing contractual relationships with pre-paid passengers. Br. 50 (citing *Stack v. Regional Transportation Authority*, 101 Ill. 2d 284 (1984)). But the question is not whether there is a rational basis to treat TNCs and all common carriers differently, but whether there is a rational basis to treat TNCs and taxicabs differently. *Amici*'s argument that *non-taxicab* common carriers such as airplanes were ordered through pre-arranged hires in 2014, when the TNPA was passed, Caase Br. 27–28, is irrelevant to the distinctions between TNCs and taxis.

Plaintiff ignores the critical point that TNC riders receive vehicle and driver information *before the car arrives* when arguing that the use of a smartphone application is a “inconsequential” difference. Br. 51. Information provided in advance through an application can inform whether to enter a car in the first place. On such a basis, *Newark Cab* considered and rejected the argument Plaintiff makes here:

When requesting a ride from a TNC, the customer is matched with a driver a few minutes before the vehicle arrives, whereas a taxi customer immediately is matched with a taxi when that taxi pulls over. These few minutes give the customer time to consider the available information before entering a vehicle, which is time that a taxi customer might not have. A customer can use this extra time to cancel a requested ride. Although a customer who hails a taxi can cancel that request by not entering the taxi, that customer has less time to make that decision than does a TNC customer. Under the highly deferential standard of rational basis review, the City could reasonably conclude that this is a sufficient distinction in customer experience to warrant stricter regulation of taxis.

901 F.3d at 158. Plaintiff castigates this holding, stating that it should carry no weight “[u]nless the courts were suggesting that it is rational for passengers to make safety decisions based on stereotypes about a person’s race, sex, or age, or vehicle type.” Br. 52. The answer is more prosaic: among other “available information” a rider reviews before entering a vehicle is a driver’s rating, reflecting past user experiences. That is information generally not provided for a taxi ride, and that inarguably provides additional, safety-related information to TNC riders.

Connecting with a TNC through a smartphone application is no mere “inconsequential mechanical difference[.]” from how a passenger hails a taxicab. Br. 51. It is a difference that fundamentally alters the relationship between rider and ride, and supplies a basis for a legislature to enact less-stringent liability regulation for TNCs as compared to taxicabs. Plaintiff observes that taxis now may be hailed using phone applications. Br. 46. But TNC services *must* be arranged through those applications; street hails remain unavailable.<sup>18</sup> In all events, the state of the world now is not relevant to the special-legislation inquiry, which examines distinguishing characteristics *at the time of enactment*. *Chicago National League Ball Club, Inc. v. Thompson*, 108 Ill. 2d 357, 368–69 (1985). That TNCs were operating with distinctive features prior to and at the time of the TNPA’s passage is the dispositive fact; it also

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<sup>18</sup> Nor does Plaintiff get far with the argument that “it is the good or service being offered to the public for sale that is relevant, not the manner of its sale.” Br. 47. That is a question of whether a service qualifies as a “public accommodation” under the Americans With Disabilities Act, see, *e.g.*, *Access Living of Metropolitan Chicago v. Uber Technologies, Inc.*, 351 F. Supp. 3d 1141, 1155 (N.D. Ill. 2018), *aff’d*, 958 F.3d 506 (7th Cir. 2020) (Br. 47), not a special-legislation inquiry.

answers *amici*'s inapposite argument that a statute cannot create the differences that give rise to special legislation. *Caase Br. 24.*

Taking a different tack, the dissent asserted that “the fact that the drivers are not professionals ... would suggest that TNCs should be required to assume even *more* responsibility for them, not less.” *Op. ¶ 69.* The legislature, however, reached a different conclusion, at least as to common-carrier liability. Although the dissent believed that the status of TNC drivers yields one regulatory regime, the legislature could just have easily concluded—and, as section 25(e) reflects, did conclude—that eliminating common-carrier liability for TNCs was appropriate and necessary to yield increased competition and transportation access, but did not deleteriously affect safety given the additional protections inherent in TNCs. See *Piccioli*, 2019 IL 122905, ¶ 20 (“Whether a statute is wise and whether it is the best means to achieve the desired result are matters for the legislature, not the courts.” (alteration adopted) (citation omitted)). As to insurance, the legislature flipped the regulatory burden in the other direction: When a rider is in the vehicle, TNCs are required to have higher insurance (\$1,000,000) than taxicabs (\$300,000). Compare 625 ILCS 57/10(c)(1), with 625 ILCS 5/8-109; *contra* *Opp. ¶ 71.*

**4. Distinctions between riders are rational, and Section 25(e) does not preclude Plaintiff from recovery.**

Relying on the dissent below, Plaintiff separately argues that section 25(e) irrationally bars TNC riders from recovery. *Br. 33, 55–57.* That is incorrect. Section 25(e) negates Plaintiff’s vicarious-liability claims (at least in certain circumstances) by clarifying that Lyft is not a common carrier, but it has no effect on Plaintiff’s

direct-liability claims for fraud (Count I) and negligence (Count II). Although Lyft vigorously disputes any wrongdoing, Plaintiff's own multi-page treatment of those claims highlights that Plaintiff retains a meaningful avenue to seek recovery with proof that Lyft acted negligently—or, given her misrepresentation claim, fraudulently. *Cf. Costello v. Unarco Industries, Inc.*, 129 Ill. App. 3d 736, 741–42 (1984) (noting that a statute with the functional effect of eliminating strict-liability claims did not eliminate plaintiff's ability to obtain a remedy, because plaintiff could still bring negligence claims), *rev'd on other grounds*, 111 Ill. 2d 476 (1986).<sup>19</sup>

Nor, as the dissent suggested, is it irrational for the legislature to eliminate a TNC rider's ability to pursue a common-carrier theory of liability that would be available to a taxicab rider. Illinois courts have recognized that voluntary relationships can justify different standards of liability. See *Grace v. Howlett*, 51 Ill. 2d 478, 488 (1972) (“[T]he legislature could rationally have found relevant differences in the circumstances under which the various voluntary relationships ... were created which justified the imposition of differing standards of care.” (relying on *Delany v. Badame*, 49 Ill. 2d 168 (1971))). Even before the TNPA, a passenger's ability to recover varied whether she rode in a taxicab (common-carrier liability); a Chicago Transit Authority vehicle (no liability for criminal activity of third parties, see *Bilyk*, 125 Ill. 2d at 236–44); or a friend's vehicle (no negligence liability, see *Delany*, 49 Ill.

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<sup>19</sup> That direct-liability claims remain answers the dissent's concern that a TNC's background checks would be less rigorous, as well as the observation that TNCs would be immune from suit. Op. ¶ 70. For example, if a TNC used a background-check process that was below the standard of care, direct liability may lie.

2d at 168). *Cf. Jasper v. Chicago National League Ball Club, Inc.*, 309 Ill. App. 3d 124, 128 (1999) (treating spectators injured at baseball games differently than spectators injured at, for example, golf tournaments). Eliminating a TNC’s common-carrier liability is no more victim blaming, Br. 57, than limiting recovery in *Delany* or *Bilyk* was.<sup>20</sup>

The dissent sought to distinguish *Delany* on the basis that the guest statute there “does not preclude a cause of action to the injured party but changes the degree of fault necessary for a recovery from that of the common law.” Op. ¶ 68. Section 25(e) holds that TNCs cannot be vicariously liable for torts outside the scope of employment, and thus requires that a plaintiff establish the TNC acted negligently, recklessly, or intentionally. This, too, sets the degree of fault necessary for recovery.

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Calling the distinctions between TNCs and taxicabs “mechanical,” Br. 47, “inconsequential,” Br. 51, and “perceived,” Br. 53, Plaintiff’s brief is replete with policy arguments for why Lyft *should be* held to a heightened duty of care, and thus why the legislature erred in enacting section 25(e). But the differences between TNCs and taxicabs—differences that every court reviewing them has concluded justify differential regulatory treatment—are for the General Assembly to consider, and act on. Plaintiff and her *amici* may believe the TNPA is “ill-conceived,” but that “does not create a constitutional problem for the courts to fix.”

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<sup>20</sup> *Amici* “suspect that virtually no one knows” TNCs are not subject to the highest standard of care. *Caase* Br. 30. “An individual’s knowledge or ignorance of a law has no relevance to whether it is special legislation.” *Piccioli*, 2019 IL 122905, ¶ 25.

*Piccioli*, 2019 IL 122905, ¶ 20.<sup>21</sup> A court performing rational-basis review asks only whether there is a conceivable rational basis for the distinction the legislature chose to draw. Because there is a rational basis for distinguishing between traditional taxicabs and TNCs, and because section 25(e) serves a rational governmental purpose, section 25(e) is not unconstitutional special legislation.

**B. The Enrolled-Bill Doctrine Forecloses Plaintiff’s Three-Readings Challenge.**

1. Plaintiff does not dispute that S.B. 2774 was read three times in each chamber of the legislature, as required under the three-readings rule in article IV, section 8(d) of the Illinois Constitution. Rather, she takes issue with the fact that House Amendment No. 1 to S.B. 2774, what ultimately became the TNPA, was not also read three times in each chamber. Neither she nor her *amici*, however, dispute that the enrolled-bill doctrine precludes her argument that the TNPA is unconstitutional because the manner of its passage violated the three-readings rule.

Article IV, section 8(d) provides that “[t]he Speaker of the House of Representatives and the President of the Senate shall sign each bill that passes both houses to certify that the procedural requirements for passage have been met.” The enrolled-bill doctrine reflects the Court’s consistent interpretation of “this language to mean that, upon certification by the Speaker and the Senate President, a bill is *conclusively presumed* to have met all procedural requirements for passage.” *Geja’s*

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<sup>21</sup> Plaintiff suggests that it is necessarily irrational for the state to “incentivize businesses to put profits ahead of ... physical safety.” Br. 55. Taken to its logical conclusion, this suggests that a legislature must always prioritize safety over and other goal, such that any safety standard less than the highest standard is irrational.

*Café v. Metropolitan Pier & Exposition Authority*, 153 Ill. 2d 239, 258–59 (1992) (emphasis added). The Speaker and Senate President certified amended S.B. 2774 consistent with the Illinois Constitution, confirming there was no three-readings violation.

2. Because Plaintiff cannot dispute the enrolled-bill doctrine’s effect here, Plaintiff contends the Court should either modify it to create only a rebuttable (rather than conclusive) presumption of procedural regularity, or else “abandon” it entirely. Br. 59; see also Caase Br. 39–40. But as the Court has explained, see *Geja’s Café*, 153 Ill. 2d at 259–60, the Constitution’s current enrolled-bill language *replaced* a prior “journal-entry” rule under which procedural validity was merely (and thus rebuttably) presumed, see George D. Braden and Rubin G. Cohn, *The Illinois Constitution: An Annotated and Comparative Analysis*, pp. 153–154, 157–158, and 159–160 (October 1969) (discussing pre-1970 journal rule). And the Committee on the Legislature of the Constitutional Convention “specifically contemplated the use of the enrolled bill doctrine to prevent the invalidation of legislation on technical or procedural grounds.” *Cutinello v. Whitley*, 161 Ill.2d 409, 425 (1994).

It did so to avoid the “complex litigation over procedures and technicalities” that characterized the journal-entry rule, *Geja’s Café*, 153 Ill.2d at 259, as well as to uphold the separation of powers, *Friends of Parks v. Chicago Park District*, 203 Ill.2d 312, 329 (2003) (“[S]eparation of powers concerns militate in favor of the enrolled-bill doctrine.”); *Cutinello*, 161 Ill.2d at 425 (“[J]udicial review of legislative procedure would raise a substantial separation of powers concern.”). Illinois is in



good company, as both federal<sup>22</sup> and state<sup>23</sup> courts continue to adhere to a conclusive enrolled-bill rule, including because of the respect due to a coequal branch of government—the principal contemporary justification for that rule. See, e.g., *OneSimpleLoan v. United States Secretary of Education*, 496 F.3d 197, 207–08 (2d Cir. 2007) (noting that “separation-of-powers concerns” animating the doctrine “are surely undiminished by the passage of time”); *Public Citizen II v. United States District Court*, 486 F.3d 1342, 1349–50 (D.C. Cir. 2007) (same).

3. The Court consistently has applied a conclusive enrolled-bill doctrine to foreclose three-readings challenges to legislation, see *Friends of Parks*, 203 Ill.2d at 329; *People v. Dunigan*, 165 Ill.2d 235, 254 (1995); *Cutinello*, 161 Ill.2d at 425; *Geja’s Café*, 153 Ill.2d at 260, and it should do so here. Although the Court has “re-serve[d] the right to revisit” the doctrine, *Geja’s Café*, 153 Ill.2d at 259–260, even if the Court concludes the Illinois Constitution permits it to step back from the conclusive presumption, this action is not the appropriate case to do so. The history of

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<sup>22</sup> See, e.g., *OneSimpleLoan v. United States Secretary of Education*, 496 F.3d 197, 203 (2d Cir. 2007); *Public Citizen II v. United States District Court*, 486 F.3d 1342, 1351 (D.C. Cir. 2007); *United States v. Miles*, 244 F. App’x 31, 33 (7th Cir. 2007); *United States v. Harbin*, No. C-01-221(3), 2007 WL 2777777, at \*4–6 (S.D. Tex. Sept. 21, 2007); *United States v. Chillemi*, No. CR-03-0917, 2007 WL 2995726, at \*7 (D. Ariz. Oct. 12, 2007).

<sup>23</sup> See, e.g., *Washington State Grange v. Locke*, 105 P.3d 9, 22–23 (Wash. 2005); *Medical Society of South Carolina v. Medical University of South Carolina*, 513 S.E.2d 352, 356–57 (S.C. 1999); *Roeschlein v. Thomas*, 280 N.E.2d 581, 585 (Ind. 1972); *Thompson v. Saunders*, 189 P.2d 87, 88 (N.M. 1947); *Hernandez v. Frohmiller*, 204 P.2d 854, 865 (Ariz. 1949); *Goddard v. Kirkpatrick*, 141 P.2d 292, 297–98 (Okla. 1943); *Williams v. MacFeeley*, 197 S.E. 225, 227–28 (Ga. 1938); *Spaulding v. Desmond*, 207 P. 896, 899–900 (Cal. 1922); *Pangborn v. Young*, 32 N.J.L. 29, 44 (Sup. Ct. 1866).

what became the TNPA demonstrates the very “transparency and deliberation in the lawmaking process” that Plaintiff points to as the purpose of the three-readings rule. Br. 41.

Consider the legislative history detailed in Part I, including, among other things:

- H.B. 4075 was read in both the House and Senate three times before passage—and before the Governor vetoed it. PA0035–40.
- Members of the public, as well as the Illinois Transportation Trade Association, appeared at hearings on H.B. 4075. Business Committee, PA067–73 (Mar. 26, 2014) (statements of Mara Georges (ITTA) and Marcus Weemes (Lyft driver)).
- Following the Governor’s veto, Representative Zalewski, who introduced H.B. 4075, introduced the amendment to S.B. 2774 as a “a lighter version of what we passed in the spring dealing with driver regulations.” Business Committee, PA225 (Dec. 3, 2014); *id.* at PA222 (Rep. Zalewski: “I filed the bill in February, and we’re here December 3rd.”).<sup>24</sup>
- Legislators understood the throughline from H.B. 4075 to amended S.B. 2774. Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA242 (Dec. 3, 2014) (Representative Lang “preferred the original Bill” but recognized the need for compromise).
- Representatives for other transportation-related organizations appeared at the proceedings on Amendment 1. Witness Slips, Proponent Tab, S.B. 2774, 98th Gen. Assembly, PA244.

Far from a “secret and rushed” passage, Caase Br. 36, the fulsome debate about

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<sup>24</sup> The timing of the amendment’s introduction and passage reflected the legislative commitment to finish a bill regulating TNCs by the end of the legislative session—as the sponsor explained. Ill. House Debate, S.B. 2774, 98th Gen. Assembly, PA225–26 (Dec. 3, 2014) (“We’re doing this now because ... we agreed to do it in the 98th General Assembly.”).

TNC regulation that occurred over a year and two bills fulfilled the salutary purposes Plaintiff and her *amici* identify in the three-readings rule.

The Court should adhere to its consistent, conclusive enrolled-bill doctrine and reject Plaintiff's three-readings challenge.

### CONCLUSION

Lyft has enormous sympathy for Plaintiff, who alleges she survived an unquestionably abhorrent act. But Illinois law does not impose vicarious liability—liability irrespective of any showing of fault—under the circumstances here. The Court should reject Plaintiff's attempts to unsettle the legislature's considered judgment, embodied in section 25(e), that Lyft is not a common carrier and, accordingly, is not subject to the heightened standard of care that applies to common carriers.

Respectfully submitted,

Dated October 15, 2021

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**CERTIFICATE OF COMPLIANCE**

I certify that this brief conforms to the requirements of Rules 341(a) and (b). The length of this brief, excluding the pages containing the Rule 341(d) cover, the Rule 341(h)(1) table of contents and statement of points and authorities, the Rule 341(c) certificate of compliance, the certificate of service, and those matters appended to the brief under Rule 342(a), is 14,087 words.

Dated October 15, 2021

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## CERTIFICATE OF SERVICE

Under penalties as provided by law, under Section 1-109 of the Illinois Code of Civil Procedures, the undersigned attorney certifies that he served the foregoing DEFENDANT-APPELLEE'S BRIEF AND APPENDIX as well as the document(s) referred to herein to whom it is directed by electronically filing the document and supporting documents with the Clerk of the Illinois Supreme Court via the Odyssey electronic filing system and emailing same to all counsel of record indicated below on October 15, 2021:

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Case No. 126605

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**In the  
Supreme Court of Illinois**

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JANE DOE,

Plaintiff-Appellant

v.

LYFT, INC.; ANGELO MCCOY; and Defendants-Appellees  
 STERLING INFOSYSTEMS, INC.  
 d/b/a STERLING TALENT SOLU-  
 TIONS;

On Appeal from the Appellate Court of Illinois,  
 First Judicial District, Case No. 1-19-1328  
 There on Appeal from the Circuit Court of Cook County, Illinois  
 County Department, Law Division, Case No. 17L11355  
 Hon. Patricia O'Brien Sheahan, Judge Presiding

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**NOTICE OF FILING**

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To: All Counsel of Record (see attached Service List)

PLEASE TAKE NOTICE that, on October 15, 2021, Lyft, Inc., through the undersigned attorney, caused to be filed (via Odyssey electronic submission) to the Clerk of the Supreme Court of Illinois, DEFENDANT-APPELLEE'S BRIEF AND APPENDIX, copies of which are hereby served upon you.

Dated: October 15, 2021

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Case No. 126605

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**In the  
Supreme Court of Illinois**

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JANE DOE,

Plaintiff-Appellant

v.

LYFT, INC.; ANGELO MCCOY; and Defendants-Appellees  
STERLING INFOSYSTEMS, INC.  
d/b/a STERLING TALENT SOLU-  
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County Department, Law Division, Case No. 17L11355  
Hon. Patricia O'Brien Sheahan, Judge Presiding

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**APPENDIX OF DEFENDANT-APPELLEE LYFT, INC.**

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ORAL ARGUMENT REQUESTED

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**TABLE OF CONTENTS OF APPENDIX**

Common Carrier Statute Compilation.....A150

**TABLE OF SISTER STATES WITH SECTION 25(E) EQUIVALENTS**

<b>State</b>	<b>Statutory Text Containing Exemption</b>	<b>Citation</b>	<b>Special Legislation Text</b>	<b>Special Legislation Citation</b>
1. Alabama	A TNC or TNC driver is not a common carrier, contract carrier, or motor carrier, as defined in Section 37-3-2, does not provide taxi or for-hire vehicle services, and is not subject to the Alabama Motor Carrier Act, Chapter 3, Title 37.	Ala. Code § 32-7C-21(a)	<p>The legislature shall not pass a special, private, or local law in any of the following cases ... (9) Exempting any individual, private corporation, or association from the operation of any general law....</p> <p>The operation of a general law shall not be suspended for the benefit of any individual, private corporation, or association; nor shall any individual, private corporation or association be exempted from the operation of any general law except as in this article otherwise provided.</p>	Ala. Const art. IV, §§ 104, 108

2. Alaska	A transportation network company or driver is not a common carrier, contract carrier, or motor carrier, and may not provide taxicab or for-hire vehicle service. The state or a municipality may not require a transportation network company driver to register the personal vehicle the driver uses to provide prearranged rides as a commercial or for-hire vehicle.	Alaska Stat. § 28.23.010	The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected.	Alaska Const. art. II, § 19
3. Arkansas	<p>“Prearranged ride” or “transportation network services” does not include transportation provided using a . . . Motor carrier service under the Arkansas Motor Carrier Act, 1955, § 23-13-201 <i>et seq.</i>”</p> <p>“Motor carrier” includes both a common carrier by motor vehicle and a contract carrier by motor vehicle and any person performing for-hire transportation service without authority from the department.</p>	<p>Ark. Code Ann. § 23-13-702(3)(B)(ii)</p> <p>Ark. Code Ann. § 23-13-203(a)(13)</p>	The General Assembly shall not pass any local or special act.	Ark. Const. amend. XIV

4. Colorado	“Common carrier” does not include a motor carrier that provides transportation not subject to regulation pursuant to section 40-10.1-105, a motor carrier that is subject to part 3, 4, 5, or 7 of article 10.1 of this title 40, a transportation network company, as defined in section 40-10.1-602(3), or a transportation network company driver, as defined in section 40-10.1-602(4).	Colo. Rev. Stat. § 40-1-102(3)(b)	The general assembly shall not pass local or special laws in any of the following enumerated cases, that is to say; ... granting to any corporation, association or individual any special or exclusive privilege, immunity or franchise whatever. In all other cases, where a general law can be made applicable no special law shall be enacted.	Colo. Const. art. V, § 25
5. Florida	Not other carriers.--A TNC or TNC driver is not a common carrier, contract carrier, or motor carrier and does not provide taxicab service. In addition, a TNC driver is not required to register the vehicle that the TNC driver uses to provide prearranged rides as a commercial motor vehicle.	Fla. Stat. § 627.748(2)	There shall be no special law or general law of local application pertaining to: ... (12) private incorporation or grant of privilege to a private corporation.	Fla. Const. art. III, § 11

6. Idaho	TNCs or TNC drivers are not common carriers as defined in section 61-113, Idaho Code; they are not motor carriers, nor do they provide taxicab or for-hire vehicle service. In addition, a TNC driver shall not be required to register the vehicle such driver uses for TNC services as a commercial or for-hire vehicle or to obtain a commercial driver's license.	Idaho Code § 49-3704	The legislature shall not pass local or special laws in any of the following enumerated cases, that is to say: ... Releasing or extinguishing, in whole or in part, the indebtedness, liability or obligation of any person or corporation in this state, or any municipal corporation therein.	Idaho Const. art. III, § 19
7. Illinois	TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.	625 Ill. Comp. Stat. 57/25(e)	The General Assembly shall pass no special or local law when a general law is or can be made applicable. Whether a general law is or can be made applicable shall be a matter for judicial determination.	Ill. Const., art. IV, § 13
8. Indiana	A TNC or a TNC driver is not: (1) a common carrier; (2) a contract carrier; or (3) a motor carrier.	Ind. Code § 8-2.1-19.1-2	In all the cases enumerated in the preceding section, and in all other cases where a general law can be made applicable, all laws shall be general, and of uniform operation throughout the State.	IND. CONST. art. IV, § 23

9. Iowa	A transportation network company, a transportation network company driver, or a personal vehicle used to provide a prearranged ride is not a motor carrier as defined in section 325A.1, private carrier as defined in section 325A.1, charter carrier as defined in section 325A.12, or common carrier.	Iowa Code § 321N.3(1)	In all the cases above enumerated, and in all other cases where a general law can be made applicable, all laws shall be general	Iowa Const. art. 3, § 30
10. Michigan	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.	Mich. Comp. Laws 257.2127 (1)	The legislature shall pass no local or special act in any case where a general act can be made applicable, and whether a general can be made applicable shall be a judicial question.	Mich. Const. art. IV, § 29

11. Mississippi	Transportation network companies or transportation network company drivers are not common carriers by motor vehicle, contract carriers by motor vehicle, or restricted motor carriers under Chapter 7, Title 77, Mississippi Code of 1972, nor do they provide taxicab or limousine services. A transportation network company driver shall not be required to register the vehicle the driver uses to provide prearranged rides as a commercial vehicle.	Miss. Code Ann. § 77-8-3	No special or local law shall be enacted for the benefit of individuals or corporations, in cases which are or can be provided for by general law, or where the relief sought can be given by any court of this state; nor shall the operation of any general law be suspended by the legislature for the benefit of any individual or private corporation or association, and in all cases where a general law can be made applicable, and would be advantageous, no special law shall be enacted.	Miss. Const. art. IV, § 87
12. Missouri	Notwithstanding any other provision of law, TNCs and TNC drivers shall not be considered common carriers, contract carriers, or motor carriers, as defined in section 390.020, a taxicab, as defined in section 390.020, a taxicab service or association, or a for-hire vehicle service. A TNC driver shall not be required to register the vehicle such driver uses to provide prearranged rides as a commercial or for-hire vehicle.	Mo. Rev. Stat. 387.402	The general assembly shall not pass any local or special law ... (28) granting to any corporation, association or individual any special or exclusive right, privilege or immunity...	Mo. Const. art. III, § 40



13. New Hampshire	<p>No TNC or TNC driver is a motor carrier, nor do they provide taxicab services pursuant to RSA 376:2. No TNC or TNC driver shall be required to: I. Apply for a common carrier certificate under RSA 376:4 or a contract carrier permit under RSA 376:7; or II. Register personal vehicles under RSA 376:24.</p> <p>The term “motor carrier” includes both a common carrier and a contract carrier of passengers by motor vehicle.</p>	<p>N.H. Rev. Stat. Ann. § 376-A:2</p> <p>N.H. Rev. Stat. Ann. § 376:2(III)</p>	N/A	N/A
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14. New York	<p>A TNC or a TNC driver shall not be deemed a common carrier, as defined in subdivision six of section two of the transportation law; a contract carrier of passengers by motor vehicle, as defined in subdivision nine of section two of the transportation law; or a motor carrier, as defined in subdivision seventeen of section two of the transportation law. Neither a TNC nor a TNC driver shall be deemed to provide taxicab or for-hire vehicle service while operating as a TNC or TNC driver pursuant to this article. Moreover, a TNC driver shall not be required to register the TNC vehicle such TNC driver uses for TNC prearranged trips as a commercial or for-hire vehicle, as set forth in article fourteen of this chapter.</p>	N.Y. Vehicle and Traffic Law § 1692(1)	<p>The legislature shall not pass a private or local bill in any of the following cases: ... Granting to any private corporation, association or individual any exclusive privilege, immunity or franchise whatever.</p>	N.Y. Const. art. III, § 17
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15. Penn- sylvania	“Common carrier.” Any and all persons or corporations holding out, offering, or undertaking, directly or indirectly, service for compensation to the public for the transportation of passengers or property, or both, or any class of passengers or property, between points within this Commonwealth by, through, over, above, or under land, water, or air, and shall include forwarders, but shall not include contract carriers by motor vehicles, or brokers, or any bona fide cooperative association transporting property exclusively for the members of such association on a nonprofit basis. The term does not include a transportation network company or a transportation network company driver.	66 Pa. Cons. Stat. § 102	No ex post facto law, nor any law impairing the obligation of contracts, or making irrevocable any grant of special privileges or immunities, shall be passed.	Pa. Const. art. I, § 17
16. Rhode Island	TNCs or TNC drivers are not common carriers, as defined in this title; jitneys, as defined in § 39-13-1; taxicabs or limited public motor vehicles, as defined in § 39-14-1; or public motor vehicles, as defined in § 39-14.1-1.	R.I. Gen. Laws 1956, § 39-14.2-2(a)	N/A	N/A

17. Texas	Transportation network companies and drivers logged in to the company's digital network are not common carriers, contract carriers, or motor carriers.	Tex. Occ. Code Ann. § 2402.002	In addition to those laws described by Subsection (a) of this section in all other cases where a general law can be made applicable, no local or special law shall be enacted; provided, that nothing herein contained shall be construed to prohibit the Legislature from passing: (1) special laws for the preservation of the game and fish of this State in certain localities; and (2) fence laws applicable to any subdivision of this State or counties as may be needed to meet the wants of the people.	Tex. Const. art. 3, § 56
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18. Virginia	<p>“Common carrier” means any person who undertakes, whether directly or by a lease or any other arrangement, to transport passengers for the general public by motor vehicle for compensation over the highways of the Commonwealth, whether over regular or irregular routes, including such motor vehicle operations of carriers by rail or water under this chapter.</p> <p>“Common carrier” does not include nonemergency medical transportation carriers, transportation network companies, or TNC partners as defined in this section.</p>	Va. Code Ann. § 46.2-2000	In all cases enumerated in the preceding section, and in every other case which, in its judgment, may be provided for by general laws, the General Assembly shall enact general laws.	Va. Const. art. IV s 14, 15
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19. Wisconsin	<p>“Common motor carrier” means any person who holds himself or herself out to the public as willing to undertake for hire to transport passengers or property by motor vehicle upon the public highways. The transportation of passengers in taxicab service or in commuter car pool or van pool vehicles that are designed to carry less than 8 passengers, including the driver, or in a school bus under s. 120.13(27) or in a motor vehicle being used to provide transportation network services, as defined in s. 440.40(7), is not transportation by a common motor carrier.</p>	Wis. Stat. § 194.01(1)	The legislature is prohibited from enacting any special or private laws in the following cases: ... (7) For granting corporate powers or privileges, except to cities.	Wis. Const. art. IV, § 31
20. West Virginia	<p>Transportation network companies or transportation network company drivers are not common carriers by motor vehicle or contract carriers by motor vehicle, or motor carriers, as defined in section two, article one, chapter twenty-four-a of this code, nor do they provide taxicab or for-hire vehicle services.</p>	W. Va. Code, § 17-29-2	The Legislature shall provide, by general laws, for the foregoing and all other cases for which provision can be so made; and in no case shall a special act be passed, where a general law would be proper, and can be made applicable to the case, nor in any other case in which the courts have jurisdiction, and are competent to give the relief asked for.	W. Va. Const. art. VI, § 39

21. Wyoming	A transportation network company shall not be deemed to control, direct or manage the transportation network company vehicles or drivers that connect to its digital network, except when agreed to by written contact. Notwithstanding any other provision of law a transportation network company or a driver shall not be deemed a commercial vehicle operator, a common carrier, a contract carrier, a motor carrier or a motor club.	Wyo. Stat. Ann. § 31-20-110(b)	In all other cases where a general law can be made applicable no special law shall be enacted.	Wyo. Const. art. III, § 27
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Case No. 126605

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**In the  
Supreme Court of Illinois**

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JANE DOE,

Plaintiff-Petitioner

v.

LYFT, INC.; ANGELO MCCOY; and  
STERLING INFOSYSTEMS, INC. d/b/a  
STERLING TALENT SOLUTIONS;

Defendants-Respondents

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Hon. Patricia O'Brien Sheahan, Judge Presiding

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**SUPPLEMENTARY APPENDIX TO DEFENDANT-RESPONDENT  
LYFT, INC.'S ANSWER TO PETITION FOR LEAVE TO APPEAL**

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Amendment 2 to H.B. 4075	April 8, 2014	A080
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## Bill Status of HB4075 98th General Assembly

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**Short Description:** TRANSPORTATION-TECH

### House Sponsors

Rep. [Michael J. Zalewski](#) - [Jim Durkin](#) - [Arthur Turner](#) - [Marcus C. Evans, Jr.](#), [Dennis M. Reboletti](#), [Camille Y. Lilly](#), [Ann Williams](#), [Elizabeth Hernandez](#), [Derrick Smith](#) and [Edward J. Acevedo](#)

### Senate Sponsors

(Sen. [Antonio Muñoz](#) - [Karen McConaughay](#) - [Martin A. Sandoval](#) - [John M. Sullivan](#) - [Jacqueline Y. Collins](#), [Steven M. Landek](#), [Melinda Bush](#), [Linda Holmes](#) and [Emil Jones, III](#))

### Last Action

Date	Chamber	Action
11/21/2014	House	Total Veto Stands - No Positive Action Taken

### Statutes Amended In Order of Appearance

[625 ILCS 5/1-100](#)

from Ch. 95 1/2, par. 1-100

### Synopsis As Introduced

Amends the Illinois Vehicle Code. Makes a technical change in a Section concerning the short title.

### House Committee Amendment No. 1

*Deletes reference to:*

[625 ILCS 5/1-100](#)

*Adds reference to:*

[625 ILCS 5/1-122.7](#)
[625 ILCS 5/1-176.1](#)

from Ch. 95 1/2, par. 1-176.1

[625 ILCS 5/3-412](#)

from Ch. 95 1/2, par. 3-412

[625 ILCS 5/8-101](#)

from Ch. 95 1/2, par. 8-101

[625 ILCS 5/13-101](#)

from Ch. 95 1/2, par. 13-101

[625 ILCS 5/18c-6102](#)

from Ch. 95 1/2, par. 18c-6102

[625 ILCS 30/1](#)

from Ch. 95 1/2, par. 901

[625 ILCS 30/2](#)

from Ch. 95 1/2, par. 902

[625 ILCS 30/5](#)

from Ch. 95 1/2, par. 905

625 ILCS 30/7 new

Replaces everything after the enacting clause. Amends the Illinois Vehicle Code. Provides that the Secretary of State shall issue distinctive registration plates for vehicles used in commercial ridesharing arrangements. Provides that vehicles used in commercial ridesharing arrangements must have proof of financial responsibility. Amends the Ridesharing Arrangements Act. Changes the title to the Ridesharing Arrangements and Consumer Protection Act. Defines a "commercial ridesharing arrangement" as the transportation in a vehicle owned or leased for personal use, of not more than six persons (including the driver), prearranged through a dispatcher, and for which a fee is charged, but that is not provided in accordance with the limitations on for-profit ridesharing arrangements.

Defines "dispatch" as connecting passengers and drivers for a commercial ride through telephone, Internet, smartphone, or any electronic application. Provide [Translate Website](#) nt government, including home rule units, may not regulate commercial ridesharing arrangements in a manner less restrictive than this Act. Provides that drivers wishing to provide transportation under a commercial ridesharing arrangement must obtain a chauffeur's license from the unit of local government in which their vehicles are registered or operated, unless no unit of local government in which their vehicles are registered or operated offer a chauffeur's license. Provides that dispatchers must secure a commercial ridesharing dispatcher's license from the Department of Financial and Professional Regulation. Requires dispatchers to submit evidence of insurance that will provide coverage in the event that the insurance coverage of a driver they dispatch does not provide coverage. Provides that vehicles used for commercial ridesharing arrangements must have distinctive registration plates issued by the Secretary of State, must indicate on the exterior of the vehicle that the vehicle is used for commercial ridesharing arrangements, must display the dispatcher's phone number in the interior of the vehicle and be less than 4 years from the date of manufacture. Provides that vehicles used in commercial ridesharing arrangements are required to undergo the same safety tests that a unit of local government requires for other vehicles used in transporting passengers for-hire unless the unit of local government does not require safety tests, in which case vehicles used in commercial ridesharing arrangements are subject to safety tests under the Illinois Vehicle Code. Provides that commercial rideshare arrangements may only be arranged through a dispatcher and not through driver solicitation. Provides that commercial ridesharing arrangements may not pick up or discharge a passenger at any airport that serves as a base for commercial flights open to the general public, to any convention center, or to any designated taxicab stands, queues, or loading zones. Prohibits pricing in excess of the highest per-mile rate charged by taxi cabs within the unit of local government where the commercial ridesharing arrangement is conducted. Provides that drivers may not participate in commercial ridesharing arrangements for more than 10 hours in a 24 hour period. Provides that where a unit of local government has requirements for licensed chauffeurs to provide service in under-served areas, drivers participating in commercial ridesharing arrangements are subject to the same requirements. Requires at least 5% of the vehicles utilized by a dispatcher to be wheelchair accessible according to federal and State standards. Provides that any person, other than a passenger, who participates in a commercial ridesharing arrangement in violation of these requirements is guilty of a violation of this Act. Provides that penalties for a violation of these requirements shall be set by administrative rule by the Department of Financial and Professional Regulation. Provides that a person whose person or property has been damaged or is in imminent danger due to a violation of these requirements may file suit in a circuit court having jurisdiction for damages or injunctive relief. Effective immediately.

**Correctional Note, House Committee Amendment No. 1 (Dept of Corrections)**

There are no penalty enhancements associated with this bill. The bill would have no fiscal or population impact on the Department of Corrections.

**Land Conveyance Appraisal Note, House Committee Amendment No. 1 (Dept. of Transportation)**

No land conveyances are included in this bill; therefore, there are no appraisals to be filed.

**Judicial Note, House Committee Amendment No. 1 (Admin Office of the Illinois Courts)**

This bill may have a minimal impact on judicial workloads; however, it is not anticipated that the bill would increase the number of judges needed in the State.

**Balanced Budget Note, House Committee Amendment No. 1 (Office of Management and Budget)**

The impact on the budget cannot be determined at this time.

**Pension Note, House Committee Amendment No. 1 (Government Forecasting & Accountability)**

This bill will not impact any public pension fund or retirement system in Illinois.

**State Debt Impact Note, House Committee Amendment No. 1 (Government Forecasting & Accountability)**

HB 4075 (H-AM 1) would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

**Home Rule Note, House Committee Amendment No. 1 (Dept. of Commerce & Economic Opportunity)**

HB 4075 (H-AM 1) does not pre-empt home rule authority.

**State Mandates Fiscal Note, House Committee Amendment No. 1 (Dept. of Commerce & Economic Opportunity)**

HB 4075 (H-AM 1) does not create a State mandate

**Housing Affordability Impact Note, House Committee Amendment No. 1 (Housing Development Authority)**

This bill will have no effect on the cost of constructing, purchasing, owning, or selling a single-family residence.

**Fiscal Note, House Committee Amendment No. 1 (Financial & Professional Regulation)**

House Bill 4075 (H-AM 1) has a recurring annual fiscal impact of \$1,380,395.70 to pay for the operational costs associated with investigations, prosecutions, and licensure that are created in this bill. There will also be an approximate initial cost of \$50,000 to establish the I.T. systems required. This will lead to a first year fiscal impact of \$1,430,395.70.

**House Floor Amendment No. 3**

Replaces everything after the enacting clause. Reinserts provisions of House Amendment Number 1. Amends the Ridesharing Arrangements Act. Removes the requirement that vehicles used in ridesharing arrangements be labeled on the outside of the vehicle. Replaces the requirement that 5% of a dispatcher's fleet be wheelchair accessible with a requirement that drivers of vehicles used in rideshares meet the requirements of the local unit of government for chauffeurs regarding access. Requires dispatchers to submit evidence of insurance that will provide coverage for the driver and the vehicle. Replaces the prohibition on commercial ridesharing arrangements picking up or dropping off passengers at an airport or convention center with a requirement that commercial ridesharing arrangements obey local government restrictions on location. Removes the restriction on the amount of hours a driver may participate in commercial ridesharing arrangements in a 24 hour period. Provides that the license, registration, and display requirements for drivers and vehicles in a commercial ridesharing arrangement only apply to drivers or vehicles that participate in commercial ridesharing arrangements for more than 18 hours per week. Provides that dispatchers assume liability, including liability for legal defense costs, for any claims that arise out of the involvement of a driver or vehicle that is available for dispatch or in use in a commercial ridesharing arrangement. Provides that the insurer of a motor vehicle used in a commercial ridesharing arrangement may deny coverage during the time the vehicle is made available for dispatch or used in a commercial ridesharing arrangement. Requires dispatchers to make this insurance information available to the drivers and owners of vehicles used in commercial ridesharing arrangements. Provides a duty on the part of dispatchers to keep the owner and insurer of a vehicle used in commercial ridesharing arrangements notified of information involving the use of the vehicle, including its involvement in accidents. Prevents local units of government from adopting regulations inconsistent with the hours requirement or the requirement that dispatchers negotiate the fare prior to dispatch. Makes corresponding changes to the Illinois Vehicle Code. Effective immediately.

**Actions**

Date	Chamber	Action
1/3/2014	House	Filed with the Clerk by <a href="#">Rep. Michael J. Madigan</a>
<b>1/13/2014</b>	<b>House</b>	<b>First Reading</b>
1/13/2014	House	Referred to <a href="#">Rules Committee</a>
3/18/2014	House	Chief Sponsor Changed to <a href="#">Rep. Michael J. Zalewski</a>
3/19/2014	House	Assigned to <a href="#">Business &amp; Occupational Licenses Committee</a>
3/25/2014	House	House Committee Amendment No. 1 Filed with Clerk by <a href="#">Rep. Michael J. Zalewski</a>
3/25/2014	House	House Committee Amendment No. 1 Referred to <a href="#">Rules Committee</a>
3/25/2014	House	House Committee Amendment No. 1 Rules Refers to <a href="#">Business &amp; Occupational Licenses Committee</a>

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3/26/2014	House	House Committee Amendment No. 1 Adopted in <a href="#">Business &amp; Occupational Licenses Committee</a> ; by Voice Vote <span style="float: right;"><a href="#">Translate Website</a></span>
3/26/2014	House	Do Pass as Amended / Short Debate <a href="#">Business &amp; Occupational Licenses Committee</a> ; 009-002-000
3/27/2014	House	Placed on Calendar 2nd Reading - Short Debate
3/27/2014	House	Added Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
3/27/2014	House	Removed Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
3/27/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
3/27/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Monique D. Davis</a>
4/1/2014	House	Remove Chief Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
4/1/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Arthur Turner</a>
4/1/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Dennis M. Reboletti</a>
4/1/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Ann Williams</a>
4/1/2014	House	Added Co-Sponsor <a href="#">Rep. Edward J. Acevedo</a>
4/1/2014	House	Added Co-Sponsor <a href="#">Rep. Camille Y. Lilly</a>
4/1/2014	House	Remove Chief Co-Sponsor <a href="#">Rep. Dennis M. Reboletti</a>
4/2/2014	House	Remove Chief Co-Sponsor <a href="#">Rep. Ann Williams</a>
4/2/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Marcus C. Evans, Jr.</a>
4/2/2014	House	Added Co-Sponsor <a href="#">Rep. Ann Williams</a>
4/2/2014	House	Added Co-Sponsor <a href="#">Rep. Elizabeth Hernandez</a>
4/3/2014	House	House Committee Amendment No. 1 Fiscal Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 State Mandates Fiscal Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Balanced Budget Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Correctional Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Home Rule Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Housing Affordability Impact Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Judicial Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Land Conveyance Appraisal Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Pension Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 State Debt Impact Note Requested as Amended by <a href="#">Rep. Michael J. Zalewski</a>
4/3/2014	House	House Committee Amendment No. 1 Correctional Note Filed as Amended
4/3/2014	House	House Committee Amendment No. 1 Land Conveyance Appraisal Note Filed as Amended
4/3/2014	House	House Committee Amendment No. 1 Judicial Note Filed as Amended
4/3/2014	House	House Committee Amendment No. 1 Balanced Budget Note Filed as Amended
4/3/2014	House	House Committee Amendment No. 1 Pension Note Filed as Amended
4/3/2014	House	House Committee Amendment No. 1 State Debt Impact Note Filed as Amended
4/4/2014	House	House Committee Amendment No. 1 Home Rule Note Filed as Amended
4/4/2014	House	House Committee Amendment No. 1 State Mandates Fiscal Note Filed as



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		Amended	<a href="#">Translate Website</a>
4/4/2014	House	House Committee Amendment No. 1 Housing Affordability Impact Note Filed as Amended	
4/8/2014	House	House Floor Amendment No. 2 Filed with Clerk by <a href="#">Rep. Michael J. Zalewski</a>	
4/8/2014	House	House Floor Amendment No. 2 Referred to <a href="#">Rules Committee</a>	
4/8/2014	House	Added Co-Sponsor <a href="#">Rep. Derrick Smith</a>	
4/9/2014	House	House Floor Amendment No. 2 Rules Refers to <a href="#">Business &amp; Occupational Licenses Committee</a>	
4/9/2014	House	House Committee Amendment No. 1 Fiscal Note Filed as Amended	
4/9/2014	House	House Floor Amendment No. 3 Filed with Clerk by <a href="#">Rep. Michael J. Zalewski</a>	
4/9/2014	House	House Floor Amendment No. 3 Referred to <a href="#">Rules Committee</a>	
4/9/2014	House	House Floor Amendment No. 4 Filed with Clerk by <a href="#">Rep. Michael J. Zalewski</a>	
4/9/2014	House	House Floor Amendment No. 4 Referred to <a href="#">Rules Committee</a>	
<b>4/9/2014</b>	<b>House</b>	<b>Second Reading - Short Debate</b>	
4/9/2014	House	Held on Calendar Order of Second Reading - Short Debate	
4/9/2014	House	House Floor Amendment No. 2 Recommends Be Adopted <a href="#">Business &amp; Occupational Licenses Committee</a> ; 009-002-000	
4/10/2014	House	House Floor Amendment No. 3 Recommends Be Adopted <a href="#">Rules Committee</a> ; 003-000-000	
4/10/2014	House	House Floor Amendment No. 4 Recommends Be Adopted <a href="#">Rules Committee</a> ; 003-000-000	
4/10/2014	House	Added Chief Co-Sponsor <a href="#">Rep. Jim Durkin</a>	
4/10/2014	House	Added Co-Sponsor <a href="#">Rep. Dennis M. Reboletti</a>	
4/10/2014	House	House Floor Amendment No. 2 Tabled	
4/10/2014	House	House Floor Amendment No. 3 Adopted	
4/10/2014	House	House Floor Amendment No. 4 Tabled	
4/10/2014	House	Placed on Calendar Order of 3rd Reading - Short Debate	
<b>4/10/2014</b>	<b>House</b>	<b>Third Reading - Short Debate - Passed 080-026-000</b>	
4/10/2014	House	Remove Chief Co-Sponsor <a href="#">Rep. Monique D. Davis</a>	
4/11/2014	Senate	Arrive in Senate	
4/11/2014	Senate	Placed on Calendar Order of First Reading	
4/11/2014	Senate	Chief Senate Sponsor <a href="#">Sen. Antonio Muñoz</a>	
4/11/2014	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Jim Oberweis</a>	
4/11/2014	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Karen McConaughay</a>	
4/11/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Emil Jones, III</a>	
<b>4/11/2014</b>	<b>Senate</b>	<b>First Reading</b>	
4/11/2014	Senate	Referred to <a href="#">Assignments</a>	
4/14/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Steven M. Landek</a>	
4/23/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Melinda Bush</a>	
4/23/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Pamela J. Althoff</a>	
4/29/2014	Senate	Sponsor Removed <a href="#">Sen. Jim Oberweis</a>	
4/30/2014	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. John M. Sullivan</a>	
5/1/2014	Senate	Sponsor Removed <a href="#">Sen. Pamela J. Althoff</a>	
5/5/2014	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Martin A. Sandoval</a>	
5/6/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Linda Holmes</a>	
5/7/2014	Senate	Added as Alternate Chief Co-Sponsor <a href="#">Sen. Jacqueline Y. Collins</a>	

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5/7/2014	Senate	Assigned to <a href="#">Executive</a>	<a href="#">Translate Website</a>
5/9/2014	Senate	Sponsor Removed <a href="#">Sen. Emil Jones, III</a>	
5/12/2014	Senate	Added as Alternate Co-Sponsor <a href="#">Sen. Emil Jones, III</a>	
5/14/2014	Senate	Do Pass <a href="#">Executive</a> ; 012-002-001	
5/14/2014	Senate	Placed on Calendar Order of 2nd Reading	
<b>5/14/2014</b>	<b>Senate</b>	<b>Second Reading</b>	
5/14/2014	Senate	Placed on Calendar Order of 3rd Reading May 15, 2014	
<b>5/15/2014</b>	<b>Senate</b>	<b>Third Reading - Passed; 046-008-002</b>	
5/15/2014	Senate	Motion Filed to Reconsider Vote <a href="#">Sen. Antonio Muñoz</a>	
<b>5/15/2014</b>	<b>Senate</b>	<b>Third Reading - Passed; 046-008-002</b>	
6/18/2014	Senate	Motion Withdrawn <a href="#">Sen. Antonio Muñoz</a>	
6/18/2014	House	Passed Both Houses	
7/14/2014	House	Sent to the Governor	
8/25/2014	House	Governor Vetoed	
8/28/2014	House	Removed Co-Sponsor <a href="#">Rep. Edward J. Acevedo</a>	
9/16/2014	House	Added Co-Sponsor <a href="#">Rep. Edward J. Acevedo</a>	
11/6/2014	House	Placed on Calendar Total Veto November 6, 2014	
11/17/2014	House	Motion Filed Override Governor Veto <a href="#">Rep. Michael J. Zalewski</a>	
<b>11/21/2014</b>	<b>House</b>	<b>Total Veto Stands - No Positive Action Taken</b>	

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Rep. Michael J. Zalewski

**Filed: 3/25/2014**

09800HB4075ham001

LRB098 15632 MLW 57524 a

1

AMENDMENT TO HOUSE BILL 4075

2

AMENDMENT NO. . Amend House Bill 4075 by replacing

3

everything after the enacting clause with the following:

4

"Section 5. The Illinois Vehicle Code is amended by  
5 changing Sections 1-122.7, 1-176.1, 3-412, 8-101, 13-101, and  
6 18c-6102 as follows:

7

(625 ILCS 5/1-122.7)

8

Sec. 1-122.7. For-profit ridesharing arrangement. The

9

transportation by motor vehicle of not more than 16 persons,

10

including the driver, for which a fee is charged in accordance

11

with Section 6 of the Ridesharing Arrangements and Consumer

12

Protection Act, or a commercial ridesharing arrangement as

13

defined by the Ridesharing Arrangements and Consumer

14

Protection Act.

15

(Source: P.A. 90-89, eff. 1-1-98.)



1 (625 ILCS 5/1-176.1) (from Ch. 95 1/2, par. 1-176.1)

2 Sec. 1-176.1. Ridesharing arrangement. The transportation  
3 by motor vehicle of not more than 16 persons, including the  
4 driver, (1) for purposes incidental to another purpose of the  
5 driver, for which no fee is charged or paid except to reimburse  
6 the driver or owner of the vehicle for his or her operating  
7 expenses on a nonprofit basis or (2) when these persons are  
8 traveling between their homes and their places of employment,  
9 or places reasonably convenient thereto, for which (i) no fee  
10 is charged or paid except to reimburse the driver or owner of  
11 the vehicle for his or her operating expenses on a nonprofit  
12 basis or (ii) a fee is charged in accordance with the  
13 provisions of Section 6 of the Ridesharing Arrangements and  
14 Consumer Protection Act.

15 (Source: P.A. 90-89, eff. 1-1-98.)

16 (625 ILCS 5/3-412) (from Ch. 95 1/2, par. 3-412)

17 Sec. 3-412. Registration plates and registration stickers  
18 to be furnished by the Secretary of State.

19 (a) The Secretary of State upon registering a vehicle  
20 subject to annual registration for the first time shall issue  
21 or shall cause to be issued to the owner one registration plate  
22 for a motorcycle, trailer, semitrailer, moped or  
23 truck-tractor, 2 registration plates for other motor vehicles  
24 and, where applicable, current registration stickers for motor  
25 vehicles of the first division. The provisions of this Section

1 may be made applicable to such vehicles of the second division,  
2 as the Secretary of State may, from time to time, in his  
3 discretion designate. On subsequent annual registrations  
4 during the term of the registration plate as provided in  
5 Section 3-414.1, the Secretary shall issue or cause to be  
6 issued registration stickers as evidence of current  
7 registration. However, the issuance of annual registration  
8 stickers to vehicles registered under the provisions of  
9 Sections 3-402.1 and 3-405.3 of this Code may not be required  
10 if the Secretary deems the issuance unnecessary.

11 (b) Every registration plate shall have displayed upon it  
12 the registration number assigned to the vehicle for which it is  
13 issued, the name of this State, which may be abbreviated, the  
14 year number for which it was issued, which may be abbreviated,  
15 the phrase "Land of Lincoln" (except as otherwise provided in  
16 this Code), and such other letters or numbers as the Secretary  
17 may prescribe. However, for apportionment plates issued to  
18 vehicles registered under Section 3-402.1 and fleet plates  
19 issued to vehicles registered under Section 3-405.3, the phrase  
20 "Land of Lincoln" may be omitted to allow for the word  
21 "apportioned", the word "fleet", or other similar language to  
22 be displayed. Registration plates issued to a vehicle  
23 registered as a fleet vehicle may display a designation  
24 determined by the Secretary.

25 The Secretary may in his discretion prescribe that letters  
26 be used as prefixes only on registration plates issued to

1 vehicles of the first division which are registered under this  
2 Code and only as suffixes on registration plates issued to  
3 other vehicles. Every registration sticker issued as evidence  
4 of current registration shall designate the year number for  
5 which it is issued and such other letters or numbers as the  
6 Secretary may prescribe and shall be of a contrasting color  
7 with the registration plates and registration stickers of the  
8 previous year.

9 (c) Each registration plate and the required letters and  
10 numerals thereon, except the year number for which issued,  
11 shall be of sufficient size to be plainly readable from a  
12 distance of 100 feet during daylight, and shall be coated with  
13 reflectorizing material. The dimensions of the plate issued to  
14 vehicles of the first division shall be 6 by 12 inches.

15 (d) The Secretary of State shall issue for every passenger  
16 motor vehicle rented without a driver the same type of  
17 registration plates as the type of plates issued for a private  
18 passenger vehicle.

19 (e) The Secretary of State shall issue for every passenger  
20 car used as a taxicab, ~~or~~ livery, or in a commercial  
21 ridesharing arrangement, distinctive registration plates.

22 (f) The Secretary of State shall issue for every motorcycle  
23 distinctive registration plates distinguishing between  
24 motorcycles having 150 or more cubic centimeters piston  
25 displacement, or having less than 150 cubic centimeter piston  
26 displacement.

1 (g) Registration plates issued to vehicles for-hire may  
2 display a designation as determined by the Secretary that such  
3 vehicles are for-hire, including, but not limited to, vehicles  
4 used as taxicabs, liveries, or in commercial ridesharing  
5 arrangements.

6 (h) (Blank).

7 (i) The Secretary of State shall issue for every public and  
8 private ambulance registration plates identifying the vehicle  
9 as an ambulance. The Secretary shall forward to the Department  
10 of Healthcare and Family Services registration information for  
11 the purpose of verification of claims filed with the Department  
12 by ambulance owners for payment for services to public  
13 assistance recipients.

14 (j) The Secretary of State shall issue for every public and  
15 private medical carrier or rescue vehicle livery registration  
16 plates displaying numbers within ranges of numbers reserved  
17 respectively for medical carriers and rescue vehicles. The  
18 Secretary shall forward to the Department of Healthcare and  
19 Family Services registration information for the purpose of  
20 verification of claims filed with the Department by owners of  
21 medical carriers or rescue vehicles for payment for services to  
22 public assistance recipients.

23 (k) The Secretary of State shall issue distinctive license  
24 plates or distinctive license plate stickers for every vehicle  
25 exempted from subsections (a) and (a-5) of Section 12-503 by  
26 subsection (g) of that Section, and by subsection (g-5) of that

1 Section before its deletion by this amendatory Act of the 95th  
2 General Assembly. The Secretary shall issue these plates or  
3 stickers immediately upon receiving the physician's  
4 certification required under subsection (g) of Section 12-503.  
5 New plates or stickers shall also be issued when the  
6 certification is renewed as provided in that subsection.

7 (1) The Secretary of State shall issue distinctive  
8 registration plates for low-speed vehicles.

9 (Source: P.A. 95-202, eff. 8-16-07; 95-331, eff. 8-21-07;  
10 96-554, eff. 1-1-10; 96-653, eff. 1-1-10; 96-815, eff.  
11 10-30-09; 96-1000, eff. 7-2-10.)

12 (625 ILCS 5/8-101) (from Ch. 95 1/2, par. 8-101)

13 Sec. 8-101. Proof of financial responsibility - Persons who  
14 operate motor vehicles in transportation of passengers for  
15 hire.

16 (a) It is unlawful for any person, firm or corporation to  
17 operate any motor vehicle along or upon any public street or  
18 highway in any incorporated city, town or village in this State  
19 for the carriage of passengers for hire, accepting and  
20 discharging all such persons as may offer themselves for  
21 transportation unless such person, firm or corporation has  
22 given, and there is in full force and effect and on file with  
23 the Secretary of State of Illinois, proof of financial  
24 responsibility provided in this Act.

25 (b) In addition this Section shall also apply to persons,

1 firms or corporations who are in the business of providing  
2 transportation services for minors to or from educational or  
3 recreational facilities, except that this Section shall not  
4 apply to public utilities subject to regulation under "An Act  
5 concerning public utilities," approved June 29, 1921, as  
6 amended, or to school buses which are operated by public or  
7 parochial schools and are engaged solely in the transportation  
8 of the pupils who attend such schools.

9 (c) This Section also applies to a contract carrier  
10 transporting employees in the course of their employment on a  
11 highway of this State in a vehicle designed to carry 15 or  
12 fewer passengers. As part of proof of financial responsibility,  
13 a contract carrier transporting employees in the course of  
14 their employment is required to verify hit and run and  
15 uninsured motor vehicle coverage, as provided in Section 143a  
16 of the Illinois Insurance Code, and underinsured motor vehicle  
17 coverage, as provided in Section 143a-2 of the Illinois  
18 Insurance Code, in a total amount of not less than \$250,000 per  
19 passenger.

20 (d) This Section shall not apply to any person  
21 participating in a ridesharing arrangement, a for-profit  
22 ridesharing arrangement other than a commercial ridesharing  
23 arrangement, or operating a commuter van, but only during the  
24 performance of activities authorized by Sections 5 and 6 of the  
25 Ridesharing Arrangements and Consumer Protection Act.

26 (e) If the person operating such motor vehicle is not the

1 owner, then proof of financial responsibility filed hereunder  
2 must provide that the owner is primarily liable. In the case of  
3 motor vehicles used in commercial ridesharing arrangements,  
4 the dispatchers providing dispatch services to the driver of  
5 the motor vehicle must also submit proof that they will be  
6 additionally covered through a primary or drop down insurance  
7 policy that will provide coverage regardless of whether the  
8 driver's policy provides coverage.

9 (Source: P.A. 94-319, eff. 1-1-06.)

10 (625 ILCS 5/13-101) (from Ch. 95 1/2, par. 13-101)

11 Sec. 13-101. Submission to safety test; Certificate of  
12 safety. To promote the safety of the general public, every  
13 owner of a second division vehicle, medical transport vehicle,  
14 tow truck, first division vehicle including a taxi which is  
15 used for a purpose that requires a school bus driver permit,  
16 motor vehicle used for driver education training, motor vehicle  
17 required to submit to safety testing under subparagraph (B) of  
18 paragraph (1) of subsection (b) of Section 7 of the Ridesharing  
19 Arrangements and Consumer Protection Act, or contract carrier  
20 transporting employees in the course of their employment on a  
21 highway of this State in a vehicle designed to carry 15 or  
22 fewer passengers shall, before operating the vehicle upon the  
23 highways of Illinois, submit it to a "safety test" and secure a  
24 certificate of safety furnished by the Department as set forth  
25 in Section 13-109. Each second division motor vehicle that

1 pulls or draws a trailer, semitrailer or pole trailer, with a  
2 gross weight of more than 8,000 lbs or is registered for a  
3 gross weight of more than 8,000 lbs, motor bus, religious  
4 organization bus, school bus, senior citizen transportation  
5 vehicle, and limousine shall be subject to inspection by the  
6 Department and the Department is authorized to establish rules  
7 and regulations for the implementation of such inspections.

8 The owners of each salvage vehicle shall submit it to a  
9 "safety test" and secure a certificate of safety furnished by  
10 the Department prior to its salvage vehicle inspection pursuant  
11 to Section 3-308 of this Code. In implementing and enforcing  
12 the provisions of this Section, the Department and other  
13 authorized State agencies shall do so in a manner that is not  
14 inconsistent with any applicable federal law or regulation so  
15 that no federal funding or support is jeopardized by the  
16 enactment or application of these provisions.

17 However, none of the provisions of Chapter 13 requiring  
18 safety tests or a certificate of safety shall apply to:

19 (a) farm tractors, machinery and implements, wagons,  
20 wagon-trailers or like farm vehicles used primarily in  
21 agricultural pursuits;

22 (b) vehicles other than school buses, tow trucks and  
23 medical transport vehicles owned or operated by a municipal  
24 corporation or political subdivision having a population  
25 of 1,000,000 or more inhabitants and which are subject to  
26 safety tests imposed by local ordinance or resolution;



1 (c) a semitrailer or trailer having a gross weight of  
2 5,000 pounds or less including vehicle weight and maximum  
3 load;

4 (d) recreational vehicles;

5 (e) vehicles registered as and displaying Illinois  
6 antique vehicle plates and vehicles registered as  
7 expanded-use antique vehicles and displaying expanded-use  
8 antique vehicle plates;

9 (f) house trailers equipped and used for living  
10 quarters;

11 (g) vehicles registered as and displaying Illinois  
12 permanently mounted equipment plates or similar vehicles  
13 eligible therefor but registered as governmental vehicles  
14 provided that if said vehicle is reclassified from a  
15 permanently mounted equipment plate so as to lose the  
16 exemption of not requiring a certificate of safety, such  
17 vehicle must be safety tested within 30 days of the  
18 reclassification;

19 (h) vehicles owned or operated by a manufacturer,  
20 dealer or transporter displaying a special plate or plates  
21 as described in Chapter 3 of this Code while such vehicle  
22 is being delivered from the manufacturing or assembly plant  
23 directly to the purchasing dealership or distributor, or  
24 being temporarily road driven for quality control testing,  
25 or from one dealer or distributor to another, or are being  
26 moved by the most direct route from one location to another

1 for the purpose of installing special bodies or equipment,  
2 or driven for purposes of demonstration by a prospective  
3 buyer with the dealer or his agent present in the cab of  
4 the vehicle during the demonstration;

5 (i) pole trailers and auxiliary axles;

6 (j) special mobile equipment;

7 (k) vehicles properly registered in another State  
8 pursuant to law and displaying a valid registration plate,  
9 except vehicles of contract carriers transporting  
10 employees in the course of their employment on a highway of  
11 this State in a vehicle designed to carry 15 or fewer  
12 passengers are only exempted to the extent that the safety  
13 testing requirements applicable to such vehicles in the  
14 state of registration are no less stringent than the safety  
15 testing requirements applicable to contract carriers that  
16 are lawfully registered in Illinois;

17 (l) water-well boring apparatuses or rigs;

18 (m) any vehicle which is owned and operated by the  
19 federal government and externally displays evidence of  
20 such ownership; and

21 (n) second division vehicles registered for a gross  
22 weight of 8,000 pounds or less, except when such second  
23 division motor vehicles pull or draw a trailer,  
24 semi-trailer or pole trailer having a gross weight of or  
25 registered for a gross weight of more than 8,000 pounds;  
26 motor buses; religious organization buses; school buses;

1 senior citizen transportation vehicles; medical transport  
2 vehicles and tow trucks.

3 The safety test shall include the testing and inspection of  
4 brakes, lights, horns, reflectors, rear vision mirrors,  
5 mufflers, safety chains, windshields and windshield wipers,  
6 warning flags and flares, frame, axle, cab and body, or cab or  
7 body, wheels, steering apparatus, and other safety devices and  
8 appliances required by this Code and such other safety tests as  
9 the Department may by rule or regulation require, for second  
10 division vehicles, school buses, medical transport vehicles,  
11 tow trucks, first division vehicles including taxis which are  
12 used for a purpose that requires a school bus driver permit,  
13 motor vehicles required to submit to safety testing under  
14 subparagraph (B) of paragraph (1) of subsection (b) of Section  
15 7 of the Ridesharing Arrangements and Consumer Protection Act,  
16 motor vehicles used for driver education training, vehicles  
17 designed to carry 15 or fewer passengers operated by a contract  
18 carrier transporting employees in the course of their  
19 employment on a highway of this State, trailers, and  
20 semitrailers subject to inspection.

21 For tow trucks, the safety test and inspection shall also  
22 include the inspection of winch mountings, body panels, body  
23 mounts, wheel lift swivel points, and sling straps, and other  
24 tests and inspections the Department by rule requires for tow  
25 trucks.

26 For driver education vehicles used by public high schools,

1 the vehicle must also be equipped with dual control brakes, a  
2 mirror on each side of the vehicle so located as to reflect to  
3 the driver a view of the highway for a distance of at least 200  
4 feet to the rear, and a sign visible from the front and the  
5 rear identifying the vehicle as a driver education car.

6 For trucks, truck tractors, trailers, semi-trailers,  
7 buses, and first division vehicles including taxis which are  
8 used for a purpose that requires a school bus driver permit,  
9 the safety test shall be conducted in accordance with the  
10 Minimum Periodic Inspection Standards promulgated by the  
11 Federal Highway Administration of the U.S. Department of  
12 Transportation and contained in Appendix G to Subchapter B of  
13 Chapter III of Title 49 of the Code of Federal Regulations.  
14 Those standards, as now in effect, are made a part of this  
15 Code, in the same manner as though they were set out in full in  
16 this Code.

17 The passing of the safety test shall not be a bar at any  
18 time to prosecution for operating a second division vehicle,  
19 medical transport vehicle, motor vehicle used for driver  
20 education training, or vehicle designed to carry 15 or fewer  
21 passengers operated by a contract carrier as provided in this  
22 Section that is unsafe, as determined by the standards  
23 prescribed in this Code.

24 (Source: P.A. 97-224, eff. 7-28-11; 97-412, eff. 1-1-12;  
25 97-813, eff. 7-13-12; 97-1025, eff. 1-1-13.)

1 (625 ILCS 5/18c-6102) (from Ch. 95 1/2, par. 18c-6102)

2 Sec. 18c-6102. Exemptions From Commission Jurisdiction.

3 The provisions of this Sub-chapter shall not, except as  
4 provided in Section 18c-6501 of this Chapter, apply to:

5 (1) carriers owned by any political subdivision, school  
6 district, institution of higher education, or municipality,  
7 and operated either by such political subdivision, institution  
8 of higher education, or municipality or its lessee or agent;

9 (2) commuter vans as defined in this Code;

10 (3) carriers transporting passengers without fixed routes  
11 or schedules and charging on a time or distance basis,  
12 including taxicabs, charter operations, and contract bus  
13 operations;

14 (4) carriers transporting passengers with fixed routes and  
15 schedules and charging on a per passenger fixed charge basis  
16 and which do not include an airport as a point to be served on  
17 the route, in whole or in part;

18 (5) transportation in vehicles with a manufacturer's rated  
19 seating capacity of less than 8 persons, including the driver;

20 (6) transportation subject to the Ridesharing Arrangements  
21 and Consumer Protection Act;

22 (7) commuter buses offering short-haul for-hire regularly  
23 scheduled passenger transportation service within metropolitan  
24 and suburban areas, over regular routes with fixed schedules,  
25 and utilized primarily by passengers using reduced-fare,  
26 multiple-ride, or commutation tickets during morning and

1 evening peak periods in travelling to and from their places of  
2 employment; and

3 (8) those persons owning and operating school buses, as  
4 defined in this Code, and regulated by other provisions of this  
5 Code.

6 (Source: P.A. 90-407, eff. 8-15-97; 91-357, eff. 7-29-99.)

7 Section 10. The Ridesharing Arrangements Act is amended by  
8 changing Sections 1, 2, and 5 and by adding Section 7 as  
9 follows:

10 (625 ILCS 30/1) (from Ch. 95 1/2, par. 901)

11 Sec. 1. This Act shall be known and may be cited as the  
12 Ridesharing Arrangements and Consumer Protection Act.

13 (Source: P.A. 82-656.)

14 (625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

15 Sec. 2. (a) "Ridesharing arrangement" means the  
16 transportation by motor vehicle of not more than 16 persons  
17 (including the driver):

18 (1) for purposes incidental to another purpose of the  
19 driver, for which no fee is charged or paid except to reimburse  
20 the driver or owner of the vehicle for his operating expenses  
21 on a nonprofit basis; or

22 (2) when such persons are travelling between their homes  
23 and their places of employment, or places reasonably convenient

1 thereto, for which (i) no fee is charged or paid except to  
2 reimburse the driver or owner of the vehicle for his operating  
3 expenses on a nonprofit basis, or (ii) a fee is charged in  
4 accordance with the provisions of Section 6 of this Act.

5 (b) "For-profit ridesharing arrangement" means:

6 (1) a ridesharing arrangement for which a fee is  
7 charged in accordance with Section 6 of this Act; or -

8 (2) a commercial ridesharing arrangement conducted in  
9 accordance with Section 7 of this Act.

10 (c) "Commercial ridesharing arrangement" means a  
11 ridesharing arrangement in which the method of transportation  
12 is a vehicle owned or leased for personal use, of not more than  
13 6 persons (including the driver), prearranged through a  
14 dispatcher, and for which a fee is charged, but that is not  
15 provided in accordance with the limitations of Section 6 of  
16 this Act.

17 (d) "Dispatch" means the act of facilitating a connection  
18 between drivers and passengers for commercial ridesharing  
19 arrangement using telephone, Internet, smartphone, or an  
20 electronic application, with or without an account set up  
21 between the passenger and the connecting person.

22 (e) "Dispatcher" means a person that performs a dispatch.

23 (Source: P.A. 83-1091.)

24 (625 ILCS 30/5) (from Ch. 95 1/2, par. 905)

25 Sec. 5. (a) No unit of local government, whether or not it

1 is a home rule unit, may:

2 (1) license or regulate ridesharing arrangements;

3 (2) impose any tax or fee upon the owner or operator of a  
4 motor vehicle because of its use in a ridesharing arrangement;

5 (3) prohibit or regulate the charging of fees for  
6 ridesharing arrangements in accordance with Section 6 of this  
7 Act.

8 This Act is declared to be a denial and limitation of the  
9 powers of home rule units pursuant to paragraph (g) of Section  
10 6 of Article VII of the Illinois Constitution.

11 (b) A unit of local government, whether or not it is a home  
12 rule unit, may not license or regulate commercial ridesharing  
13 arrangements, commercial ridesharing dispatchers, or  
14 commercial ridesharing drivers in a manner that is less  
15 restrictive than the regulation by the State under this Act.  
16 This Section is a limitation under subsection (i) of Section 6  
17 of Article VII of the Illinois Constitution on the concurrent  
18 exercise by home rule units of powers and functions exercised  
19 by the State.

20 (Source: P.A. 83-1091.)

21 (625 ILCS 30/7 new)

22 Sec. 7.

23 (a) Commercial ridesharing arrangements are subject to the  
24 following license and registration requirements:

25 (1) No person shall participate as a driver in a



1 commercial ridesharing arrangement without first securing  
2 (i) a chauffeur's license issued by the unit of local  
3 government where the vehicle used in the commercial  
4 ridesharing arrangement is registered; or (ii) if the unit  
5 of local government in which the vehicle used in a  
6 commercial ridesharing arrangement is registered does not  
7 issue chauffeur's licenses, then a chauffeur's license  
8 issued by a unit of local government in which the driver  
9 provides commercial ridesharing arrangements. If no unit  
10 of local government in which the vehicle used in a  
11 commercial ridesharing arrangement is registered or  
12 operated issues chauffeur's licenses, then the driver is  
13 not required to obtain a chauffeur's license.

14 (2) No person shall perform dispatches without first  
15 securing a commercial ridesharing dispatcher's license  
16 from the Department of Financial and Professional  
17 Regulation. An applicant for a commercial ridesharing  
18 dispatcher's license must submit evidence of the insurance  
19 required by item (C) of paragraph (1) of subsection (b) of  
20 this Section. This license must be renewed annually. The  
21 fee for this license shall be set by the Department of  
22 Financial and Professional Regulation. The Department of  
23 Financial and Professional Regulation shall adopt rules to  
24 implement this paragraph.

25 (3) No commercial ridesharing arrangement shall be  
26 conducted in a vehicle that does not have distinctive

1 registration plates issued in accordance with the  
2 requirements of Section 3-412 of the Illinois Vehicle Code.

3 (b) (1) All commercial ridesharing arrangements shall be  
4 conducted under the following standards:

5 (A) Vehicles used for commercial ridesharing  
6 arrangements shall clearly indicate on the exterior of  
7 the vehicle that the vehicle is used for commercial  
8 ridesharing arrangements. A phone number for the  
9 dispatcher shall be clearly displayed in the interior  
10 of the vehicle.

11 (B) No vehicle used for commercial ridesharing  
12 arrangements shall be more than 4 years from the date  
13 of manufacture. Any vehicle used for commercial  
14 ridesharing arrangements must pass any safety  
15 inspections required by the unit of local government  
16 that issued the driver's chauffeur's license for  
17 vehicles used in transporting passengers for-hire. If  
18 the unit of local government that issued the driver's  
19 chauffeur's license does not require safety  
20 inspections for vehicles used in transporting  
21 passengers for-hire, or if the driver is not required  
22 to have a chauffeur's license under paragraph (1) of  
23 subsection (a) of this Section, then the vehicle must  
24 pass an annual safety inspection under Section 13-101  
25 of the Illinois Vehicle Code.

26 (C) Dispatchers must carry commercial liability

1 insurance in accordance with Section 12-707.01 of the  
2 Illinois Vehicle Code with coverage for the  
3 dispatcher, the driver, and the vehicle used in the  
4 commercial ridesharing arrangement. Any terms or  
5 conditions in the agreement between the dispatcher and  
6 driver, or between the dispatcher and passenger, that  
7 would act as a waiver of the dispatcher's liability to  
8 the driver, the passenger, or to the public, or as an  
9 indemnification from the driver or passenger to the  
10 dispatcher, are null, void, and unenforceable.  
11 Dispatchers must also submit proof that they will be  
12 additionally covered through a primary or drop down  
13 insurance policy that will provide coverage regardless  
14 of whether the driver's policy provides coverage.

15 (D) Commercial ridesharing arrangements shall be  
16 arranged solely through a dispatcher. No person shall  
17 solicit or accept potential passengers' requests for  
18 service in a commercial ridesharing arrangement via  
19 street hail, hand gestures, or verbal statements. No  
20 commercial ridesharing arrangement shall pick up or  
21 discharge a passenger at any airport that serves as a  
22 base for commercial flights open to the general public,  
23 to any convention center, or to any designated taxicab  
24 stands, queues, or loading zones.

25 (E) No person participating in a commercial  
26 ridesharing arrangement shall collect, and dispatchers

1           shall not charge, any fare that is more than the  
2           highest per-mile rate charged by taxicabs within the  
3           unit of local government where the commercial  
4           ridesharing arrangement is conducted. Voluntary  
5           gratuities, which are remitted directly to the driver,  
6           are not included in this provision.

7           (F) Drivers shall limit the number of hours that  
8           they participate in commercial ridesharing  
9           arrangements to 10 hours per 24-hour period.  
10          Dispatchers shall limit the number of hours that  
11          drivers are logged onto their systems to 10 hours per  
12          24-hour period.

13          (G) If a unit of local government has requirements  
14          for licensed chauffeurs to provide service in  
15          under-served areas, drivers participating in  
16          commercial ridesharing arrangements within that unit  
17          of local government shall be subject to the same  
18          requirements for providing service in under-served  
19          areas.

20          (2) No person shall perform dispatches except as  
21          follows:

22                (A) Dispatches shall be made only to drivers  
23                licensed in accordance with subsection (a) of this  
24                Section.

25                (B) No less than 5% of a dispatcher's drivers'  
26                vehicles must be wheelchair accessible vehicles that

1 meet all federal and State standards for  
2 accessibility.

3 (C) Dispatches shall be made only to vehicles with  
4 distinctive registration plates in accordance with  
5 paragraph (3) of subsection (a) of this Section.

6 (c) Any person, other than a passenger, who participates in  
7 a commercial ridesharing arrangement in violation of this  
8 Section is guilty of a violation of this Section and shall be  
9 subject to the penalties adopted by the Department of Financial  
10 and Professional Regulation by administrative rule, including,  
11 but not limited to, fines, probation, revocation of licenses,  
12 and vehicle impoundment.

13 (d) Any person whose property or person is injured or in  
14 danger of injury due to an actual or imminent violation of this  
15 Section may file suit in the circuit court having jurisdiction  
16 to recover any remedy permitted by law, including damages and  
17 injunctive relief.

18 (e) The Department of Financial and Professional  
19 Regulation shall adopt rules to implement this Section.

20 Section 99. Effective date. This Act takes effect upon  
21 becoming law.".

AUDIO TRANSCRIPTION

FILE NAME: BUSINESS OCUP 362014

March 6, 2014

1 REPRESENTATIVE RITA: The next bill's House  
 2 Bill 5693, there's a committee amendment also to be  
 3 adopted. This is -- my understanding is, it's all  
 4 agreed language, cleaned up language from the  
 5 department.  
 6 CHAIRMAN EVANS: Representative DeLuca moves  
 7 for the adoption of Committee Amendment Number 1 --  
 8 Number 1 to House Amendment House Bill 5693. All those  
 9 in favor say aye. Opposed say nay. In the opinion of  
 10 the Chair, the ayes have it, and the amendment is  
 11 adopted. Again, Rita?  
 12 REPRESENTATIVE RITA: Again, this is an  
 13 agreed bill. It's cleaned up language from the  
 14 department. Everyone's in agreeance, ask for its  
 15 passage on the Architecture Practice Act.  
 16 CHAIRMAN EVANS: Do we have any questions?  
 17 Seeing none, Representative Sims makes a motion, due  
 18 pass as Amendment to House Bill 5693. Is there leave?  
 19 All right. Leave being granted, 1100 will be reported  
 20 to the House Floor favorably. Rita -- Representative  
 21 Rita, Chair.  
 22 CHAIRMAN RITA: All right. It looks like we

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1 got one more measure. I do want to note on House Bill  
 2 5926, there's been some opposition that's popped up on  
 3 this, I believe, and we're -- I encourage you guys to  
 4 work on that, and then come back. You guys need to put  
 5 some meetings together, come back with a -- we'll get a  
 6 shell bill or something when you get that agreed to, if  
 7 that's fair, there, so. Next measure's  
 8 Representative Zalewski, House Bill 4075.  
 9 REPRESENTATIVE ZALEWSKI: Thank you, Mr.  
 10 Chairman and members of the committee.  
 11 CHAIRMAN RITA: First let me -- we've got a  
 12 committee amendment, correct? Representative Burke  
 13 moves for the adoption of Committee Amendment Number 1.  
 14 All in favor say aye. Any nays? In the opinion of the  
 15 Chair, the ayes have it. House Bill 4075 is amended.  
 16 REPRESENTATIVE ZALEWSKI: Thank you, Mr.  
 17 Chairman. At the outset, I'll briefly walk through the  
 18 bill a little bit. In the last couple of years, it's  
 19 become apparent that what are commonly referred to as  
 20 ride sharing apps, services where if you call a service  
 21 on your -- through an app on your phone, they will come  
 22 and take you from point A to point B, have become

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1 prevalent within the state of Illinois. It's unclear  
 2 how these services are regulated, and in fact, it's --  
 3 there's a very strong case to be made, they're not  
 4 regulated at all. And it's also abundantly -- it's  
 5 been made abundantly clear, I think a persuasive case  
 6 has been made to me that within the state statute, it's  
 7 the purview of the state general assembly to regulate  
 8 ride sharing services not necessarily local ordinance.  
 9 That point was made way back in 1983, when  
 10 the General Assembly was dealing with some of these  
 11 renegade cab services, and it was abundantly clear at  
 12 the time that it was the will of this body to ensure  
 13 that we would regulate ride sharing services. So what  
 14 we tried to do within House Bill 4075 is create a new  
 15 set of regulations designed to properly regulate these  
 16 companies, while at the same time allowing their growth  
 17 to expand and allowing the consumer to make use of  
 18 them, because obviously they're popular, and we want to  
 19 see them grow in Illinois and be successful.  
 20 The bill does several things. It ensures  
 21 that drivers obtain a chauffeur's license, which is  
 22 more than a regular driver's license, and that's

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1 because they're taking people, they're not, they're  
 2 putting their -- other people's care within their car.  
 3 We upped the insurance requirements for these services.  
 4 We ensure that they are properly equipped,  
 5 God forbid something should happen, they carry the  
 6 right insurance policies to protect the rider and  
 7 themselves and any other victims of an accident. We  
 8 ask that they be properly rested before they get behind  
 9 the wheel of a car by limiting their time of ten hours  
 10 a day, and we ensure that there's proper dispatch with  
 11 regards to these services.  
 12 We ensure that the vehicles are safe by  
 13 requiring markings and newer cars, no older than four  
 14 years. We ensure that the vehicles are accessible to  
 15 disabled riders. And we ensure that there is proper  
 16 regulation with respect to Home Rule, so that they --  
 17 Home Rule Ordinance is no more restrictive than it  
 18 should be, allowing with respect to pricing.  
 19 There's been a lot of discussion over the  
 20 last couple days that, well, these regulations are  
 21 overburdensome, and that they are trying to put  
 22 individuals out of business. That's not the intent of

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1 myself, the sponsor, and it's certainly not the intent  
 2 of the proponents of the bill. What we want to ensure  
 3 is that consumers are safe, the constituents are safe,  
 4 that regulations exist to ensure quality service to  
 5 everybody across the board, and that the state of  
 6 Illinois is in a position to properly be aware of how  
 7 these services are being operated. With that, I know  
 8 there are some proponents that wish to testify. I'm  
 9 sure there's opponents that wish to testify. So, Mr.  
 10 Chair, it's your prerogative of how you want to  
 11 proceed.

12 CHAIRMAN RITA: Come up and -- yes. So we've  
 13 got a motion by Representative Chapa LaVia to pass as  
 14 amended, and she's going to vote yes. Okay.

15 MS. TAYLOR: Thank you for having me here.  
 16 My name is Candace Taylor, and I'm Manager of  
 17 Government Relations at Lyft. Just as some background,  
 18 Lyft is an online application on your phone, and it  
 19 allows you to request a ride from someone else in your  
 20 community who uses their personal vehicle. It's the  
 21 newest innovation in transportation, because unlike the  
 22 past, it means that you and me and anyone else in this

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1 room could potentially use a personal vehicle to give a  
 2 ride. In terms of opportunities and benefits to this  
 3 state, it means that we can reduce congestion, we can  
 4 increase the amount of affordable transportation  
 5 offered. It also means that we can bring in more  
 6 revenue to cities like Chicago, that so desperately  
 7 need it.

8 Now there's been a lot of talk about this  
 9 bill, and I want to clarify some things. We have been  
 10 working diligently for the last three months with the  
 11 Mayor's Office in Chicago. We are on the eve of a  
 12 proposed ordinance at the city level, and the city  
 13 council in Chicago has planned to vote on this  
 14 ordinance next month. On the eve of all the diligent  
 15 work, this bill has come out, and it undermines all of  
 16 it. It would mean the end of companies like Lyft and  
 17 Uber in Illinois. That's the first point, and I want  
 18 to talk a little bit about trust and safety.

19 There's been some talk that there aren't  
 20 background checks, and that people aren't safe. So  
 21 much of large scale ridesharing depends on people  
 22 feeling safe before they get into a personal vehicle,

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1 and we take that really seriously. We have intensive  
 2 background checks that are performed by Sterling Info  
 3 Systems. That means that no one can access the  
 4 platform to give a ride unless they go for that  
 5 background check. You can't have a conviction for a  
 6 felony, you can't have any type of conviction for  
 7 property damage, for a violent crime, for a sex -- if  
 8 you're a sex offender, you can't access the platform as  
 9 someone who is driving.

10 In addition, there's a driving record check.  
 11 That means that you can't have more than two moving  
 12 violations in the last three years. You can't have any  
 13 major violation. All of these things are built into  
 14 the application, and all of these things are going to  
 15 be reflected in the ordinance, which will come out next  
 16 month at the city level. This bill ignores those  
 17 safeguards that are in place, and that we are seeking  
 18 to codify at the city level.

19 In addition to that, I've heard people make  
 20 accusations regarding insurance. The taxi lobby in  
 21 particular has said we don't have insurance. That is  
 22 patently untrue. We have a \$1 million policy which

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1 provides liability insurance, uninsured, underinsured  
 2 insurance. Compare that to, for example, taxis that  
 3 have \$350,000 in insurance coverage.

4 This type of service is completely different,  
 5 because we're not dealing with professional drivers who  
 6 do this as a full-time living. We're dealing with your  
 7 neighbor next door, who might just do it for an hour a  
 8 week, who might do it for three hours a week. These  
 9 are regular people who want to give rides to others in  
 10 their community, and to impose all these burdensome  
 11 restrictions would mean that people wouldn't  
 12 participate, and you wouldn't reap the benefits of a  
 13 lot of people providing rides and making transportation  
 14 more affordable, more innovative, per person in  
 15 Illinois.

16 I'd like to answer any questions that you  
 17 have regarding Lyft and this bill as I open it up to  
 18 all of you.

19 CHAIRMAN RITA: And I believe on the  
 20 proponent side, we're going to hear from Jeff Junkas,  
 21 correct? Neutral? What I'd like to do is hear from  
 22 one from each side, and then we'll go to some

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1 questions.

2 REPRESENTATIVE ZALEWSKI: Yeah, we have a

3 proponent who wants to testify, Rep. Chair --

4 CHAIRMAN RITA: You have a proponent, then?

5 REPRESENTATIVE ZALEWSKI: -- and we have

6 someone from the specialty insurers I believe who wants

7 to --

8 CHAIRMAN RITA: Okay. Let's hear from

9 everyone, and then we'll go back to it, because --

10 REPRESENTATIVE ZALEWSKI: Okay.

11 CHAIRMAN RITA: -- I do got some questions,

12 when you said you're going to pass an ordinance at the

13 city, is -- you're talking about the City of Chicago,

14 or --

15 MS. TAYLOR: The city --

16 CHAIRMAN RITA: -- I mean, what about outside

17 the City of Chicago?

18 MS. TAYLOR: The city of Chicago, and we only

19 operate in the City of Chicago, and Uber also only

20 operates in the City of Chicago, so this is a --

21 CHAIRMAN RITA: That's it?

22 MS. TAYLOR: -- Chicago issue.

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1 CHAIRMAN RITA: So you don't go over the

2 border?

3 MS. TAYLOR: No.

4 CHAIRMAN: I mean, you know, over 119th?

5 MS. TAYLOR: No. Also, I -- sorry to

6 interrupt. We also have someone here who drives --

7 CHAIRMAN RITA: So --

8 MS. TAYLOR: -- on the platform --

9 CHAIRMAN RITA: -- let's hear from one of the

10 proponents and then the insurance, and then we'll go to

11 committee questions for everyone there. So who do you

12 got there, Mike? My computer's not working, so I can't

13 read all the witness slips.

14 MRS. GEORGES: Good morning, Mr. Chairman and

15 members of the committee. My name is Mara Georges, G-

16 E-O-R-G-E-S, and I represent the Illinois Trade

17 Transportation Association. The Association is made up

18 of roughly 6,000 taxicab medallion owners, represents

19 thousands of employees in the state of Illinois,

20 several thousands of those medallion owners are

21 individuals.

22 I understood the previous speaker to talk to

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1 you about preemption. The issue of preemption was

2 decided some 33 years ago, when the Ride Sharing

3 Arrangements Act was passed by this body. In the Ride

4 Sharing Arrangements Act, the General Assembly said

5 that ride sharing is a matter solely of state concern,

6 and that only the state can regulate in the ride

7 sharing arena. That has already been decided. It has

8 been decided that Home Rule Authority will be preempted

9 in the ride sharing space, and these companies about

10 which we're discussing today, Uber X, Lyft, and

11 SideCar, by their own admission, and on their websites,

12 offer ride sharing.

13 That bill was passed by the required three-

14 fifths super majority of each House, and preemption is

15 not at issue here today. Sure, I understand the City

16 of Chicago will object to any bill that contains

17 preemption language. I was the corp counsel of the

18 City of Chicago for 12-and-a-half years, so certainly I

19 understand and respect the city's viewpoint toward

20 preemption, but that issue has been decided some 33

21 years ago.

22 The taxi industry has had concerns for two

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1 years about Uber X, Lyft, and SideCar. These are

2 unregulated ridesharing companies that allow personal

3 individuals to use their personal vehicles for hire.

4 These individuals maintain personal liability policies,

5 which we all know when we look at our personal

6 liability policies, do not cover commercial activities,

7 so those personal liability policies offer no

8 protection to drivers, to passengers, or to members of

9 the public who may be injured if one of these vehicles

10 is involved in an accident.

11 Not only do these drivers have no special

12 licensing and no special training, but they're also

13 allowed to surge price. And surge price is a euphemism

14 for price gouging. The company gets to decide when

15 it's -- if it is a time of high demand. That can be

16 based on weather, time of day, an event, and the

17 company will instruct the driver to charge to the

18 passenger's credit card a multiple of the standard

19 rate. Multiple, perhaps as low as two times the

20 standard rate, perhaps as high as 13 times the standard

21 rate, but it is price gouging at its finest.

22 These companies have been operating in an

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1 unregulated environment. The City of Chicago has said  
 2 it's a state issue. The state has not acted up until  
 3 now, so they've been allowed to operate without any  
 4 form of regulation. And I heard the previous speaker  
 5 say they want to codify the existing requirements. Of  
 6 course they do, because there are no requirements that  
 7 exist, so why not codify in a City of Chicago  
 8 ordinance, what is currently going on? But is that  
 9 what's best for the people of the state of Illinois?  
 10 My opinion that it is -- is that it is not, because the  
 11 people of the state of Illinois deserve protection, and  
 12 not only do -- does the traveling public need to  
 13 protected, but all of the public needs to be protected.

14 If these companies are doing background  
 15 checks, why not put that in a law? Why not put it in a  
 16 law that background checks have to be done by someone  
 17 that can do a thorough background check, like in the  
 18 taxi industry, when a potential driver is  
 19 fingerprinted, and a background check is done by the  
 20 Chicago Police Department? If they are providing  
 21 insurance, why not put those insurance requirements in  
 22 a state law, one that requires them to fully insure the

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1 ride, from the time the driver turns on the app, and is  
 2 able to accept the ride, until the time that ride comes  
 3 to a conclusion?

4 What the amendment to the Ride Sharing  
 5 Arrangement Act does is put in reasonable safeguards,  
 6 just the kind of things we've been discussing, to the  
 7 for profit ride sharing business. Originally, in 1981,  
 8 this body decided that ride sharing would only be not  
 9 for profit. In 1983, that Ride Sharing Arrangement Act  
 10 was amended to allow for profit ride sharing, but that  
 11 for profit ride sharing was very narrowly defined, to  
 12 no more than two trips a day.

13 These companies are not following the laws  
 14 written by this body. They are doing something other  
 15 than what this body has allowed in the Ride Sharing  
 16 Arrangement Act, so this amendment sets up a new  
 17 category, called Commercial Ride Sharing, to codify  
 18 what it is that they actually are doing, and imposes  
 19 reasonable regulation on that activity. It requires  
 20 drivers to secure chauffeur licenses, which does  
 21 trigger a background check for those drivers. Whether  
 22 a driver is -- driving professionally for hire two

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1 hours a week or 22 hours a week, why shouldn't the  
 2 public be protected, and know when they're getting into  
 3 that driver's car that that driver has been checked out  
 4 by law enforcement?

5 It imposes time limits on the times the  
 6 drivers can drive. It requires dispatchers to secure a  
 7 license from the Department of Professional and  
 8 Financial Responsibility, and says that any waivers,  
 9 waivers that these companies currently use, and which  
 10 passengers have to agree are null and void, so they  
 11 cannot get out of liability in the event of an  
 12 accident.

13 They require distinctive registration plates  
 14 and identification symbols on the exterior of the  
 15 vehicle, so that the public knows that this is a ride  
 16 sharing vehicle that is being used for this purpose.  
 17 It requires vehicles to have -- be no more than four  
 18 years of age, as taxis are required, so that the public  
 19 is assured that vehicles are newer, environmentally  
 20 friendly, and that they have passed safety inspections.

21 It does require universal service, so that to  
 22 the extent a municipality requires underserved areas to

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1 be served by taxicabs, rideshare companies have the  
 2 same requirements. Further, rideshare companies have  
 3 to meet a local municipality's accessibility  
 4 requirements, so if a local municipality requires taxi  
 5 drivers to have accessible vehicles, the rideshare  
 6 companies have to have accessible vehicles as well. We  
 7 urge passage of this amendment. Thank you very much.

8 CHAIRMAN RITA: Now we -- Jeff?

9 MR. JUNKAS: Thank you, Mr. Chairman and  
 10 members of the committee. My name is Jeffrey Junkas,  
 11 J-U-N-K-A-S, I'm with Property Casualty Insurer's  
 12 Association. We represent 1,000 member companies who  
 13 write \$7 billion of premium in this state. We are  
 14 neutral on the bill. We support innovation. We are  
 15 not against SideCar, Lyft, and Uber from trying to  
 16 innovate and do their business. However, we are very  
 17 concerned about the gaps in insurance coverage for both  
 18 drivers and riders, and I think that there are some  
 19 very brief things I can cover that'll help close those  
 20 gaps, protect consumers, and allow you all to do your  
 21 job.

22 First off, with respect to the City of

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1 Chicago, we see in other states, I represent six other  
 2 states, a patchwork now of city ordinances. We  
 3 recommend statewide rule on this issue so you don't  
 4 have to revisit this year after year. I think the key  
 5 to avoiding a gap in coverage is establishing a bright  
 6 line rule of when these drivers, who our companies that  
 7 write personal coverage have not factored in for  
 8 underwriting, are on the clock as commercial drivers.  
 9 The app on, app off. So not just at dropping off the  
 10 passenger, they are still logged in the system. They  
 11 may turn around and go to a new fare, they may go a new  
 12 street they normally don't drive, so bright line rule  
 13 for app on and app off.  
 14 And concurrent to that bright line rule is  
 15 insurance coverage that exclusively and specifically  
 16 covers the ride sharing activities, and that this  
 17 coverage is enforced. We would also recommend some  
 18 disclosures to the drivers and the passengers about the  
 19 insurance coverage available to the driver, and about  
 20 their personal policy and the ride car companies.  
 21 There's also relay, et cetera. We look forward to  
 22 working with the members of the committee and the

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1 sponsor on this legislation moving forward. I'm happy  
 2 to answer any questions. Thank you.  
 3 CHAIRMAN RITA: All right. Representative  
 4 DeLuca, for -- now we've heard from both proponents,  
 5 opponents, and someone neutral. What do you got, Mike?  
 6 REPRESENTATIVE ZALEWSKI: No, no, I'll let --  
 7 I'll answer questions, Mr. Chair.  
 8 REPRESENTATIVE DELUCA: Thank you, Mr.  
 9 Chairman. So our computer is not working. Is that  
 10 correct? Do we have a paper listing of --  
 11 CHAIRMAN RITA: Who -- who -- are you with --  
 12 REPRESENTATIVE DELUCA: -- the opponents, Mr.  
 13 Chairman?  
 14 CHAIRMAN RITA: I don't -- I can't -- I don't  
 15 have -- my computer's not -- here. I got something  
 16 here.  
 17 MS. KREGOR: I signed up to testify, if it's  
 18 possible.  
 19 CHAIRMAN RITA: Go ahead. Yeah.  
 20 MS. KREGOR: Thank you for --  
 21 CHAIRMAN RITA: Where's the witness list?  
 22 MS. KREGOR: -- giving me some time. My name

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1 is Beth Kregor. I am the Director of the Institute for  
 2 Justice Clinic on Entrepreneurship at the University of  
 3 Chicago Law School. We are a non-profit that provides  
 4 free legal assistance and advocacy for low income  
 5 entrepreneurs. We advocate for entrepreneurs' economic  
 6 liberty, their right to earn an honest living.  
 7 Entrepreneurs have a constitutional right to innovate  
 8 and serve customers in new, creative ways, as long as  
 9 they follow fair safety rules. Entrepreneurs have a  
 10 right to win customers over by providing better  
 11 customer service. It is unconstitutional and unwise  
 12 for the state of Illinois to handicap innovative  
 13 entrepreneurs as a favor for old fashioned businesses  
 14 who are scared they might lose customers to the new  
 15 competition.  
 16 Rideshare businesses have used technology to  
 17 innovate and revitalize an industry that had hardly  
 18 changed at all in decades. They have made it possible  
 19 for customers to choose their drivers based on other  
 20 customers' reviews, and to secure reliable, safe,  
 21 friendly transportation. They have made it possible  
 22 for drivers to make ends meet by putting their own cars

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1 to use in the service of their neighbors who need  
 2 rides. Rideshare businesses are the kind of innovative  
 3 enterprises that create jobs, build our state's tax  
 4 base, and make people happy to live here. They are  
 5 exactly the kind of businesses that Illinois should  
 6 welcome.  
 7 The proposed amendments put the brakes on  
 8 that innovation. Some of these provisions which have  
 9 not yet been mentioned here today do nothing to protect  
 10 the health and safety of passengers. They serve only  
 11 to handicap the rideshare businesses. Under this  
 12 proposal, rideshare drivers may not pick up or drop off  
 13 a passenger at the airport or a convention center.  
 14 That has nothing to do with safety. It's a bald  
 15 attempt to reserve certain customers for taxicab  
 16 companies. It deprives residents and visitors in  
 17 Illinois of the choice about which mode of  
 18 transportation to use for certain important trips, and  
 19 it perversely forces rideshare businesses to turn away  
 20 customers that they have earned through excellent  
 21 customer service. It makes it harder for rideshare  
 22 businesses to succeed, and harder for rideshare drivers

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<p>1 to earn money, so rideshare drivers may abandon 2 Illinois altogether.</p> <p>3 Under the proposed amendments, rideshare 4 businesses may never charge more than a taxi would. 5 This is an attempt to prevent rideshare businesses from 6 designing innovative business models. It outlaws the 7 use of digital data mining and algorithms to set the 8 price for customers according to supply and demand at 9 any given moment. It denies rideshare businesses the 10 freedom to charge higher prices, when that is the only 11 way to make sure enough drivers are out on the road to 12 serve their customers well.</p> <p>13 CHAIRMAN RITA: What I'd like to do here, and 14 thank you, and -- because we've got some time 15 constraints, and we've got a lot of people that want to 16 testify, that's why I was going with one proponent, one 17 opponent, and one neutral.</p> <p>18 MS. KREGOR: Thank you.</p> <p>19 CHAIRMAN RITA: We have committee members 20 that want to ask questions, and our computer system's a 21 little bit messed up, so I have the -- some of the -- 22 Tommy Walsh with Yellow Cab is a proponent, correct?</p> <p style="text-align: right;">Page 50</p>	<p>1 REPRESENTATIVE DELUCA: Does the State of 2 Illinois regulate taxis in a way that preempts the City 3 of Chicago right now?</p> <p>4 MS. GEORGES: The State of Illinois has the 5 authority to regulate taxicabs, but they've delegated 6 that authority to local municipalities. It is 7 different than ridesharing. Ridesharing has not been 8 delegated, and in fact, in the Ride Sharing 9 Arrangements Act --</p> <p>10 REPRESENTATIVE DELUCA: I got my answer. 11 MS. GEORGES: Okay.</p> <p>12 REPRESENTATIVE DELUCA: Thank you. 13 MS. GEORGES: You're welcome.</p> <p>14 REPRESENTATIVE DELUCA: And the negotiations 15 that are taking place right now that you had mentioned, 16 were you aware of that?</p> <p>17 REPRESENTATIVE ZALEWSKI: Well, she was -- 18 she -- the young -- the VP of Government Affairs from 19 Lyft mentioned that they were negotiating with city 20 ordinance. There is -- we've had discussions in -- as 21 it relates to the state bill as well. So that's the 22 answer to your question, Anthony.</p> <p style="text-align: right;">Page 52</p>
<p>1 Mike Noonan, Roosevelt Group, Yellow -- is a proponent, 2 John Henry with Gold Coast Taxi Associates a proponent, 3 Maria Georges, Stanley Georges, Illinois Trade 4 Association's a proponent, Larry Lounsrey (phonetic), 5 proponent. I don't have any opponents on here, but I 6 know there's a number of opponents, John Donne 7 (phonetic) in the city of Chicago, and -- to go for the 8 record. All right. Representative DeLuca had a 9 question, and then Davidsmeyer, and then I have a 10 couple.</p> <p>11 REPRESENTATIVE DELUCA: Thank you, 12 Mr. Chairman.</p> <p>13 CHAIRMAN RITA: There's going to be some 14 others.</p> <p>15 REPRESENTATIVE DELUCA: Does the City of 16 Chicago regulate taxicabs?</p> <p>17 UNIDENTIFIED: Yes.</p> <p>18 REPRESENTATIVE DELUCA: Does the State of 19 Illinois regulate taxicabs?</p> <p>20 UNIDENTIFIED: The State of Illinois has -- 21 my understanding is, the State of Illinois has statutes 22 on the book when it comes to commercial transportation.</p> <p style="text-align: right;">Page 51</p>	<p>1 REPRESENTATIVE DELUCA: Do the negotiations 2 that are taking place right now with the City of 3 Chicago to regulate this company, does that satisfy the 4 concerns?</p> <p>5 MS. GEORGES: The City of Chicago has 6 introduced an ordinance that the taxi industry is 7 opposed to. This is a matter of statewide concern. 8 These rides go over the borders for states, and it is 9 in an area that the city has been preempted from 10 regulating.</p> <p>11 REPRESENTATIVE DELUCA: Okay. This lady, 12 young lady here, she testified that they only operate 13 within the city of Chicago. Is that not accurate?</p> <p>14 MS. TAYLOR: Yes, we are -- our borders, our 15 coverage area, is in the city of Chicago. Yes.</p> <p>16 MR. JUNKAS: If I can follow up on that 17 question. Currently, in states like Ohio, they're in 18 Columbus, Cincinnati, they're going to expand to other 19 cities. In California where we're facing this, and may 20 have legislation, Colorado's legislation, Arizona, they 21 start in one city and expand, and that's fine. But 22 that's why there's -- should be some state wide</p> <p style="text-align: right;">Page 53</p>

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1 regulations.

2 REPRESENTATIVE DELUCA: Okay.

3 REPRESENTATIVE ZALEWSKI: And Anthony, to

4 your question, they may very well only operate within

5 the city. I don't think that's true. I think if I

6 asked for a ride, they would take me to my house,

7 because I just -- knowing the services, my sense is

8 that they would do that, because they would travel from

9 point A to point B, but beside that, there's nothing

10 preventing a rider within the law from allowing them to

11 go outside our borders. There's no regulations in this

12 industry, so they're free to do whatever they wish when

13 it comes to a ride. They're free to do it.

14 REPRESENTATIVE DELUCA: Within the way you

15 operate your business, if somebody calls for a ride

16 outside the city limits, how do you handle that?

17 MR. NICOLAY: Representative, John Nicolay,

18 Nicolay and Dart, representing Lyft. Even if that were

19 correct, that it is possible, and I don't know the

20 answer, I don't think that we do, speaking for Lyft, I

21 can't speak for Uber. Speaking for Lyft, I don't

22 believe we do that, but if we did, the regulation that

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1 the City of Chicago is currently poised to adopt would

2 cover that the same that it covers any taxi driver that

3 originates in the City of Chicago and then goes to a

4 suburb. It's where you are based, and where you're

5 licensed, which is covered by the pending ordinance

6 that we have painstakingly negotiated with the City of

7 Chicago.

8 And I do want to address one thing. The

9 issue of preemption, with all due respect to Ms.

10 Georges, I don't believe it is settled at all. I don't

11 believe the General Assembly, 35 years ago, was

12 prescient enough to think about smartphones and

13 ridesharing apps. It was that -- that -- or that

14 legislation was adopted to address carpooling done with

15 PACE, not at all -- and the definition does not at all

16 apply to what we currently do, so just -- for that.

17 REPRESENTATIVE DELUCA: Okay. And if I take

18 a cab from O'Hare International Airport to my home

19 outside Chicago, and that cab is regulated by the City

20 of Chicago, how do they -- how does the City of Chicago

21 handle that cab going outside of the city to provide a

22 ride?

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1 MS. GEORGES: So first of all, a taxicab that

2 arrives at the airport to pick someone else is -- up is

3 going to pay \$4 in state tax. These companies are

4 going to pay zero in state tax, so let's first put that

5 out there. The second thing is that if a taxicab --

6 REPRESENTATIVE DELUCA: Under current law.

7 MS. GEORGES: Current --

8 REPRESENTATIVE DELUCA: The way we're

9 currently -- we currently are now. So --

10 MS. GEORGES: The way you're currently

11 operating, correct.

12 REPRESENTATIVE DELUCA: So we don't know if

13 in the negotiation, that's being covered.

14 UNIDENTIFIED: (Indiscernible).

15 REPRESENTATIVE DELUCA: Okay.

16 CHAIRMAN RITA: So here, let me read for the

17 opponents in here. Because what we've basically got

18 here, we've got a bill that needs to be -- a lot of

19 work needs to go onto it, we're looking at a bill to

20 regulate, to put a level playing field with taxicabs

21 and rideshare to both -- to -- from what I'm hearing is

22 providing the same type of service, whether they're in

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1 the city or outside the city, and we got certain

2 companies that aren't regulated at all, aren't paying

3 any taxes, and doing sort of kind of what they want.

4 We're looking at the City of Chicago trying to address

5 something which sort of been dragging their feet, and

6 what Representative Zalewski's trying to say is we need

7 to have some sort of regulation. You have a lot of

8 negotiations to do on this bill. Correct?

9 REPRESENTATIVE ZALEWSKI: I think --

10 CHAIRMAN RITA: So maybe -- and I know there

11 was a couple others that had questions, and we'll

12 continue to go on with questions, or what you could do

13 is, get both of your sides together and start working

14 out some of this. I do believe this -- some of this

15 needs to be regulated. At what point, I don't know if

16 we're ready here to decide what tax they should pay,

17 what they shouldn't pay, what they shouldn't do, how

18 much insurance -- that -- we're sort of running this

19 business occupational license, and we've done that all

20 outside and came when we've had a bill. There is a

21 need, though, it looks like, to have a comp -- these

22 companies regulated some sort, because you have no idea

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1 who's behind the wheel of these things. Correct?  
 2 REPRESENTATIVE ZALEWSKI: Correct, Mr. Chair.  
 3 And I'm looking at 7 members, 8, who have either  
 4 suburbs or downstate, outside the city of Chicago, in  
 5 their districts right now, and I'm looking at a  
 6 coverage area on a website that shows a significant  
 7 amount of suburban areas. So -- it's for Lyft, and I  
 8 know for a fact that other ridesharing services are  
 9 operating in other suburbs. So it's not just a city  
 10 issue. I know that's a very nice talking point, but  
 11 it's factually incorrect.  
 12 CHAIRMAN RITA: All right. And for the  
 13 opponents, for the record, these may be some of them,  
 14 there may be others that -- because the computer is --  
 15 John Nicolay is an opponent, Mike Casper's an opponent,  
 16 David Dring's (phonetic) an opponent, John Dunn's  
 17 (phonetic) an opponent, Marcus Weemes -- Weemes -- did  
 18 I say that right? Himself, I guess he's a driver for  
 19 one of these operations. Matt Poporowski (phonetic),  
 20 I don't know, I got that all messed up. He's an  
 21 opponent. So as you can see, we've got both opponents  
 22 and proponents on this. Representative DeLuca, were

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1 you finished? I didn't mean to cut you off on your  
 2 questioning.  
 3 REPRESENTATIVE DELUCA: I'm done.  
 4 CHAIRMAN RITA: Representative Davidsmeyer?  
 5 I know Harms has a question.  
 6 REPRESENTATIVE DAVIDSMEYER: You know, I  
 7 think that what we're trying to do is, we're trying not  
 8 to have the state pick winners and losers in this case.  
 9 I don't think we want to deter entrepreneurship and new  
 10 ideas coming out, but the reality is, you're providing  
 11 the same service that a cab company provides. I don't  
 12 understand why a cab company should be regulated in a  
 13 certain way that somebody who's providing the same ride  
 14 service should not.  
 15 MS. TAYLOR: Do you mind if I --  
 16 REPRESENTATIVE DAVIDSMEYER: Yeah.  
 17 MS. TAYLOR: -- respond to that? So  
 18 traditionally, taxis are allowed to do street hails.  
 19 And because of that, there's a certain amount of  
 20 anonymity in the interaction. You get into the  
 21 vehicle, you don't know who's picking you up, who they  
 22 are, you know, it's just -- it's an interaction where

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1 you need a lot of regulatory restrictions in order to  
 2 ensure safety.  
 3 This is a whole new playing field in terms of  
 4 what transportation is and what it can become. Because  
 5 you have an online application, we know exactly who is  
 6 picking up whom at all times. We know where they are.  
 7 We're able to do background checks from the get-go,  
 8 driving record checks. It's something where you  
 9 request the ride. It's not an anonymous interaction,  
 10 and in eliminating that anonymity, we are able to  
 11 create higher safeguards, and a different type of  
 12 system, where individuals can use their private  
 13 vehicles to give rides to others. It necessitates a  
 14 new set of regulations in order to allow it to thrive.  
 15 This type of business only works if a lot of  
 16 people do it, and if they -- if you do it for ten  
 17 minutes a week, if you do it for an hour a week, it  
 18 doesn't matter. You need a lot of people to opt in in  
 19 order to have this type of system work. These types of  
 20 regulations in this state bill are made for  
 21 professional drivers who do this day in, day out, all  
 22 the time, do street hails. If we were to impose these

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1 types of requirements on regular individuals, you  
 2 wouldn't see people opting in. You wouldn't see these  
 3 types of ridesharing industries flourishing. And  
 4 that's why it's significantly different, and why we  
 5 should take very seriously what this bill is asking  
 6 for. Do you want to add anything?  
 7 REPRESENTATIVE DAVIDSMEYER: Coming from a  
 8 smaller community, 20,000 people, it's hard for a  
 9 community like mine to maintain a taxi or livery  
 10 service. If this starts to come into my community, and  
 11 people decide, well, we only want to drive two hours  
 12 out of the day, well, that takes away from that cab  
 13 service, and eventually, that cab goes out of business,  
 14 and I've got somebody that's providing a service only  
 15 two hours a day. You know what I'm saying? Because  
 16 they have different --  
 17 MS. TAYLOR: No, I understand what you're  
 18 saying. You know, the city of Seattle commissioned a  
 19 study to -- this is a very nascent industry, we've been  
 20 around a year and a half, so I can't say that there are  
 21 a million studies addressing this, but the city of  
 22 Seattle commissioned a study to see how the taxi

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<p>1 industry was impacted by the entrance of new 2 ridesharing companies like Lyft, and we actually found 3 that the taxi industry had more business Now, you're 4 probably wondering why is that? It's because people 5 become less dependent on personal car ownership when 6 there are more options to get around 7 So for example, for the longest time, I 8 didn't have my own personal vehicle, because I've 9 always lived in urban centers Later on, I did get a 10 vehicle when I moved to San Francisco, because there 11 weren't many transportation options I'm less and less 12 dependent on it now, because I know if I want to go to 13 the downtown area, there's always a way to get home 14 So people use all of the different options to a greater 15 extent because they don't need their personal cars 16 anymore, and that's when all the benefits follow 17 REPRESENTATIVE DAVIDSMEYER: You know, which 18 I think is great for a larger community, but for a 19 smaller community, I think it impacts me adversely 20 MS TAYLOR: Did you want to come up? 21 MR NICOLAY: Representative, I -- like you, 22 I'm from a small community too, as you know I think</p> <p style="text-align: right;">Page 62</p>	<p>1 worst nightmare. So we try to get as many people as 2 possible to become users, to both request rides and 3 provide rides. We wouldn't launch, for example, with 4 two people willing to use the service. 5 REPRESENTATIVE DAVIDSMEYER: Yeah. 6 MS. TAYLOR: I also -- you know, we have a 7 driver here, and I know he drove three hours to come, 8 and it would be great if he could just say a few words 9 about his experience. 10 CHAIRMAN RITA: Here's what we got. We got a 11 list of people. Representative Harms has questions, 12 Representative Evans has -- 13 MS. TAYLOR: Okay. 14 CHAIRMAN RITA: -- questions, Representative 15 Sims has questions, Representative Morrison has 16 questions, and I have questions. 17 MS. TAYLOR: Okay. 18 CHAIRMAN RITA: So -- 19 REPRESENTATIVE DAVIDSMEYER: I got one more 20 quick question. 21 CHAIRMAN RITA: -- and I want to make sure 22 all of the committee members get their questions</p> <p style="text-align: right;">Page 64</p>
<p>1 it's the opposite of what you're saying, because if you 2 have, like you say right now, most communities your 3 size, and where I grew up, don't even have any taxis, 4 period, so there is no service And if you do have 5 someone providing rides for two hours a day, in 6 Jacksonville, the idea is, you would have 30 people 7 providing two hours a day at some point, which would 8 greatly increase your coverage, so I think that's 9 another way to look at it, is it's not -- you know, 10 where you're limiting to one, the whole idea is to have 11 a bunch of people doing it for certain periods of time 12 REPRESENTATIVE DAVIDSMEYER: So would you not 13 provide the service until you could provide the full 14 service, or would there just be somebody providing two 15 hours for a while, and gradually it would grow? 16 MS TAYLOR: That's -- honestly, that's more 17 of a business decision 18 REPRESENTATIVE DAVIDSMEYER: Yeah 19 MS TAYLOR: Usually, what we do is, we try 20 to get as many people as possible to participate, 21 because we never want to be in a situation where you 22 press that button and you can't get a ride That's our</p> <p style="text-align: right;">Page 63</p>	<p>1 answered on this piece of legislation 2 MS TAYLOR: Okay 3 REPRESENTATIVE DAVIDSMEYER: One more quick 4 question If I'm -- say I'm a truck driver I drive a 5 truck, I haul grain for a farmer 6 MS TAYLOR: Uh-huh 7 REPRESENTATIVE DAVIDSMEYER: My cousin only 8 wants to haul one load a day, or one load a week 9 Should he be required to get a commercial driver's 10 license? I mean, I see this, there's standards set 11 forth for this type of driving, for providing this 12 service, and I don't understand Do your drivers get 13 livery licenses? 14 MS TAYLOR: Okay So I think the real 15 question is -- 16 REPRESENTATIVE DAVIDSMEYER: Or chauffeurs, 17 sorry 18 MS TAYLOR: -- what is -- what is our 19 objective? Our objective is to provide public safety 20 That's the reason why licenses exist, and -- 21 REPRESENTATIVE ZALEWSKI: I would like to -- 22 REPRESENTATIVE DAVIDSMEYER: I understand</p> <p style="text-align: right;">Page 65</p>

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1 REPRESENTATIVE ZALEWSKI: -- see, I would  
 2 like to be able to answer her question. I would.  
 3 Because you've asked four or five good questions, and -  
 4 -  
 5 CHAIRMAN RITA: Talk in the mic, Mike.  
 6 REPRESENTATIVE ZALEWSKI: Sure. I just --  
 7 you've answered -- you've asked four or five good  
 8 questions, and they've been -- they -- frankly, they've  
 9 been -- you've been given answers that someone might  
 10 disagree with. The answer to your question is, we're  
 11 requiring a different kind of driver's license because  
 12 these people are going to be carrying passengers, and  
 13 it's important for the state to know, if you're put in  
 14 a position of being a common carrier, you need to have  
 15 a different standard of proof than just a regular  
 16 driver. That's the answer to your question.  
 17 And it's important also to note, we know  
 18 Lyft, and we know Uber might practice best practices.  
 19 That's great. But a small ridesharing company that  
 20 comes into your company, might not necessarily do that,  
 21 and I have to worry about your constituents just as  
 22 much as I have to worry about Chicago residents. All

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1 right? Thank you, Mr. Chair.  
 2 CHAIRMAN RITA: If I flew into Chicago, would  
 3 you pick me up?  
 4 REPRESENTATIVE ZALEWSKI: Sure.  
 5 CHAIRMAN RITA: Okay, thank you.  
 6 REPRESENTATIVE ZALEWSKI: If you don't mind  
 7 some car seats in the back.  
 8 CHAIRMAN RITA: Representative Harms for some  
 9 questions, and then I know the gentleman drove a long  
 10 time, and why don't we get a brief statement. Is it  
 11 Marcus? He drove up here to address us for -- say a  
 12 few things here. Marcus.  
 13 MR. WEEMES: My name is Marcus Weemes, and I  
 14 am from Chicago. I work at the University of Illinois  
 15 at Chicago in the Campus Housing Office. That is my  
 16 full-time job. I started doing Lyft on the side  
 17 because I saw a pink mustache that identified a car on  
 18 the road, and I'm like, what the heck is this mustache  
 19 thing? I Googled it, did research, found out about  
 20 what the company was all about, what they provided to  
 21 the community, and for me, I found Chicago not to be  
 22 overly friendly of an environment. When I walk by and

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1 see people on the street, I say hello, they say hi, and  
 2 that's it, that's where our conversations ended.  
 3 However, once I started driving for Lyft, and  
 4 picking people up, I found Chicago to be a much better,  
 5 happier place. I found people that really enjoyed the  
 6 service that I was providing them, getting them from  
 7 where they needed to go, where they were, to where they  
 8 needed to go. One of the things that I do in my car --  
 9 we try to make our experience unique for people. I  
 10 have a guestbook that I ask people to sign in my car.  
 11 I don't know a taxicab that I've ever signed a  
 12 guestbook in. But people leave notes in here, they  
 13 draw pictures, telling me what a great experience  
 14 they've had riding in my car.  
 15 For me, it's been about helping people and  
 16 the sense of community that's built amongst the people  
 17 that ride for Lyft as well as the people that drive for  
 18 Lyft. We've done community fundraisers. We've had an  
 19 event where we invited members that take our service as  
 20 a passenger and also drivers come together around  
 21 Thanksgiving, bring charitable contributions to give to  
 22 a food pantry. We do lots of things in our community

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1 to build a sense of interactions. When people ask me  
 2 to come pick them up, they see a picture of my face,  
 3 they see a picture of my car, so they know exactly  
 4 who's coming to get them. People feel a lot safer when  
 5 they're with me, than they may feel with a taxi, that  
 6 they don't know that person, they don't have  
 7 interactions with that person. They sit in my front  
 8 seat. We have conversations all the time about people.  
 9 I've helped people that have had different  
 10 issues, people that have been thinking about going to  
 11 dentistry school, that I've helped get connected to  
 12 people at my university to make that connection so that  
 13 they could possibly figure out how they could get into  
 14 dentistry school. I had a person actually last  
 15 Saturday that was in my car that were -- they were  
 16 saying that they were having -- they go to another  
 17 university in Chicago, and they said they have some  
 18 depression issues, and --  
 19 CHAIRMAN RITA: All right --  
 20 MR. WEEMES: -- that they were having a hard  
 21 time finding out what was going on at their university,  
 22 so I reached out to other people at their university to

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1 help them. That's what Lyft is about, it's about a  
 2 sense of community building -- bringing people  
 3 together, and finding what's common in us.  
 4 CHAIRMAN RITA: Okay, thank you.  
 5 Representative Harms -- were --  
 6 REPRESENTATIVE HARMS: Thank --  
 7 CHAIRMAN RITA: -- you done,  
 8 Representative Davidsmeyer, with your questions?  
 9 Representative Harms?  
 10 REPRESENTATIVE HARMS: Thank you, Mr.  
 11 Chairman, I'll try to be brief. So I first heard about  
 12 this Monday, and when he talks about his small  
 13 community, mine's four times smaller. But somebody  
 14 said that the state of Illinois gave control to  
 15 Chicago, but we haven't given them that authority?  
 16 REPRESENTATIVE ZALEWSKI: What we did was,  
 17 what Mara mentioned was that we delegated taxi  
 18 authority to locals. We did not do that with  
 19 commercial ridesharing companies.  
 20 REPRESENTATIVE HARMS: Right. Why not? Is  
 21 there a reason? I mean, why don't we just tell  
 22 Chicago, this is primarily your problem, take care of

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1 it?  
 2 REPRESENTATIVE ZALEWSKI: Why don't we tell  
 3 Chicago this is predominantly --  
 4 REPRESENTATIVE HARMS: Well, I just --  
 5 REPRESENTATIVE ZALEWSKI: -- the answer to  
 6 that question, Josh, is first of all, the state statute  
 7 controls ridesharing apps. Second of all, we just --  
 8 there was a coverage area that's on these websites  
 9 showing you that there's -- it goes way beyond the City  
 10 of Chicago, it went all the way out to, I think 355 on  
 11 the west, to south, and north to Evanston. So it's not  
 12 just a city problem.  
 13 REPRESENTATIVE HARMS: So you're outside of  
 14 Cook, also?  
 15 REPRESENTATIVE ZALEWSKI: Yeah, I think they  
 16 would take you wherever -- frankly, I think there are  
 17 ridesharing apps that would take you wherever you'd  
 18 like to go.  
 19 REPRESENTATIVE HARMS: So how are the -- so  
 20 every municipality has control over their own taxis?  
 21 REPRESENTATIVE ZALEWSKI: Yes. That's --  
 22 REPRESENTATIVE HARMS: Okay.

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1 REPRESENTATIVE ZALEWSKI: -- what the  
 2 research shows, yes.  
 3 REPRESENTATIVE HARMS: And then we don't --  
 4 it wouldn't be in the best interests of the state to  
 5 give them control over their rideshares? You're saying  
 6 there's too many overlapping service areas?  
 7 REPRESENTATIVE ZALEWSKI: What I'm saying is  
 8 that we need to have a basic set of regulations when it  
 9 comes to commercial ridesharing, similar to what we  
 10 have as a basic set of regulations when it comes to  
 11 taxicabs. We ultimately, as the General Assembly, have  
 12 the right to regulate this however we please. Locals  
 13 have the right to go beyond what we do, but it's our  
 14 job to make sure the state statute's clear.  
 15 REPRESENTATIVE HARMS: And what your bill  
 16 does is brings them into line with one another, to  
 17 (indiscernible) --  
 18 REPRESENTATIVE ZALEWSKI: It makes a floor of  
 19 regulations, above which anyone can go above, to do,  
 20 but we need a floor, so that we make sure everybody is  
 21 at least abiding by some level of regulation.  
 22 REPRESENTATIVE HARMS: And is it the same as

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1 the taxis?  
 2 REPRESENTATIVE ZALEWSKI: It's less, is what  
 3 I'm told by the proponents.  
 4 REPRESENTATIVE HARMS: Okay. Thank you.  
 5 REPRESENTATIVE ZALEWSKI: Thank you.  
 6 CHAIRMAN RITA: Representative Evans?  
 7 REPRESENTATIVE EVANS: Yes. One of the  
 8 opponents, the young woman that was speaking, would you  
 9 come up for a second, please? You mentioned Seattle,  
 10 and how much money the cabs are getting in Seattle, and  
 11 how great of an idea it is in Seattle, and so I Googled  
 12 ridesharing in Seattle. So could you please explain to  
 13 the folks how happy the cab drivers in Seattle are, and  
 14 the Seattle City Council's enthusiasm over ridesharing?  
 15 Could you please explain?  
 16 MS. TAYLOR: Yeah, no, in Seattle, the taxi  
 17 lobby has mobilized, because they are concerned to have  
 18 any type of competition in the market. And as a result  
 19 of that, the Seattle City Council has come out with an  
 20 ordinance which is very much against these types of  
 21 companies operating. In contrast, in Colorado, this  
 22 next week, the House is going to read a bill which is

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<p>1 very pro-ridesharing. It's already passed through the 2 Senate. It's going to the House next week. In 3 California, the PFC has already established a new set 4 of regulations, transportation network companies, 5 similarly in D.C., their regulations have already been 6 established, so there are many, many jurisdictions that 7 have enacted a new set of regulations for 8 transportation network companies to specifically 9 address this new type of innovative company.</p> <p>10 REPRESENTATIVE EVANS: Yeah, so would you say 11 that the cab drivers in Seattle, because you mentioned 12 earlier they were making a lot more money, would you 13 say that they're making a lot of money? Would you 14 stand by that statement that you made earlier?</p> <p>15 MS. TAYLOR: I would stand by the statement 16 that the study showed they're making more money. 17 Whether or not -- I think if you go -- whenever you 18 have a company, whatever it is, like for example, when 19 Netflix came out, Blockbuster was upset. There's 20 always going to be a new player in the market that's 21 going to bring something new. And whoever already 22 exists in that market is going to be upset. That's</p> <p style="text-align: right;">Page 74</p>	<p>1 technology, I'm looking at the Lyft's website, and I 2 live at 88th Place and Cottage Grove, and I'm seeing 3 that the boundaries stop in the Grant Crossing 4 community at 76th Street. So I'm not able -- so the 5 folks in my community are not able to -- again, if the 6 technology's incorrect, would you just clarify -- I'm 7 seeing Elwood Park, Logan Square. I represent the 8 southeast side of Chicago, they're having difficulties 9 with the service area.</p> <p>10 MS. TAYLOR: Okay, so I think -- you know, 11 I've made a priority, since I got involved with 12 Chicago, to make sure that everyone is served, and I'm 13 having a rally this Monday on the South Side to recruit 14 more users and drivers, and basically, our goal is to 15 have access for everyone. It's in our interests, it's 16 part of what we want. So I'm not familiar exactly with 17 where you live, but we are servicing the South Side, 18 and we intend to continue to service the South Side, 19 and have even more access. And I would encourage you 20 to come to our rally on Monday, because I'd like you to 21 see who is being serviced, and who's involved on the 22 South Side.</p> <p style="text-align: right;">Page 76</p>
<p>1 unavoidable. But the question is, are we providing 2 consumers with the choices that they want? Are we 3 providing communities with the choices that they need?</p> <p>4 REPRESENTATIVE EVANS: Okay, here's my last 5 statement, so we can move on. I live on 88th Place and 6 Cottage Grove, on the Chatham community. I've used the 7 Uber, to be honest, when I was at the Bulls game, or 8 when I -- I'm in near Northside, would you say that you 9 service the entire city of Chicago?</p> <p>10 MR. WEEMES: (Indiscernible) I went up to 11 6800 West Addison, I went down to --</p> <p>12 REPRESENTATIVE EVANS: Hold on, let -- get to 13 a microphone.</p> <p>14 MR. WEEMES: I've gone way down south, I was 15 even in the hundreds, and so --</p> <p>16 CHAIRMAN RITA: Is that the wild hundreds?</p> <p>17 MR. WEEMES: And so we travel everywhere. 18 Just the other day, I traveled over 20 minutes to pick 19 someone up that needed a ride to go to the far South 20 Side.</p> <p>21 REPRESENTATIVE EVANS: You can -- just -- 22 final statement, I'm looking at the -- again, I'm using</p> <p style="text-align: right;">Page 75</p>	<p>1 REPRESENTATIVE EVANS: Is your website 2 incorrect?</p> <p>3 MS. TAYLOR: I don't believe that the website 4 is incorrect, but we do service the South Side?</p> <p>5 MR. WEEMES: Can I just make one extra point 6 to that, too? As we keep building our community and 7 our network, we keep expanding. We could basically 8 service all of Illinois right now, however, the 9 reliability and dependability of a service to come to a 10 smaller community right now from Chicago --</p> <p>11 CHAIRMAN RITA: You know what? Let's get a 12 little order, here, all right?</p> <p>13 MR. WEEMES: -- so we keep expanding.</p> <p>14 CHAIRMAN RITA: All right. Are you finished, 15 Representative Evans, with your questions?</p> <p>16 REPRESENTATIVE EVANS: Yes, sir, thank you.</p> <p>17 CHAIRMAN RITA: Representative Sims has some 18 questions.</p> <p>19 REPRESENTATIVE SIMS: Thank you, Mr. Chairman. 20 And Representative, you mentioned that under -- as 21 taxicab drivers, and even under the ridesharing 22 agreement, these are both common carriers. Is that</p> <p style="text-align: right;">Page 77</p>

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1 right?

2 REPRESENTATIVE ZALEWSKI: They both are

3 passenger vehicles for hire.

4 REPRESENTATIVE SIMS: Correct. So under --

5 I'm having some troubles. Under the ridesharing

6 companies, are there limits placed on the drivers, in

7 the number of hours they can drive, or the number of

8 routes they can take?

9 REPRESENTATIVE ZALEWSKI: It's self-imposed

10 limits, they --

11 REPRESENTATIVE SIMS: Self-imposed limits but

12 if --

13 REPRESENTATIVE ZALEWSKI: -- (indiscernible)

14 no regulation.

15 REPRESENTATIVE SIMS: -- a driver wants to

16 drive 20 hours a day, the driver could drive those 20

17 hours a day.

18 REPRESENTATIVE ZALEWSKI: Now what -- in

19 fairness to what they'll say, is well, we govern that

20 ourselves, and that's fine, and Lyft and Uber if you

21 ask me, conduct best practices.

22 REPRESENTATIVE SIMS: Sure.

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1 REPRESENTATIVE ZALEWSKI: But again, this is

2 an emerging market that does -- that we can -- by their

3 very acknowledgement, is going to see growth, so I

4 don't necessarily think that we should be setting

5 ceilings here. We need to be setting floors that

6 everybody can abide by.

7 REPRESENTATIVE SIMS: Sure. Sure. And so

8 again, I'm also trying to -- I'm having a little

9 trouble, I'm looking at the statute, and this -- the

10 definition of a ridesharing arrangement under the

11 statute as it currently exists, means the

12 transportation by motor vehicle of not more than 16

13 persons, including a driver. I'm having trouble

14 understanding why these -- this new technology, these

15 new companies, don't -- they should not abide by that

16 rule, why they're not -- why that doesn't apply to

17 them. So if one of the opponents could answer that.

18 MR. NICOLAY: Sure, Representative Sims. So

19 on the Ridesharing Arrangements Act, it is correct that

20 the Ridesharing Arrangements Act that was enacted over

21 30 years ago does preempt Home Rule, but that

22 definition of ridesharing arrangements, and I don't

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1 have it in front of me, but if you read -- I think it's

2 part --

3 REPRESENTATIVE SIMS: Do you want to borrow

4 mine?

5 MR. NICOLAY: -- Part A and Part B, it goes

6 on to describe that a for-profit ride sharing

7 arrangement, it's a very narrowly defined to include, I

8 think it's two rides a day. So it's not -- what was

9 preempted was the provision of two rides a day, 30

10 years ago. There's nothing in the Act that addresses -

11 - we didn't have cell phones back then, we didn't have

12 smartphones back then, we didn't have apps back then.

13 So this -- it is true that there is a preemption, but

14 the preemption is very limited, and ultimately, we can

15 sit and argue about this all day, at some point the

16 House Parliamentary is going to rule on this, whether

17 ridesharing's preempted or not, and we believe that

18 it's not.

19 Back to your previous question on the common

20 carriers, just to be clear, the ridesharing companies

21 are not common carriers. Common carrier means I can

22 walk out, and not so much here, but in Chicago, I walk

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1 out and put my hand up, and somebody pulls over and

2 picks me up. The ridesharing companies don't do that.

3 They would be prohibited from doing that under the

4 Chicago ordinance. And as the Chicago ordinance, and

5 this was raised by Representative DeLuca, and

6 Representative Harms, you know, we could talk forever

7 about what the ordinance is going to contain and not

8 contain.

9 But in essence, and they're here, I'm not

10 speaking for them, Chicago has decided, we will enable

11 ridesharing and regulate it. So those ridesharing

12 regulations are being negotiated, almost done now, and

13 there's a number of things in there, background checks

14 and safety checks and so on that I won't go through,

15 but Chicago's decided, we will enable ridesharing and

16 regulate it. The taxicabs have sued the City of

17 Chicago, and they're not here to regulate ridesharing,

18 they're here with a bill to eliminate ridesharing. So

19 that's really the choice.

20 Lyft and Uber want to be regulated. I'm a

21 lobbyist for Lyft, and I'll explain why Lyft wants to

22 be regulated. Because Lyft's getting ticketed, and I

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1 know, because I'm the one that goes to administrative  
 2 hearings, and deals with the tickets and the impounds,  
 3 it's a \$2,000 impound, so you have to go down to  
 4 administrative hearings. You find some Lyft driver,  
 5 you have to get their car out of the impound. So the  
 6 current rules are being enforced, contrary to what  
 7 others are saying. The city's decided, like I said,  
 8 that we will enable ridesharing, but regulate it, a  
 9 series of regulations. Taxicabs don't like that, so  
 10 they're here to put Lyft and Uber out of business.  
 11 That's the plan.

12 REPRESENTATIVE ZALEWSKI: I have to respond  
 13 to that. That's fundamentally wrong. And if -- what  
 14 John just described is a recipe for success in the  
 15 state of Illinois, continuing to let citations build up  
 16 on these individuals, and sending them to court, while  
 17 we maybe down the line get to some sort of resolution  
 18 on this, if that's a recipe for success, then I don't  
 19 want any part of it, and I'd rather deal immediately  
 20 with the problem, and get some substantive regulations  
 21 on the books. I just -- it's fundamentally unfair to  
 22 question the motives of the taxicab companies when, in

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1 this body, we have the duty under the state statute,  
 2 not to mention the fact we have constituents living  
 3 outside Chicago, to make sure that their safety is  
 4 protected, so.

5 REPRESENTATIVE SIMS: And my final question,  
 6 and I'm not asking for either side to provide us  
 7 proprietary information based on the discussions and  
 8 the negotiations that are happening, but how close is  
 9 what's proposed to what the city ordinance looks like  
 10 in Chicago?

11 MS. TAYLOR: I'll try to be brief. It's very  
 12 different for a couple of reasons. One is that we have  
 13 shown the city our insurance policy. That provision  
 14 actually is very similar, the insurance part. However,  
 15 with prospective background checks, the city felt  
 16 comfortable with us using a private provider, such as  
 17 Sterling Info Systems, to provide those background  
 18 checks, because we showed that the background checks  
 19 are more stringent, and that we actually were strict --  
 20 you know, that -- I gave a laundry list of violent  
 21 crimes and felony convictions that you can't have  
 22 previously. So those things would be prevented, and

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1 that would be by a private provider, rather than a  
 2 state provider, that's one difference.

3 Similarly, we would have the driving record  
 4 checks pro -- done by a private provider. We do all of  
 5 this so that we can have an efficient system, but we  
 6 still achieve the same safety levels. With respect to  
 7 airports, only drop-offs would be allowed. In this  
 8 particular bill, there can't be any access to airports,  
 9 so if you wanted to call Lyft to go to the airport, you  
 10 wouldn't be allowed to, under this bill. I'm trying to  
 11 recall what the other provisions and terms -- there are  
 12 inspections, a 19 point inspection, which is allowed in  
 13 the mayor's ordinance as well, to make sure the  
 14 vehicles are safe. This particular bill only allows  
 15 you to have a car which is four years or younger, and  
 16 that bill does not restrict in such a way, because if  
 17 we did that, very few people would be able to  
 18 participate. Most people in this room probably don't  
 19 have a vehicle that is four years or younger, and so  
 20 that would be a major restriction on having people  
 21 actually rideshare.

22 REPRESENTATIVE SIMS: But that begs the

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1 question that if there are differences in the  
 2 ordinances being proposed or being worked on, there's  
 3 no difference then setting a floor that would be --  
 4 well, let me finish. That would be a statewide  
 5 standard, and then having the city ordinance be more  
 6 restrictive. So there's no difference in that. Is  
 7 that right?

8 MS. TAYLOR: No, because this bill is more  
 9 restrictive than the city ordinance in the sense that  
 10 the requirements are different and they would prevent,  
 11 for example, private providers from doing those things.  
 12 So if you say that the state, for example, has to do  
 13 certain things, then private providers can't. It  
 14 basically eliminates the city ordinance altogether. It  
 15 says, we are taking over this field, we are preempting  
 16 it, and we are going to have this set of regulations,  
 17 and therefore if you don't believe that these things  
 18 are necessary, too bad, city, it's too late. We've  
 19 already -- it's not a floor, it's a very restrictive  
 20 set of regulations.

21 REPRESENTATIVE SIMS: Okay. I'm done, Mr.  
 22 Chairman, thank you so much.

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1 CHAIRMAN RITA: Representative Morrison?  
 2 REPRESENTATIVE MORRISON: Thank you. Can  
 3 cabbies right now participate as Uber or Lyft or other  
 4 service drivers?  
 5 MS. GEORGES: So what a taxicab driver can  
 6 do, and we have several taxicab drivers that drove for  
 7 a long time and are here today to testify and to tell  
 8 you about what's really happening out there, they can  
 9 have in their taxicab various cell phones. So they get  
 10 a cell phone from Uber, they get a cell phone from  
 11 other app providers, and they can take calls from that.  
 12 One of Uber's services is to dispatch to taxicabs. But  
 13 when Uber dispatches to taxicabs, they make a dollar  
 14 fifty from the passenger on each ride. When they  
 15 dispatch to an Uber X vehicle, which is a private  
 16 vehicle, and there's surge pricing going on, or even  
 17 when there's not surge pricing going on, they make 20  
 18 percent of the fare. So obviously, operating as an  
 19 Uber X vehicle is much more lucrative.  
 20 What the taxi drivers have told me is  
 21 happening out there, because we've got taxi drivers who  
 22 are here in this room today, and whose spouses work as

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1 taxi drivers as well, is that people will say, register  
 2 a car with one of these rideshare companies by sending  
 3 in a picture of the car, and say they 2014 Camry, but  
 4 then what they do, once they get approved, is they use  
 5 a much older car, because they don't want their 2014  
 6 vehicle to be subjected to passengers coming in, and  
 7 there's nobody inspecting that, so --  
 8 REPRESENTATIVE MORRISON: But what -- sorry  
 9 to cut you off, but --  
 10 MS. GEORGES: Certainly.  
 11 REPRESENTATIVE MORRISON: -- I know we're  
 12 short on time, but wouldn't a user of that service then  
 13 recognize, hey wait a second, I asked for a 2014 car,  
 14 and you're showing up in a, you know, a 2003 --  
 15 REPRESENTATIVE ZALEWSKI: And that's fine.  
 16 REPRESENTATIVE MORRISON: Yeah.  
 17 REPRESENTATIVE ZALEWSKI: And that's fine,  
 18 Tom, and they get rated, and again, that's great, and  
 19 we, you know, we love consumers giving ratings, and we  
 20 want the market to grow organically, but there's going  
 21 to be times when one of these ridesharing operators  
 22 isn't necessarily going to care if they got write up,

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1 because they already made the money. So again, I  
 2 understand --  
 3 REPRESENTATIVE MORRISON: Wouldn't it be in  
 4 the best interests of the ridesharing companies to  
 5 throw out the bad actors, then, very quickly?  
 6 REPRESENTATIVE ZALEWSKI: I'm sure they do,  
 7 but we can't --  
 8 REPRESENTATIVE MORRISON: Right.  
 9 REPRESENTATIVE ZALEWSKI: -- assure that  
 10 every single ridesharing company is going to throw --  
 11 yeah --  
 12 REPRESENTATIVE MORRISON: But can you ensure  
 13 that every single taxi ride is going to be to the  
 14 consumer's preference?  
 15 REPRESENTATIVE ZALEWSKI: No, but I can  
 16 assure that if they don't, they get sanctioned, and  
 17 that they get fined, and that their licensure is  
 18 reviewed --  
 19 REPRESENTATIVE MORRISON: Okay.  
 20 REPRESENTATIVE ZALEWSKI: -- and they may  
 21 jeopardize their wellbeing.  
 22 REPRESENTATIVE MORRISON: Okay. One other

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1 question I had, on this dynamic pricing. Is the price  
 2 disclosed to the user prior to the ride?  
 3 MS. GEORGES: The user will know that surge  
 4 pricing is in effect and that --  
 5 REPRESENTATIVE MORRISON: Okay.  
 6 MS. GEORGES: -- there is a multiple of a  
 7 standard rate. What the user is surprised by is the  
 8 amount, the actual amount charged to the credit card,  
 9 which they don't understand until they leave the  
 10 vehicle and the ride is over.  
 11 REPRESENTATIVE MORRISON: Okay. I -- there  
 12 was an article in the Tribune just a couple weeks ago  
 13 in the Problem Solver column, John Yates wrote about a  
 14 user of a taxi service who had a similar problem. She  
 15 ended up signing an agreement for a credit card  
 16 transaction, and then when she got her statement, it  
 17 was several hundred dollars, and the licensed cabbie  
 18 was out of the country. I don't know if you -- if any  
 19 of you all saw that article, but I'm just saying,  
 20 surely there could be some problems here with these  
 21 ridesharing services, but there's also problems in the  
 22 taxi industry, too.

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Audio Transcription

<p>1 MS. GEORGES: Oh, and we're not here to say 2 there are no problems in the taxi industry. We're here 3 to say level the playing field, that everybody should 4 be regulated, and that there should be some common 5 sense regulations put in place on a statewide basis. 6 REPRESENTATIVE MORRISON: Okay. Appreciate 7 that, no further questions. 8 CHAIRMAN RITA: Any other committee members 9 seeking questions? Seeing none, and Mike, I think 10 you're doing a good job, there should be some level of 11 regulations, so House Bill 4075 is amended. 12 Representative Evans makes a motion, due pass as 13 amended. House Bill 4075. And we have to do an oral 14 roll call, because it was opened by Representative 15 Chapa LaVia. Will the Clerk continue with the roll? 16 THE CLERK: Rita? 17 CHAIRMAN RITA: Yes. 18 THE CLERK: Evans? 19 REPRESENTATIVE EVANS: Yes. 20 THE CLERK: Burke? 21 REPRESENTATIVE BURKE: (Indiscernible). 22 THE CLERK: Davidsmeyer?</p> <p style="text-align: right;">Page 90</p>	<p>1 Anthony. 2 UNIDENTIFIED: (Indiscernible) back with an 3 amendment? 4 REPRESENTATIVE ZALEWSKI: I have to come back 5 with an amendment. I cannot guarantee there will be an 6 agreement. 7 CHAIRMAN RITA: Nine voting yes, two voting 8 no, no one voting present, this bill will be 9 recommended to the House Floor. Seeing no other 10 business, we'll stand at recess until the call of the 11 Chair. 12 (End of recording) 13 * * * * * 14 15 16 17 18 19 20 21 22</p> <p style="text-align: right;">Page 92</p>
<p>1 REPRESENTATIVE DAVIDSMEYER: (Indiscernible). 2 THE CLERK: Harms? 3 REPRESENTATIVE HARMS: No. 4 THE CLERK: Morrison? 5 REPRESENTATIVE MORRISON: No. 6 THE CLERK: Sims? 7 REPRESENTATIVE SIMS: (Indiscernible). 8 THE CLERK: Sommer? 9 REPRESENTATIVE SOMMER: No. 10 THE CLERK: Zalewski? 11 REPRESENTATIVE ZALEWSKI: Yes. 12 THE CLERK: DeLuca? 13 REPRESENTATIVE DELUCA: I know we're done 14 asking questions, but is there a commitment here to 15 continue negotiations? 16 REPRESENTATIVE ZALEWSKI: There is a 17 commitment to continue negotiations. I cannot 18 guarantee there'll be an agreement. 19 REPRESENTATIVE DELUCA: Then I will vote yes, 20 so those negotiations can continue, but in the current 21 form, can't support it on the floor. 22 REPRESENTATIVE ZALEWSKI: Understood,</p> <p style="text-align: right;">Page 91</p>	<p>1 CERTIFICATION 2 3 I, Ilene Watson, do hereby certify that 4 the foregoing is a correct transcript from the 5 electronic sound recording provided for transcription 6 and prepared to the best of my professional skills and 7 ability. 8 9 10 11 12 13 14 15 16 17 18 _____ December 27, 2018 19 Ilene Watson 20 AAERT Cert. No. 447 21 Certified Court Transcriptionist 22</p> <p style="text-align: right;">Page 93</p>

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Rep. Michael J. Zalewski

**Filed: 4/8/2014**

09800HB4075ham002

LRB098 15632 JWD 58445 a

1 AMENDMENT TO HOUSE BILL 4075

2 AMENDMENT NO. . Amend House Bill 4075, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Vehicle Code is amended by  
6 changing Sections 1-122.7, 1-176.1, 3-412, 8-101, 13-101, and  
7 18c-6102 as follows:

8 (625 ILCS 5/1-122.7)

9 Sec. 1-122.7. For-profit ridesharing arrangement. The  
10 transportation by motor vehicle of not more than 16 persons,  
11 including the driver, for which a fee is charged in accordance  
12 with Section 6 of the Ridesharing Arrangements and Consumer  
13 Protection Act, or a commercial ridesharing arrangement as  
14 defined by the Ridesharing Arrangements and Consumer  
15 Protection Act.

16 (Source: P.A. 90-89, eff. 1-1-98.)

1 (625 ILCS 5/1-176.1) (from Ch. 95 1/2, par. 1-176.1)

2 Sec. 1-176.1. Ridesharing arrangement. The transportation  
3 by motor vehicle of not more than 16 persons, including the  
4 driver, (1) for purposes incidental to another purpose of the  
5 driver, for which no fee is charged or paid except to reimburse  
6 the driver or owner of the vehicle for his or her operating  
7 expenses on a nonprofit basis or (2) when these persons are  
8 traveling between their homes and their places of employment,  
9 or places reasonably convenient thereto, for which (i) no fee  
10 is charged or paid except to reimburse the driver or owner of  
11 the vehicle for his or her operating expenses on a nonprofit  
12 basis or (ii) a fee is charged in accordance with the  
13 provisions of Section 6 of the Ridesharing Arrangements and  
14 Consumer Protection Act.

15 (Source: P.A. 90-89, eff. 1-1-98.)

16 (625 ILCS 5/3-412) (from Ch. 95 1/2, par. 3-412)

17 Sec. 3-412. Registration plates and registration stickers  
18 to be furnished by the Secretary of State.

19 (a) The Secretary of State upon registering a vehicle  
20 subject to annual registration for the first time shall issue  
21 or shall cause to be issued to the owner one registration plate  
22 for a motorcycle, trailer, semitrailer, moped or  
23 truck-tractor, 2 registration plates for other motor vehicles  
24 and, where applicable, current registration stickers for motor



1 vehicles of the first division. The provisions of this Section  
2 may be made applicable to such vehicles of the second division,  
3 as the Secretary of State may, from time to time, in his  
4 discretion designate. On subsequent annual registrations  
5 during the term of the registration plate as provided in  
6 Section 3-414.1, the Secretary shall issue or cause to be  
7 issued registration stickers as evidence of current  
8 registration. However, the issuance of annual registration  
9 stickers to vehicles registered under the provisions of  
10 Sections 3-402.1 and 3-405.3 of this Code may not be required  
11 if the Secretary deems the issuance unnecessary.

12 (b) Every registration plate shall have displayed upon it  
13 the registration number assigned to the vehicle for which it is  
14 issued, the name of this State, which may be abbreviated, the  
15 year number for which it was issued, which may be abbreviated,  
16 the phrase "Land of Lincoln" (except as otherwise provided in  
17 this Code), and such other letters or numbers as the Secretary  
18 may prescribe. However, for apportionment plates issued to  
19 vehicles registered under Section 3-402.1 and fleet plates  
20 issued to vehicles registered under Section 3-405.3, the phrase  
21 "Land of Lincoln" may be omitted to allow for the word  
22 "apportioned", the word "fleet", or other similar language to  
23 be displayed. Registration plates issued to a vehicle  
24 registered as a fleet vehicle may display a designation  
25 determined by the Secretary.

26 The Secretary may in his discretion prescribe that letters

1 be used as prefixes only on registration plates issued to  
2 vehicles of the first division which are registered under this  
3 Code and only as suffixes on registration plates issued to  
4 other vehicles. Every registration sticker issued as evidence  
5 of current registration shall designate the year number for  
6 which it is issued and such other letters or numbers as the  
7 Secretary may prescribe and shall be of a contrasting color  
8 with the registration plates and registration stickers of the  
9 previous year.

10 (c) Each registration plate and the required letters and  
11 numerals thereon, except the year number for which issued,  
12 shall be of sufficient size to be plainly readable from a  
13 distance of 100 feet during daylight, and shall be coated with  
14 reflectorizing material. The dimensions of the plate issued to  
15 vehicles of the first division shall be 6 by 12 inches.

16 (d) The Secretary of State shall issue for every passenger  
17 motor vehicle rented without a driver the same type of  
18 registration plates as the type of plates issued for a private  
19 passenger vehicle.

20 (e) The Secretary of State shall issue for every passenger  
21 car used as a taxicab, ~~or~~ livery, or in a commercial  
22 ridesharing arrangement in which the driver participates in  
23 commercial ridesharing arrangements for more than 18 hours per  
24 week, distinctive registration plates.

25 (f) The Secretary of State shall issue for every motorcycle  
26 distinctive registration plates distinguishing between

1 motorcycles having 150 or more cubic centimeters piston  
2 displacement, or having less than 150 cubic centimeter piston  
3 displacement.

4 (g) Registration plates issued to vehicles for-hire may  
5 display a designation as determined by the Secretary that such  
6 vehicles are for-hire, including, but not limited to, vehicles  
7 used as taxicabs, liveries, or in commercial ridesharing  
8 arrangements for more than 18 hours per week.

9 (h) (Blank).

10 (i) The Secretary of State shall issue for every public and  
11 private ambulance registration plates identifying the vehicle  
12 as an ambulance. The Secretary shall forward to the Department  
13 of Healthcare and Family Services registration information for  
14 the purpose of verification of claims filed with the Department  
15 by ambulance owners for payment for services to public  
16 assistance recipients.

17 (j) The Secretary of State shall issue for every public and  
18 private medical carrier or rescue vehicle livery registration  
19 plates displaying numbers within ranges of numbers reserved  
20 respectively for medical carriers and rescue vehicles. The  
21 Secretary shall forward to the Department of Healthcare and  
22 Family Services registration information for the purpose of  
23 verification of claims filed with the Department by owners of  
24 medical carriers or rescue vehicles for payment for services to  
25 public assistance recipients.

26 (k) The Secretary of State shall issue distinctive license

1 plates or distinctive license plate stickers for every vehicle  
2 exempted from subsections (a) and (a-5) of Section 12-503 by  
3 subsection (g) of that Section, and by subsection (g-5) of that  
4 Section before its deletion by this amendatory Act of the 95th  
5 General Assembly. The Secretary shall issue these plates or  
6 stickers immediately upon receiving the physician's  
7 certification required under subsection (g) of Section 12-503.  
8 New plates or stickers shall also be issued when the  
9 certification is renewed as provided in that subsection.

10 (1) The Secretary of State shall issue distinctive  
11 registration plates for low-speed vehicles.

12 (Source: P.A. 95-202, eff. 8-16-07; 95-331, eff. 8-21-07;  
13 96-554, eff. 1-1-10; 96-653, eff. 1-1-10; 96-815, eff.  
14 10-30-09; 96-1000, eff. 7-2-10.)

15 (625 ILCS 5/8-101) (from Ch. 95 1/2, par. 8-101)

16 Sec. 8-101. Proof of financial responsibility - Persons who  
17 operate motor vehicles in transportation of passengers for  
18 hire.

19 (a) It is unlawful for any person, firm or corporation to  
20 operate any motor vehicle along or upon any public street or  
21 highway in any incorporated city, town or village in this State  
22 for the carriage of passengers for hire, accepting and  
23 discharging all such persons as may offer themselves for  
24 transportation unless such person, firm or corporation has  
25 given, and there is in full force and effect and on file with

1 the Secretary of State of Illinois, proof of financial  
2 responsibility provided in this Act.

3 (b) In addition this Section shall also apply to persons,  
4 firms or corporations who are in the business of providing  
5 transportation services for minors to or from educational or  
6 recreational facilities, except that this Section shall not  
7 apply to public utilities subject to regulation under "An Act  
8 concerning public utilities," approved June 29, 1921, as  
9 amended, or to school buses which are operated by public or  
10 parochial schools and are engaged solely in the transportation  
11 of the pupils who attend such schools.

12 (c) This Section also applies to a contract carrier  
13 transporting employees in the course of their employment on a  
14 highway of this State in a vehicle designed to carry 15 or  
15 fewer passengers. As part of proof of financial responsibility,  
16 a contract carrier transporting employees in the course of  
17 their employment is required to verify hit and run and  
18 uninsured motor vehicle coverage, as provided in Section 143a  
19 of the Illinois Insurance Code, and underinsured motor vehicle  
20 coverage, as provided in Section 143a-2 of the Illinois  
21 Insurance Code, in a total amount of not less than \$250,000 per  
22 passenger.

23 (d) This Section shall not apply to any person  
24 participating in a ridesharing arrangement, a for-profit  
25 ridesharing arrangement other than a commercial ridesharing  
26 arrangement, or operating a commuter van, but only during the

1 performance of activities authorized by Sections 5 and 6 of the  
2 Ridesharing Arrangements and Consumer Protection Act.

3 (e) If the person operating such motor vehicle is not the  
4 owner, then proof of financial responsibility filed hereunder  
5 must provide that the owner is primarily liable. In the case of  
6 motor vehicles used in commercial ridesharing arrangements,  
7 the dispatchers providing dispatch services to the driver of  
8 the motor vehicle must submit proof that the driver will be an  
9 additional insured on a primary insurance policy that will  
10 provide coverage during the time period the driver makes  
11 himself, herself, or the vehicle available for dispatch or  
12 while a commercial ridesharing arrangement passenger is in the  
13 vehicle.

14 (Source: P.A. 94-319, eff. 1-1-06.)

15 (625 ILCS 5/13-101) (from Ch. 95 1/2, par. 13-101)

16 Sec. 13-101. Submission to safety test; Certificate of  
17 safety. To promote the safety of the general public, every  
18 owner of a second division vehicle, medical transport vehicle,  
19 tow truck, first division vehicle including a taxi which is  
20 used for a purpose that requires a school bus driver permit,  
21 motor vehicle used for driver education training, motor vehicle  
22 required to submit to safety testing under subparagraph (A) of  
23 paragraph (1) of subsection (b) of Section 7 of the Ridesharing  
24 Arrangements and Consumer Protection Act, or contract carrier  
25 transporting employees in the course of their employment on a

1 highway of this State in a vehicle designed to carry 15 or  
2 fewer passengers shall, before operating the vehicle upon the  
3 highways of Illinois, submit it to a "safety test" and secure a  
4 certificate of safety furnished by the Department as set forth  
5 in Section 13-109. Each second division motor vehicle that  
6 pulls or draws a trailer, semitrailer or pole trailer, with a  
7 gross weight of more than 8,000 lbs or is registered for a  
8 gross weight of more than 8,000 lbs, motor bus, religious  
9 organization bus, school bus, senior citizen transportation  
10 vehicle, and limousine shall be subject to inspection by the  
11 Department and the Department is authorized to establish rules  
12 and regulations for the implementation of such inspections.

13 The owners of each salvage vehicle shall submit it to a  
14 "safety test" and secure a certificate of safety furnished by  
15 the Department prior to its salvage vehicle inspection pursuant  
16 to Section 3-308 of this Code. In implementing and enforcing  
17 the provisions of this Section, the Department and other  
18 authorized State agencies shall do so in a manner that is not  
19 inconsistent with any applicable federal law or regulation so  
20 that no federal funding or support is jeopardized by the  
21 enactment or application of these provisions.

22 However, none of the provisions of Chapter 13 requiring  
23 safety tests or a certificate of safety shall apply to:

24 (a) farm tractors, machinery and implements, wagons,  
25 wagon-trailers or like farm vehicles used primarily in  
26 agricultural pursuits;

1 (b) vehicles other than school buses, tow trucks and  
2 medical transport vehicles owned or operated by a municipal  
3 corporation or political subdivision having a population  
4 of 1,000,000 or more inhabitants and which are subject to  
5 safety tests imposed by local ordinance or resolution;

6 (c) a semitrailer or trailer having a gross weight of  
7 5,000 pounds or less including vehicle weight and maximum  
8 load;

9 (d) recreational vehicles;

10 (e) vehicles registered as and displaying Illinois  
11 antique vehicle plates and vehicles registered as  
12 expanded-use antique vehicles and displaying expanded-use  
13 antique vehicle plates;

14 (f) house trailers equipped and used for living  
15 quarters;

16 (g) vehicles registered as and displaying Illinois  
17 permanently mounted equipment plates or similar vehicles  
18 eligible therefor but registered as governmental vehicles  
19 provided that if said vehicle is reclassified from a  
20 permanently mounted equipment plate so as to lose the  
21 exemption of not requiring a certificate of safety, such  
22 vehicle must be safety tested within 30 days of the  
23 reclassification;

24 (h) vehicles owned or operated by a manufacturer,  
25 dealer or transporter displaying a special plate or plates  
26 as described in Chapter 3 of this Code while such vehicle



1 is being delivered from the manufacturing or assembly plant  
2 directly to the purchasing dealership or distributor, or  
3 being temporarily road driven for quality control testing,  
4 or from one dealer or distributor to another, or are being  
5 moved by the most direct route from one location to another  
6 for the purpose of installing special bodies or equipment,  
7 or driven for purposes of demonstration by a prospective  
8 buyer with the dealer or his agent present in the cab of  
9 the vehicle during the demonstration;

10 (i) pole trailers and auxiliary axles;

11 (j) special mobile equipment;

12 (k) vehicles properly registered in another State  
13 pursuant to law and displaying a valid registration plate,  
14 except vehicles of contract carriers transporting  
15 employees in the course of their employment on a highway of  
16 this State in a vehicle designed to carry 15 or fewer  
17 passengers are only exempted to the extent that the safety  
18 testing requirements applicable to such vehicles in the  
19 state of registration are no less stringent than the safety  
20 testing requirements applicable to contract carriers that  
21 are lawfully registered in Illinois;

22 (l) water-well boring apparatuses or rigs;

23 (m) any vehicle which is owned and operated by the  
24 federal government and externally displays evidence of  
25 such ownership; and

26 (n) second division vehicles registered for a gross

1 weight of 8,000 pounds or less, except when such second  
2 division motor vehicles pull or draw a trailer,  
3 semi-trailer or pole trailer having a gross weight of or  
4 registered for a gross weight of more than 8,000 pounds;  
5 motor buses; religious organization buses; school buses;  
6 senior citizen transportation vehicles; medical transport  
7 vehicles and tow trucks.

8 The safety test shall include the testing and inspection of  
9 brakes, lights, horns, reflectors, rear vision mirrors,  
10 mufflers, safety chains, windshields and windshield wipers,  
11 warning flags and flares, frame, axle, cab and body, or cab or  
12 body, wheels, steering apparatus, and other safety devices and  
13 appliances required by this Code and such other safety tests as  
14 the Department may by rule or regulation require, for second  
15 division vehicles, school buses, medical transport vehicles,  
16 tow trucks, first division vehicles including taxis which are  
17 used for a purpose that requires a school bus driver permit,  
18 motor vehicles required to submit to safety testing under  
19 subparagraph (A) of paragraph (1) of subsection (b) of Section  
20 7 of the Ridesharing Arrangements and Consumer Protection Act,  
21 motor vehicles used for driver education training, vehicles  
22 designed to carry 15 or fewer passengers operated by a contract  
23 carrier transporting employees in the course of their  
24 employment on a highway of this State, trailers, and  
25 semitrailers subject to inspection.

26 For tow trucks, the safety test and inspection shall also

1 include the inspection of winch mountings, body panels, body  
2 mounts, wheel lift swivel points, and sling straps, and other  
3 tests and inspections the Department by rule requires for tow  
4 trucks.

5 For driver education vehicles used by public high schools,  
6 the vehicle must also be equipped with dual control brakes, a  
7 mirror on each side of the vehicle so located as to reflect to  
8 the driver a view of the highway for a distance of at least 200  
9 feet to the rear, and a sign visible from the front and the  
10 rear identifying the vehicle as a driver education car.

11 For trucks, truck tractors, trailers, semi-trailers,  
12 buses, and first division vehicles including taxis which are  
13 used for a purpose that requires a school bus driver permit,  
14 the safety test shall be conducted in accordance with the  
15 Minimum Periodic Inspection Standards promulgated by the  
16 Federal Highway Administration of the U.S. Department of  
17 Transportation and contained in Appendix G to Subchapter B of  
18 Chapter III of Title 49 of the Code of Federal Regulations.  
19 Those standards, as now in effect, are made a part of this  
20 Code, in the same manner as though they were set out in full in  
21 this Code.

22 The passing of the safety test shall not be a bar at any  
23 time to prosecution for operating a second division vehicle,  
24 medical transport vehicle, motor vehicle used for driver  
25 education training, or vehicle designed to carry 15 or fewer  
26 passengers operated by a contract carrier as provided in this

1 Section that is unsafe, as determined by the standards  
2 prescribed in this Code.

3 (Source: P.A. 97-224, eff. 7-28-11; 97-412, eff. 1-1-12;  
4 97-813, eff. 7-13-12; 97-1025, eff. 1-1-13.)

5 (625 ILCS 5/18c-6102) (from Ch. 95 1/2, par. 18c-6102)

6 Sec. 18c-6102. Exemptions From Commission Jurisdiction.

7 The provisions of this Sub-chapter shall not, except as  
8 provided in Section 18c-6501 of this Chapter, apply to:

9 (1) carriers owned by any political subdivision, school  
10 district, institution of higher education, or municipality,  
11 and operated either by such political subdivision, institution  
12 of higher education, or municipality or its lessee or agent;

13 (2) commuter vans as defined in this Code;

14 (3) carriers transporting passengers without fixed routes  
15 or schedules and charging on a time or distance basis,  
16 including taxicabs, charter operations, and contract bus  
17 operations;

18 (4) carriers transporting passengers with fixed routes and  
19 schedules and charging on a per passenger fixed charge basis  
20 and which do not include an airport as a point to be served on  
21 the route, in whole or in part;

22 (5) transportation in vehicles with a manufacturer's rated  
23 seating capacity of less than 8 persons, including the driver;

24 (6) transportation subject to the Ridesharing Arrangements  
25 and Consumer Protection Act;

1 (7) commuter buses offering short-haul for-hire regularly  
2 scheduled passenger transportation service within metropolitan  
3 and suburban areas, over regular routes with fixed schedules,  
4 and utilized primarily by passengers using reduced-fare,  
5 multiple-ride, or commutation tickets during morning and  
6 evening peak periods in travelling to and from their places of  
7 employment; and

8 (8) those persons owning and operating school buses, as  
9 defined in this Code, and regulated by other provisions of this  
10 Code.

11 (Source: P.A. 90-407, eff. 8-15-97; 91-357, eff. 7-29-99.)

12 Section 10. The Ridesharing Arrangements Act is amended by  
13 changing Sections 1, 2, and 5 and by adding Section 7 as  
14 follows:

15 (625 ILCS 30/1) (from Ch. 95 1/2, par. 901)

16 Sec. 1. This Act shall be known and may be cited as the  
17 Ridesharing Arrangements and Consumer Protection Act.

18 (Source: P.A. 82-656.)

19 (625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

20 Sec. 2. (a) "Ridesharing arrangement" means the  
21 transportation by motor vehicle of not more than 16 persons  
22 (including the driver):

23 (1) for purposes incidental to another purpose of the

1 driver, for which no fee is charged or paid except to reimburse  
2 the driver or owner of the vehicle for his operating expenses  
3 on a nonprofit basis; or

4 (2) when such persons are travelling between their homes  
5 and their places of employment, or places reasonably convenient  
6 thereto, for which (i) no fee is charged or paid except to  
7 reimburse the driver or owner of the vehicle for his operating  
8 expenses on a nonprofit basis, or (ii) a fee is charged in  
9 accordance with the provisions of Section 6 of this Act.

10 (b) "For-profit ridesharing arrangement" means:

11 (1) a ridesharing arrangement for which a fee is  
12 charged in accordance with Section 6 of this Act; or -

13 (2) a commercial ridesharing arrangement conducted in  
14 accordance with Section 7 of this Act.

15 (c) "Commercial ridesharing arrangement" means a  
16 ridesharing arrangement in which the method of transportation  
17 is a vehicle owned or leased for personal use, of not more than  
18 6 persons (including the driver), prearranged through a  
19 dispatcher, and for which a fee is charged, but that is not  
20 provided in accordance with the limitations of Section 6 of  
21 this Act. "Commercial ridesharing arrangement" includes a  
22 for-hire public passenger vehicle licensed by a unit of local  
23 government as a taxicab, but only for the purpose of  
24 establishing a fare under subparagraph (D) of paragraph (1) of  
25 subsection (b) of Section 7, when the driver of the taxicab  
26 receives a dispatch using Internet, smartphone, or an

1 electronic application from a dispatcher.

2 (d) "Dispatch" means the act of facilitating a connection  
3 between drivers and passengers for a commercial ridesharing  
4 arrangement using telephone, Internet, smartphone, or an  
5 electronic application, with or without an account set up  
6 between the passenger and the connecting person.

7 (e) "Dispatcher" means a person that performs a dispatch.

8 (Source: P.A. 83-1091.)

9 (625 ILCS 30/5) (from Ch. 95 1/2, par. 905)

10 Sec. 5. (a) No unit of local government, whether or not it  
11 is a home rule unit, may:

12 (1) license or regulate ridesharing arrangements;

13 (2) impose any tax or fee upon the owner or operator of a  
14 motor vehicle because of its use in a ridesharing arrangement;

15 (3) prohibit or regulate the charging of fees for  
16 ridesharing arrangements in accordance with Section 6 of this  
17 Act.

18 This Act is declared to be a denial and limitation of the  
19 powers of home rule units pursuant to paragraph (g) of Section  
20 6 of Article VII of the Illinois Constitution.

21 (b) A unit of local government, whether or not it is a home  
22 rule unit, may not license or regulate commercial ridesharing  
23 arrangements, dispatchers, or drivers participating in  
24 commercial ridesharing arrangements in a manner that is less  
25 restrictive than the regulation by the State under this Act.

1 This subsection (b) is a limitation under subsection (i) of  
2 Section 6 of Article VII of the Illinois Constitution on the  
3 concurrent exercise by home rule units of powers and functions  
4 exercised by the State.

5 (c) A unit of local government, whether or not it is a home  
6 rule unit, may not license or regulate commercial ridesharing  
7 arrangements, dispatchers, or drivers participating in  
8 commercial ridesharing arrangements in a manner that is  
9 inconsistent with paragraph (1) of subsection (a) of Section 7  
10 of this Act or that is inconsistent with subparagraph (D) of  
11 paragraph (1) of subsection (b) of Section 7 of this Act. This  
12 subsection (c) is a denial and limitation of home rule powers  
13 and functions under subsection (h) of Section 6 of Article VII  
14 of the Illinois Constitution.

15 (Source: P.A. 83-1091.)

16 (625 ILCS 30/7 new)

17 Sec. 7.

18 (a) Commercial ridesharing arrangements are subject to the  
19 following license and registration requirements:

20 (1) No person shall participate as a driver in  
21 commercial ridesharing arrangements for more than 18 hours  
22 per week without first securing (i) a chauffeur's license  
23 issued by the unit of local government where the vehicle  
24 used in the commercial ridesharing arrangement is  
25 registered; or (ii) if the unit of local government in



1 which the vehicle used in a commercial ridesharing  
2 arrangement is registered does not issue chauffeur's  
3 licenses, then a chauffeur's license issued by a unit of  
4 local government in which the driver provides commercial  
5 ridesharing arrangements. If no unit of local government in  
6 which the vehicle used in a commercial ridesharing  
7 arrangement is registered or operated issues chauffeur's  
8 licenses or if the driver of the commercial ridesharing  
9 arrangement does not participate in commercial ridesharing  
10 arrangements for more than 18 hours per week, then the  
11 driver is not required to obtain a chauffeur's license;  
12 provided, however, that the dispatcher shall conduct a  
13 background check of a prospective driver prior to  
14 dispatching commercial ridesharing arrangements to that  
15 driver and shall certify in the reports required by  
16 subsection (h) of this Section 7 that the driver is  
17 participating in a commercial ridesharing arrangement for  
18 18 or fewer hours per week.

19 (2) No person shall perform dispatches without first  
20 securing a commercial ridesharing dispatcher's license  
21 from the Department of Financial and Professional  
22 Regulation. An applicant for a commercial ridesharing  
23 dispatcher's license must submit evidence of the insurance  
24 required by item (B) of paragraph (1) of subsection (b) of  
25 this Section. This license must be renewed annually. The  
26 fee for this license shall be set by the Department of

1 Financial and Professional Regulation. The Department of  
2 Financial and Professional Regulation shall adopt rules to  
3 implement this paragraph.

4 (3) No commercial ridesharing arrangement shall be  
5 conducted in a vehicle that does not have distinctive  
6 registration plates issued in accordance with the  
7 requirements of Section 3-412 of the Illinois Vehicle Code  
8 if the driver or the vehicle participates in commercial  
9 ridesharing arrangements for more than 18 hours per week.

10 (b) (1) All commercial ridesharing arrangements shall be  
11 conducted under the following standards:

12 (A) A vehicle used for commercial ridesharing  
13 arrangements for more than 18 hours per week must  
14 conform to the age requirements for vehicles used for  
15 transporting passengers for hire adopted by the unit of  
16 local government in which the vehicle is registered.  
17 Any vehicle used for commercial ridesharing  
18 arrangements for more than 18 hours per week must pass  
19 any safety inspections required by the unit of local  
20 government that issued the driver's chauffeur's  
21 license for vehicles used in transporting passengers  
22 for-hire. If the unit of local government that issued  
23 the driver's chauffeur's license does not require  
24 safety inspections for vehicles used in transporting  
25 passengers for-hire, or if the driver is not required  
26 to have a chauffeur's license under paragraph (1) of

1 subsection (a) of this Section, then the vehicle must  
2 pass an annual safety inspection that the dispatcher  
3 certifies as meeting the requirements of Section  
4 13-101 of the Illinois Vehicle Code.

5 (B) Dispatchers must carry commercial liability  
6 insurance in accordance with Section 12-707.01 of the  
7 Illinois Vehicle Code with primary coverage for the  
8 dispatcher, the driver, and the vehicle used in the  
9 commercial ridesharing arrangement during the time  
10 period when the driver makes himself, herself, or the  
11 vehicle available for dispatch or while a commercial  
12 ridesharing arrangement passenger is in the vehicle.  
13 Any terms or conditions in the agreement between the  
14 dispatcher and driver, or between the dispatcher and  
15 passenger, that would act as a waiver of the  
16 dispatcher's liability to the driver, the passenger,  
17 or to the public, or as an indemnification from the  
18 driver or passenger to the dispatcher, are null, void,  
19 and unenforceable.

20 (C) Commercial ridesharing arrangements shall be  
21 arranged solely through a dispatcher. No person shall  
22 solicit or accept potential passengers' requests for  
23 service in a commercial ridesharing arrangement via  
24 street hail, hand gestures, or verbal statements. No  
25 commercial ridesharing arrangement shall pick up or  
26 discharge a passenger at any place prohibited by the

1 unit of local government in which the commercial  
2 ridesharing arrangement is conducted, or at any  
3 designated taxicab stands, queues, or loading zones.

4 (D) Any vehicle, including a taxicab, used in  
5 commercial ridesharing arrangements shall have its  
6 fare established by a dispatcher who has provided  
7 notice of the amount of the fare to a prospective  
8 passenger prior to obtaining the prospective  
9 passenger's agreement for the fare.

10 (E) If a unit of local government has requirements  
11 for licensed chauffeurs to provide service in  
12 under-served areas, drivers participating in  
13 commercial ridesharing arrangements within that unit  
14 of local government shall be subject to the same  
15 requirements for providing service in under-served  
16 areas.

17 (F) If a unit of local government has requirements  
18 for licensed chauffeurs to provide wheelchair  
19 accessible vehicles, drivers participating in  
20 commercial ridesharing arrangements within that unit  
21 of local government's jurisdiction shall be subject to  
22 the same requirements for providing wheelchair  
23 accessible vehicles.

24 (2) No person shall perform dispatches except as  
25 follows:

26 (A) Dispatches shall be made only to drivers

1           licensed in accordance with subsection (a) of this  
2           Section.

3           (B) If distinctive registration plates are  
4           required by paragraph (3) of subsection (a) of this  
5           Section, then a dispatcher shall ensure that the  
6           vehicle has the distinctive registration plates prior  
7           to dispatching to that vehicle.

8           (c) Any person, other than a passenger, who participates in  
9           a commercial ridesharing arrangement in violation of this  
10          Section is guilty of a violation of this Section and shall be  
11          subject to the penalties adopted by the Department of Financial  
12          and Professional Regulation by administrative rule, including,  
13          but not limited to, fines, probation, revocation of licenses,  
14          and vehicle impoundment.

15          (d) Any person whose property or person is injured or in  
16          danger of injury due to an actual or imminent violation of this  
17          Section may file suit in the circuit court having jurisdiction  
18          to recover any remedy permitted by law, including damages and  
19          injunctive relief.

20          (e) A dispatcher shall assume liability, including the  
21          costs of defense and indemnification, for a claim in which a  
22          dispute exists as to whether the loss or injury giving rise to  
23          the claim occurred while a vehicle involved in the incident  
24          giving rise to the claim was made available for dispatch or  
25          while a commercial ridesharing arrangement passenger is in the  
26          vehicle. The dispatcher must notify the registered owner of the

1 vehicle and the registered owner's insurer of the dispute  
2 within 25 business days of receiving notice of the accident  
3 that gives rise to the claim. If a private passenger motor  
4 vehicle's registered owner or its insurer is named as a  
5 defendant in a civil action for any loss or injury that occurs  
6 during the time the vehicle is made available for dispatch, the  
7 dispatcher shall have the duty to defend and indemnify the  
8 vehicle's registered owner and its insurers.

9 (f) Notwithstanding any provision in the vehicle owner's  
10 insurance policy or any other provision of this Act, the  
11 insurer providing coverage to the owner of a private passenger  
12 motor vehicle may exclude any and all coverage and the duty to  
13 defend afforded under the owner's insurance policy for any loss  
14 or injury that occurs while the vehicle is made available for  
15 dispatch or while a commercial ridesharing arrangement  
16 passenger is in the vehicle. This right to exclude coverage and  
17 the duty to indemnify and defend applies to all coverage  
18 provided by the registered owner's insurer including, but not  
19 limited to:

- 20 (1) liability and physical damage coverage;  
21 (2) personal injury protection coverage;  
22 (3) uninsured and underinsured motorist coverage;  
23 (4) medical payment coverage for persons using or  
24 occupying the registered vehicle;  
25 (5) comprehensive physical damage coverage; and  
26 (6) collision physical damage coverage.

1       (g) A dispatcher must, prior to the first use of a vehicle  
2 in a commercial ridesharing arrangement, and upon renewal,  
3 cancellation, or change in insurance by the dispatcher, provide  
4 the vehicle's registered owner and any driver of the vehicle  
5 with a disclosure that contains:

6           (1) information explaining the insurance requirements  
7 of this Section;

8           (2) information explaining the coverage and coverage  
9 limits provided under the dispatcher's insurance policy;

10          (3) notice that the dispatcher assumes all liability  
11 for any loss or injury that occurs while the vehicle is  
12 made available for dispatch or while a commercial  
13 ridesharing arrangement passenger is in the vehicle; and

14          (4) notice that the dispatcher provides insurance on  
15 the vehicle while the vehicle is made available for  
16 dispatch or while a commercial ridesharing arrangement  
17 passenger is in the vehicle that is comparable to a  
18 standard owner's insurance policy and that the vehicle's  
19 registered owner's insurance policy may exclude all  
20 coverage and the duty to defend or indemnify any person or  
21 organization for liability for any loss or injury that  
22 occurs while the vehicle is made available for dispatch or  
23 while a commercial ridesharing arrangement passenger is in  
24 the vehicle.

25       (h) For each vehicle used in a commercial ridesharing  
26 arrangement a dispatcher must collect, maintain, and make

1 available to the vehicle's registered owner, the vehicle's  
2 registered owner's primary automobile liability insurer, and  
3 any government agency as required by law, at the cost of the  
4 dispatcher, the following:

5 (1) records that identify the date and duration the  
6 driver makes himself, herself, or the vehicle available for  
7 dispatch. For vehicles with an electronic tracking device,  
8 electronic records of the time, initial and final locations  
9 of the vehicle, and miles driven when the vehicle is under  
10 the control of a person other than the vehicle's registered  
11 owner under a commercial ridesharing arrangement; and

12 (2) in instances where an insurance claim has been  
13 filed, any and all information, including payments to the  
14 registered owner by the dispatcher, concerning accidents,  
15 damages, or injuries.

16 (i) The Department of Financial and Professional  
17 Regulation shall adopt rules to implement this Section.

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law."



AUDIO TRANSCRIPTION

FILE NAME: BUSINESS OCCUP 040914

April 9, 2014

1 this out of committee, I would give that to you, but  
 2 obviously, at this point, it won't help you, so I'm a  
 3 no.  
 4 CHAIRPERSON RITA: So two voting yes, nine  
 5 voting no.  
 6 UNIDENTIFIED: It was two?  
 7 CHAIRPERSON RITA: This measure will stay in  
 8 committee.  
 9 (Pause)  
 10 CHAIRPERSON RITA: All right. So we've got  
 11 one more measure here. Representative Zalewski, Floor  
 12 Amendment Number 2, and I'm understanding that --  
 13 what's that -- House Bill 4075 that you do have an  
 14 agreement, from my understanding, correct?  
 15 REPRESENTATIVE ZALEWSKI: That's not  
 16 accurate?  
 17 CHAIRPERSON RITA: No? Okay. Close to an  
 18 agreement?  
 19 REPRESENTATIVE ZALEWSKI: It depends on who  
 20 you ask, Mr. Chairman.  
 21 CHAIRPERSON RITA: So here, for the record,  
 22 we've got Mark Mifflin, Griffin Wining -- Winning,

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1 Cohen and Bodewes as proponent. Mike Noonan is a  
 2 proponent, Roosevelt Group.  
 3 Mike Noonan, you're on here again as  
 4 appearance only, but what, do you want to make sure  
 5 your name is heard? Mike Noonan is in support of this  
 6 bill.  
 7 Mike McClain, Illinois Trial Lawyers'  
 8 Association. Kevin Martin, Illinois Insurance  
 9 Association. Opponents are John Nicolay, Nicolay &  
 10 Dart, and Christopher Johnson, Uber Technologies, and  
 11 Kent Gaffney, right?  
 12 I was listening to Ray. He told me on the  
 13 last one. So Kent Gaffney is in opposition.  
 14 REPRESENTATIVE ZALEWSKI: He's the straw that  
 15 stirs the drink, Mr. Chairman. He gets into this  
 16 stuff.  
 17 CHAIRPERSON RITA: You may proceed.  
 18 REPRESENTATIVE ZALEWSKI: Thank you. We  
 19 bring today House Floor Bill Amendment Number 2,  
 20 Mr. Chairman. When we last left this committee, we  
 21 explained that we had work to do on the ridesharing  
 22 legislation. What is before the committee, in my

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1 opinion, represents every component piece of what was  
 2 asked for by the proponents of this bill, and it  
 3 represents a bifurcation of these drivers into two  
 4 categories, above 18 hours and below 18 hours.  
 5 The above 18-hour drivers per week would fall  
 6 into this -- would fall into this category of having to  
 7 be more regulated. They would find themselves more in  
 8 a posture of being regulated than the below 18-hour  
 9 drivers. Mara Georges, who represent -- is a proponent  
 10 of the bill, is here to sort of run through the changes  
 11 that were made.  
 12 I would say to members of the committee this:  
 13 I worked up until --  
 14 CHAIRPERSON RITA: Hold on one second, Mike.  
 15 So we've got a motion to open the roll.  
 16 We've got to recommend it be adopted for House Floor  
 17 Amendment Number 2 to House Bill 4075 by Representative  
 18 Reboletti. And to open the roll, Reboletti votes yes?  
 19 REPRESENTATIVE REBOLETTI: Yes.  
 20 CHAIRPERSON RITA: Representative Evans votes  
 21 yes. Representative DeLuca votes yes. Representative  
 22 Burke votes yes. Representative Chapa LaVia votes yes.

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1 Representative Sims votes yes.  
 2 REPRESENTATIVE ZALEWSKI: So all that are  
 3 left are the no votes?  
 4 And you represent?  
 5 CHAIRPERSON RITA: I didn't vote yet, though.  
 6 Go ahead.  
 7 REPRESENTATIVE ZALEWSKI: So --  
 8 CHAIRPERSON RITA: You need one more, though.  
 9 REPRESENTATIVE ZALEWSKI: Yeah. And what I'm  
 10 prepared to say, I'll be quick, because I can  
 11 understand the mood of the committee at this point.  
 12 What I will say is this about the opposition: I worked  
 13 up until ten minutes before this committee to get an  
 14 agreement with the opposition.  
 15 Frankly, I don't know why Uber is -- I know  
 16 why Lyft is opposed at this point. They made it clear  
 17 to me that they think this is overly burdensome. I  
 18 don't know why Uber is opposed. It has not been  
 19 explained to me, and we've been basically been giving  
 20 Uber every opportunity to see this -- be a proponent of  
 21 this bill.  
 22 So take that for what you will, and I'll ask

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1 Ms. Georges to run through the bill.  
 2 MS. GEORGES: Good afternoon, Mr. Chair,  
 3 members of the committee. My name is Mara Georges. I  
 4 represent the Illinois Trade Transportation  
 5 Association, a group made up of about 6,800 medallion  
 6 owners, about 2,800 of which are individuals. When  
 7 last I appeared before this committee, I heard the  
 8 concerns of the members of this committee, and we've  
 9 been doing a lot of work since we last appeared.  
 10 Under the leadership of Representative  
 11 Zalewski, we've had countless meetings with  
 12 high-ranking members of the rideshare companies, and  
 13 with members of the general assembly to hear what it  
 14 is, the work they wanted, done on this bill. And as a  
 15 result, we've come up with an amendment that allows  
 16 ridesharing to prosper in the State of Illinois, while  
 17 at the same time making sure that consumers are  
 18 protected by requiring licensure for certain drivers  
 19 and insurance.  
 20 As Representative Zalewski said, the  
 21 amendment creates a two-tiered system. So the first  
 22 tier is those drivers who drive more than 18 hours a

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1 week. The second tier is those who drive 18 or fewer  
 2 hours a week.  
 3 Those who drive more than 18 hours a week  
 4 have to secure a chauffeur's license from the local  
 5 municipality. They have to get distinctive  
 6 registration plates. They have to comply with the  
 7 local municipality's regulations regarding the age of  
 8 the vehicle and inspection of the vehicle, but those  
 9 drivers who drive 18 or fewer hours can drive under  
 10 much more relaxed standards, and we've heard from the  
 11 rideshare companies that 80 to 90 percent of their  
 12 drivers drive less than 20 hours a week.  
 13 And we heard from the members of the general  
 14 assembly that they wanted to protect ridesharing, and  
 15 they wanted to allow for those mom-and-pop -- those  
 16 kind of soccer moms that want to be able to drive a  
 17 couple hours a day. So we've tried to put in place a  
 18 mechanism for those people, and those drivers driving  
 19 18 or fewer hours a week would not have to secure a  
 20 chauffeur license.  
 21 They would not have to go through all of the  
 22 requirements of getting a chauffeur license, but

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1 instead, the dispatcher would simply have to do a  
 2 background check before dispatching to that driver,  
 3 because we heard from members of the general assembly  
 4 and members of the public that they didn't want to get  
 5 into a car unless a driver had had a background check  
 6 and had cleared a background check.  
 7 It is the dispatcher that will have to  
 8 certify that the vehicle has passed a safety  
 9 inspection, but that vehicle will not have to go  
 10 through a safety inspection by the municipality in  
 11 which the ridesharing is conducted. So, obviously, as  
 12 you can see, we've accounted for ridesharing 18 or  
 13 fewer hours a week with much less stringent standards,  
 14 but standards which protect the public, which was very  
 15 important to members of the general assembly.  
 16 We do require that there be commercial  
 17 liability insurance, and I know that the insurance  
 18 industry proponents are here to support the bill and to  
 19 talk about the insurance required. We also provide  
 20 that it is the local government that will decide the  
 21 prohibited places of pickup. So the local government  
 22 will decide if there are any places where a rideshare

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1 vehicle shall not operate.  
 2 Further, we've left it to local government to  
 3 decide whether wheelchair accessible vehicles are  
 4 necessary, whether service to underserved areas is  
 5 necessary, because we heard from members of the general  
 6 assembly that they wanted to leave that up to the local  
 7 government, but we urge you all to support the  
 8 amendment to 4075. We think we've struck a balance  
 9 that appeals to a broad group, both the ridesharing  
 10 companies --  
 11 CHAIRPERSON RITA: So let's hear from someone  
 12 that's in opposition.  
 13 I thought it was agreed to, but is it, John  
 14 Nicolay?  
 15 MR. NICOLAY: Thank you, Mr. Chairman. And  
 16 since I am fairly good at counting, I will be brief. I  
 17 know when I'm rolled.  
 18 But John Nicolay on behalf of Lyft, one of  
 19 the -- one of the three ridesharing operators in the  
 20 city of Chicago. Let's -- first of all, let's just be  
 21 clear about this. This is a new industry that has been  
 22 operating for just about two years in the city of

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1 Chicago and has had virtually no problems. It's  
 2 exceptionally safe. It's exceptionally popular. It's  
 3 a perfect example of a successful tech business that we  
 4 should be encouraging.

5 And make no bones about it, this amendment,  
 6 despite the efforts of Representative Zalewski, will  
 7 drastically curtail, if not end, ridesharing in  
 8 Chicago. This is an example of the legislature, I  
 9 think, trying to do the right thing, but, in effect,  
 10 you're -- you have a buggy-whip bill here in an  
 11 automobile world.

12 The bill -- I'll just speak to a few  
 13 provisions of it. The hour limit, it is true that most  
 14 of our drivers are -- are generally under 20 hours a  
 15 week, but the way the bill is written, you could have a  
 16 student or an elderly person, you know, an older person  
 17 that is driving part-time. They could drive five hours  
 18 a week for 50 weeks a year, and then they get a break  
 19 from school or something to that effect and drive for  
 20 25 hours, and they're automatically a professional  
 21 chauffeur.

22 It doesn't fit the model. The model that we

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1 have that's been very successful and popular is  
 2 flexible, and this bill does not give any flexibility  
 3 whatsoever if you go one minute over that 18 hours, and  
 4 it's not even clear in the bill. Are the 18 hours over  
 5 seven continuous days? If you just have the app on,  
 6 does that count as time? It's very problematic, and  
 7 it's going to make it impossible for our companies to  
 8 recruit drivers.

9 Let's talk about what the bill requires the  
 10 Department of Professional Regulation to do. They're  
 11 going to be, under the language of the bill, in charge  
 12 of monitoring thousands and thousands of drivers,  
 13 monitoring their apps, monitoring their hours, checking  
 14 for licenses, reviewing insurance. The State will have  
 15 to issue new plates under this bill. They will have to  
 16 impound cars if there is a violation. These are all  
 17 things that are -- that are brand-new and are contained  
 18 in this language.

19 The insurance regulations. You know, there  
 20 was a lot of misinformation out there that the  
 21 companies did not have insurance. That's completely  
 22 untrue. In most cases, we have more insurance than

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1 taxicabs. What this bill -- what this amendment would  
 2 do is mandate that any time the app is on that the --  
 3 their personal insurance is completely off the hook for  
 4 anything.

5 Well, if they're not performing a function  
 6 under the app, then their personal insurance should  
 7 cover it, and if they are performing a function under  
 8 the app, then we have insurance to cover that up to  
 9 \$1 million currently. That's under what we currently  
 10 do.

11 The bill bans -- it bans ridesharing unless  
 12 done through a, quote, "dispatch" company. I think  
 13 that also reflects a fundamental misunderstanding of  
 14 the process. We don't have dispatchers. It's strictly  
 15 a computer application, a phone application, actually,  
 16 that puts two -- a driver and a rider together. The  
 17 companies have no role in that, other than to put those  
 18 two parties together. It's a perfect, free-market  
 19 system, and that's why it works so well.

20 With that, I'm going to stop there unless the  
 21 committee has questions.

22 CHAIRPERSON RITA: Any questions from the

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1 committee members? No questions?

2 MR. ZALEWSKI: So, Mr. Chair, just, again,  
 3 the committee needs to be aware of one thing, or a  
 4 couple of things. We took the committee's suggestion  
 5 that we work -- try to work this out.

6 We had painstaking, substantive, detailed  
 7 negotiations over the course of the last 72 to 96  
 8 hours, maybe even longer, but going back to that, we've  
 9 incorporated every single thing that has been asked of  
 10 us in this bill by at least one ridesharing company,  
 11 and as of today, as of this moment right now, I haven't  
 12 been told a reason why they're opposed.

13 So the committee needs to at least know if  
 14 you're opposed to the bill, that's -- that's  
 15 understandable, but don't take your vote knowing that  
 16 there hasn't been -- there hasn't been compromised  
 17 reached here or there hasn't been a substantive move  
 18 towards the center. That's not true. I worked very  
 19 hard on this bill, and I've tried to do everything I  
 20 can to be -- make this an agreed bill.

21 CHAIRPERSON RITA: Representative Davidsmeyer  
 22 for a question.

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4/9/2014

Audio Transcription

<p>1 REPRESENTATIVE DAVIDSMEYER: So this -- the 2 amendment that originally passed out of here, this is 3 much better than the prior amendment. 4 MR. ZALEWSKI: For the ridesharing companies, 5 absolutely. You're correct. 6 REPRESENTATIVE DAVIDSMEYER: To make up for 7 some of the concerns. 8 REPRESENTATIVE ZALEWSKI: And -- I'm sorry. 9 MR. MIFFLIN: Mr. Chairman, if I might? My 10 name is Mark Mifflin. I represent the Property 11 Casualty Insurers Association of American, one of the 12 national trade associations of property and casualty. 13 I will be very brief. Mr. Nicolay referred 14 to the insurance issue here. The insurance has been 15 addressed in this bill. It was not addressed in the 16 earlier draft of the bill, so this amendment finally 17 interjects insurance into the bill, and it does provide 18 a bright-line test for everybody to know when your 19 personal lines carrier is on the line and when the 20 transportation company's commercial policy is on the 21 line. 22 And that's easily described as when you are</p> <p style="text-align: right;">Page 34</p>	<p>1 THE CLERK: Rita? 2 CHAIRPERSON RITA: Yes. 3 THE CLERK: Poe? 4 REPRESENTATIVE POE: No. 5 THE CLERK: Davidsmeyer? 6 REPRESENTATIVE DAVIDSMEYER: Yes. 7 THE CLERK: Morrison? 8 REPRESENTATIVE MORRISON: I just want to 9 thank you, Mike, for all of the work you have done. I 10 could tell that, you know, some of the concerns I 11 raised in the last committee meeting have been 12 addressed. I really appreciate that. I still am going 13 to vote no, but -- 14 CHAIRPERSON RITA: Fair enough. 15 REPRESENTATIVE MORRISON: -- but -- no. But 16 I can -- I genuinely appreciate -- 17 REPRESENTATIVE ZALEWSKI: Thank you. 18 REPRESENTATIVE MORRISON: -- what you've 19 done. 20 REPRESENTATIVE ZALEWSKI: That's kind of you 21 to say. 22 REPRESENTATIVE MORRISON: So thank you.</p> <p style="text-align: right;">Page 36</p>
<p>1 trolling or carrying a passenger, your commercial 2 policy would apply, and when you're on a personal 3 errand without your application on, when you're not 4 available to pick up people, then your personal policy 5 would apply. So it's a bright-line test between the 6 commercial policy and the personal policy that we think 7 helps the commercial carriers, it helps the personal 8 lines carriers, it helps the consumers, it helps the 9 drivers, and helps the companies decide exactly what's 10 involved. 11 It does also include some disclosure 12 requirements for the transportation companies and some 13 maintenance of records, then, for disclosure that will 14 help all of the insurance companies and the 15 governmental agencies evaluate exactly what's going on 16 with these cars and with these companies. We just urge 17 your support of the bill. 18 CHAIRPERSON RITA: So any other questions for 19 committee members? 20 Will the -- 21 Are you done? 22 Will the clerk continue with the roll call?</p> <p style="text-align: right;">Page 35</p>	<p>1 REPRESENTATIVE ZALEWSKI: Thank you, Tom 2 THE CLERK: Zalewski? 3 REPRESENTATIVE ZALEWSKI: Yes. 4 CHAIRPERSON RITA: So nine voting yes, two 5 voting no. No one voting present. This measure will 6 be reported to the house floor. 7 Seeing no other business, correct, we'll 8 stand at recess until they call the Chair. 9 (End of recording) 10 * * * * * 11 12 13 14 15 16 17 18 19 20 21 22</p> <p style="text-align: right;">Page 37</p>

Pages 34 to 37

<p>1 CERTIFICATION</p> <p>2</p> <p>3 I, Ilene Watson, do hereby certify that</p> <p>4 the foregoing is a correct transcript from the</p> <p>5 electronic sound recording provided for transcription</p> <p>6 and prepared to the best of my professional skills and</p> <p>7 ability.</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18 _____ December 27, 2018</p> <p>19 Ilene Watson</p> <p>20 AAERT Cert. No. 447</p> <p>21 Certified Court Transcriptionist</p> <p>22</p> <p>Page 38</p>	



Rep. Michael J. Zalewski

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1 AMENDMENT TO HOUSE BILL 4075

2 AMENDMENT NO. . Amend House Bill 4075, AS AMENDED, by  
3 replacing everything after the enacting clause with the  
4 following:

5 "Section 5. The Illinois Vehicle Code is amended by  
6 changing Sections 1-122.7, 1-176.1, 3-412, 8-101, 13-101, and  
7 18c-6102 as follows:

8 (625 ILCS 5/1-122.7)

9 Sec. 1-122.7. For-profit ridesharing arrangement. The  
10 transportation by motor vehicle of not more than 16 persons,  
11 including the driver, for which a fee is charged in accordance  
12 with Section 6 of the Ridesharing Arrangements and Consumer  
13 Protection Act, or a commercial ridesharing arrangement as  
14 defined by the Ridesharing Arrangements and Consumer  
15 Protection Act.

16 (Source: P.A. 90-89, eff. 1-1-98.)

1 (625 ILCS 5/1-176.1) (from Ch. 95 1/2, par. 1-176.1)

2 Sec. 1-176.1. Ridesharing arrangement. The transportation  
3 by motor vehicle of not more than 16 persons, including the  
4 driver, (1) for purposes incidental to another purpose of the  
5 driver, for which no fee is charged or paid except to reimburse  
6 the driver or owner of the vehicle for his or her operating  
7 expenses on a nonprofit basis or (2) when these persons are  
8 traveling between their homes and their places of employment,  
9 or places reasonably convenient thereto, for which (i) no fee  
10 is charged or paid except to reimburse the driver or owner of  
11 the vehicle for his or her operating expenses on a nonprofit  
12 basis or (ii) a fee is charged in accordance with the  
13 provisions of Section 6 of the Ridesharing Arrangements and  
14 Consumer Protection Act.

15 (Source: P.A. 90-89, eff. 1-1-98.)

16 (625 ILCS 5/3-412) (from Ch. 95 1/2, par. 3-412)

17 Sec. 3-412. Registration plates and registration stickers  
18 to be furnished by the Secretary of State.

19 (a) The Secretary of State upon registering a vehicle  
20 subject to annual registration for the first time shall issue  
21 or shall cause to be issued to the owner one registration plate  
22 for a motorcycle, trailer, semitrailer, moped or  
23 truck-tractor, 2 registration plates for other motor vehicles  
24 and, where applicable, current registration stickers for motor



1 vehicles of the first division. The provisions of this Section  
2 may be made applicable to such vehicles of the second division,  
3 as the Secretary of State may, from time to time, in his  
4 discretion designate. On subsequent annual registrations  
5 during the term of the registration plate as provided in  
6 Section 3-414.1, the Secretary shall issue or cause to be  
7 issued registration stickers as evidence of current  
8 registration. However, the issuance of annual registration  
9 stickers to vehicles registered under the provisions of  
10 Sections 3-402.1 and 3-405.3 of this Code may not be required  
11 if the Secretary deems the issuance unnecessary.

12 (b) Every registration plate shall have displayed upon it  
13 the registration number assigned to the vehicle for which it is  
14 issued, the name of this State, which may be abbreviated, the  
15 year number for which it was issued, which may be abbreviated,  
16 the phrase "Land of Lincoln" (except as otherwise provided in  
17 this Code), and such other letters or numbers as the Secretary  
18 may prescribe. However, for apportionment plates issued to  
19 vehicles registered under Section 3-402.1 and fleet plates  
20 issued to vehicles registered under Section 3-405.3, the phrase  
21 "Land of Lincoln" may be omitted to allow for the word  
22 "apportioned", the word "fleet", or other similar language to  
23 be displayed. Registration plates issued to a vehicle  
24 registered as a fleet vehicle may display a designation  
25 determined by the Secretary.

26 The Secretary may in his discretion prescribe that letters

1 be used as prefixes only on registration plates issued to  
2 vehicles of the first division which are registered under this  
3 Code and only as suffixes on registration plates issued to  
4 other vehicles. Every registration sticker issued as evidence  
5 of current registration shall designate the year number for  
6 which it is issued and such other letters or numbers as the  
7 Secretary may prescribe and shall be of a contrasting color  
8 with the registration plates and registration stickers of the  
9 previous year.

10 (c) Each registration plate and the required letters and  
11 numerals thereon, except the year number for which issued,  
12 shall be of sufficient size to be plainly readable from a  
13 distance of 100 feet during daylight, and shall be coated with  
14 reflectorizing material. The dimensions of the plate issued to  
15 vehicles of the first division shall be 6 by 12 inches.

16 (d) The Secretary of State shall issue for every passenger  
17 motor vehicle rented without a driver the same type of  
18 registration plates as the type of plates issued for a private  
19 passenger vehicle.

20 (e) The Secretary of State shall issue for every passenger  
21 car used as a taxicab, ~~or~~ livery, or in a commercial  
22 ridesharing arrangement in which the driver participates in  
23 commercial ridesharing arrangements for more than 18 hours per  
24 week, distinctive registration plates.

25 (f) The Secretary of State shall issue for every motorcycle  
26 distinctive registration plates distinguishing between

1 motorcycles having 150 or more cubic centimeters piston  
2 displacement, or having less than 150 cubic centimeter piston  
3 displacement.

4 (g) Registration plates issued to vehicles for-hire may  
5 display a designation as determined by the Secretary that such  
6 vehicles are for-hire, including, but not limited to, vehicles  
7 used as taxicabs, liveries, or in commercial ridesharing  
8 arrangements for more than 18 hours per week.

9 (h) (Blank).

10 (i) The Secretary of State shall issue for every public and  
11 private ambulance registration plates identifying the vehicle  
12 as an ambulance. The Secretary shall forward to the Department  
13 of Healthcare and Family Services registration information for  
14 the purpose of verification of claims filed with the Department  
15 by ambulance owners for payment for services to public  
16 assistance recipients.

17 (j) The Secretary of State shall issue for every public and  
18 private medical carrier or rescue vehicle livery registration  
19 plates displaying numbers within ranges of numbers reserved  
20 respectively for medical carriers and rescue vehicles. The  
21 Secretary shall forward to the Department of Healthcare and  
22 Family Services registration information for the purpose of  
23 verification of claims filed with the Department by owners of  
24 medical carriers or rescue vehicles for payment for services to  
25 public assistance recipients.

26 (k) The Secretary of State shall issue distinctive license

1 plates or distinctive license plate stickers for every vehicle  
2 exempted from subsections (a) and (a-5) of Section 12-503 by  
3 subsection (g) of that Section, and by subsection (g-5) of that  
4 Section before its deletion by this amendatory Act of the 95th  
5 General Assembly. The Secretary shall issue these plates or  
6 stickers immediately upon receiving the physician's  
7 certification required under subsection (g) of Section 12-503.  
8 New plates or stickers shall also be issued when the  
9 certification is renewed as provided in that subsection.

10 (1) The Secretary of State shall issue distinctive  
11 registration plates for low-speed vehicles.

12 (Source: P.A. 95-202, eff. 8-16-07; 95-331, eff. 8-21-07;  
13 96-554, eff. 1-1-10; 96-653, eff. 1-1-10; 96-815, eff.  
14 10-30-09; 96-1000, eff. 7-2-10.)

15 (625 ILCS 5/8-101) (from Ch. 95 1/2, par. 8-101)

16 Sec. 8-101. Proof of financial responsibility - Persons who  
17 operate motor vehicles in transportation of passengers for  
18 hire.

19 (a) It is unlawful for any person, firm or corporation to  
20 operate any motor vehicle along or upon any public street or  
21 highway in any incorporated city, town or village in this State  
22 for the carriage of passengers for hire, accepting and  
23 discharging all such persons as may offer themselves for  
24 transportation unless such person, firm or corporation has  
25 given, and there is in full force and effect and on file with

1 the Secretary of State of Illinois, proof of financial  
2 responsibility provided in this Act.

3 (b) In addition this Section shall also apply to persons,  
4 firms or corporations who are in the business of providing  
5 transportation services for minors to or from educational or  
6 recreational facilities, except that this Section shall not  
7 apply to public utilities subject to regulation under "An Act  
8 concerning public utilities," approved June 29, 1921, as  
9 amended, or to school buses which are operated by public or  
10 parochial schools and are engaged solely in the transportation  
11 of the pupils who attend such schools.

12 (c) This Section also applies to a contract carrier  
13 transporting employees in the course of their employment on a  
14 highway of this State in a vehicle designed to carry 15 or  
15 fewer passengers. As part of proof of financial responsibility,  
16 a contract carrier transporting employees in the course of  
17 their employment is required to verify hit and run and  
18 uninsured motor vehicle coverage, as provided in Section 143a  
19 of the Illinois Insurance Code, and underinsured motor vehicle  
20 coverage, as provided in Section 143a-2 of the Illinois  
21 Insurance Code, in a total amount of not less than \$250,000 per  
22 passenger.

23 (d) This Section shall not apply to any person  
24 participating in a ridesharing arrangement, a for-profit  
25 ridesharing arrangement other than a commercial ridesharing  
26 arrangement, or operating a commuter van, but only during the

1 performance of activities authorized by Sections 5 and 6 of the  
2 Ridesharing Arrangements and Consumer Protection Act.

3 (e) If the person operating such motor vehicle is not the  
4 owner, then proof of financial responsibility filed hereunder  
5 must provide that the owner is primarily liable. In the case of  
6 motor vehicles used in commercial ridesharing arrangements,  
7 the dispatchers providing dispatch services to the driver of  
8 the motor vehicle must submit proof that the driver will be an  
9 additional insured on a primary insurance policy that will  
10 provide coverage during the time period the driver makes  
11 himself, herself, or the vehicle available for dispatch or  
12 while a commercial ridesharing arrangement passenger is in the  
13 vehicle.

14 (Source: P.A. 94-319, eff. 1-1-06.)

15 (625 ILCS 5/13-101) (from Ch. 95 1/2, par. 13-101)

16 Sec. 13-101. Submission to safety test; Certificate of  
17 safety. To promote the safety of the general public, every  
18 owner of a second division vehicle, medical transport vehicle,  
19 tow truck, first division vehicle including a taxi which is  
20 used for a purpose that requires a school bus driver permit,  
21 motor vehicle used for driver education training, motor vehicle  
22 required to submit to safety testing under subparagraph (A) of  
23 paragraph (1) of subsection (b) of Section 7 of the Ridesharing  
24 Arrangements and Consumer Protection Act, or contract carrier  
25 transporting employees in the course of their employment on a

1 highway of this State in a vehicle designed to carry 15 or  
2 fewer passengers shall, before operating the vehicle upon the  
3 highways of Illinois, submit it to a "safety test" and secure a  
4 certificate of safety furnished by the Department as set forth  
5 in Section 13-109. Each second division motor vehicle that  
6 pulls or draws a trailer, semitrailer or pole trailer, with a  
7 gross weight of more than 8,000 lbs or is registered for a  
8 gross weight of more than 8,000 lbs, motor bus, religious  
9 organization bus, school bus, senior citizen transportation  
10 vehicle, and limousine shall be subject to inspection by the  
11 Department and the Department is authorized to establish rules  
12 and regulations for the implementation of such inspections.

13 The owners of each salvage vehicle shall submit it to a  
14 "safety test" and secure a certificate of safety furnished by  
15 the Department prior to its salvage vehicle inspection pursuant  
16 to Section 3-308 of this Code. In implementing and enforcing  
17 the provisions of this Section, the Department and other  
18 authorized State agencies shall do so in a manner that is not  
19 inconsistent with any applicable federal law or regulation so  
20 that no federal funding or support is jeopardized by the  
21 enactment or application of these provisions.

22 However, none of the provisions of Chapter 13 requiring  
23 safety tests or a certificate of safety shall apply to:

24 (a) farm tractors, machinery and implements, wagons,  
25 wagon-trailers or like farm vehicles used primarily in  
26 agricultural pursuits;

1 (b) vehicles other than school buses, tow trucks and  
2 medical transport vehicles owned or operated by a municipal  
3 corporation or political subdivision having a population  
4 of 1,000,000 or more inhabitants and which are subject to  
5 safety tests imposed by local ordinance or resolution;

6 (c) a semitrailer or trailer having a gross weight of  
7 5,000 pounds or less including vehicle weight and maximum  
8 load;

9 (d) recreational vehicles;

10 (e) vehicles registered as and displaying Illinois  
11 antique vehicle plates and vehicles registered as  
12 expanded-use antique vehicles and displaying expanded-use  
13 antique vehicle plates;

14 (f) house trailers equipped and used for living  
15 quarters;

16 (g) vehicles registered as and displaying Illinois  
17 permanently mounted equipment plates or similar vehicles  
18 eligible therefor but registered as governmental vehicles  
19 provided that if said vehicle is reclassified from a  
20 permanently mounted equipment plate so as to lose the  
21 exemption of not requiring a certificate of safety, such  
22 vehicle must be safety tested within 30 days of the  
23 reclassification;

24 (h) vehicles owned or operated by a manufacturer,  
25 dealer or transporter displaying a special plate or plates  
26 as described in Chapter 3 of this Code while such vehicle



1 is being delivered from the manufacturing or assembly plant  
2 directly to the purchasing dealership or distributor, or  
3 being temporarily road driven for quality control testing,  
4 or from one dealer or distributor to another, or are being  
5 moved by the most direct route from one location to another  
6 for the purpose of installing special bodies or equipment,  
7 or driven for purposes of demonstration by a prospective  
8 buyer with the dealer or his agent present in the cab of  
9 the vehicle during the demonstration;

10 (i) pole trailers and auxiliary axles;

11 (j) special mobile equipment;

12 (k) vehicles properly registered in another State  
13 pursuant to law and displaying a valid registration plate,  
14 except vehicles of contract carriers transporting  
15 employees in the course of their employment on a highway of  
16 this State in a vehicle designed to carry 15 or fewer  
17 passengers are only exempted to the extent that the safety  
18 testing requirements applicable to such vehicles in the  
19 state of registration are no less stringent than the safety  
20 testing requirements applicable to contract carriers that  
21 are lawfully registered in Illinois;

22 (l) water-well boring apparatuses or rigs;

23 (m) any vehicle which is owned and operated by the  
24 federal government and externally displays evidence of  
25 such ownership; and

26 (n) second division vehicles registered for a gross

1 weight of 8,000 pounds or less, except when such second  
2 division motor vehicles pull or draw a trailer,  
3 semi-trailer or pole trailer having a gross weight of or  
4 registered for a gross weight of more than 8,000 pounds;  
5 motor buses; religious organization buses; school buses;  
6 senior citizen transportation vehicles; medical transport  
7 vehicles and tow trucks.

8 The safety test shall include the testing and inspection of  
9 brakes, lights, horns, reflectors, rear vision mirrors,  
10 mufflers, safety chains, windshields and windshield wipers,  
11 warning flags and flares, frame, axle, cab and body, or cab or  
12 body, wheels, steering apparatus, and other safety devices and  
13 appliances required by this Code and such other safety tests as  
14 the Department may by rule or regulation require, for second  
15 division vehicles, school buses, medical transport vehicles,  
16 tow trucks, first division vehicles including taxis which are  
17 used for a purpose that requires a school bus driver permit,  
18 motor vehicles required to submit to safety testing under  
19 subparagraph (A) of paragraph (1) of subsection (b) of Section  
20 7 of the Ridesharing Arrangements and Consumer Protection Act,  
21 motor vehicles used for driver education training, vehicles  
22 designed to carry 15 or fewer passengers operated by a contract  
23 carrier transporting employees in the course of their  
24 employment on a highway of this State, trailers, and  
25 semitrailers subject to inspection.

26 For tow trucks, the safety test and inspection shall also

1 include the inspection of winch mountings, body panels, body  
2 mounts, wheel lift swivel points, and sling straps, and other  
3 tests and inspections the Department by rule requires for tow  
4 trucks.

5 For driver education vehicles used by public high schools,  
6 the vehicle must also be equipped with dual control brakes, a  
7 mirror on each side of the vehicle so located as to reflect to  
8 the driver a view of the highway for a distance of at least 200  
9 feet to the rear, and a sign visible from the front and the  
10 rear identifying the vehicle as a driver education car.

11 For trucks, truck tractors, trailers, semi-trailers,  
12 buses, and first division vehicles including taxis which are  
13 used for a purpose that requires a school bus driver permit,  
14 the safety test shall be conducted in accordance with the  
15 Minimum Periodic Inspection Standards promulgated by the  
16 Federal Highway Administration of the U.S. Department of  
17 Transportation and contained in Appendix G to Subchapter B of  
18 Chapter III of Title 49 of the Code of Federal Regulations.  
19 Those standards, as now in effect, are made a part of this  
20 Code, in the same manner as though they were set out in full in  
21 this Code.

22 The passing of the safety test shall not be a bar at any  
23 time to prosecution for operating a second division vehicle,  
24 medical transport vehicle, motor vehicle used for driver  
25 education training, or vehicle designed to carry 15 or fewer  
26 passengers operated by a contract carrier as provided in this

1 Section that is unsafe, as determined by the standards  
2 prescribed in this Code.

3 (Source: P.A. 97-224, eff. 7-28-11; 97-412, eff. 1-1-12;  
4 97-813, eff. 7-13-12; 97-1025, eff. 1-1-13.)

5 (625 ILCS 5/18c-6102) (from Ch. 95 1/2, par. 18c-6102)

6 Sec. 18c-6102. Exemptions From Commission Jurisdiction.  
7 The provisions of this Sub-chapter shall not, except as  
8 provided in Section 18c-6501 of this Chapter, apply to:

9 (1) carriers owned by any political subdivision, school  
10 district, institution of higher education, or municipality,  
11 and operated either by such political subdivision, institution  
12 of higher education, or municipality or its lessee or agent;

13 (2) commuter vans as defined in this Code;

14 (3) carriers transporting passengers without fixed routes  
15 or schedules and charging on a time or distance basis,  
16 including taxicabs, charter operations, and contract bus  
17 operations;

18 (4) carriers transporting passengers with fixed routes and  
19 schedules and charging on a per passenger fixed charge basis  
20 and which do not include an airport as a point to be served on  
21 the route, in whole or in part;

22 (5) transportation in vehicles with a manufacturer's rated  
23 seating capacity of less than 8 persons, including the driver;

24 (6) transportation subject to the Ridesharing Arrangements  
25 and Consumer Protection Act;

1 (7) commuter buses offering short-haul for-hire regularly  
2 scheduled passenger transportation service within metropolitan  
3 and suburban areas, over regular routes with fixed schedules,  
4 and utilized primarily by passengers using reduced-fare,  
5 multiple-ride, or commutation tickets during morning and  
6 evening peak periods in travelling to and from their places of  
7 employment; and

8 (8) those persons owning and operating school buses, as  
9 defined in this Code, and regulated by other provisions of this  
10 Code.

11 (Source: P.A. 90-407, eff. 8-15-97; 91-357, eff. 7-29-99.)

12 Section 10. The Ridesharing Arrangements Act is amended by  
13 changing Sections 1, 2, and 5 and by adding Section 7 as  
14 follows:

15 (625 ILCS 30/1) (from Ch. 95 1/2, par. 901)

16 Sec. 1. This Act shall be known and may be cited as the  
17 Ridesharing Arrangements and Consumer Protection Act.

18 (Source: P.A. 82-656.)

19 (625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

20 Sec. 2. (a) "Ridesharing arrangement" means the  
21 transportation by motor vehicle of not more than 16 persons  
22 (including the driver):

23 (1) for purposes incidental to another purpose of the

1 driver, for which no fee is charged or paid except to reimburse  
2 the driver or owner of the vehicle for his operating expenses  
3 on a nonprofit basis; or

4 (2) when such persons are travelling between their homes  
5 and their places of employment, or places reasonably convenient  
6 thereto, for which (i) no fee is charged or paid except to  
7 reimburse the driver or owner of the vehicle for his operating  
8 expenses on a nonprofit basis, or (ii) a fee is charged in  
9 accordance with the provisions of Section 6 of this Act.

10 (b) "For-profit ridesharing arrangement" means:

11 (1) a ridesharing arrangement for which a fee is  
12 charged in accordance with Section 6 of this Act; or -

13 (2) a commercial ridesharing arrangement conducted in  
14 accordance with Section 7 of this Act.

15 (c) "Commercial ridesharing arrangement" means a  
16 ridesharing arrangement in which the method of transportation  
17 is a vehicle owned or leased for personal use, of not more than  
18 6 persons (including the driver), prearranged through a  
19 dispatcher, and for which a fee is charged, but that is not  
20 provided in accordance with the limitations of Section 6 of  
21 this Act. "Commercial ridesharing arrangement" includes a  
22 for-hire public passenger vehicle licensed by a unit of local  
23 government as a taxicab, but only for the purpose of  
24 establishing a fare under subparagraph (D) of paragraph (1) of  
25 subsection (b) of Section 7, when the driver of the taxicab  
26 receives a dispatch using Internet, smartphone, or an

1 electronic application from a dispatcher.

2 (d) "Dispatch" means the act of facilitating a connection  
3 between drivers and passengers for a commercial ridesharing  
4 arrangement using telephone, Internet, smartphone, or an  
5 electronic application, with or without an account set up  
6 between the passenger and the connecting person.

7 (e) "Dispatcher" means a person that performs a dispatch.

8 (Source: P.A. 83-1091.)

9 (625 ILCS 30/5) (from Ch. 95 1/2, par. 905)

10 Sec. 5. (a) No unit of local government, whether or not it  
11 is a home rule unit, may:

12 (1) license or regulate ridesharing arrangements;

13 (2) impose any tax or fee upon the owner or operator of a  
14 motor vehicle because of its use in a ridesharing arrangement;

15 (3) prohibit or regulate the charging of fees for  
16 ridesharing arrangements in accordance with Section 6 of this  
17 Act.

18 This Act, as it applies to ridesharing arrangements, is  
19 declared to be a denial and limitation of the powers of home  
20 rule units pursuant to paragraph (g) of Section 6 of Article  
21 VII of the Illinois Constitution.

22 (b) Other than with respect to paragraph (1) of subsection  
23 (a) of Section 7 of this Act and subparagraph (D) of paragraph  
24 (1) of subsection (b) of Section 7 of this Act, a unit of local  
25 government, whether or not it is a home rule unit, may not

1 license or regulate commercial ridesharing arrangements,  
2 dispatchers, or drivers participating in commercial  
3 ridesharing arrangements in a manner that is less restrictive  
4 than the regulation by the State under this Act. This  
5 subsection (b) is a limitation under subsection (i) of Section  
6 6 of Article VII of the Illinois Constitution on the concurrent  
7 exercise by home rule units of powers and functions exercised  
8 by the State.

9 (c) A unit of local government, whether or not it is a home  
10 rule unit, may not license or regulate commercial ridesharing  
11 arrangements, dispatchers, or drivers participating in  
12 commercial ridesharing arrangements in a manner that is  
13 inconsistent with paragraph (1) of subsection (a) of Section 7  
14 of this Act or that is inconsistent with subparagraph (D) of  
15 paragraph (1) of subsection (b) of Section 7 of this Act. This  
16 subsection (c) is a limitation under subsection (i) of Section  
17 6 of Article VII of the Illinois Constitution on the concurrent  
18 exercise by home rule units of powers and functions exercised  
19 by the State.

20 (Source: P.A. 83-1091.)

21 (625 ILCS 30/7 new)

22 Sec. 7. (a) Commercial ridesharing arrangements are  
23 subject to the following license and registration  
24 requirements:

25 (1) No person shall participate as a driver in



1 commercial ridesharing arrangements for more than 18 hours  
2 per week without first securing (i) a chauffeur's license  
3 issued by the unit of local government where the vehicle  
4 used in the commercial ridesharing arrangement is  
5 registered; or (ii) if the unit of local government in  
6 which the vehicle used in a commercial ridesharing  
7 arrangement is registered does not issue chauffeur's  
8 licenses, then a chauffeur's license issued by a unit of  
9 local government in which the driver provides commercial  
10 ridesharing arrangements. If no unit of local government in  
11 which the vehicle used in a commercial ridesharing  
12 arrangement is registered or operated issues chauffeur's  
13 licenses or if the driver of the commercial ridesharing  
14 arrangement does not participate in commercial ridesharing  
15 arrangements for more than 18 hours per week, then the  
16 driver is not required to obtain a chauffeur's license;  
17 provided, however, that the dispatcher shall conduct a  
18 background check of a prospective driver prior to  
19 dispatching commercial ridesharing arrangements to that  
20 driver and shall certify in the reports required by  
21 subsection (h) of this Section 7 that the driver is  
22 participating in a commercial ridesharing arrangement for  
23 18 or fewer hours per week.

24 (2) No person shall perform dispatches without first  
25 securing a commercial ridesharing dispatcher's license  
26 from the Department of Financial and Professional

1 Regulation. An applicant for a commercial ridesharing  
2 dispatcher's license must submit evidence of the insurance  
3 required by item (B) of paragraph (1) of subsection (b) of  
4 this Section. This license must be renewed annually. The  
5 fee for this license shall be set by the Department of  
6 Financial and Professional Regulation. The Department of  
7 Financial and Professional Regulation shall adopt rules to  
8 implement this paragraph.

9 (3) No commercial ridesharing arrangement shall be  
10 conducted in a vehicle that does not have distinctive  
11 registration plates issued in accordance with the  
12 requirements of Section 3-412 of the Illinois Vehicle Code  
13 if the driver or the vehicle participates in commercial  
14 ridesharing arrangements for more than 18 hours per week.

15 (b)(1) All commercial ridesharing arrangements shall be  
16 conducted under the following standards:

17 (A) A vehicle used for commercial ridesharing  
18 arrangements for more than 18 hours per week must  
19 conform to the age requirements for vehicles used for  
20 transporting passengers for hire adopted by the unit of  
21 local government in which the vehicle is registered.  
22 Any vehicle used for commercial ridesharing  
23 arrangements for more than 18 hours per week must pass  
24 any safety inspections required by the unit of local  
25 government that issued the driver's chauffeur's  
26 license for vehicles used in transporting passengers

1           for-hire. If the unit of local government that issued  
2           the driver's chauffeur's license does not require  
3           safety inspections for vehicles used in transporting  
4           passengers for-hire, or if the driver is not required  
5           to have a chauffeur's license under paragraph (1) of  
6           subsection (a) of this Section, then the vehicle must  
7           pass an annual safety inspection that the dispatcher  
8           certifies as meeting the requirements of Section  
9           13-101 of the Illinois Vehicle Code.

10           (B) Dispatchers must carry commercial liability  
11           insurance in accordance with Section 12-707.01 of the  
12           Illinois Vehicle Code with primary coverage for the  
13           dispatcher, the driver, and the vehicle used in the  
14           commercial ridesharing arrangement during the time  
15           period when the driver makes himself, herself, or the  
16           vehicle available for dispatch or while a commercial  
17           ridesharing arrangement passenger is in the vehicle.  
18           Any terms or conditions in the agreement between the  
19           dispatcher and driver, or between the dispatcher and  
20           passenger, that would act as a waiver of the  
21           dispatcher's liability to the driver, the passenger,  
22           or to the public, or as an indemnification from the  
23           driver or passenger to the dispatcher, are null, void,  
24           and unenforceable.

25           (C) Commercial ridesharing arrangements shall be  
26           arranged solely through a dispatcher. No person shall

1 solicit or accept potential passengers' requests for  
2 service in a commercial ridesharing arrangement via  
3 street hail, hand gestures, or verbal statements. No  
4 commercial ridesharing arrangement shall pick up or  
5 discharge a passenger at any place prohibited by the  
6 unit of local government in which the commercial  
7 ridesharing arrangement is conducted, or at any  
8 designated taxicab stands, queues, or loading zones.

9 (D) Any vehicle, including a taxicab, used in  
10 commercial ridesharing arrangements shall have its  
11 fare established by a dispatcher who has provided  
12 notice of the amount of the fare to a prospective  
13 passenger prior to obtaining the prospective  
14 passenger's agreement for the fare.

15 (E) If a unit of local government has requirements  
16 for licensed chauffeurs to provide service in  
17 under-served areas, drivers participating in  
18 commercial ridesharing arrangements within that unit  
19 of local government shall be subject to the same  
20 requirements for providing service in under-served  
21 areas.

22 (F) If a unit of local government has requirements  
23 for licensed chauffeurs to provide wheelchair  
24 accessible vehicles, drivers participating in  
25 commercial ridesharing arrangements within that unit  
26 of local government's jurisdiction shall be subject to

1           the same requirements for providing wheelchair  
2           accessible vehicles.

3           (2) No person shall perform dispatches except as  
4           follows:

5                   (A) Dispatches shall be made only to drivers  
6                   licensed in accordance with subsection (a) of this  
7                   Section.

8                   (B) If distinctive registration plates are  
9                   required by paragraph (3) of subsection (a) of this  
10                   Section, then a dispatcher shall ensure that the  
11                   vehicle has the distinctive registration plates prior  
12                   to dispatching to that vehicle.

13                   (c) Any person, other than a passenger, who participates in  
14                   a commercial ridesharing arrangement in violation of this  
15                   Section is guilty of a violation of this Section and shall be  
16                   subject to the penalties adopted by the Department of Financial  
17                   and Professional Regulation by administrative rule, including,  
18                   but not limited to, fines, probation, revocation of licenses,  
19                   and vehicle impoundment.

20                   (d) Any person whose property or person is injured or in  
21                   danger of injury due to an actual or imminent violation of this  
22                   Section may file suit in the circuit court having jurisdiction  
23                   to recover any remedy permitted by law, including damages and  
24                   injunctive relief.

25                   (e) A dispatcher shall assume liability, including the  
26                   costs of defense and indemnification, for a claim in which a

1 dispute exists as to whether the loss or injury giving rise to  
2 the claim occurred while a vehicle involved in the incident  
3 giving rise to the claim was made available for dispatch or  
4 while a commercial ridesharing arrangement passenger is in the  
5 vehicle. The dispatcher must notify the registered owner of the  
6 vehicle and the registered owner's insurer of the dispute  
7 within 25 business days of receiving notice of the accident  
8 that gives rise to the claim. If a private passenger motor  
9 vehicle's registered owner or its insurer is named as a  
10 defendant in a civil action for any loss or injury that occurs  
11 during the time the vehicle is made available for dispatch, the  
12 dispatcher shall have the duty to defend and indemnify the  
13 vehicle's registered owner and its insurers.

14 (f) Notwithstanding any provision in the vehicle owner's  
15 insurance policy or any other provision of this Act, the  
16 insurer providing coverage to the owner of a private passenger  
17 motor vehicle may exclude any and all coverage and the duty to  
18 defend afforded under the owner's insurance policy for any loss  
19 or injury that occurs while the vehicle is made available for  
20 dispatch or while a commercial ridesharing arrangement  
21 passenger is in the vehicle. This right to exclude coverage and  
22 the duty to indemnify and defend applies to all coverage  
23 provided by the registered owner's insurer including, but not  
24 limited to:

- 25 (1) liability and physical damage coverage;  
26 (2) personal injury protection coverage;

1           (3) uninsured and underinsured motorist coverage;

2           (4) medical payment coverage for persons using or  
3           occupying the registered vehicle;

4           (5) comprehensive physical damage coverage; and

5           (6) collision physical damage coverage.

6           (g) A dispatcher must, prior to the first use of a vehicle  
7           in a commercial ridesharing arrangement, and upon renewal,  
8           cancellation, or change in insurance by the dispatcher, provide  
9           the vehicle's registered owner and any driver of the vehicle  
10           with a disclosure that contains:

11           (1) information explaining the insurance requirements  
12           of this Section;

13           (2) information explaining the coverage and coverage  
14           limits provided under the dispatcher's insurance policy;

15           (3) notice that the dispatcher assumes all liability  
16           for any loss or injury that occurs while the vehicle is  
17           made available for dispatch or while a commercial  
18           ridesharing arrangement passenger is in the vehicle; and

19           (4) notice that the dispatcher provides insurance on  
20           the vehicle while the vehicle is made available for  
21           dispatch or while a commercial ridesharing arrangement  
22           passenger is in the vehicle that is comparable to a  
23           standard owner's insurance policy and that the vehicle's  
24           registered owner's insurance policy may exclude all  
25           coverage and the duty to defend or indemnify any person or  
26           organization for liability for any loss or injury that

1 occurs while the vehicle is made available for dispatch or  
2 while a commercial ridesharing arrangement passenger is in  
3 the vehicle.

4 (h) For each vehicle used in a commercial ridesharing  
5 arrangement a dispatcher must collect, maintain, and make  
6 available to the vehicle's registered owner, the vehicle's  
7 registered owner's primary automobile liability insurer, and  
8 any government agency as required by law, at the cost of the  
9 dispatcher, the following:

10 (1) records that identify the date and duration the  
11 driver makes himself, herself, or the vehicle available for  
12 dispatch. For vehicles with an electronic tracking device,  
13 electronic records of the time, initial and final locations  
14 of the vehicle, and miles driven when the vehicle is under  
15 the control of a person other than the vehicle's registered  
16 owner under a commercial ridesharing arrangement; and

17 (2) in instances where an insurance claim has been  
18 filed, any and all information, including payments to the  
19 registered owner by the dispatcher, concerning accidents,  
20 damages, or injuries.

21 (i) The Department of Financial and Professional  
22 Regulation shall adopt rules to implement this Section.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.".



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Clerk Hollman: "House Perfunctory Session will come to order. Introduction of Resolutions. House Joint Resolution 89, offered by Representative Ford, is referred to the Rules Committee. Committee Reports. Representative Barbara Flynn Currie, Chairperson from the Committee on Rules reports the following committee action taken on April 10, 2014: recommends be adopted for the floor is Floor Amendment #2 to House Bill 802, Floor Amendment #4 to House Bill 3820, Floor Amendments 3 and 4 to House Bill 4075, Floor Amendment #3 to House Bill 4094, Floor Amendment #1 to House Bill 4558, Floor Amendment #3 to House Bill 5567, Floor Amendment #1 to House Bill 5660."

Speaker Lang: "The House will be in order. Members will please be in their chairs. We shall be led in prayer today by Dr. Casey Tygrett, who is with Parkview Church in Orland Park. Dr. Tygrett is the guest of Representative Kosel. Members and guest are asked to refrain from stating their laptops, turn off cell phones, and rise for the invocation and Pledge of Allegiance. Dr. Tygrett."

Dr. Tygrett: "Would you pray with me? God, today is sacred. It's sacred because this day will never happen again. It's sacred and unique in its simplicity, in its individuality and in the miracle of our simple presence here. Our words and our actions, our attitudes will never be repeated. We have this day. This day that You have created. This day that You have given us, so may we use it well. May we use it with wisdom and grace and humility. May we use it for the sake of those we represent. May we use it for the sake of those who cannot speak for themselves, for the poor and the oppressed and the

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high school that is... has advanced computerized manufacturing training and it... it's really doing a great job preparing people for the workforce in an area where there is a demand for these employees. So, I would strongly urge an 'aye' vote from everyone in the chamber."

Speaker Turner: "Representative Gordon-Booth for two minutes."

Gordon-Booth: "Mr. Speaker. To the Bill. This is... thank you Representative McSweeney for bringing this piece of legislation forward. I live in a community in central Illinois that has also grappled with the issue of fi... of connecting the skills necessary with the work that is available. Encouraging these sort of public/private partnerships is exactly what we need to be doing here in the State of Illinois to close the skills gap that we have. So again, Representative McSweeney, thank you for bringing this wonderful piece of legislation. I encourage an 'aye' vote."

Speaker Turner: "Representative McSweeney to close."

McSweeney: "I ask for an 'aye' vote."

Speaker Turner: "The question is, 'Shall House Bill 4910 pass?' All in favor vote 'aye'; all opposed vote 'nay'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Representative Lilly. Mr. Clerk, please take the record. On a count of 107 voting 'yes', 0 voting 'no, and 0 voting 'present', House Bill 4910, having received the Constitutional Majority, is hereby declared passed. Mr. Clerk, House Bill 4075, Representative Zalewski. Please read the Bill."

Clerk Hollman: "House Bill 4075, a Bill for an Act concerning transportation. This Bill was read a second time on a previous

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day. Amendment #1 was adopted in committee. Floor Amendments 2, 3, and 4 have been approved for consideration. Floor Amendment #2 is offered by Representative Zalewski."

Speaker Turner: "Representative Zalewski."

Zalewski: "Thank you, Mr. Speaker. House Bill 4075, you... we sho... we have to adopt the Amendment Mr. Speaker? Mr. Speaker, I wish to table Floor Amendment #2 and adopt Floor Amendment #3."

Speaker Turner: "Mr. Clerk, please table Amendment #2."

Zalewski: "This is it."

Speaker Turner: "Mr. Clerk."

Clerk Hollman: "Floor Amendment #3 is offered by Representative Zalewski and has been approved for consideration."

Zalewski: "Thank you..."

Speaker Turner: "Representative Zalewski."

Zalewski: "Thank you, Mr. Speaker. Floor Amendment 3 is a gut and replace that adopts the changes that we negotiated with the opponents of the Bill."

Speaker Turner: "Gentleman moves for the adoption of Floor Amendment #3 to House Bill 4075. All in favor say 'aye'; all opposed say 'nay'. In the opinion of the Chair, the 'ayes' have it. And the Amendment is adopted. Mr. Clerk."

Clerk Hollman: "Floor Amendment #4 is offered by Representative Zalewski and has been approved for consideration."

Speaker Turner: "Representative Zalewski."

Zalewski: "Mr. Speaker, I wish to table Floor Amendment #4."

Speaker Turner: "Mr. Clerk, please table Floor Amendment #4. Mr. Clerk."

Clerk Hollman: "No further Amendments. No Motions are filed."

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Speaker Turner: "Third Reading. Mr. Clerk, House Bill 4075, Representative Zalewski. Please read the Bill."

Clerk Hollman: "House Bill 4075, a Bill for an Act concerning transportation. Third Reading of this House Bill."

Speaker Turner: "Representative Zalewski."

Zalewski: "Thank you, Mr. Speaker. House Bill 4075 is a Bill that would install a provision in State Law that would regulate commercial ridesharing applications. At the outset, let me say that we have done enormous, painstaking negotiation over the course of the last 72 to 96... even the last week, in an effort to bring everybody together on this Bill and work out an agreement. The opponents of this Bill have gotten 85 percent of what they have asked for. They would have gotten 100 percent, but we couldn't come to an agreement on the final piece of the Bill. We are simply looking to install commonsense regulations on these applications, so that our constituents can... can be safe while using these apps. We want to ensure licensure, we want to insure insurance coverage, and we want to insure safety of our constituents. The Bill sep... bifurcates the drive time between below 18 hours and above 18 hours per week. If a part-time driver wishes to use this as a secondary sources of income and falls below that threshold, they'll be subject to some basic commonsense regulations. If they go above that time, they're going to be subject to the Home Rule unit... Home Rule unit's ordinance and be brought on a parity with other similar modes of transportation. Again, I would just say this is a comprehensive, thought-out approach that has been worked

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substantively and long with the opponents of the Bill. And I'd ask for an 'aye' vote."

Speaker Turner: "Representative Sandack for two minutes."

Sandack: "Thank you. Will the Sponsor yield?"

Speaker Turner: "Sponsor will yield."

Sandack: "Mike, this is obviously kind of an important piece of legislation. So, I have some questions for you. Isn't Chicago working on something, an ordinance, to address this issue, in Chicago, right now?"

Zalewski: "Yes."

Sandack: "And hasn't Chicago come out in opposition to your Bill?"

Zalewski: "It's... I would say at this stage, Representative, they... they probably would... without speaking for them, they've indicated to me they think some of what we are doing needs more work. However, I would say given the comparisons between the ordinance that's been proposed and the statute as... and the Bill before the Body, there are substantial similarities and I think that the city can support a lot of what's in this Bill."

Sandack: "Perhaps. But if this is worthy, that your Bill is worthy of state statute, being addressed statewide, shouldn't cabs and taxis be looked..."

Zalewski: "They..."

Sandack: "...at state wide as well?"

Zalewski: "...they are. We regulate taxis. Now, cities can go above and beyond..."

Sandack: "Correct. And they do."

Zalewski: "...what we do."

Sandack: "And the City of Chicago has."

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Zalewski: "Correct."

Sandack: "Which is one of the reasons they... whether they're neutral or impartial opposition to your Bill, they're doing their own thing right now."

Zalewski: "The apps are?"

Sandack: "The City of Chicago."

Zalewski: "Or the taxis? Well, they... they're... I... they haven't done their own thing, Ron. They... they've considered a ordinance, but they haven't moved on an ordinance. They haven't even put an ordinance before the City Council."

Sandack: "And we're talking about a Home Rule unit of government, the City of Chicago. And typically, transportation is a local issue. Wouldn't you agree?"

Zalewski: "No. I would not. We..."

Sandack: "You would not agree to that?"

Zalewski: "...we made it abundantly clear back in the early '80s that on commercial rideshare... in fact, on ridesharing issues, the state would have preemptory authority on this. And that was because these alternative forms of taxis were... were appearing. So, I would say state statute is controlling here."

Sandack: "Okay. To the Bill. And I know the timer's on. I... I appreciate what the Sponsor's trying to do and I understand much has been agreed to. Here's the dilemma, folks. This is a new technology, a new industry, a new venture that's actually providing efficacy, good results, and we in Illinois have a tendency to squelch entrepreneurship and innovation. We have an unmistakable history of trying to overregulate when something new is on the market that offers consumers value. So, I caution some... I... I think we should use some

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caution here. I'm glad much has been agreed to, and I was hoping before the vote would be taken, if there's even an agreed Bill or not. I suspect the Sponsor would offer that this would be worked on in the... in the Senate. I'm... I'm going to invoke my friend on the other side of aisle, I'm going to listen to this debate. I'm leaning against opposing this Bill because of... for the purpose of simply, it does too much while other opportunities at regulation locally should be moving forward. And I'm getting yelled at by a gentleman on the other side. Here's what I suggest, folks. When in doubt on something new and innovative we ought not to choke it. So, again, I'll listen as we move forward. Thank you, Mr. Speaker."

Speaker Turner: "Representative Osmond for two minutes."

Osmond: "Before you start the timer, could we please excuse Representative Cross for the rest of the day?"

Speaker Turner: "Yes. Thank you."

Osmond: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Sponsor will yield."

Osmond: "Representative, I have a concern about the liability insurance in this. And what type of policy will this come under?"

Zalewski: "A commercial insurance policy, JoAnn."

Osmond: "And so, that would cover... in other words, the companies would be buying the policy for... for this vehicle?"

Zalewski: "It... companies would be responsible for commercial policy insurance coverage. Correct."

Osmond: "And does... is there any opposition from the insurance industry at this time?"

Zalewski: "No. The..."

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Osmond: "Were they part of the negotiations?"

Zalewski: "...the... absolutely. They... the language in the Bill is...  
is their language."

Osmond: "Okay. Thank you very much."

Speaker Turner: "Representative Morrison for two minutes."

Morrison: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Sponsor will yield."

Morrison: "Representative Zalewski, I... you have worked very hard  
on this. And we had pretty good discussion debate in committee  
on a couple of the different occasions. So, first of all, I  
just want to thank you for all the work you have done. I think  
there are some things that... you know, changes that you have  
made that make sense, like the insurance provisions, make a  
lot of sense. And I appreciate that those are in there. Why...  
what... what was the reasoning behind the 18 hour provision?  
How did you come up with..."

Zalewski: "Sure. That..."

Morrison: "...that threshold?"

Zalewski: "...that's actually a good question, Tom. We... we have...  
throughout the course of the negotiations with the apps,  
they've always said they were comfortable with bifurcating  
what a part-time driver is and what a full-time driver is.  
That there were certain drivers in these systems that wanted  
to do this as a full-ti... as a part-time job. The way tha... the  
way it works is you... you turn on the app and if you can take  
a ride, you take the ride. But there are a certain number of  
drivers who consider this a full-time job. And they... they  
basically act as a taxicab driver. So by bifurcating that  
system, we... we regulate that in a way that makes sense."



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Morrison: "And what's the consequence if a driver, just in one particular week, goes over that 18-hour threshold? So, let's say, most... most weeks they're at like 5 to 10 hours, but you know, some week they just happen to exceed that. What's the consequence?"

Zalewski: "So, in an effort to give local control to the local municipalities, the statute would be silent on that and the... the sanctions would be allowed at the le... at the de... locals discretion."

Morrison: "I don't understand how that would work if we're making a statewide standard."

Zalewski: "Well, we're not. We're making a statewide standard for part-time drivers. For full-time drivers over that 18 hours, a local unit of government would be entitled..."

Morrison: "No."

Zalewski: "...to enact their own ordinance..."

Morrison: "I..."

Zalewski: "...to control it."

Morrison: "Right. I understand for full-time. But what about a part-time driver, who just, in one particular week, happens to exceed that 18 hours?"

Zalewski: "If they exceed that 18 hours, I think they would subject... be subject to sanction under the state statute. But we're not trying to do... we're not trying, we... we want these drivers to abide by the state statute."

Morrison: "Okay. My time's..."

Speaker Turner: "Representative Morrison, can you please bring your remarks to a close."

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Morrison: "All right. I... Again, I'm going to be voting 'no'. I do appreciate the work you've done on it. Again, I don't want... as Representative Sandack said, we tend to be protectionists in this state. We're doing great things with technology in the City of Chicago, the 1871 Operation. We're becoming a techhub. We want to encourage technology in benefiting consumers. Thank you."

Speaker Turner: "Representative David Harris for two minutes."

Harris, D.: "Thank you, Mr. Speaker. Question of the Sponsor."

Speaker Turner: "Sponsor will yield."

Harris, D.: "Rep... Representative, which Amendments... which Amendments are on this Bill right now?"

Zalewski: "Number... Number 1. Committee Amendment #1 was adopted, and I adopted Committee... Floor Amendment #3."

Harris, D.: "Okay. Thank you very much. And just a couple of questions, perhaps from the consumers point of view. The ridesharing operations... there's... there's an issue as to whether or not they provide satisfactory facilities for disabled individuals. Is that addressed at all in this Bill?"

Zalewski: "So, again in an effort to offer local control, Representative, if they find themselves in this 18 hours or more posture, or the local ordinance is going to govern that, we want local ordinances to control accessibility. We want accessibility, but the local control is going to remain with the city."

Harris, D.: "So it's only for those indi... only for those drivers that exceed the 18 hours with that accessibility."

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Zalewski: "No. No they're... So, for wheelchair accessibility, they'll... wheelchair accessibility, David, it would be the full... the statute would control."

Harris, D.: "Okay. And what about the issue, I know that the... there's an issue of what they call 'surge pricing'. How is that... is that addressed at all in this Bill? That sometimes the fees that they charge can be excessive at certain times when other cabs aren't available, or bad weather, that sort of thing?"

Zalewski: "So, under our current Bill, as is before the Body, we say in the statute, in the Bill, that the dispatcher, which is the app or the taxi dispatcher, controls the pricing mechanism. So we'll assure... one of the acts of these apps was that they don't want government controlling their way of dealing in a marketplace. And we said fine, but we're going to ensure that everybody has a discretion from a dispatch perspective to control their own marketplace."

Harris, D.: "So, there's..."

Zalewski: "That was an agreed..."

Harris, D.: "...so..."

Zalewski: "...that was an agreement. That was a concession to the apps."

Harris, D.: "...so... and I... I have to close. But so, is there no protection against surge pricing?"

Zalewski: "They at... they simply have to provide notice on the app that they're going to do it."

Harris, D.: "Thank you very much for the information. Thank you, Mr. Speaker."

Speaker Turner: "Representative Monique Davis for two minutes."

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Davis, M.: "Mr... I'm sorry. Representative Zalewski, could you give us an idea as what some of the regulations are? You might have missed... I might have missed you saying it already."

Zalewski: "Yes, Monique. So, what we basically say is we want to create a new type of... of statute dealing with these ridesharing applications. We want them, if they find themselves driving a lot, to have licensure, to have insurance coverage, proof of responsibility. We want them to serve underserved communities. We want them to get their vehicles checked."

Davis, M.: "I'm sorry, I didn't hear you. He shut you off."

Zalewski: "The whole list or just the last part?"

Davis, M.: "Well, you say you want them to do the things that all taxis or delivery services should do. They should serve all communities."

Zalewski: "Correct."

Davis, M.: "And they should do what else that's new?"

Zalewski: "We want them to check their vehicles to make sure their vehicles are safe."

Davis, M.: "How... who does that? Who... who..."

Zalewski: "The dispat..."

Davis, M.: "...how much... do they pay for that?"

Zalewski: "...the dis... The company pays for that."

Davis, M.: "Okay."

Zalewski: "We want them to make sure their drivers are safe through background checks. We want them to make sure their vehicles are up to code. We want them to have insurance coverage."

Davis, M.: "Why are they still opposed?"

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Zalewski: "I... I haven't been given a reason why the apps are opposed to this Bill. I've been told they fundamentally think that we don't believe... that they shouldn't be regulated. However, when dealing in the specific issues of the Bill, I haven't been given a current reason."

Davis, M.: "You know... to the Bill, Mr. Speaker. With great respect and regard for Mr. Mike Zalewski, who is a great Legislator, who is certainly a great Representative for many of these issues, my concern is that we don't have enough knowledge about this new industry. Chicago is a large, growing city. People need to get places quickly, and they couldn't count on cabs or taxi service. So, this new industry emerged. You call in and give your credit card number, you give your name, and then they pick you up. It's their own private vehicle, or one that belongs to the company they work for. Now to deny them in any way the opportunity to serve these new communities that have developed all along State street, all along Indiana, brand new houses, condominiums, people going from there to downtown can't get there. We need to keep this industry and we need to keep it free of restraints. It's almost like charter schools, people need a choice. I urge a 'no' vote with all due respect because, Mike, I want you to work on it a little more with the people involved. I'm a person from the city. I can't get a cab at 107th Street, you know. And everybody..."

Speaker Turner: "Rep..."

Davis, M.: "...doesn't have access to public transportation. And I know you mean well. Give it a little... a few meetings... a few meetings over the next two weeks and come back. We'll support

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you Mike but right now I cannot. We don't want you to tie the hands of these people, charge them \$25 thousand a year that they're not going to make. You know, we just want to keep this industry growing. It used to be like that in Chicago. There was a time..."

Speaker Turner: "Representative..."

Davis, M.: "...they called them jitneys."

Speaker Turner: "...Representative..."

Davis, M.: "Yes."

Speaker Turner: "...Representative, time. We're done."

Davis, M.: "Thank you, Mr. Speaker."

Speaker Turner: "Thank you."

Davis, M.: "And thank you, Representative Zalewski. Vote 'no'."

Speaker Turner: "Representative Durkin for two minutes."

Durkin: "Thank you. I'll be very brief. I've been listening to this debate, and this is good. But there's absolutely nothing in this Bill that is going to stop the innovation and technology from advancing forward with this type of service. But what my concern is, always, is that we... we look at common carriers such as... as cabbies and basically, these groups or these commercial transportation providers, they are always and have been traditionally held to a higher standard of care, and that's a good reason for it. And to me, it came down very simple. I think the person who's going to be behind that wheel needs to be insured. I think they need to be subject to the same type of background checks that cabs do right now. It's important for me as a... as a father knowing that my nieces, my daughters that they're going to be somewhere in the City of Chicago, that they're going to be safe with the individual

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driving that car, whether it's a cab or if it's somebody with Uber. I believe you've made some reasonable accommodations and I will support this measure."

Speaker Turner: "Representative Demmer for two minutes."

Demmer: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Sponsor will yield."

Demmer: "Representative, this 18-hour ceiling is pretty important in this because it makes... tries to make a distinction between a part-time, casual driver and somebody who makes more of a career out of this. But as a previous speaker brought up, I think there's an interesting question about how that 18-hour ceiling is calculated. Is it triggered by one week of driving more than 18 hours? Is it triggered by an average? What's the determination?"

Zalewski: "So, what... what we wanted, Tom, is for there to be local control. So, we remain silent on the mechanism to measure the 18 hours per week 'cause we want locals to determine what's best for them."

Demmer: "And I think that's an important distinction because this could easily be triggered by one week of... there's a convention in town, you'd want to drive during a... during a athletic season more, you live in an area where there's going to be a sudden influx of people, and somebody who is a part-time driver, who's a seasonal driver, may trigger this 18-hour provision in one week or in a couple of weeks, but through the rest of the year, may be well below that... that threshold. So, I'd say that to assume that a part-time driver will be part time throughout the whole course of the year is kind of a worry... worrisome provision to put into... put into place. And

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you know, license plates too, having that triggered at the 18 hour threshold is... is a real challenge. That's a permanent thing, you know, affix that to your car. It's a... it's a difficult thing to have that fluctuation with. So, for... for that reason, I think there's some concern built into this Bill. And again, I'll continue to listen to the debate but I appreciate your work so far on it."

Speaker Turner: "Representative Kosel for two minutes."

Kosel: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "Sponsor will yield."

Kosel: "Many of you that have been here for a several years know that I worked very hard after a young lady from my district was killed on... in a hit-and-run accident in the City of Chicago by a taxicab to try and get..."

Zalewski: "No. No."

Kosel: "...statewide regulations..."

Zalewski: "You're going to get Victor on..."

Kosel: "...for taxicabs as a floor, rather than a ceiling. So, I want to commend the Sponsor on doing this statewide. I think it's a step. But I think it's also something that we need to look at for taxicabs statewide because where many places like Chicago go a great job other places don't. And I think there's a real need for it. So, congratulations and good luck."

Speaker Turner: "Representative Zalewski to close."

Zalewski: "Very briefly. It's important to note at the request of Representatives like, La Shawn Ford and others there's an obligation to serve in this Bill. We want underserved communities to be served by these apps. It's an important part of the Bill. It was included in the Bill. Nothing in



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this Bill is going to shut down these apps. We want them to thrive. We want them to do well. However, it's our duty to protect our constituents. And in this building, if you negotiate in good faith and you put in things in the Bill that the other side has asked for, it's... it's incumbent upon us, the General Assembly, to honor those agreements. And we've done that with this Bill. This is a good piece of legislation that protects your constituents. I'd ask for an 'aye' vote."

Speaker Turner: "The question is, 'Shall House Bill 4075 pass?' All in favor vote 'aye'; all opposed vote 'nay'. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Members, please record yourself. Representative Brown, Mitchell, Bost, Zalewski. Zalewski. Representative Welch. Mr. Clerk, please take the record. On a count of 80 voting 'yes', 26 voting 'no', 0 voting 'present', House Bill 4075, having received the Constitutional Majority, is hereby declared passed. House Bill 5926, Representative Feigenholtz. Mr. Clerk, please read the Bill."

Clerk Hollman: "House Bill 5926, a Bill for an Act concerning liquor. Third Reading of this House Bill."

Speaker Turner: "Representative Feigenholtz."

Feigenholtz: "Thank you, Mr. Speaker. House Bill 5926 is a initiative of the Illinois Restaurant Association. Also, supported by the Spirit Distributors. There are no opponents to the Bill. It actually establishes an alcohol server training requirement in Cook County. I'm more than glad to answer any questions."

Speaker Turner: "Representative Reis. Two minutes."

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that we can cancel Sunday night's Session. But we will be in at noon on Monday.

PRESIDING OFFICER: (SENATOR LINK)

Senator Jones, for what purpose do you rise?

SENATOR JONES:

Thank you, Mr. President. Purpose of announcement.

PRESIDING OFFICER: (SENATOR LINK)

State your announcement.

SENATOR JONES:

First, I would like to thank Senator Hutchinson for that birthday wish. I actually turned twenty-one. But everyone's been asking when we're going to do a birthday party. Save the date for May 27th, when we come back down here, a couple of weeks from now, right before we end Session. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

And I hope you have a happy fiftieth birthday. Senator Althoff, for what purpose do you rise?

SENATOR ALTHOFF:

Well, Mr. President, seeing as how we're acknowledging birthdays, although I do not see him on the Floor, my Republican colleague, Bill Brady's birthday is also today. So if you do get to see him, make sure you wish him a very happy birthday. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

We are now going to House Bills 3rd Reading on page 10. House Bill 4075. Leader Muñoz. Mr. Secretary, please read the bill.

SECRETARY ANDERSON:

House Bill 4075.

(Secretary reads title of bill)

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3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR LINK)

Senator Muñoz, on your bill.

SENATOR MUÑOZ:

Thank...

PRESIDING OFFICER: (SENATOR LINK)

Hold on one second. Can we keep the conversations down? We are on final action on bills. Leader Muñoz.

SENATOR MUÑOZ:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. We are running 4075. The trailer bill, we're not going to be running today. We will be running that next week. We got an amendment coming in from the City, and we're hoping maybe that all parties can be happy by then. So today we are only running 4075. Statewide standards are needed because ridesharing is a rapidly growing business that are operating across the State. Ridesharing is not confined to the City of Chicago. For public safety, minimal statewide standards protect the public by insuring drivers that drive more than thirty-six hours in two weeks - that would be in the trailer bill. Right now, we have it as eighteen hours per week. Thank you, Mr. President. Chauffeur's license comes a law enforcement background check. With the background check, the public can rest assured that their driver has been vetted by local authorities. No one wants to allow family members to ride in a vehicle with a driver who has not been checked. The effect of insurance: All drivers must have primary commercial liability insurance in the amount of five hundred thousand from the time they turn on the app until the time they turn off the app. The bill makes it clear that rideshare companies cannot rely on

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drivers' personal auto policy to provide coverage, and that way it draws a bright line regarding commercial activity and avoids coverage disputes. For these reasons, the Illinois insurance industry supports the bill. The bill voids the waiver language that the rideshare companies currently use to avoid any and all liability. Local control: It provides that most regulation is left to the local control - vehicle age and inspection, service to underserved areas, wheelchair accessibility requirements, and locations for pickups and drop-offs. It also provides that any vehicle accepting a ride request through an app, the dispatcher may set the fare. Also, sensible balance. I will attempt to answer any questions.

PRESIDING OFFICER: (SENATOR LINK)

Is there any discussion? Senator Dillard, for what purpose do you rise?

SENATOR DILLARD:

Thank you, Mr. President. I just want to put on the record, I am going to vote Present on this bill, as my law firm actually represents some of the parties that are involved in this battle here. We give insurance regulatory advice to someone that's involved in this. And I'll be voting Present 'cause I have a conflict of interest. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

The record shall reflect. Senator McConnaughay, for what purpose do you rise?

SENATOR McCONNAUGHAY:

...bill.

PRESIDING OFFICER: (SENATOR LINK)

To the bill.

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SENATOR McCONNAUGHAY:

Thank you. I am an enthusiastic supporter of rideshare, and I use Uber app anytime I'm in the City of Chicago when trying to find a taxi. And I want to make sure that we protect the ability for companies engaged in rideshare to continue to operate. But I have a concern that if my daughter or my grandchildren get in a commercial car for hire and that driver and that vehicle are not adequately insured, that puts them at risk. This is clearly about protecting the consumer. I urge a positive vote on this. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

Senator Sandoval, for what purpose do you rise?

SENATOR SANDOVAL:

To the bill, Mr. President.

PRESIDING OFFICER: (SENATOR LINK)

To the bill.

SENATOR SANDOVAL:

I'd like to thank Leader Muñoz for his leadership on this effort in shepherding this bill through the Senate Executive Committee and to the Floor here this morning. I also want to give a shout out to President Cullerton for his leadership, his long history of -- of -- pillar of public safety of the residents of the State of Illinois. The -- the work that we're seeing here this morning -- this -- this morning, a lot of it has been as a result of a lot of efforts also in a very bipartisan way. It's very rare - very rare - these days that you see an effort as -- as enormous as been seen on trying to pass this bill in the last decade, a complex bill that has -- was very obvious of its complexities when just about every lobbyist under the dome was

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hired by either one of the sides. It's an effort that was -- couldn't have done -- taken place without the Minority Leader of the Transportation Committee, Senator McConnaughay, and her leadership on that side of the aisle on trying to educate Members of the public policy that's required for public safety in the State of Illinois. To the bill, Mr. President. You know, this is -- this is a matter that symbolizes and reflects how technology has surpassed public safety and security of the people of Illinois. We cannot make any excuses and we should not - not, at any point - sacrifice the public safety and the security of the residents of the State of Illinois because of modern technology. This bill addresses the gap, the gap presented because of technology surpassing public safety guarantees on the streets and the roads of Illinois. This bill is needed to protect the people of Illinois when they get in a mode of public transportation that has evolved over the last decade in this country and in this State. I want to remind everyone in the Senate - if I can have your attention, please, Illinois Senate - I want to remind everyone that this is a serious matter. This is a matter that can affect your child, your daughter, your wife, your grandmother, your loved ones. I'd like to remind everyone that when you get in a plane, when you get in a train, when you get in a bus, when you get in a cab, when you get on a carriage ride on Michigan Avenue, when you get on a double-decker bus on State Street, when you get on a -- a boat on Michigan Avenue, there's an expectation by you and your loved ones that people are protected if something were to go wrong. If there was a train derailment, a bus crash, an airplane collision, a boat capsizing, you would expect that there'd be a level of protection for those that have been affected by that. We expect the same of

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someone getting in an UberX vehicle, Lyft, or Sidecar. This mode of ridesharing is a new public mode of transportation and should be treated like any other mode of public transportation, which -- with a guarantee of a standard level of protection and security. It was -- it was disclosed through hearings of the Senate Transportation Committee in Chicago, as we asked members of the ridesharing industry to come forward and to testify about the protection and security of its passengers, the level of insurance that they cover for these -- for their clients and the residents. They refused to show up. They refused to testify. They've refused to provide the insurance policies that had been asked previously by the City Council of Chicago in their hearings, to the point where even the City Council had subpoenaed the ridesharing industry to provide their insurance policies. To this very day, they have not officially provided the insurance policies for any of these agencies. They've all refused to testify before any type of hearing in regards to the level and protection and security of their clients, our residents of the State of Illinois. The other issue that is most important is to realize that, you know, when you put the lives of your loved ones in someone else's hands, like a ridesharing vehicle, you should know that these are reputable, responsible, reliable individuals. We expect that of postal workers who drop off the mail in your mailbox at your house, to get drug tested and -- and background checks. We demand that of -- of -- of bus drivers, to get drug tested and background checks. We demand that of operators of trains. We demand that of pilots who -- who operate airplanes. You know, we even demand that of carnival ride operators, to get drug tests and background checks. These are people who lift your children and put 'em on the Tilt-

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A-Whirl. We expect that they get drug tested and background checks. Why wouldn't we of -- of the ridesharing industries that carry your loved ones day in and day out? If it's good for the carnival ride operators and it's good for the bus driver and it's good for the cab driver and it's good for the airplane pilot and it's good for the captain of the love boat on Michigan Avenue, then it's good for -- for the ridesharing industry. It is a must; it is a guarantee; and it is a level of security that must be a guarantee for all the residents of Illinois. This bill hits home, Ladies and Gentlemen of the Senate. I don't ever want to pick up the paper someday and hear that we've lost the life of one of our loved ones because they didn't -- the individual got in a ridesharing vehicle, Lyft, Sidecar, or UberX, and they never came home and we don't know where they're at. I ask an Aye vote. This is a matter of public safety and security. It is the right thing to do and you are voting on the side of the angels when you vote green this morning.

PRESIDING OFFICER: (SENATOR LINK)

Senator Murphy, for what purpose do you rise?

SENATOR MURPHY:

To the bill, Mr. President. I...

PRESIDING OFFICER: (SENATOR LINK)

To the bill.

SENATOR MURPHY:

I wasn't going to speak to this, but I thought maybe you guys missed the sound of my voice this week. I haven't been up much. And I didn't want you to go home all weekend without hearing from me, so I thought maybe we'd cover this a little bit. Actually, a little bit of the melodrama about safety kind of led me to stand



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up too, and I'll get to that in a minute. This is -- there's a lot of decent things in this bill. There's some reasonable points raised. We've got people on our side of the aisle who will be for this bill. We've got people on our side of the aisle who will be against this bill. And I think there are legitimate reasons for that. But, more broadly, I -- I take a look at this and I see the Ubers and the Lyfts as innovators that are revolutionizing this industry. And there's a reasonable point to be made for some level of regulation. I think this bill goes a little far. But, more broadly, I think in Illinois right now, it'd be great -- it's a great time for us to be seen as rewarding innovation and entrepreneurial risk, as we sit here with the third highest unemployment rate in the country. I think these companies represent that innovative spirit, that entrepreneurial spirit. One regulation I think goes too far, drives up costs, and I think potentially leads to a cost increase for end users is the requirement of a chauffeur's license. From what I could determine in committee, about the only thing you get out of a chauffeur's license is people have to pay for the license. The background check in any municipality that does background checks is going to be the same one way or the other. So requiring a chauffeur's license is going to drive up the price of these UberX rides. And the people are using 'em so much because they're, one, convenient, but they're, two, cost-effective. So this regulation, which I don't believe is necessary, is going to drive up costs for end users. The background check point: Safety has been beaten -- has been hit pretty hard out here and I think somewhat overstated. Any municipality that does background checks for the under-eighteen-hour-a-week employee, they're going to get the same

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background check. The company's going to have to do it, but they're going to do it through the municipality. It's going to be the same background check. So they're just as safe. And I think it -- it warrants noting, when you check on UberX, you get a picture of the driver; you have their name; and when your ride gets dropped off, you get an email confirming that. I don't know about the idealistic world that's being painted of life in a cab, but you don't get that level of coverage from any cabbie. Again, this is not an unreasonable bill. There are decent things in it. I commend the sponsor for his work on it. But I think it regulates too far and I think it sends a message that innovation will be kneecapped in Illinois if you compete against a powerful monopoly. That's not the kind of message we want to send right now. I urge a No vote.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno, for what purpose do you rise?

SENATOR RADOGNO:

Question of the sponsor.

PRESIDING OFFICER: (SENATOR LINK)

Indicates he will yield.

SENATOR RADOGNO:

Senator, I am in favor of this bill with the trailer bill. And my -- it was my understanding yesterday that we were hearing it in committee because both of them would be passed together. That gave us some additional assurance that both of these bills would make it to the Governor's Office. I'm a little alarmed that we are now not doing the trailer bill and there's yet another amendment to come. Could you help me through this dilemma here?

PRESIDING OFFICER: (SENATOR LINK)

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Leader Muñoz.

SENATOR MUÑOZ:

Thank you, Mr. President. Yes, Leader. I spoke to the President earlier. We did get an amendment from the City of Chicago on the trailer bill. The intent was to run both bills today and send 'em both to the House. I want to pass 4075 today. It will remain in this Chamber until the trailer bill leaves this Chamber and passes the House. You have my word. 4075 will remain in this Chamber until the trailer bill passes the House.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

Well, since we're dealing with a delicate balance here between regulation and allowing this entrepreneurial enterprise to flourish, what is this amendment and does it impact whether or not we would see this as an additional burden on this emerging technology?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

The amendment from the City of Chicago -- I'm trying to get that right now. We just received it. It'd be on page 12, line 5, after "fare" inserting: Nothing provided in this subparagraph shall be construed to prohibit a unit of local government to adopt consumer protection measure {sic}, including notification and fare - excuse me - cap requirements, that a dispatcher shall comply with -- establishing fare rate {sic} for any vehicle used for commercial ridesharing arrangements, including a taxicab. And -- and we can get you a copy, Leader.

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PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

Okay. You know, it's difficult now to absorb, at least for me, that language and how it fits in with our delicate balance here. So, why was this not raised prior? You know, I guess I'm having a -- the crisis in confidence that this is going to turn out the way that it was represented.

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

The only thing I can tell you, Leader, we're not trying to pull anything or -- or -- I gave my word - not moving this bill out of this Chamber if it were to pass today. The City of Chicago -- we just got it, or else I would have been more than happy to put it on yesterday. There's no reason for me not to do that. That's why this is going to be in -- in the trailer bill, 5331, when we insert this.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

Okay. Well, here's the problem for me. We pass this bill. We have time to digest and hear input on this amendment that Chicago has proposed. What if we -- that chip -- tips the balance, I'm no longer in favor of the package? Why should I vote on this bill? Why don't we save the main bill until we've had the opportunity to hear -- and understand the trailer bill?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

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SENATOR MUÑOZ:

I asked the President to hold this bill for thirty days in this Chamber, until -- unless the trailer bill passes the House, then that -- then this bill will be sent.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

Well, two issues. If the amendment changes my opinion of the package, I've already voted on a bill standing alone that I don't agree with standing alone. I have no option. Secondly, it's nice that he's going to hold it for thirty days, but on the thirty-first day, it goes even if the trailer bill hasn't passed. So, again, why don't we hold them till they're done -- till we're -- they're together?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

I gave my word to Senator Righter and I'm giving my word on the Floor to all the Senators that 4075 will not leave the Chamber until the trailer bill passes the House - not this Chamber. We will wait till it passes the House.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

All right. Thank you. So this bill doesn't go to the House until the trailer bill has passed the House?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

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This bill will remain in the Chamber 'cause it already came from the House - 4075. That's why I'm giving my word on holding 4075 in the Chamber. Will not go to the Governor until the trailer bill, 5331, is passed by the House. This way we're trying to make it fair for all parties. Because, in the trailer bill, a lot of 'em like what's in there. We've made some changes. And I'll be more -- and you heard in committee, Leader, the changes we did to try to appease everyone.

PRESIDING OFFICER: (SENATOR LINK)

Leader Radogno.

SENATOR RADOGNO:

This is my final comment. I -- you know, I am convinced on your timing. My problem is, until I have a chance to fully understand the amendment that may change my opinion of the package, it's hard for me to vote for something that if -- if the amendment isn't to the satisfaction of that balance I seek, I have now put my vote on something that I won't agree with. So, thank you.

PRESIDING OFFICER: (SENATOR LINK)

President Cullerton.

SENATOR J. CULLERTON:

Yes, I just wanted to see if I can respond to the Minority Leader. Just some background on this bill: It's a very contentious bill, very -- a bill that passed out of the House with, I think, some eighty votes. We attempted to reach an agreement among the parties. We were unable to reach an agreement where both sides were in favor, so the -- the -- the strategy that was suggested by Senator Muñoz was that we see if we can work on a trailer bill. The -- the purpose of the trailer bill was to respond to the concerns of the opponents of the bill. So the

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provisions of the trailer bill were things that will be put in that the opponents of the bill would be for. Those provisions, though, were not sufficient to get their support for the underlying bill. So, as Senator Muñoz said, the intention is for the proponents of this bill to move forward with a vote and then hold it. We have every reason to believe that the trailer bill will be an easy thing to negotiate because it has measures that the opponents of the bill want. So the -- and the proponents of the bill have not objected to these provisions being in the trailer bill. So, if that is any -- of any help, procedurally that's how it came about. It's a little unusual, but it's a contentious bill and that's the way that we decided, on behalf of Senator Muñoz, to proceed. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter, for what purpose do you rise?

SENATOR RIGHTER:

Will the sponsor yield, please, Mr. President?

PRESIDING OFFICER: (SENATOR LINK)

Indicates he will.

SENATOR RIGHTER:

Thank you, Mr. President. Senator Muñoz, we've injected a whole new issue into this now. The process issue on which you gave your word and on which -- I fully trust that -- that's one issue. But now you're contemplating an amendment that would basically allow the City of Chicago to pile on whatever else regulation it wants. And as the Leader pointed out -- I mean, when the -- when this concept -- when this bill was presented yesterday in the Senate Executive Committee, it was presented in the context of the trailer bill that would be forthcoming. It was

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a balance, as the Leader pointed out. People voted for 4075. And I would suggest to you that there are people out here right now who would vote -- vote for 4075 if they knew that the trailer bill was coming in the form it was presented yesterday in the Senate Executive Committee, who might not vote for it out here on the Floor if the trailer bill is going to have this new language that was not referenced at all yesterday. Now I appreciate that the City of Chicago has a lot of influence here. But it's not like they weren't here yesterday, or the day before, or the week before that, or the month before that. And I don't know whether their copier was jammed or whether or not they had too many lawyers arguing over the language, but they knew -- they knew the timeline, Senator, 'cause I'm sure that you laid it out for them. So what I'm going to ask you, Senator Muñoz -- go ahead and finish your conversation then, so you -- then you and I talk. Is that all right, or you ready? Okay. If you put the amendment on the trailer bill, you're risking everything here. And what I'm going to ask you to do is to not put that amendment on the trailer bill, or, in the alternative, hold this bill and then when the trailer bill comes before the Senate and 4075, and you do 'em together and give the Members another opportunity to reevaluate the package. But, Senator Muñoz, it is -- it is not fair, and I don't -- and, I would suggest to you, unwise to -- to get a vote out of the committee on a package of bills and then allow the City to come in and change the balance of the regulatory scheme that you have presented just because the City was last minute on their change. Will you do one of the two that I asked, please?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.



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SENATOR MUÑOZ:

What if you and I sit down and negotiate on the amendment, Senator? I -- you know, I've always been willing to work both sides of the aisle, and -- and I'm willing to work with you now, as always. I -- I'm -- I don't want you to think -- I've never done that in the entire time that I've been here, gone back on my word. Again, the amendment just came up. If you don't like the amendment, we can sit down, sit with the City of Chicago and try to change it. I'm willing to do that with you, Senator.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR RIGHTER:

Senator, I'm only interested in that if you hold this bill now. Because once you let this bill go, that then -- then the -- the horse is out of the barn, as you would use from my district. Okay? That won't work. Now -- and, Senator, I appreciate that you do not want to break your word. The City of Chicago is putting you in the position of doing just that. If you call this bill for a vote, that's what you've done, and the City's putting you in that position. And I appreciate the City's got a lot of weight here, but maybe they could just cool their jets for a few days so that we can look at this package together.

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

We haven't filed the amendment that the City wants, Senator. We just received it. They're -- you can check. That amendment has not been filed. That's why I'm trying to tell you, we didn't try to pull a fast one. I wouldn't -- you know, my whole district's

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in the City of Chicago and I carry a lot of bills for the City of Chicago. But this just came in. It's not even been filed.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR RIGHTER:

Senator, I'm not -- I'm not -- you want to continue -- you want to say something else?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

The amendment is -- is -- maybe we can try to -- if they want to put the amendment on, maybe we'll do it in the House. I don't want anyone in the Chamber thinking when we packed the bills yesterday together -- we'll try to put the amendment on in the House. I'll leave it as is. Is that okay, Senator?

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR RIGHTER:

If they're called at the same time, I'm good with that. If they're called at the same time, I'm good with that. This whole -- I don't know how much time we've spent on this Senate Floor debate over this issue - that's not moving this bill forward; in fact, it's walking the bill backwards - because we've decided that the City's last minute amendment was just that important. So, what I would suggest -- what I would suggest...

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

Senator Righter, and to Leader Radogno, our -- our staff

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attorney just informed us that that City amendment is kind of a duplicate of what's already in there. So we don't need this amendment. You don't have to worry about the amendment at all. Everything stays the same as of now.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR RIGHTER:

Then if no amendment is needed, I'm assuming that the trailer bill will be called for a vote today, because there's no need to amend it and it's out on the Floor. So what I would ask, because we've kind of disrupted things here a little bit, and you have shaken up some people over here, or the City has, is that you pull this out of the record for now and you call the trailer bill for a vote - call the trailer bill for a vote and then call this one for a vote immediately after that. Then you get your balance. The trailer bill first. Then 4075. The trailer bill unamended and then 4075.

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

Senator, I've already pulled the amendment out. We're on 4075. If you want the trailer bill to be called today, I'll be more than happy to do it. I'm running both bills at the same time, as I agreed yesterday. So I think that's being more than fair.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR MUÑOZ:

...right after this. Right after this, do the trailer bill next.

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PRESIDING OFFICER: (SENATOR LINK)

Senator Righter.

SENATOR RIGHTER:

..do the trailer bill right after this? Deal.

PRESIDING OFFICER: (SENATOR LINK)

Senator McConnaughay, for a second time.

SENATOR McCONNAUGHAY:

I apologize for rising a second time, but given what's going on here, I felt a necessity to do so. And I want to thank Senator Righter, because I completely agree with him. Senator Muñoz, I - - you know how passionate I have been about this bill and making this change, but I think that the issues that we've discussed that were in the trailer bill, that companion to what we are voting on now is the reason why I have been able to support this, to maintain that level playing field. And that is -- that is -- that level playing field that we guarantee in the trailer bill is what I have talked about with my colleagues as to why they need to support this bill. So I respectfully request that we do vote on the trailer today. Thank you.

PRESIDING OFFICER: (SENATOR LINK)

Senator Syverson, for what purpose do you rise?

SENATOR SYVERSON:

Thank you, Mr. President. Just a -- a quick question of the sponsor.

PRESIDING OFFICER: (SENATOR LINK)

Indicates he will yield.

SENATOR SYVERSON:

Senator, we -- Senator, we talked about this yesterday and I know it's not in the bill, but I guess I would just like, for

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intent, your thoughts on the issue. When we -- when we talked about the four-year-old vehicle and how the current Chicago rules are, it's four -- the vehicles are four years or newer to be in there. And while that doesn't address the rideshare, it does -- it does leave it up to the City to decide what that is going to be for rideshare vehicles. It is -- is it your intent that -- that there be a four-year limit on the rideshare vehicles, or your intent that as long as these vehicles are -- are -- have passed inspection that the age of the rideshare vehicle would not be -- come into consideration?

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

That's Chicago ordinance. What we're doing in the bill, we're leaving it up to the local municipalities how they do their inspections with that. But that -- that only applies to the City of Chicago. That's their ordinance, Senator.

PRESIDING OFFICER: (SENATOR LINK)

Senator Syverson.

SENATOR SYVERSON:

I understand that. And that's -- their ordinance is for four years and that's because, obviously, their cabs, running twenty-four hours a day, do a significantly larger number of miles than do those who are individuals under rideshare. Would it be your intent, if you were making that decision, or your suggestion to the City, that they don't implement that same four-year or newer requirement if you're going to be under rideshare? Because, clearly, that would wipe out seventy percent of the -- the individual's ability to partake in that program.

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PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz.

SENATOR MUÑOZ:

No, Senator, that's not my intent. We leave that to the local municipality. They can pick and -- how they want to do that as far as for the inspections. Or two years, four years - they can change at any time. Each municipality has their own ordinances.

PRESIDING OFFICER: (SENATOR LINK)

Senator Syverson. Leader Muñoz, to close.

SENATOR MUÑOZ:

I -- I want to thank all the Senators for their input, Senator Sandoval and Senator McConnaughay for all the hard work they've done helping me out with this, and the President as well. You know, this bill, we're not trying to stop technology and everyone that uses it. The only thing we want to do is make it safer, regulate it fairly for everyone in the industry. That's the intent of this bill. And immediately after 4075, we will start the trailer bill and I will explain the different changes on that.

PRESIDING OFFICER: (SENATOR LINK)

The question is, shall House Bill 4075 pass. All those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 46 Ayes, 8 Nays, 2 voting Present. House Bill 4075, having received the required constitutional majority, is declared passed. Senator Sullivan -- Leader Sullivan, for what purpose do you rise?

SENATOR SULLIVAN:

Thank -- thank you, Mr. President. A point of personal privilege for the purpose of an introduction.

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PRESIDING OFFICER: (SENATOR LINK)

State your introduction.

SENATOR SULLIVAN:

Ladies and Gentlemen, we have some visitors here today up in gallery, which I'm really glad they're here. These are fifth graders from the Brown County Middle School in Brown County, Illinois, in Mount Sterling. And I'm really here -- that they got to see and witness the debate that just took place with Leader Muñoz and the discussion with the Minority Leader and other Members of the caucus about how we can work together - look at 'em all waving up there - how we -- how we all get to -- we have a debate, a civil debate. We have a conversation. We come to an agreement. We try to work things out. I'm glad they got to see that. But they -- they are here with two of their teachers, Mrs. Harvey and Mrs. Wilson, and Lisa Foster, Sandy and Kent Prather, good friends of mine. They're also up there with them. I'd like everybody to welcome the fifth graders from Brown County Middle School in Brown County, Illinois.

PRESIDING OFFICER: (SENATOR LINK)

Welcome to Springfield. Leader Clayborne, for what purpose do you rise?

SENATOR CLAYBORNE:

Point of an announcement.

PRESIDING OFFICER: (SENATOR LINK)

State your announcement.

SENATOR CLAYBORNE:

Today is the Coaches and {sic} (vs.) Cancer "Suits and Sneakers Day" here at the Capitol. Survivors, staff, and volunteers from the American Cancer Society are here for their

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annual lobby day and are wearing their sneakers in support of cancer awareness and prevention. Coach Jones from Concordia University and Coach Canale from Illinois Valley Community College will be leading a rally at 1 p.m. today near the Lincoln statute {sic} on the east lawn of the Capitol. Everyone is encouraged to attend and show their support for cancer awareness. Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR LINK)

House Bill 5331. Leader Muñoz. Senator -- Senator Muñoz seeks leave of the Body to return House Bill 5331 to the Order of 2nd Reading for the purposes of adding an amendment. Leave is granted. On the Order of 2nd Reading is House Bill 5331. Mr. Secretary, are there any Floor amendments approved for consideration?

SECRETARY ANDERSON:

Floor Amendment No. 1, offered by Senator Muñoz.

PRESIDING OFFICER: (SENATOR LINK)

Senator Muñoz, on your amendment.

SENATOR MUÑOZ:

Thank you, Mr. President. I wish to adopt the amendment. I will speak to it on 3rd Reading.

PRESIDING OFFICER: (SENATOR LINK)

Is there any discussion on the amendment? Seeing none, all those in favor will say Aye. Opposed, Nay. The Ayes have it. Are there any further Floor amendments approved for consideration?

SECRETARY ANDERSON:

No further amendments reported.

PRESIDING OFFICER: (SENATOR LINK)

3rd Reading. Now on the Order of 3rd Reading is Senate Bill



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5331. Mr. Secretary, please read the bill.

SECRETARY ANDERSON:

House Bill 5331.

(Secretary reads title of bill)

3rd Reading of the bill.

PRESIDING OFFICER: (SENATOR LINK)

Leader Muñoz, on your bill.

SENATOR MUÑOZ:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. The trailer bill, House Bill 5331, is pretty much agreed upon by all parties involved. I will explain a couple of the changes that were made on the trailer bill from 4075. Initially in 4075, we had -- was eighteen hours per week. In the trailer bill, we changed it. Minimal statewide standards protect the public by insuring drivers that drive more than thirty-six hours in a two-week period have to get a chauffeur's license. The other change, in the insurance, initially in 4075, it was five hundred thousand, and now it's three hundred and fifty thousand. Drivers must have primary commercial liability, three hundred and fifty thousand, from the time they turn on the app until the time they turn off the app. Another change, for local control, provides that any vehicle accepting a ride request through an app, the dispatcher may set the fare; the local government can regulate the fare - which was not in 4075. The trailer bill strikes the right balance between securing public safety and promoting new transportation options in Illinois. And I will attempt to answer any questions.

PRESIDING OFFICER: (SENATOR LINK)

Senator Righter, for what purpose do you rise?

SENATOR RIGHTER:

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Actually, Mr. President, I think I rise on a point of personal privilege, if I might.

PRESIDING OFFICER: (SENATOR LINK)

Is it pertaining to the bill?

SENATOR RIGHTER:

...does.

PRESIDING OFFICER: (SENATOR LINK)

State your point.

SENATOR RIGHTER:

Simply to thank Senator Muñoz for keeping the delicate process that we agreed to, the balance in place, in Executive Committee and for keeping his word.

PRESIDING OFFICER: (SENATOR LINK)

Senator -- Leader Muñoz, to close.

SENATOR MUÑOZ:

You're welcome, Senator. And -- and thank everybody for their input. And I just ask for an Aye vote.

PRESIDING OFFICER: (SENATOR LINK)

The question is, shall House Bill 5331 pass. All those in favor will vote Aye. Opposed, Nay. The voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 48 Ayes, 7 Nays, 1 voting Present. House Bill 5331, having received the required constitutional majority, is declared passed. House Bill 1711. Senator Harris. Mr. Secretary, please read the bill.

SECRETARY ANDERSON:

House Bill 1711.

(Secretary reads title of bill)

3rd Reading of the bill.

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Vehicle Code is amended by changing  
5 Sections 1-122.7, 1-176.1, 3-412, 8-101, 13-101, and 18c-6102  
6 as follows:

7 (625 ILCS 5/1-122.7)

8 Sec. 1-122.7. For-profit ridesharing arrangement. The  
9 transportation by motor vehicle of not more than 16 persons,  
10 including the driver, for which a fee is charged in accordance  
11 with Section 6 of the Ridesharing Arrangements and Consumer  
12 Protection Act, or a commercial ridesharing arrangement as  
13 defined by the Ridesharing Arrangements and Consumer  
14 Protection Act.

15 (Source: P.A. 90-89, eff. 1-1-98.)

16 (625 ILCS 5/1-176.1) (from Ch. 95 1/2, par. 1-176.1)

17 Sec. 1-176.1. Ridesharing arrangement. The transportation  
18 by motor vehicle of not more than 16 persons, including the  
19 driver, (1) for purposes incidental to another purpose of the  
20 driver, for which no fee is charged or paid except to reimburse  
21 the driver or owner of the vehicle for his or her operating  
22 expenses on a nonprofit basis or (2) when these persons are

1 traveling between their homes and their places of employment,  
2 or places reasonably convenient thereto, for which (i) no fee  
3 is charged or paid except to reimburse the driver or owner of  
4 the vehicle for his or her operating expenses on a nonprofit  
5 basis or (ii) a fee is charged in accordance with the  
6 provisions of Section 6 of the Ridesharing Arrangements and  
7 Consumer Protection Act.

8 (Source: P.A. 90-89, eff. 1-1-98.)

9 (625 ILCS 5/3-412) (from Ch. 95 1/2, par. 3-412)

10 Sec. 3-412. Registration plates and registration stickers  
11 to be furnished by the Secretary of State.

12 (a) The Secretary of State upon registering a vehicle  
13 subject to annual registration for the first time shall issue  
14 or shall cause to be issued to the owner one registration plate  
15 for a motorcycle, trailer, semitrailer, moped or  
16 truck-tractor, 2 registration plates for other motor vehicles  
17 and, where applicable, current registration stickers for motor  
18 vehicles of the first division. The provisions of this Section  
19 may be made applicable to such vehicles of the second division,  
20 as the Secretary of State may, from time to time, in his  
21 discretion designate. On subsequent annual registrations  
22 during the term of the registration plate as provided in  
23 Section 3-414.1, the Secretary shall issue or cause to be  
24 issued registration stickers as evidence of current  
25 registration. However, the issuance of annual registration

1 stickers to vehicles registered under the provisions of  
2 Sections 3-402.1 and 3-405.3 of this Code may not be required  
3 if the Secretary deems the issuance unnecessary.

4 (b) Every registration plate shall have displayed upon it  
5 the registration number assigned to the vehicle for which it is  
6 issued, the name of this State, which may be abbreviated, the  
7 year number for which it was issued, which may be abbreviated,  
8 the phrase "Land of Lincoln" (except as otherwise provided in  
9 this Code), and such other letters or numbers as the Secretary  
10 may prescribe. However, for apportionment plates issued to  
11 vehicles registered under Section 3-402.1 and fleet plates  
12 issued to vehicles registered under Section 3-405.3, the phrase  
13 "Land of Lincoln" may be omitted to allow for the word  
14 "apportioned", the word "fleet", or other similar language to  
15 be displayed. Registration plates issued to a vehicle  
16 registered as a fleet vehicle may display a designation  
17 determined by the Secretary.

18 The Secretary may in his discretion prescribe that letters  
19 be used as prefixes only on registration plates issued to  
20 vehicles of the first division which are registered under this  
21 Code and only as suffixes on registration plates issued to  
22 other vehicles. Every registration sticker issued as evidence  
23 of current registration shall designate the year number for  
24 which it is issued and such other letters or numbers as the  
25 Secretary may prescribe and shall be of a contrasting color  
26 with the registration plates and registration stickers of the

1 previous year.

2 (c) Each registration plate and the required letters and  
3 numerals thereon, except the year number for which issued,  
4 shall be of sufficient size to be plainly readable from a  
5 distance of 100 feet during daylight, and shall be coated with  
6 reflectorizing material. The dimensions of the plate issued to  
7 vehicles of the first division shall be 6 by 12 inches.

8 (d) The Secretary of State shall issue for every passenger  
9 motor vehicle rented without a driver the same type of  
10 registration plates as the type of plates issued for a private  
11 passenger vehicle.

12 (e) The Secretary of State shall issue for every passenger  
13 car used as a taxicab, ~~or~~ livery, or in a commercial  
14 ridesharing arrangement in which the driver participates in  
15 commercial ridesharing arrangements for more than 18 hours per  
16 week, distinctive registration plates.

17 (f) The Secretary of State shall issue for every motorcycle  
18 distinctive registration plates distinguishing between  
19 motorcycles having 150 or more cubic centimeters piston  
20 displacement, or having less than 150 cubic centimeter piston  
21 displacement.

22 (g) Registration plates issued to vehicles for-hire may  
23 display a designation as determined by the Secretary that such  
24 vehicles are for-hire, including, but not limited to, vehicles  
25 used as taxicabs, liveries, or in commercial ridesharing  
26 arrangements for more than 18 hours per week.

1 (h) (Blank).

2 (i) The Secretary of State shall issue for every public and  
3 private ambulance registration plates identifying the vehicle  
4 as an ambulance. The Secretary shall forward to the Department  
5 of Healthcare and Family Services registration information for  
6 the purpose of verification of claims filed with the Department  
7 by ambulance owners for payment for services to public  
8 assistance recipients.

9 (j) The Secretary of State shall issue for every public and  
10 private medical carrier or rescue vehicle livery registration  
11 plates displaying numbers within ranges of numbers reserved  
12 respectively for medical carriers and rescue vehicles. The  
13 Secretary shall forward to the Department of Healthcare and  
14 Family Services registration information for the purpose of  
15 verification of claims filed with the Department by owners of  
16 medical carriers or rescue vehicles for payment for services to  
17 public assistance recipients.

18 (k) The Secretary of State shall issue distinctive license  
19 plates or distinctive license plate stickers for every vehicle  
20 exempted from subsections (a) and (a-5) of Section 12-503 by  
21 subsection (g) of that Section, and by subsection (g-5) of that  
22 Section before its deletion by this amendatory Act of the 95th  
23 General Assembly. The Secretary shall issue these plates or  
24 stickers immediately upon receiving the physician's  
25 certification required under subsection (g) of Section 12-503.  
26 New plates or stickers shall also be issued when the

1 certification is renewed as provided in that subsection.

2 (1) The Secretary of State shall issue distinctive  
3 registration plates for low-speed vehicles.

4 (Source: P.A. 95-202, eff. 8-16-07; 95-331, eff. 8-21-07;  
5 96-554, eff. 1-1-10; 96-653, eff. 1-1-10; 96-815, eff.  
6 10-30-09; 96-1000, eff. 7-2-10.)

7 (625 ILCS 5/8-101) (from Ch. 95 1/2, par. 8-101)

8 Sec. 8-101. Proof of financial responsibility - Persons who  
9 operate motor vehicles in transportation of passengers for  
10 hire.

11 (a) It is unlawful for any person, firm or corporation to  
12 operate any motor vehicle along or upon any public street or  
13 highway in any incorporated city, town or village in this State  
14 for the carriage of passengers for hire, accepting and  
15 discharging all such persons as may offer themselves for  
16 transportation unless such person, firm or corporation has  
17 given, and there is in full force and effect and on file with  
18 the Secretary of State of Illinois, proof of financial  
19 responsibility provided in this Act.

20 (b) In addition this Section shall also apply to persons,  
21 firms or corporations who are in the business of providing  
22 transportation services for minors to or from educational or  
23 recreational facilities, except that this Section shall not  
24 apply to public utilities subject to regulation under "An Act  
25 concerning public utilities," approved June 29, 1921, as



1 amended, or to school buses which are operated by public or  
2 parochial schools and are engaged solely in the transportation  
3 of the pupils who attend such schools.

4 (c) This Section also applies to a contract carrier  
5 transporting employees in the course of their employment on a  
6 highway of this State in a vehicle designed to carry 15 or  
7 fewer passengers. As part of proof of financial responsibility,  
8 a contract carrier transporting employees in the course of  
9 their employment is required to verify hit and run and  
10 uninsured motor vehicle coverage, as provided in Section 143a  
11 of the Illinois Insurance Code, and underinsured motor vehicle  
12 coverage, as provided in Section 143a-2 of the Illinois  
13 Insurance Code, in a total amount of not less than \$250,000 per  
14 passenger.

15 (d) This Section shall not apply to any person  
16 participating in a ridesharing arrangement, a for-profit  
17 ridesharing arrangement other than a commercial ridesharing  
18 arrangement, or operating a commuter van, but only during the  
19 performance of activities authorized by Sections 5 and 6 of the  
20 Ridesharing Arrangements and Consumer Protection Act.

21 (e) If the person operating such motor vehicle is not the  
22 owner, then proof of financial responsibility filed hereunder  
23 must provide that the owner is primarily liable. In the case of  
24 motor vehicles used in commercial ridesharing arrangements,  
25 the dispatchers providing dispatch services to the driver of  
26 the motor vehicle must submit proof that the driver will be an

1 additional insured on a primary insurance policy that will  
2 provide coverage during the time period the driver makes  
3 himself, herself, or the vehicle available for dispatch or  
4 while a commercial ridesharing arrangement passenger is in the  
5 vehicle.

6 (Source: P.A. 94-319, eff. 1-1-06.)

7 (625 ILCS 5/13-101) (from Ch. 95 1/2, par. 13-101)

8 Sec. 13-101. Submission to safety test; Certificate of  
9 safety. To promote the safety of the general public, every  
10 owner of a second division vehicle, medical transport vehicle,  
11 tow truck, first division vehicle including a taxi which is  
12 used for a purpose that requires a school bus driver permit,  
13 motor vehicle used for driver education training, motor vehicle  
14 required to submit to safety testing under subparagraph (A) of  
15 paragraph (1) of subsection (b) of Section 7 of the Ridesharing  
16 Arrangements and Consumer Protection Act, or contract carrier  
17 transporting employees in the course of their employment on a  
18 highway of this State in a vehicle designed to carry 15 or  
19 fewer passengers shall, before operating the vehicle upon the  
20 highways of Illinois, submit it to a "safety test" and secure a  
21 certificate of safety furnished by the Department as set forth  
22 in Section 13-109. Each second division motor vehicle that  
23 pulls or draws a trailer, semitrailer or pole trailer, with a  
24 gross weight of more than 8,000 lbs or is registered for a  
25 gross weight of more than 8,000 lbs, motor bus, religious

1 organization bus, school bus, senior citizen transportation  
2 vehicle, and limousine shall be subject to inspection by the  
3 Department and the Department is authorized to establish rules  
4 and regulations for the implementation of such inspections.

5 The owners of each salvage vehicle shall submit it to a  
6 "safety test" and secure a certificate of safety furnished by  
7 the Department prior to its salvage vehicle inspection pursuant  
8 to Section 3-308 of this Code. In implementing and enforcing  
9 the provisions of this Section, the Department and other  
10 authorized State agencies shall do so in a manner that is not  
11 inconsistent with any applicable federal law or regulation so  
12 that no federal funding or support is jeopardized by the  
13 enactment or application of these provisions.

14 However, none of the provisions of Chapter 13 requiring  
15 safety tests or a certificate of safety shall apply to:

16 (a) farm tractors, machinery and implements, wagons,  
17 wagon-trailers or like farm vehicles used primarily in  
18 agricultural pursuits;

19 (b) vehicles other than school buses, tow trucks and  
20 medical transport vehicles owned or operated by a municipal  
21 corporation or political subdivision having a population  
22 of 1,000,000 or more inhabitants and which are subject to  
23 safety tests imposed by local ordinance or resolution;

24 (c) a semitrailer or trailer having a gross weight of  
25 5,000 pounds or less including vehicle weight and maximum  
26 load;

1 (d) recreational vehicles;

2 (e) vehicles registered as and displaying Illinois  
3 antique vehicle plates and vehicles registered as  
4 expanded-use antique vehicles and displaying expanded-use  
5 antique vehicle plates;

6 (f) house trailers equipped and used for living  
7 quarters;

8 (g) vehicles registered as and displaying Illinois  
9 permanently mounted equipment plates or similar vehicles  
10 eligible therefor but registered as governmental vehicles  
11 provided that if said vehicle is reclassified from a  
12 permanently mounted equipment plate so as to lose the  
13 exemption of not requiring a certificate of safety, such  
14 vehicle must be safety tested within 30 days of the  
15 reclassification;

16 (h) vehicles owned or operated by a manufacturer,  
17 dealer or transporter displaying a special plate or plates  
18 as described in Chapter 3 of this Code while such vehicle  
19 is being delivered from the manufacturing or assembly plant  
20 directly to the purchasing dealership or distributor, or  
21 being temporarily road driven for quality control testing,  
22 or from one dealer or distributor to another, or are being  
23 moved by the most direct route from one location to another  
24 for the purpose of installing special bodies or equipment,  
25 or driven for purposes of demonstration by a prospective  
26 buyer with the dealer or his agent present in the cab of

1 the vehicle during the demonstration;

2 (i) pole trailers and auxiliary axles;

3 (j) special mobile equipment;

4 (k) vehicles properly registered in another State  
5 pursuant to law and displaying a valid registration plate,  
6 except vehicles of contract carriers transporting  
7 employees in the course of their employment on a highway of  
8 this State in a vehicle designed to carry 15 or fewer  
9 passengers are only exempted to the extent that the safety  
10 testing requirements applicable to such vehicles in the  
11 state of registration are no less stringent than the safety  
12 testing requirements applicable to contract carriers that  
13 are lawfully registered in Illinois;

14 (l) water-well boring apparatuses or rigs;

15 (m) any vehicle which is owned and operated by the  
16 federal government and externally displays evidence of  
17 such ownership; and

18 (n) second division vehicles registered for a gross  
19 weight of 8,000 pounds or less, except when such second  
20 division motor vehicles pull or draw a trailer,  
21 semi-trailer or pole trailer having a gross weight of or  
22 registered for a gross weight of more than 8,000 pounds;  
23 motor buses; religious organization buses; school buses;  
24 senior citizen transportation vehicles; medical transport  
25 vehicles and tow trucks.

26 The safety test shall include the testing and inspection of

1 brakes, lights, horns, reflectors, rear vision mirrors,  
2 mufflers, safety chains, windshields and windshield wipers,  
3 warning flags and flares, frame, axle, cab and body, or cab or  
4 body, wheels, steering apparatus, and other safety devices and  
5 appliances required by this Code and such other safety tests as  
6 the Department may by rule or regulation require, for second  
7 division vehicles, school buses, medical transport vehicles,  
8 tow trucks, first division vehicles including taxis which are  
9 used for a purpose that requires a school bus driver permit,  
10 motor vehicles required to submit to safety testing under  
11 subparagraph (A) of paragraph (1) of subsection (b) of Section  
12 7 of the Ridesharing Arrangements and Consumer Protection Act,  
13 motor vehicles used for driver education training, vehicles  
14 designed to carry 15 or fewer passengers operated by a contract  
15 carrier transporting employees in the course of their  
16 employment on a highway of this State, trailers, and  
17 semitrailers subject to inspection.

18 For tow trucks, the safety test and inspection shall also  
19 include the inspection of winch mountings, body panels, body  
20 mounts, wheel lift swivel points, and sling straps, and other  
21 tests and inspections the Department by rule requires for tow  
22 trucks.

23 For driver education vehicles used by public high schools,  
24 the vehicle must also be equipped with dual control brakes, a  
25 mirror on each side of the vehicle so located as to reflect to  
26 the driver a view of the highway for a distance of at least 200

1 feet to the rear, and a sign visible from the front and the  
2 rear identifying the vehicle as a driver education car.

3 For trucks, truck tractors, trailers, semi-trailers,  
4 buses, and first division vehicles including taxis which are  
5 used for a purpose that requires a school bus driver permit,  
6 the safety test shall be conducted in accordance with the  
7 Minimum Periodic Inspection Standards promulgated by the  
8 Federal Highway Administration of the U.S. Department of  
9 Transportation and contained in Appendix G to Subchapter B of  
10 Chapter III of Title 49 of the Code of Federal Regulations.  
11 Those standards, as now in effect, are made a part of this  
12 Code, in the same manner as though they were set out in full in  
13 this Code.

14 The passing of the safety test shall not be a bar at any  
15 time to prosecution for operating a second division vehicle,  
16 medical transport vehicle, motor vehicle used for driver  
17 education training, or vehicle designed to carry 15 or fewer  
18 passengers operated by a contract carrier as provided in this  
19 Section that is unsafe, as determined by the standards  
20 prescribed in this Code.

21 (Source: P.A. 97-224, eff. 7-28-11; 97-412, eff. 1-1-12;  
22 97-813, eff. 7-13-12; 97-1025, eff. 1-1-13.)

23 (625 ILCS 5/18c-6102) (from Ch. 95 1/2, par. 18c-6102)

24 Sec. 18c-6102. Exemptions From Commission Jurisdiction.

25 The provisions of this Sub-chapter shall not, except as

1 provided in Section 18c-6501 of this Chapter, apply to:

2 (1) carriers owned by any political subdivision, school  
3 district, institution of higher education, or municipality,  
4 and operated either by such political subdivision, institution  
5 of higher education, or municipality or its lessee or agent;

6 (2) commuter vans as defined in this Code;

7 (3) carriers transporting passengers without fixed routes  
8 or schedules and charging on a time or distance basis,  
9 including taxicabs, charter operations, and contract bus  
10 operations;

11 (4) carriers transporting passengers with fixed routes and  
12 schedules and charging on a per passenger fixed charge basis  
13 and which do not include an airport as a point to be served on  
14 the route, in whole or in part;

15 (5) transportation in vehicles with a manufacturer's rated  
16 seating capacity of less than 8 persons, including the driver;

17 (6) transportation subject to the Ridesharing Arrangements  
18 and Consumer Protection Act;

19 (7) commuter buses offering short-haul for-hire regularly  
20 scheduled passenger transportation service within metropolitan  
21 and suburban areas, over regular routes with fixed schedules,  
22 and utilized primarily by passengers using reduced-fare,  
23 multiple-ride, or commutation tickets during morning and  
24 evening peak periods in travelling to and from their places of  
25 employment; and

26 (8) those persons owning and operating school buses, as



1 defined in this Code, and regulated by other provisions of this  
2 Code.

3 (Source: P.A. 90-407, eff. 8-15-97; 91-357, eff. 7-29-99.)

4 Section 10. The Ridesharing Arrangements Act is amended by  
5 changing Sections 1, 2, and 5 and by adding Section 7 as  
6 follows:

7 (625 ILCS 30/1) (from Ch. 95 1/2, par. 901)

8 Sec. 1. This Act shall be known and may be cited as the  
9 Ridesharing Arrangements and Consumer Protection Act.

10 (Source: P.A. 82-656.)

11 (625 ILCS 30/2) (from Ch. 95 1/2, par. 902)

12 Sec. 2. (a) "Ridesharing arrangement" means the  
13 transportation by motor vehicle of not more than 16 persons  
14 (including the driver):

15 (1) for purposes incidental to another purpose of the  
16 driver, for which no fee is charged or paid except to reimburse  
17 the driver or owner of the vehicle for his operating expenses  
18 on a nonprofit basis; or

19 (2) when such persons are travelling between their homes  
20 and their places of employment, or places reasonably convenient  
21 thereto, for which (i) no fee is charged or paid except to  
22 reimburse the driver or owner of the vehicle for his operating  
23 expenses on a nonprofit basis, or (ii) a fee is charged in

1 accordance with the provisions of Section 6 of this Act.

2 (b) "For-profit ridesharing arrangement" means:

3 (1) a ridesharing arrangement for which a fee is  
4 charged in accordance with Section 6 of this Act; or -

5 (2) a commercial ridesharing arrangement conducted in  
6 accordance with Section 7 of this Act.

7 (c) "Commercial ridesharing arrangement" means a  
8 ridesharing arrangement in which the method of transportation  
9 is a vehicle owned or leased for personal use, of not more than  
10 6 persons (including the driver), prearranged through a  
11 dispatcher, and for which a fee is charged, but that is not  
12 provided in accordance with the limitations of Section 6 of  
13 this Act. "Commercial ridesharing arrangement" includes a  
14 for-hire public passenger vehicle licensed by a unit of local  
15 government as a taxicab, but only for the purpose of  
16 establishing a fare under subparagraph (D) of paragraph (1) of  
17 subsection (b) of Section 7, when the driver of the taxicab  
18 receives a dispatch using Internet, smartphone, or an  
19 electronic application from a dispatcher.

20 (d) "Dispatch" means the act of facilitating a connection  
21 between drivers and passengers for a commercial ridesharing  
22 arrangement using telephone, Internet, smartphone, or an  
23 electronic application, with or without an account set up  
24 between the passenger and the connecting person.

25 (e) "Dispatcher" means a person that performs a dispatch.

26 (Source: P.A. 83-1091.)

1 (625 ILCS 30/5) (from Ch. 95 1/2, par. 905)

2 Sec. 5. (a) No unit of local government, whether or not it  
3 is a home rule unit, may:

4 (1) license or regulate ridesharing arrangements;

5 (2) impose any tax or fee upon the owner or operator of a  
6 motor vehicle because of its use in a ridesharing arrangement;

7 (3) prohibit or regulate the charging of fees for  
8 ridesharing arrangements in accordance with Section 6 of this  
9 Act.

10 This Act, as it applies to ridesharing arrangements, is  
11 declared to be a denial and limitation of the powers of home  
12 rule units pursuant to paragraph (g) of Section 6 of Article  
13 VII of the Illinois Constitution.

14 (b) Other than with respect to paragraph (1) of subsection  
15 (a) of Section 7 of this Act and subparagraph (D) of paragraph  
16 (1) of subsection (b) of Section 7 of this Act, a unit of local  
17 government, whether or not it is a home rule unit, may not  
18 license or regulate commercial ridesharing arrangements,  
19 dispatchers, or drivers participating in commercial  
20 ridesharing arrangements in a manner that is less restrictive  
21 than the regulation by the State under this Act. This  
22 subsection (b) is a limitation under subsection (i) of Section  
23 6 of Article VII of the Illinois Constitution on the concurrent  
24 exercise by home rule units of powers and functions exercised  
25 by the State.

1       (c) A unit of local government, whether or not it is a home  
2 rule unit, may not license or regulate commercial ridesharing  
3 arrangements, dispatchers, or drivers participating in  
4 commercial ridesharing arrangements in a manner that is  
5 inconsistent with paragraph (1) of subsection (a) of Section 7  
6 of this Act or that is inconsistent with subparagraph (D) of  
7 paragraph (1) of subsection (b) of Section 7 of this Act. This  
8 subsection (c) is a limitation under subsection (i) of Section  
9 6 of Article VII of the Illinois Constitution on the concurrent  
10 exercise by home rule units of powers and functions exercised  
11 by the State.

12       (Source: P.A. 83-1091.)

13       (625 ILCS 30/7 new)

14       Sec. 7. (a) Commercial ridesharing arrangements are  
15 subject to the following license and registration  
16 requirements:

17       (1) No person shall participate as a driver in  
18 commercial ridesharing arrangements for more than 18 hours  
19 per week without first securing (i) a chauffeur's license  
20 issued by the unit of local government where the vehicle  
21 used in the commercial ridesharing arrangement is  
22 registered; or (ii) if the unit of local government in  
23 which the vehicle used in a commercial ridesharing  
24 arrangement is registered does not issue chauffeur's  
25 licenses, then a chauffeur's license issued by a unit of

1 local government in which the driver provides commercial  
2 ridesharing arrangements. If no unit of local government in  
3 which the vehicle used in a commercial ridesharing  
4 arrangement is registered or operated issues chauffeur's  
5 licenses or if the driver of the commercial ridesharing  
6 arrangement does not participate in commercial ridesharing  
7 arrangements for more than 18 hours per week, then the  
8 driver is not required to obtain a chauffeur's license;  
9 provided, however, that the dispatcher shall conduct a  
10 background check of a prospective driver prior to  
11 dispatching commercial ridesharing arrangements to that  
12 driver and shall certify in the reports required by  
13 subsection (h) of this Section 7 that the driver is  
14 participating in a commercial ridesharing arrangement for  
15 18 or fewer hours per week.

16 (2) No person shall perform dispatches without first  
17 securing a commercial ridesharing dispatcher's license  
18 from the Department of Financial and Professional  
19 Regulation. An applicant for a commercial ridesharing  
20 dispatcher's license must submit evidence of the insurance  
21 required by item (B) of paragraph (1) of subsection (b) of  
22 this Section. This license must be renewed annually. The  
23 fee for this license shall be set by the Department of  
24 Financial and Professional Regulation. The Department of  
25 Financial and Professional Regulation shall adopt rules to  
26 implement this paragraph.

1           (3) No commercial ridesharing arrangement shall be  
2           conducted in a vehicle that does not have distinctive  
3           registration plates issued in accordance with the  
4           requirements of Section 3-412 of the Illinois Vehicle Code  
5           if the driver or the vehicle participates in commercial  
6           ridesharing arrangements for more than 18 hours per week.

7           (b) (1) All commercial ridesharing arrangements shall be  
8           conducted under the following standards:

9                   (A) A vehicle used for commercial ridesharing  
10                  arrangements for more than 18 hours per week must  
11                  conform to the age requirements for vehicles used for  
12                  transporting passengers for hire adopted by the unit of  
13                  local government in which the vehicle is registered.  
14                  Any vehicle used for commercial ridesharing  
15                  arrangements for more than 18 hours per week must pass  
16                  any safety inspections required by the unit of local  
17                  government that issued the driver's chauffeur's  
18                  license for vehicles used in transporting passengers  
19                  for-hire. If the unit of local government that issued  
20                  the driver's chauffeur's license does not require  
21                  safety inspections for vehicles used in transporting  
22                  passengers for-hire, or if the driver is not required  
23                  to have a chauffeur's license under paragraph (1) of  
24                  subsection (a) of this Section, then the vehicle must  
25                  pass an annual safety inspection that the dispatcher  
26                  certifies as meeting the requirements of Section

1           13-101 of the Illinois Vehicle Code.

2           (B) Dispatchers must carry commercial liability  
3           insurance in accordance with Section 12-707.01 of the  
4           Illinois Vehicle Code with primary coverage for the  
5           dispatcher, the driver, and the vehicle used in the  
6           commercial ridesharing arrangement during the time  
7           period when the driver makes himself, herself, or the  
8           vehicle available for dispatch or while a commercial  
9           ridesharing arrangement passenger is in the vehicle.  
10          Any terms or conditions in the agreement between the  
11          dispatcher and driver, or between the dispatcher and  
12          passenger, that would act as a waiver of the  
13          dispatcher's liability to the driver, the passenger,  
14          or to the public, or as an indemnification from the  
15          driver or passenger to the dispatcher, are null, void,  
16          and unenforceable.

17          (C) Commercial ridesharing arrangements shall be  
18          arranged solely through a dispatcher. No person shall  
19          solicit or accept potential passengers' requests for  
20          service in a commercial ridesharing arrangement via  
21          street hail, hand gestures, or verbal statements. No  
22          commercial ridesharing arrangement shall pick up or  
23          discharge a passenger at any place prohibited by the  
24          unit of local government in which the commercial  
25          ridesharing arrangement is conducted, or at any  
26          designated taxicab stands, queues, or loading zones.

1           (D) Any vehicle, including a taxicab, used in  
2           commercial ridesharing arrangements shall have its  
3           fare established by a dispatcher who has provided  
4           notice of the amount of the fare to a prospective  
5           passenger prior to obtaining the prospective  
6           passenger's agreement for the fare.

7           (E) If a unit of local government has requirements  
8           for licensed chauffeurs to provide service in  
9           under-served areas, drivers participating in  
10           commercial ridesharing arrangements within that unit  
11           of local government shall be subject to the same  
12           requirements for providing service in under-served  
13           areas.

14           (F) If a unit of local government has requirements  
15           for licensed chauffeurs to provide wheelchair  
16           accessible vehicles, drivers participating in  
17           commercial ridesharing arrangements within that unit  
18           of local government's jurisdiction shall be subject to  
19           the same requirements for providing wheelchair  
20           accessible vehicles.

21           (2) No person shall perform dispatches except as  
22           follows:

23           (A) Dispatches shall be made only to drivers  
24           licensed in accordance with subsection (a) of this  
25           Section.

26           (B) If distinctive registration plates are



1           required by paragraph (3) of subsection (a) of this  
2           Section, then a dispatcher shall ensure that the  
3           vehicle has the distinctive registration plates prior  
4           to dispatching to that vehicle.

5           (c) Any person, other than a passenger, who participates in  
6           a commercial ridesharing arrangement in violation of this  
7           Section is guilty of a violation of this Section and shall be  
8           subject to the penalties adopted by the Department of Financial  
9           and Professional Regulation by administrative rule, including,  
10          but not limited to, fines, probation, revocation of licenses,  
11          and vehicle impoundment.

12          (d) Any person whose property or person is injured or in  
13          danger of injury due to an actual or imminent violation of this  
14          Section may file suit in the circuit court having jurisdiction  
15          to recover any remedy permitted by law, including damages and  
16          injunctive relief.

17          (e) A dispatcher shall assume liability, including the  
18          costs of defense and indemnification, for a claim in which a  
19          dispute exists as to whether the loss or injury giving rise to  
20          the claim occurred while a vehicle involved in the incident  
21          giving rise to the claim was made available for dispatch or  
22          while a commercial ridesharing arrangement passenger is in the  
23          vehicle. The dispatcher must notify the registered owner of the  
24          vehicle and the registered owner's insurer of the dispute  
25          within 25 business days of receiving notice of the accident  
26          that gives rise to the claim. If a private passenger motor

1 vehicle's registered owner or its insurer is named as a  
2 defendant in a civil action for any loss or injury that occurs  
3 during the time the vehicle is made available for dispatch, the  
4 dispatcher shall have the duty to defend and indemnify the  
5 vehicle's registered owner and its insurers.

6 (f) Notwithstanding any provision in the vehicle owner's  
7 insurance policy or any other provision of this Act, the  
8 insurer providing coverage to the owner of a private passenger  
9 motor vehicle may exclude any and all coverage and the duty to  
10 defend afforded under the owner's insurance policy for any loss  
11 or injury that occurs while the vehicle is made available for  
12 dispatch or while a commercial ridesharing arrangement  
13 passenger is in the vehicle. This right to exclude coverage and  
14 the duty to indemnify and defend applies to all coverage  
15 provided by the registered owner's insurer including, but not  
16 limited to:

17 (1) liability and physical damage coverage;

18 (2) personal injury protection coverage;

19 (3) uninsured and underinsured motorist coverage;

20 (4) medical payment coverage for persons using or  
21 occupying the registered vehicle;

22 (5) comprehensive physical damage coverage; and

23 (6) collision physical damage coverage.

24 (g) A dispatcher must, prior to the first use of a vehicle  
25 in a commercial ridesharing arrangement, and upon renewal,  
26 cancellation, or change in insurance by the dispatcher, provide

1 the vehicle's registered owner and any driver of the vehicle  
2 with a disclosure that contains:

3 (1) information explaining the insurance requirements  
4 of this Section;

5 (2) information explaining the coverage and coverage  
6 limits provided under the dispatcher's insurance policy;

7 (3) notice that the dispatcher assumes all liability  
8 for any loss or injury that occurs while the vehicle is  
9 made available for dispatch or while a commercial  
10 ridesharing arrangement passenger is in the vehicle; and

11 (4) notice that the dispatcher provides insurance on  
12 the vehicle while the vehicle is made available for  
13 dispatch or while a commercial ridesharing arrangement  
14 passenger is in the vehicle that is comparable to a  
15 standard owner's insurance policy and that the vehicle's  
16 registered owner's insurance policy may exclude all  
17 coverage and the duty to defend or indemnify any person or  
18 organization for liability for any loss or injury that  
19 occurs while the vehicle is made available for dispatch or  
20 while a commercial ridesharing arrangement passenger is in  
21 the vehicle.

22 (h) For each vehicle used in a commercial ridesharing  
23 arrangement a dispatcher must collect, maintain, and make  
24 available to the vehicle's registered owner, the vehicle's  
25 registered owner's primary automobile liability insurer, and  
26 any government agency as required by law, at the cost of the

1 dispatcher, the following:

2 (1) records that identify the date and duration the  
3 driver makes himself, herself, or the vehicle available for  
4 dispatch. For vehicles with an electronic tracking device,  
5 electronic records of the time, initial and final locations  
6 of the vehicle, and miles driven when the vehicle is under  
7 the control of a person other than the vehicle's registered  
8 owner under a commercial ridesharing arrangement; and

9 (2) in instances where an insurance claim has been  
10 filed, any and all information, including payments to the  
11 registered owner by the dispatcher, concerning accidents,  
12 damages, or injuries.

13 (i) The Department of Financial and Professional  
14 Regulation shall adopt rules to implement this Section.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.

August 25, 2014

To the Honorable Members of the  
Illinois House of Representatives, 98<sup>th</sup> General Assembly:

In accordance with Article IV, Section 9(b), of the Illinois Constitution, I hereby veto House Bill 4075 from the 98<sup>th</sup> General Assembly.

The principle of home rule is an important one. In ratifying the current Illinois Constitution in 1970, the people of our State endorsed home rule for units of local government. This transformational approach to reallocating the balance of power towards local government and away from the State is perhaps the most significant innovation of the Constitution of 1970. Under Article VII, any home rule unit of government is authorized to: “exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; to license; to tax; and to incur debt.” Illinois Constitution of 1970, Article VII, Section 6 (a).

House Bill 4075 establishes a framework whereby the State of Illinois will regulate “commercial ridesharing arrangements,” a new legal category of for-hire private transportation service. House Bill 4075 would, if enacted, mandate certain standards, requirements and consumer protections on a statewide basis, and thus limit the ability of home rule units of government to adopt alternative approaches. The legislation is a response to the regulatory and consumer protection challenges associated with the increasing utilization of a new technology that has given private vehicle operators the opportunity to offer rides on a for-hire basis to potential passengers they encounter through a virtual marketplace that both drivers and passengers access through a smart phone.

Notably, the City of Chicago, as a home rule municipality, has already enacted an ordinance, scheduled to take effect on August 26, 2014, that addresses many of the same concerns that this bill is designed to address.

Other units of local government may also wish to adopt consumer protections and other regulations to ensure a level playing field for all market participants. Such other units of local government may – or may not – follow the approach that the City of Chicago will adopt.

Given how new the technology is and that the City of Chicago’s new ordinance has not yet even taken effect, it would be premature – and perhaps counterproductive – to enact a rigid statewide regulatory model at this time. It would be more prudent to carefully monitor the City of Chicago's experience and the success and challenges it faces in enforcing its new ordinance. Similarly, lawmakers and the general public will also benefit from observing the experiences of other units of government that adopt their own innovative approaches to regulating mobile device-enabling ridesharing.

A statewide regulatory framework should only be considered when it is clear that it is not possible to address the problem at the local level. At this point, there is not yet enough evidence to make a judgment about the effectiveness of local ordinances in dealing with the challenges of ridesharing technologies.

To rush into a whole new statewide regulatory network before the need for one is clear would not only stifle innovation, it would be a disservice to consumers who utilize the service while setting a troubling precedent for the future.

Accordingly, I must return this bill without my approval. Therefore, pursuant to Article IV, Section 9(b) of the Illinois Constitution of 1970, I hereby return House Bill 4075, entitled “AN ACT concerning transportation.”, with the foregoing objections, vetoed in its entirety.

Sincerely,

PAT QUINN  
Governor

**Bill Status of SB2774** 98th General Assembly**Short Description:** TAX RETURN PREPARER-REGULATION**Senate Sponsors**Sen. [Antonio Muñoz](#) and [Martin A. Sandoval](#)**House Sponsors**(Rep. [Michael J. Zalewski](#) )**Last Action**

Date	Chamber	Action
1/12/2015	Senate	Public Act . . . . . <a href="#">98-1173</a>

**Statutes Amended In Order of Appearance**[225 ILCS 450/30.9 new](#)**Synopsis As Introduced**

Amends the Illinois Public Accounting Act. Provides that the Department of Financial and Professional Regulation shall convene a task force in order to prepare a report that determines the appropriate scope of a program for regulating tax return preparers, addresses the appropriate qualifications for tax return preparers, and considers any other matters that the task force determines to be necessary or appropriate. Requires that the report be submitted no later than September 1, 2015 to the Secretary of Financial and Professional Regulation, the Governor, the Speaker of the House of Representatives, and the President of the Senate. Effective immediately.

**Senate Floor Amendment No. 1**

Replaces everything after the enacting clause. Amends the Illinois Public Accounting Act. Provides that the Department of Financial and Professional Regulation shall convene a task force in order to prepare a report that determines the appropriate scope of a program for regulating commercial tax return preparers, addresses the appropriate qualifications for commercial tax return preparers, and considers any other matters the task force determines to be necessary or appropriate. Further provides that the task force shall consist of 7 members, one of whom shall be appointed by the Department and be a representative of the Department; one of whom shall be appointed by the Department and be a representative of a statewide association representing CPAs; one of whom shall be appointed by the Department and be an enrolled agent or representative of the tax return preparation industry; one of whom shall be appointed by the majority caucus leader of the House of Representatives; one of whom shall be appointed by the majority caucus leader of the Senate; one of whom shall be appointed by the minority caucus leader of the House of Representatives; and one of whom shall be appointed by the minority caucus leader of the Senate. Requires that the report be submitted by no later than December 1, 2014 to the Secretary of Financial and Professional Regulation, the Governor, the Speaker of the House of Representatives, and the President of the Senate. Further provides that members of the task force shall receive no compensation, but shall be reimbursed for expenses necessarily incurred in the performance of their duties. Effective immediately.

**Senate Floor Amendment No. 2**

Replaces everything after the enacting clause with the bill as amended by Senate Amendment No. 1 with the following changes: adds the Director of Revenue or his or her designee as a member of the task force; requires that the task force submit its report to the Secretary of Financial and Professional Regulation, the Governor, the Speaker of the House of Representatives, and the President of the Senate by no later than December 1, 2015 (rather than December 1, 2014); and provides for the repeal of the provisions on July 1, 2016. Effective immediately.

**Correctional Note (Dept of Corrections)**

There are no penalty enhancements associated with this bill. The bill would have no fiscal or population impact on the Department of Corrections.

**Land Conveyance Appraisal Note (Dept. of Transportation)**

No land conveyances are included in this bill; therefore, there are no appraisals to be filed.

**Fiscal Note (Financial & Professional Regulation)**

This bill has minimal fiscal impact to the Department of Financial and Professional Regulation.

**Judicial Note (Admin Office of the Illinois Courts)**

This bill would neither increase nor decrease the number of judges needed in the State.

**Housing Affordability Impact Note (Housing Development Authority)**

This bill will have no effect on the cost of constructing, purchasing, owning, or selling a single-family residence.

**State Mandates Fiscal Note (Dept. of Commerce & Economic Opportunity)**

This bill does not create a State mandate.

**Home Rule Note (Dept. of Commerce & Economic Opportunity)**

This bill does not pre-empt home rule authority.

**Pension Note (Government Forecasting & Accountability)**

There is no discernible fiscal impact of any public pension system associated with this Bill.

**State Debt Impact Note (Government Forecasting & Accountability)**

This bill would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

**Balanced Budget Note (Office of Management and Budget)**

SB 2774 will have an impact of less than \$1,000 for reimbursements in other State funds. The Bill would have a minimal impact to the State budget.

**House Floor Amendment No. 1**

*Deletes reference to:*

[225 ILCS 450/30.9](#)

*Adds reference to:*

New Act

[625 ILCS 30/2](#)

from Ch. 95 1/2, par. 902

Replaces everything after the enacting clause. Creates the Transportation Network Providers Act. Requires transportation network companies and participating drivers to maintain transportation network company insurance. Provides for driver requirements. Requires transportation network companies to adopt a non-discrimination policy towards passengers. Provides for both safety and operational requirements. Amends the Ridesharing Arrangements Act to make conformity changes.

**Land Conveyance Appraisal Note, House Floor Amendment No. 1 (Dept. of Transportation)**

No land conveyances are included in this bill; therefore, there are no appraisals to be filed.

**Correctional Note, House Floor Amendment No. 1 (Dept of Corrections)**

There are no penalty enhancements associated with this bill. The bill would have no fiscal or population impact on the Department of Corrections.

**Pension Note, House Floor Amendment No. 1 (Government Forecasting & Accountability)**

There is no discernible fiscal impact of any public pension system associated with this Bill.

**State Debt Impact Note, House Floor Amendment No. 1 (Government Forecasting & Accountability)**

This bill would not change the amount of authorization for any type of State-issued or State-supported bond, and, therefore, would not affect the level of State indebtedness.

**Home Rule Note, House Floor Amendment No. 1 (Dept. of Commerce & Economic Opportunity)**

This bill does not pre-empt home rule authority.



**State Mandates Fiscal Note, House Floor Amendment No. 1 (Dept. of Commerce & Economic Opportunity)**

This bill does not create a State mandate.

**Balanced Budget Note, House Floor Amendment No. 1 (Office of Management and Budget)**

This bill has no impact on the State Budget.

**Fiscal Note, House Floor Amendment No. 1 (Office of Management and Budget)**

This bill would have no fiscal impact to the Governor's Office of Management and Budget.

**Judicial Note, House Floor Amendment No. 1 (Admin Office of the Illinois Courts)**

This bill would neither increase nor decrease the number of judges needed in the State.

**Actions**

Date	Chamber	Action
1/30/2014	Senate	Filed with Secretary by <a href="#">Sen. Terry Link</a>
<b>1/30/2014</b>	<b>Senate</b>	<b>First Reading</b>
1/30/2014	Senate	Referred to <a href="#">Assignments</a>
2/11/2014	Senate	Assigned to <a href="#">Licensed Activities and Pensions</a>
2/20/2014	Senate	Do Pass <a href="#">Licensed Activities and Pensions</a> ; 008-000-000
2/20/2014	Senate	Placed on Calendar Order of 2nd Reading February 25, 2014
3/3/2014	Senate	Senate Floor Amendment No. 1 Filed with Secretary by <a href="#">Sen. Terry Link</a>
3/3/2014	Senate	Senate Floor Amendment No. 1 Referred to <a href="#">Assignments</a>
<b>3/4/2014</b>	<b>Senate</b>	<b>Second Reading</b>
3/4/2014	Senate	Placed on Calendar Order of 3rd Reading March 5, 2014
3/5/2014	Senate	Senate Floor Amendment No. 1 Assignments Refers to <a href="#">Licensed Activities and Pensions</a>
3/6/2014	Senate	Senate Floor Amendment No. 1 Recommend Do Adopt <a href="#">Licensed Activities and Pensions</a> ; 007-000-000
3/6/2014	Senate	Recalled to Second Reading
3/6/2014	Senate	Senate Floor Amendment No. 1 Adopted; Link
3/6/2014	Senate	Placed on Calendar Order of 3rd Reading March 19, 2014
4/1/2014	Senate	Senate Floor Amendment No. 2 Filed with Secretary by <a href="#">Sen. Terry Link</a>
4/1/2014	Senate	Senate Floor Amendment No. 2 Referred to <a href="#">Assignments</a>
4/7/2014	Senate	Senate Floor Amendment No. 2 Assignments Refers to <a href="#">Licensed Activities and Pensions</a>
4/9/2014	Senate	Senate Floor Amendment No. 2 Recommend Do Adopt <a href="#">Licensed Activities and Pensions</a> ; 010-000-000
4/9/2014	Senate	Recalled to Second Reading
4/9/2014	Senate	Senate Floor Amendment No. 2 Adopted; Link
4/9/2014	Senate	Placed on Calendar Order of 3rd Reading
<b>4/9/2014</b>	<b>Senate</b>	<b>Third Reading - Passed; <a href="#">057-000-000</a></b>
4/10/2014	House	Arrived in House
4/10/2014	House	Chief House Sponsor <a href="#">Rep. Michael J. Madigan</a>
<b>4/10/2014</b>	<b>House</b>	<b>First Reading</b>
4/10/2014	House	Referred to <a href="#">Rules Committee</a>
5/8/2014	House	Assigned to <a href="#">Executive Committee</a>
5/16/2014	House	Committee Deadline Extended-Rule 9(b) May 23, 2014
5/23/2014	House	Final Action Deadline Extended-9(b) May 30, 2014

5/26/2014	House	Do Pass / Short Debate <a href="#">Executive Committee</a> ; 007-004-000
5/26/2014	House	Placed on Calendar 2nd Reading - Short Debate
<b>5/26/2014</b>	<b>House</b>	<b>Second Reading - Short Debate</b>
5/26/2014	House	Held on Calendar Order of Second Reading - Short Debate
5/27/2014	House	Fiscal Note Requested by <a href="#">Rep. Ed Sullivan, Jr.</a>
5/28/2014	House	Correctional Note Filed
5/28/2014	House	Land Conveyance Appraisal Note Filed
5/28/2014	House	Fiscal Note Filed
5/28/2014	House	Judicial Note Filed
5/28/2014	House	Housing Affordability Impact Note Filed
5/28/2014	House	State Mandates Fiscal Note Filed
5/28/2014	House	Home Rule Note Filed
5/28/2014	House	Pension Note Filed
5/28/2014	House	State Debt Impact Note Filed
5/29/2014	House	Balanced Budget Note Filed
5/30/2014	House	Rule 19(a) / Re-referred to <a href="#">Rules Committee</a>
5/30/2014	Senate	Added as Co-Sponsor <a href="#">Sen. Martin A. Sandoval</a>
11/25/2014	House	Approved for Consideration <a href="#">Rules Committee</a> ; 004-000-000
11/25/2014	House	Placed on Calendar 2nd Reading - Short Debate
12/2/2014	House	House Floor Amendment No. 1 Filed with Clerk by <a href="#">Rep. Michael J. Zalewski</a>
12/2/2014	House	House Floor Amendment No. 1 Referred to <a href="#">Rules Committee</a>
12/2/2014	House	House Floor Amendment No. 1 Rules Refers to <a href="#">Business &amp; Occupational Licenses Committee</a>
12/2/2014	Senate	Chief Sponsor Changed to <a href="#">Sen. Antonio Muñoz</a>
12/3/2014	House	Alternate Chief Sponsor Changed to <a href="#">Rep. Michael J. Zalewski</a>
12/3/2014	House	House Floor Amendment No. 1 Recommends Be Adopted <a href="#">Business &amp; Occupational Licenses Committee</a> ; 007-002-001
12/3/2014	House	House Floor Amendment No. 1 Land Conveyance Appraisal Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Correctional Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Pension Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 State Debt Impact Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Home Rule Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 State Mandates Fiscal Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Balanced Budget Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Fiscal Note Filed as Amended
12/3/2014	House	House Floor Amendment No. 1 Adopted
12/3/2014	House	Placed on Calendar Order of 3rd Reading - Short Debate
12/3/2014	House	House Floor Amendment No. 1 Judicial Note Filed as Amended
<b>12/3/2014</b>	<b>House</b>	<b>Third Reading - Short Debate - Passed <a href="#">105-007-002</a></b>
12/3/2014	Senate	Secretary's Desk - Concurrence House Amendment(s) 1
12/3/2014	Senate	Placed on Calendar Order of Concurrence House Amendment(s) 1 - December 3, 2014
12/3/2014	Senate	House Floor Amendment No. 1 Motion to Concur Filed with Secretary <a href="#">Sen. Antonio Muñoz</a>
12/3/2014	Senate	House Floor Amendment No. 1 Motion to Concur Referred to <a href="#">Assignments</a>

12/3/2014	Senate	House Floor Amendment No. 1 Motion to Concur Assignments Referred to <a href="#">Executive</a>
12/3/2014	Senate	House Floor Amendment No. 1 Motion To Concur Recommended Do Adopt <a href="#">Executive</a> ; 014-000-000
12/3/2014	Senate	House Floor Amendment No. 1 Senate Concur <a href="#">052-002-001</a>
12/3/2014	Senate	Passed Both Houses
12/15/2014	Senate	Sent to the Governor
1/12/2015	Senate	Governor Approved
1/12/2015	Senate	Effective Date June 1, 2015
<b>1/12/2015</b>	<b>Senate</b>	<b>Public Act . . . . . <a href="#">98-1173</a></b>

AUDIO TRANSCRIPTION

FILE NAME: BUSINESS OCCUP

1  
2 CHAIRMAN RITA: I'd like to call the Business  
3 Occupational Licensing Committee to order. We have a  
4 leader from Speaker Madigan replacing permanent member  
5 Representative Burke with Representative Zalewski.  
6 Clerk, take the roll.  
7 THE CLERK: Rita?  
8 CHAIRMAN RITA: Here.  
9 THE CLERK: Evans?  
10 REPRESENTATIVE EVANS: Here.  
11 THE CLERK: Poe?  
12 REPRESENTATIVE POE: Here.  
13 THE CLERK: Chapa LaVia?  
14 REPRESENTATIVE CHAPA LAVIA: Present.  
15 THE CLERK: Davidsmeyer?  
16 REPRESENTATIVE DAVIDSMEYER: Here.  
17 THE CLERK: DeLuca? Harms?  
18 REPRESENTATIVE HARMS: Here.  
19 CHAIRMAN RITA: DeLuca's here.  
20 THE CLERK: Martwick?  
21 REPRESENTATIVE MARTWICK: Here.  
22 THE CLERK: Morrison?

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1 REPRESENTATIVE MORRISON: Here.  
2 THE CLERK: Sims? Sommer? Zalewski?  
3 REPRESENTATIVE ZALEWSKI: Here.  
4 CHAIRMAN RITA: We've nine members of quorum.  
5 We're going to do one measure, Floor Amendment One, the  
6 Senate Bill 2774.  
7 REPRESENTATIVE ZALEWSKI: May I proceed,  
8 Mr. Chairman?  
9 CHAIRMAN RITA: Yes.  
10 REPRESENTATIVE ZALEWSKI: Okay. So thank you  
11 all. I know the hour is late, and given the --  
12 UNIDENTIFIED: It's not late.  
13 REPRESENTATIVE ZALEWSKI: Well, it's late  
14 for, you know -- some of us it's late, some of us it's  
15 early.  
16 But we have come to what I consider to be a  
17 heavily-negotiated bill with -- regarding ridesharing  
18 services. Let me say at the outset, this is -- there  
19 still remain opponents to the bill that I'm sure we'll  
20 hear from today.  
21 And in the last 24 hours since the language  
22 has been introduced, folks have asked me to consider

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1 changes ongoing. I've said that I'm just, you know,  
2 one person, but my expectation is that all these  
3 changes should be considered, and it'll be my  
4 recommendation that they be considered.  
5 But for now, I feel as though this is a good  
6 starting point for putting safe regulations in this  
7 unique, innovative service, dealing with insurance,  
8 providing for certain coverages whenever there's a  
9 passenger in the vehicle, when there's not a passenger  
10 in a vehicle, insurance disclosure, driver eligibility,  
11 making sure that the services don't discriminate,  
12 making sure that they are safe, and making sure that  
13 they operate appropriately.  
14 If you have any questions, I'm happy to  
15 answer them, but I'd ask for an aye vote.  
16 CHAIRMAN RITA: And for the record, the  
17 opponent's Jeffrey Junkas, Property Casualty Insurance;  
18 Kevin Martin, Illinois Insurance Association; Mark  
19 Mifflin, Giffin, Mifflin, Cohen, Bodewes, Property  
20 Casualty Insurance.  
21 Proponents are Al Ronan, Uber; Andrew Raucci,  
22 Uber; Jack Dorgan, Jim McPike, Uber.

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1 One said that -- one of the opponents said  
2 they'd like to do oral testimony. Is that --  
3 MR. JUNKAS: Good morning, Mr. Chairman and  
4 members of the committee. Jeffrey Junkas, Property  
5 Casualty Insurance Association. I do want to first  
6 compliment Representative Zalewski who has worked  
7 extremely hard on this very difficult issue.  
8 The PCI is a national insurance trade  
9 association, and you may recall my testimony in March  
10 when we were neutral on this issue. This issue has  
11 changed and developed over the last six months, and  
12 we've seen this battle, at the end of the day, come  
13 down to insurance. And the provisions in this bill  
14 leave a very wide insurance gap that -- and I don't  
15 mean to be graphic for you, but the fact of the matter  
16 is, is that someone's going to get injured or killed  
17 and there will be no insurance coverage for that  
18 person. It will lead to lawsuits.  
19 And when that driver gets on his Uber-issued  
20 phone, that he only gets when he becomes a driver for  
21 that coverage, and drops of a passenger and hits a  
22 pedestrian in the intersection while they look at their

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<p>1 Uber-issued phone, that is livery and it's excluded  2 from personalized insurance, and that's where the gap  3 is.  4 This -- we have language we have offered and  5 provided. We have language that Uber has agreed to.  6 They have language that Uber has touted nationally as a  7 model that provides the bright-line rule of coverage so  8 that that pedestrian and that driver and those people  9 in the public are protected, and yet they refuse to  10 adhere to it or accept it here.  11 So you are being led down a primrose path, we  12 believe of false promises from the TNCs. And we want to  13 work with them and we want to be innovative, but this  14 bill does not provide it. And we're happy to work with  15 folks and provide that language and get those  16 protections in the insurance provisions. And I'm happy  17 to answer any questions on the issues. Thank you.  18 CHAIRMAN RITA: Questions from committee  19 members? Representative Davidsmeyer?  20 REPRESENTATIVE DAVIDSMEYER: So what type of  21 coverage -- could you give a little bit better  22 explanation? I'm looking for possibly dollar amounts</p> <p style="text-align: right;">Page 6</p>	<p>1 the 500 licensed insurance companies in the state  2 wanting to dive into those waters.  3 And those coverage levels have never been the  4 issue. We want to make it affordable. The bill does  5 have lower limits. California has lower limits in that  6 first period. Understanding that could be a very --  7 you can get priced out of the market if you have too  8 high of limits like \$1 million, periods two and three.  9 Currently, the TNCs, transportation network  10 companies, since we debated this in March, have come  11 around an become primary in what we call "period two,"  12 which was when you have a match, and "period three" was  13 when you have a passenger. So they have accepted the  14 responsibility of their drivers and their passengers in  15 their cars for those periods. It is period one that  16 has become the problem not only here, but everywhere.  17 I was just in Wisconsin Tuesday. We had this debate.  18 Lansing last week. So it's going to go on nationally.  19 But Uber has agreed to nationally and  20 publicly touted primary insurance coverage in the ALEC  21 model bill and in Washington, D.C., in Colorado and  22 California. And they have not pulled out of their</p> <p style="text-align: right;">Page 8</p>
<p>1 that are covered and what type of cost you would be  2 looking for, for an individual driver, or would the  3 company itself, Uber or Lyft, would they provide that  4 insurance for their drivers, or how would that work?  5 MR. JUNKAS: Certainly. The model  6 legislation we've looked at and we've worked with and  7 the language we have -- just so you know, too, we did a  8 quick analysis of this bill overnight. Based on Uber's  9 own study from Colorado that has these similar  10 provisions, it's a \$1.4 to \$1.8 million subsidy to the  11 transportation network company. This is a \$17 billion  12 company that Goldman Sachs says now is worth \$40  13 billion. They're getting a subsidy.  14 So the kind of coverage that we've outlined,  15 that we advised is that in the period one, the time you  16 log onto the Uber-issued phone until you get a match is  17 -- should be primary, meaning have a bright-line rule  18 it is clear that someone has to be pay for that  19 coverage. Now, it could be either the TNC or the  20 driver. And there are companies that want to try to  21 sell this. But until you establish that bright-line  22 rule and wall it off, they're not going to have over</p> <p style="text-align: right;">Page 7</p>	<p>1 markets and they're thriving. So I am dumbfounded as  2 to why they will not agree to protecting the public and  3 pedestrians and others when their drivers are working  4 for them.  5 REPRESENTATIVE ZALEWSKI: Mr. Chairman, can I  6 ask --  7 CHAIRMAN RITA: Before we do that, we've got  8 a letter from Speaker Madigan replacing permanent  9 member Sims with Representative Hurley.  10 REPRESENTATIVE ZALEWSKI: Mr. Chairman, CD,  11 can I ask Chris Blinick to --  12 CHAIRMAN RITA: Can we add her to the roll?  13 REPRESENTATIVE ZALEWSKI: Thank you, Mr.  14 Chairman. Could I ask Chris [sic] Blinick to step  15 forward? I think he can offer a second view of that  16 issue, CD, that might answer your question a different  17 way.  18 CHAIRMAN RITA: Thank you.  19 MR. BLINICK: Hi. My name is -- it's Adam  20 Blinick with --  21 REPRESENTATIVE ZALEWSKI: Oh, Adam. I called  22 you Chris. Sorry.</p> <p style="text-align: right;">Page 9</p>

1 MR. BLINICK: It's okay. With Uber. I just  
 2 wanted to counter some of the things you just heard  
 3 from PCI. With respect, there is end-to-end coverage.  
 4 There is no period where there is a gap. The bill is  
 5 quite clear that during that period one where the app  
 6 is on but no ride is accepted, there is -- we do  
 7 provide insurance coverage. It's contingent.  
 8 So in the event that someone's personal  
 9 insurance does not -- there's an exclusionary clause  
 10 that would prohibit a personal insurer from providing  
 11 coverage there, we do have coverage. It's higher than  
 12 the state minimum for personal insurance; more than  
 13 double, 50/100. So at no point in time will there be  
 14 any gap in insurance. I just wanted to clarify that.  
 15 REPRESENTATIVE ZALEWSKI: And to Adam's  
 16 point, CD, the -- this issue, this very issue has sort  
 17 of been the -- I think Jeff would even agree, been the  
 18 issue on this issue. This -- the issue on this bill is  
 19 what happens when the app is on, there's no passenger  
 20 in the car, and whether or not that contingency within  
 21 the policy is appropriate as it is now, or whether  
 22 there should be explicit language in the bill about

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1 what kind of coverages there should be  
 2 Again, given where we are, and given the fact  
 3 that these services are operating in Illinois and  
 4 they're coming to Rockford and they're coming to  
 5 Springfield and they're coming to Bloomington, I feel  
 6 as though it's important to get a bill on the books  
 7 My sense is, the insurance industry will -- they  
 8 certainly respectfully disagree and will continue to  
 9 pursue a more explicit carveout I don't know what  
 10 will be the result of that But my view is, it's  
 11 important to the safety of our constituents to try to  
 12 get a bill on the books right now  
 13 REPRESENTATIVE DAVIDSMEYER: So are we -- you  
 14 know, it says, obviously, the app-on coverage, 50,000  
 15 for death and personal injury, 100,000 for death and  
 16 personal injury per incident  
 17 REPRESENTATIVE ZALEWSKI: Correct  
 18 REPRESENTATIVE DAVIDSMEYER: And 25,000 for  
 19 property damage  
 20 What's the current standard for, say, a taxi?  
 21 Well, I guess there's no app-on for taxi They just  
 22 have a --

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1 REPRESENTATIVE ZALEWSKI: I don't know the  
 2 answer to that.  
 3 REPRESENTATIVE DAVIDSMEYER: I mean, it's  
 4 full coverage --  
 5 MR. JUNKAS: It's 24/7 commercial coverage,  
 6 which was our original position. Our fallback became  
 7 the app-on, app-off primary. This body and the Senate  
 8 passed -- majority, as you know, \$350,000 limit. The  
 9 transportation network companies opposed that.  
 10 And just to counter Adam's point, if you're  
 11 seeing that there's a need for any kind of coverage at  
 12 all and contingent coverage, then you've kind of  
 13 answered our argument that you should have walled-off  
 14 primary app-on, app-off like you've agreed to in other  
 15 states. Our contingency is that if you make it  
 16 contingent, you're going to create a battle in dispute  
 17 coverage where someone's left in the lurch.  
 18 Someone gets in an accident or that  
 19 pedestrian's hit, they're going to go to their carrier  
 20 for coverage. The carrier's going to deny. This is  
 21 delays, this is cost. So that injured person's waiting  
 22 for Uber now to come and respond.

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1 And again, there doesn't need to be a delay.  
 2 If they already agree there's a need for coverage, they  
 3 should provide it app-on, app-off, primary like they do  
 4 in California for 52 million people and in D.C. and  
 5 other places.  
 6 REPRESENTATIVE DAVIDSMEYER: So really quick,  
 7 app-on coverage, you turn on your app, you're sitting  
 8 there waiting for somebody to need a ride, right. So  
 9 match coverage, does your match coverage only start --  
 10 it starts when you make a match, right, when you have  
 11 somebody in your car, or when you're going to pick  
 12 someone up?  
 13 REPRESENTATIVE ZALEWSKI: Go ahead, Adam.  
 14 MR. BLINICK: The primary commercial phase,  
 15 the one when -- that's when a ride has been accepted.  
 16 So as soon as a driver has accepted a ride, the primary  
 17 commercial \$1 million policy kicks in immediately and  
 18 goes until the trip has ended.  
 19 REPRESENTATIVE DAVIDSMEYER: And then once  
 20 you drop that person off, you're back to app-on  
 21 coverage?  
 22 MR. BLINICK: If your app is still on at that

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1 point, yeah, you go right -- you go back to app-on.  
 2 And just to also clarify, this is a policy  
 3 that's similar to, but, in fact, a little bit stronger  
 4 than what we have in Chicago right now. So -- and I --  
 5 maybe I'll also just highlight that there's nothing in  
 6 -- this allows for the development in the insurance  
 7 market that PCI has mentioned. And in addition, you  
 8 know, nothing in this precludes PCI members from  
 9 issuing the policies they want to issue on personal  
 10 insurance excluding certain types of activities.  
 11 So this allows the whole flexibility for  
 12 there to be innovation in the insurance sector, and  
 13 allows for companies to dictate what policies they want  
 14 going forward.  
 15 REPRESENTATIVE DAVIDSMEYER: Okay. Thank  
 16 you.  
 17 CHAIRMAN RITA: Representative Martwick.  
 18 REPRESENTATIVE MARTWICK: So I want to kind  
 19 of try and sort out what the two of you are saying. So  
 20 the law will say that in that period where the app is  
 21 on, but there is no ride engaged, that you will provide  
 22 contingent insurance. So if the driver's personal

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1 insurance policy doesn't cover, you will, which is nice  
 2 because it sounds like A or B.  
 3 But, correct me if I'm wrong then, so from  
 4 the insurance, you're saying that, well, our insurance  
 5 just won't cover that, which sort of makes it a sort of  
 6 default that your contingent is there. Unless, of  
 7 course, you say, no, we don't agree with that, so we'll  
 8 have a big lawsuit and we'll sue the insurance  
 9 companies to make them cover it. That's what this is  
 10 all about, right, is having that lawsuit, because then  
 11 you can force the expense back onto the personal  
 12 insurance. That's what we're getting at, right? And  
 13 I'm just trying to clear it up in my mind.  
 14 And, Mike, for the record, I'm going to  
 15 support this bill in a vote because you've worked your  
 16 butt off, and we should absolutely have something.  
 17 There's no doubt about it. But this insurance question  
 18 -- you know, like I've always said, I think that we  
 19 should have -- I think the responsibility of the  
 20 legislature is to make sure that the playing field is  
 21 level, right. I don't think we -- I think Uber and  
 22 Lyft should enjoy their technological advantage, but

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1 they should not receive some sort of advantage based on  
 2 the laws that we create.  
 3 I think this is a great first step. I hope  
 4 we continue to work at it to make sure that the people  
 5 of Illinois are covered and not just pawns in some sort  
 6 of legal game. And, honestly, I have asked many people  
 7 -- I respect the people that are working on behalf of  
 8 Uber. But I don't understand why it is that you agreed  
 9 to coverage in many other states, but refuse to agree  
 10 to it here. I just don't understand.  
 11 MR. JUNKAS: No. I think you hit the nail on  
 12 the head. At the end of the day, yeah, you know, this  
 13 is probably going to come down to more lawsuits and  
 14 coverage disputes, like I mentioned. I mean, the  
 15 personal lines carrier's going to exercise their livery  
 16 exclusion. They're going to send a denial letter.  
 17 That insured pedestrian or driver's going to go to Uber  
 18 or Lyft or any other -- 20 other companies that create  
 19 an app in the next five years and then have to fight  
 20 that legal battle.  
 21 And yet in D.C., in California, in Colorado  
 22 in bills that Uber have lauded publicly and nationally

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1 on their website and other places -- I mean, I'm not  
 2 lying on that, right? You've lauded the ALEC model in  
 3 D.C. as a model, and it's primary coverage, app-on,  
 4 app-off. There would not be a dispute. It would be  
 5 immediately covered. We'd know who's on it.  
 6 And as far as innovation, our whole point on  
 7 innovation is that period one. When it's the lower  
 8 limits, it's policies that folks can afford. And we've  
 9 offered even more alternative language even just a  
 10 couple days ago that would, we think, further  
 11 incentivize that innovation.  
 12 REPRESENTATIVE ZALEWSKI: And, Rob, to -- the  
 13 flipside of that argument -- I respect Jeff. He's a  
 14 zealous advocate for what -- and I've worked closely  
 15 with him on this.  
 16 But the argument is, eventually the market  
 17 here -- the insurance market is going to have to come  
 18 to grips with these services. I think what Adam would  
 19 say, without speaking for him, is at some point, the  
 20 companies are going to start deciding how they're going  
 21 to handle whether or not an UberX driver decides to  
 22 drive or not for UberX, and whether they want to cover

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1 that. And our position at this moment, given where we  
 2 are, is a contingent model is better than no model at  
 3 all, like you mentioned. And if the market -- either  
 4 the market will decide that it's going to catch up with  
 5 -- it's going to adjust, or Jeff's group will continue  
 6 to push forward.

7 CHAIRMAN RITA: Representative Evans?  
 8 REPRESENTATIVE EVANS: Yeah. I just wanted  
 9 to chime in here. Over the holiday, I have a close  
 10 from who's choosing to do Uber part-time, and these are  
 11 the concerns we brought up. You know, buddies in D.C.,  
 12 buddies in California. And I was initially a supporter  
 13 of the more stringent, tougher regulations, thought  
 14 those should've happened.

15 I know we, at this point now -- I know I'm  
 16 disappointed. I just don't understand. It hasn't been  
 17 made clear on why you all are choosing to not protect  
 18 people like my friend who are out driving in the  
 19 streets, and we know these issues come up.

20 Even reading the language -- I'm not a  
 21 lawyer. But what's going to happen if the driver -- or  
 22 the passenger, rather, is getting in the vehicle on the

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1 side of Clark Street and a truck hits him? Is he  
 2 technically in the car? Or if the app dies while he's  
 3 driving because he didn't charge the phone. There are  
 4 going to be all of these situations that could  
 5 potentially come up, you know, with this legal jargon.

6 You know, it's just very disappointing that  
 7 we just couldn't have it on when the app is on to make  
 8 it crystal clear for the average driver. There's no  
 9 educational standards on being an Uber driver. So now  
 10 you're putting these people in all of these situations.

11 You know, I've had serious medical issues;  
 12 \$200,000 in medical bills. I mean, you're putting  
 13 people in tough situations. I know, Mike, you know,  
 14 you've worked hard on this, and I'll support it out of  
 15 committee and consider it on the floor.

16 But it just -- I just want to say publicly,  
 17 I'm just disappointed in Uber's, you know, negotiation  
 18 with Illinois. You know, I don't think it's  
 19 necessarily been the best. And, unfortunately, you  
 20 know, we will see the issues, and you all will be back  
 21 to address it. I just hope you all will take that back  
 22 and think about that for the next session because the

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1 problems are upon us.

2 CHAIRMAN RITA: Representative Harms?  
 3 REPRESENTATIVE HARMS: Thank you, Mr.  
 4 Chairman.

5 Adam, Rob asked the question, if Uber's  
 6 accepted insurance industry's language in all the other  
 7 states, why aren't you accepting it here? And I didn't  
 8 really hear an answer when he asked that.

9 MR. BLINICK: This is our preferred model.  
 10 We think it is the most appropriate one. It allows for  
 11 the most amount of flexibility in the regime, and it  
 12 ensures coverages for all individuals involved at all  
 13 points in time in a trip. So we -- this is our  
 14 preferred model. So --

15 REPRESENTATIVE HARMS: Why don't you have it  
 16 this way in the other states? Why is the language in,  
 17 in the other states?

18 MR. BLINICK: I wasn't a part of those  
 19 discussions, so I really would be -- I'm not in a good  
 20 position to speak to what happened in those  
 21 negotiations. I'm sorry.

22 REPRESENTATIVE HARMS: Okay. But what I'm

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1 hearing from both sides is that there's going to be  
 2 litigation until the market figures out, through the  
 3 court system, how to define what the insurance is when  
 4 the app's on but nobody's in the car. Is that correct?

5 MR. BLINICK: I don't think it's as -- I  
 6 don't -- I'm not on the adjustment side, so I don't  
 7 want to speak outside of my realm. But I would say  
 8 that I think our view is that we're already seeing --  
 9 you know, we're hearing about policies being filed to  
 10 specifically address this -- the new TNC model. Any  
 11 company can -- any insurance company can exclude that  
 12 which they want to.

13 So we just think that this model allows for  
 14 the greatest flexibility in the regime and ensures,  
 15 though, that at all points in time, drivers are  
 16 protected, the public is protected, and that absolutely  
 17 once a ride is accepted, at levels that are -- I think  
 18 it's 20 times the minimum and several levels higher  
 19 than what taxi has in almost ever jurisdiction, a  
 20 million-dollar primary insurance when commercial  
 21 activity's actually occurring.

22 REPRESENTATIVE HARMS: With insurance --

Page 21

1 you're opposing that -- is this a true statement:  
 2 You're opposing the insurance industry's amendment  
 3 because it will ultimately cost you more. Is that  
 4 correct or not?  
 5 REPRESENTATIVE ZALEWSKI: Adam, don't answer  
 6 that.  
 7 There's no amendment, Josh. There's no  
 8 amendment.  
 9 REPRESENTATIVE HARMS: Okay. I thought they  
 10 were proposing -- sure. They had language, but there's  
 11 no amendment.  
 12 REPRESENTATIVE ZALEWSKI: I think Jeff would  
 13 say that what we had in the original bill was ideal,  
 14 but we came to a conclusion that what we had in the  
 15 original bill wouldn't -- ultimately wasn't going to  
 16 become law. It wasn't going to be operative.  
 17 So as I said -- mentioned -- ago, there's  
 18 either two things that are going to happen. And Adam  
 19 mentioned it, too. Either the market -- companies are  
 20 going to start writing these policies in a different  
 21 way to address the gap we're talking about here, or  
 22 forget about lawsuits, Jeff and the insurance industry

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1 is going to come back here in the spring, and we're  
 2 going to be right back here round and round and round  
 3 again. My hope is that's not the case. My hope is  
 4 that we can continue to work through these issues.  
 5 But for right now, I would argue that having  
 6 some sort of insurance coverage in place, which is in  
 7 place in Chicago and is enhanced for -- it's either --  
 8 it's fair to say it's either enhanced Chicago or like  
 9 California. Either way you --  
 10 MR. BLINICK: Stronger than Chicago.  
 11 REPRESENTATIVE ZALEWSKI: Stronger than  
 12 Chicago, like California is better than no insurance at  
 13 all.  
 14 MR. JUNKAS: If I can just real quickly to  
 15 your point, what brought them to the table, quite  
 16 frankly, in California was the death of a six-year-old  
 17 girl. That's really what brought them to -- their home  
 18 state of Uber and Lyft and 52 million people that  
 19 reside there now have the kind of coverage that we've  
 20 asked for. We worked with that model law that they  
 21 agreed to and signed letters to, and they have, again,  
 22 publicly accepted this in D.C. and Colorado and other

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1 places.  
 2 The debate, as you recall, in March when we  
 3 had this, their million-dollar magic coverage that  
 4 they've talked about was completely contingent for  
 5 every period. But when they saw the writing on the  
 6 wall, they started to cover periods two and three.  
 7 And you're right, companies are going to  
 8 start innovating. The representative's absolutely  
 9 right. They're going to start changing. We've had  
 10 four companies in three states, if I'm correct, file  
 11 for insurance products to cover this period one. One  
 12 company in Illinois -- there's over 500 that write  
 13 insurance in Illinois. So one company has filed a  
 14 product. Doesn't mean it's been bought, doesn't mean  
 15 it's in the market yet. So it will take time.  
 16 But you're absolutely right. Our insurance  
 17 companies -- and the representative had worked  
 18 extremely well on this. But we will be back here.  
 19 When there is something -- we want to work with you  
 20 going forward to close this loop if this bill's going  
 21 to move. We will be back here, because something is  
 22 going to happen that's tragic, and we're all -- you're

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1 all going to have to deal with that publicly, and we're  
 2 going to have to deal with it, as well as companies.  
 3 And we're trying to avoid that upfront.  
 4 And the bill we had back in March and April  
 5 was certainly strong. We agree there were weaknesses  
 6 that weren't optimal for both sides, but it's what we  
 7 had. And we're here today, and, you know,  
 8 unfortunately, we think there are still some gaps.  
 9 REPRESENTATIVE HARMS: But, Mike, this is  
 10 probably going to be one of those situations where  
 11 there's -- you can't compromise this out. Or is this  
 12 something that you can find some middle ground?  
 13 REPRESENTATIVE ZALEWSKI: I'm offended that  
 14 you don't have that much faith in me.  
 15 REPRESENTATIVE HARMS: Just from what I'm  
 16 hearing, it seems like there's no middle ground. You  
 17 either have the coverage or you don't.  
 18 REPRESENTATIVE ZALEWSKI: No. I think -- I  
 19 don't agree with that. I think there is a middle  
 20 ground. I don't think we were able to get there at  
 21 this point. That's my sense.  
 22 REPRESENTATIVE HARMS: That's why you're

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1 saying if they come back next year, you'll have another  
 2 round of this (indiscernible) --  
 3 REPRESENTATIVE ZALEWSKI: Oh, I don't know  
 4 that I'll be signing up for this duty.  
 5 REPRESENTATIVE HARMS: No. You will.  
 6 REPRESENTATIVE ZALEWSKI: It's been a treat.  
 7 But I think -- I just know the way the building works.  
 8 My sense is that at some point we'll be revisiting  
 9 this.  
 10 REPRESENTATIVE HARMS: All right. Thank you,  
 11 Mr. Chairman.  
 12 CHAIRMAN RITA: I guess I'm -- what are the  
 13 -- what did you change from your bill that was passed  
 14 out of here to what you have here? Walk us through  
 15 this.  
 16 REPRESENTATIVE ZALEWSKI: On the insurance  
 17 side?  
 18 CHAIRMAN RITA: Well, not just on -- I know  
 19 we're focused on the insurance side. But in terms of  
 20 the whole bill. But what is it for the taxis with the  
 21 insurance here? I guess I don't understand what Adam's  
 22 saying, this is what we agreed to. But if in other

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1 states it's different, what's -- why, I guess I'm  
 2 asking?  
 3 REPRESENTATIVE ZALEWSKI: Why is the  
 4 insurance provisions different than other states?  
 5 CHAIRMAN RITA: Yes.  
 6 REPRESENTATIVE ZALEWSKI: So --  
 7 CHAIRMAN RITA: If they agreed, and they have  
 8 a model in other states, and we had these levels in the  
 9 original bill that come through the committee that you  
 10 passed, how come now all of a sudden now it's -- the  
 11 coverage now is at a lower level?  
 12 REPRESENTATIVE ZALEWSKI: Mr. Chairman, I'm  
 13 going to answer that, I'm going to let Adam -- and then  
 14 if you want rebuttal -- my sense is the bill that was  
 15 in the spring --  
 16 CHAIRMAN RITA: Well, I think it would be for  
 17 Adam to answer that.  
 18 REPRESENTATIVE ZALEWSKI: Okay. Go ahead.  
 19 MR. BLINICK: So the --  
 20 CHAIRMAN RITA: It's not that I don't want to  
 21 hear you, Mike. But they're saying, well, this is what  
 22 it is. It's not really -- I'm getting more confused as

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1 we're going further here.  
 2 MR. BLINICK: So to speak to what the policy  
 3 is in this bill, the levels are the same as they are in  
 4 almost every other market that we've been regulated.  
 5 So the amount that is provided by Uber isn't changed.  
 6 It's -- as I said, it's higher than it would be in  
 7 Chicago.  
 8 CHAIRMAN RITA: Well, we're not -- I want to  
 9 address the other states that they said.  
 10 MR. BLINICK: So it's the same --  
 11 CHAIRMAN RITA: I don't want to hear about  
 12 Chicago.  
 13 MR. BLINICK: It's the same amount that we're  
 14 providing. It's -- the mechanism is, here it is  
 15 contingent versus what it is in other states. And our  
 16 view is just -- I'll be -- I'll -- I think our view is  
 17 that just because other states have passed bills  
 18 doesn't mean that that's the ideal or what should be  
 19 strived for. We --  
 20 CHAIRMAN RITA: So you don't believe the  
 21 model that was used in the other states is a good model  
 22 to use?

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1 MR. BLINICK: We're supportive, but we do  
 2 think that this is more ideal.  
 3 MR. JUNKAS: To answer your question, the  
 4 previous bill had \$350,000 of straight, flat coverage  
 5 from the app-on until the passenger left the car or the  
 6 app turned off. That was a higher limit across, but  
 7 obviously lower than this million dollars. Because at  
 8 the time, theirs was contingent for periods two and  
 9 three when you had a passenger in the car.  
 10 Uber I know disagreed with the higher limit  
 11 in period one. They've agreed to that lower limit in  
 12 period one when there's no one in the car and a  
 13 person's just driving around. We've agreed to allow to  
 14 that level as well if that's -- the public policy  
 15 dictates, but we still feel it should be primary.  
 16 And to Adam's question about other states,  
 17 again, I'll pull up the Uber website and try to find it  
 18 on their blob, but they have publicly come out and said  
 19 that the model that's in D.C., which is now this ALEC  
 20 model that says when a driver's logged into a network  
 21 but not engaged in a ride, the following requirements  
 22 apply: That the driver of the TNC shall maintain a

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1 primary policy that does X, Y, and Z. They've called  
 2 that a model, and they said that's what they prefer and  
 3 want to see in other states. They said that; not us.  
 4 CHAIRMAN RITA: So you don't believe it  
 5 should be in this legislation like that? I guess, why?  
 6 REPRESENTATIVE ZALEWSKI: Can I try to  
 7 answer, Mr. Chairman, or no? Or do you want Adam to  
 8 answer?  
 9 CHAIRMAN RITA: (Indiscernible)  
 10 REPRESENTATIVE ZALEWSKI: What's that,  
 11 Mr. Chairman? Can I answer?  
 12 CHAIRMAN RITA: Go ahead. Yes.  
 13 REPRESENTATIVE ZALEWSKI: I think the answer  
 14 to that question is -- I think one argument Uber makes  
 15 that's, in my perspective is that each market is  
 16 different. Illinois is different than California, it's  
 17 different than D.C., it's different than Colorado. And  
 18 when we presented them at the outset of these  
 19 negotiations after the first week of veto a model of --  
 20 a model of what we thought could pass for insurance, we  
 21 started with a California model which was app-on, not  
 22 passenger primary. Uber and its representatives

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1 negotiated with us, which we ask them to do all the  
 2 time, and we came up with what I consider to be  
 3 enhanced Chicago, or stronger than Chicago, slightly  
 4 different or less than California.  
 5 So if we're -- if it's fair to say that  
 6 Illinois is different that Colorado or California or  
 7 D.C., then it's also fair to say then our laws and our  
 8 insurance market can be adjusted accordingly to make  
 9 sure that it fits the needs of what passengers in  
 10 Illinois are looking for.  
 11 Again, my expectation is that two things will  
 12 happen. Either the market will adjust, or we'll  
 13 determine the statute needs to be revised. But, to me,  
 14 that's -- what's good for Illinois is good for  
 15 Illinois. It's not necessarily good for what's in D.C.  
 16 or what's in California.  
 17 CHAIRMAN RITA: So how much money does this  
 18 save Uber by doing this? Is that what this bottom line  
 19 comes down to?  
 20 MR. BLINICK: I can't speak to that. But I  
 21 would say that to highlight something that  
 22 Representative Zalewski said, too, ever jurisdiction is

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1 quite different. And even in a state like California,  
 2 there is a -- that doesn't even come into force -- the  
 3 provisions that Jeff has spoken to come into force for  
 4 another, I think, seven or eight months because there's  
 5 recognition that it wouldn't likely work today.  
 6 So this is -- the bill that Representative  
 7 Zalewski has introduced will work immediately, ensures  
 8 end-to-end coverage. Our priority as a company is to  
 9 ensure that drivers, riders, the public are covered.  
 10 And we believe strongly that the model that's in front  
 11 of you accomplishes that in ways that are more ideal  
 12 and allow for innovation in the insurance industry.  
 13 CHAIRMAN RITA: I know there's a number of  
 14 questions from other members here, so -- and we'll go  
 15 back on the differences maybe between the two bills,  
 16 Mike. I'd like you to walk s through it.  
 17 But Representative Davidsmeyer and Sosnowski  
 18 and then Evans.  
 19 REPRESENTATIVE DAVIDSMEYER: I have a few  
 20 questions. What's the current liability standard for a  
 21 private individual just driving around? I know what I  
 22 have, but what's the current liability for the

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1 property, personal injury and death, and all the --  
 2 that (indiscernible)?  
 3 MR. JUNKAS: It's 20/40/10, and it's going to  
 4 go up to 30/60/25 as of January 1st, the financial  
 5 responsibility minimum limits.  
 6 REPRESENTATIVE DAVIDSMEYER: Okay. So these  
 7 are a little bit higher than what the current standard  
 8 is. Okay.  
 9 Who are all the players? We've got Uber and  
 10 Lyft. Those are the ones we hear about. Are there  
 11 others that are in this market or working their way  
 12 into this market, and what are their current standards?  
 13 I know you have your internal standard that you require  
 14 your drivers to abide by. Are they close to this  
 15 25/50/100?  
 16 MR. BLINICK: I'm reluctant to speak for  
 17 other companies. I think there are representatives  
 18 from Lyft here. I believe Lyft's insurance is -- their  
 19 policies are sufficient to cover what's in this bill,  
 20 but it's not really for me to speak to.  
 21 REPRESENTATIVE DAVIDSMEYER: But your  
 22 internal policy pretty much already has these

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1 standards?  
 2 MR BLINICK: Yes We would be able to  
 3 comply with this on day one  
 4 REPRESENTATIVE DAVIDSMEYER: So we're not  
 5 changing anything for you by passing this, correct? I  
 6 mean, your internal policy already says you're doing  
 7 this  
 8 MR BLINICK: Yeah But I would say that  
 9 that only stresses what we do voluntarily is already  
 10 above and beyond what's required, because we believe  
 11 that that's what's necessary for us to provide a safe  
 12 and reliable service  
 13 REPRESENTATIVE DAVIDSMEYER: Would you lower  
 14 your standard if we didn't pass this?  
 15 MR BLINICK: No  
 16 REPRESENTATIVE DAVIDSMEYER: Is there  
 17 somebody here from Lyft that could speak to that? No  
 18 Okay  
 19 So going back to the taxi industry --  
 20 REPRESENTATIVE ZALEWSKI: CD, to that  
 21 question, this has never been about what's good for  
 22 Uber and Lyft

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1 REPRESENTATIVE DAVIDSMEYER: No, no, no And  
 2 I understand that  
 3 REPRESENTATIVE ZALEWSKI: What I said  
 4 consistently is, these two companies are going to be  
 5 just fine It's CD's ridesharing service in  
 6 Springfield that I worry about entering the market and  
 7 not having appropriate insurance That concerns me  
 8 REPRESENTATIVE DAVIDSMEYER: And fortunately  
 9 for everyone, CD doesn't have the ability to come up  
 10 with the app and all that stuff, but I'm sure I could  
 11 find somebody to do that  
 12 I guess a lot of times around here, we pass a  
 13 bill and then it's almost like we fixed it, you know  
 14 We kind of say the conversation's over for a little  
 15 while and, you know -- we did with workers' comp years  
 16 ago before I was here and said, hooray, we fixed it,  
 17 and it didn't really do anything My concern is that  
 18 if we pass this, the conversation's over You said  
 19 you'd prefer not to pick it back up  
 20 REPRESENTATIVE ZALEWSKI: No, no, no  
 21 REPRESENTATIVE DAVIDSMEYER: That it possibly  
 22 wouldn't be involved in (indiscernible) --

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1 REPRESENTATIVE ZALEWSKI: I have no doubt  
 2 that this conversation is over. What I do think --  
 3 REPRESENTATIVE DAVIDSMEYER: Is not over.  
 4 REPRESENTATIVE ZALEWSKI: -- is that we need  
 5 to get something on the books. I mean, look how long  
 6 it took. We -- I filed the bill in February, and we're  
 7 here December 3rd. We still don't have an operative  
 8 law. And meanwhile, Adam's company is growing in  
 9 Rockford, they're growing in Bloomington-Normal,  
 10 they're growing in -- and they're growing in  
 11 Springfield.  
 12 REPRESENTATIVE DAVIDSMEYER: Which is great.  
 13 REPRESENTATIVE ZALEWSKI: It is great. And  
 14 we want to make sure that those citizens are protected  
 15 just like Chicagoans are.  
 16 REPRESENTATIVE DAVIDSMEYER: So in the taxi  
 17 industry, their cars are covered whether they're on the  
 18 road or sitting in the shop getting a new motor put in  
 19 the car, right. I think that Uber and Lyft still have  
 20 an advantage by being able to turn off the app and not  
 21 having to be covered while they're off.  
 22 You know, I just go back to -- my concern is

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1 we pass this and we delay the need until everything  
 2 gets caught up in the court system for long enough, and  
 3 then eventually we come back and say, okay, maybe we  
 4 should have a larger standard  
 5 REPRESENTATIVE ZALEWSKI: But the flipside of  
 6 that is if this bill were to go on the board CD and  
 7 everyone where to vote "no," and there were to be no  
 8 insurance Even under litigation -- I hate to go this  
 9 far down the rabbit hole, but even under litigation,  
 10 there's still a likelihood that Uber is going to pick  
 11 up the cost of the accident Today, there's nothing  
 12 requiring anyone to do anything in that instance, so  
 13 why is doing nothing better than taking what some would  
 14 consider to be half a loaf?  
 15 REPRESENTATIVE DAVIDSMEYER: And I understand  
 16 that completely I just worry about the conversation  
 17 being somewhat over Thank you  
 18 CHAIRMAN RITA: We've got Sosnowski, Evans,  
 19 Harms Not Sosnowski  
 20 REPRESENTATIVE ZALEWSKI: Tom Morrison  
 21 CHAIRMAN RITA: Oh, Morrison It's early  
 22 REPRESENTATIVE ZALEWSKI: You're Polish, Joe

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1 CHAIRMAN RITA: It's early.  
 2 REPRESENTATIVE MORRISON: When is the  
 3 effective date again?  
 4 REPRESENTATIVE ZALEWSKI: June 1st of 2015.  
 5 REPRESENTATIVE MORRISON: So there's going to  
 6 be a gap anyway at least until June 1st, right? I  
 7 mean, there's -- or there's nothing on the books --  
 8 REPRESENTATIVE ZALEWSKI: If we put it in  
 9 immediate effect today, we would need 71 votes, and I  
 10 have no reasons that next spring we would have any  
 11 easier time passing any legislation related to  
 12 ridesharing services in Uber and Lyft.  
 13 So, I mean, we have a -- these things are in  
 14 windows. And I have an agreement with Uber that not  
 15 everyone agrees with, and it's a tenuous agreement that  
 16 I think will protect Illinoisans. And I have an  
 17 opportunity to pass it today, and I'd like to try to  
 18 pass it today.  
 19 CHAIRMAN RITA: Representative Evans?  
 20 REPRESENTATIVE EVANS: Not to beat a dead  
 21 horse, but, you know, I want to be clear before I  
 22 leave. This is the last day of session. You know, I'm

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1 reading articles, and your leadership at Lyft -- excuse  
 2 me, at Uber is saying that D.C. -- that he wants D.C.  
 3 to be a model for other cities. He's saying that he  
 4 wants D.C. to be a model for Charlotte, and he wanted  
 5 D.C. to be a model for Philadelphia. So we have  
 6 regulations in California. We have appropriate  
 7 regulations -- and not even appropriate. I mean,  
 8 reasonable. I think this is under-reasonable.  
 9 I mean, you all know what our initial bill  
 10 was, and this is far -- falls far short of our initial  
 11 bill. But you all are not even willing to be  
 12 reasonable with the D.C. legislation. You want to come  
 13 under that so you can go back and say that we really  
 14 stuck it to them in Illinois.  
 15 I'm trying to get an understanding of what  
 16 city is comparable to Chicago so -- because what you're  
 17 saying is that D.C. is not comparable to Chicago, no  
 18 city in California is comparable to Chicago, Charlotte  
 19 is not comparable to Chicago, and Philadelphia is not  
 20 comparable to Chicago. I mean, you have to give us  
 21 some understanding of why you're going to put the D.C.  
 22 regulations in those cities and not Chicago. I mean, I

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1 think that's the gamut of those cities covering those  
 2 areas. I mean, please, I just -- I'm falling short of  
 3 understanding that.  
 4 MR. BLINICK: Sure, representative. Just for  
 5 other examples of cities that have followed the Chicago  
 6 model and are similar to the -- what's in the Illinois  
 7 bill. You have Austin, Houston, Cincinnati, Detroit.  
 8 So there are other jurisdictions that have decided this  
 9 model works for them.  
 10 I would also stress that -- representative,  
 11 that your friend who does drive with Uber has the same  
 12 levels of coverage that would be in D.C. it's  
 13 50/100/25. This bill would ensure that they have that  
 14 level as soon as the app is on. If there in an  
 15 incident, maybe the personal insurance covers them. If  
 16 not, we would cover them 50/100. If their insurance  
 17 only goes to 20/40, we cover above that.  
 18 So every driver that's on our app has the  
 19 same level of coverage as they would in D.C. So I do  
 20 want to be clear on that.  
 21 CHAIRMAN RITA: Any other questions?  
 22 Representative Martwick moves recommend be

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1 adopted floor moment number one to Senate Bill 2774.  
 2 Clerk, take the roll call.  
 3 THE CLERK: Rita?  
 4 CHAIRMAN RITA: Yes.  
 5 THE CLERK: Evans?  
 6 REPRESENTATIVE EVANS: Present.  
 7 THE CLERK: Chapa LaVia?  
 8 REPRESENTATIVE CHAPA LAVIA: Pass.  
 9 THE CLERK: Davidsmeyer?  
 10 REPRESENTATIVE DAVIDSMEYER: (No audible  
 11 response).  
 12 THE CLERK: DeLuca?  
 13 MR. DELUCA: Pass.  
 14 THE CLERK: Harms?  
 15 REPRESENTATIVE HARMS: No.  
 16 THE CLERK: Martwick?  
 17 REPRESENTATIVE MARTWICK: Yes.  
 18 THE CLERK: Morrison?  
 19 REPRESENTATIVE MORRISON: (Indiscernible).  
 20 THE CLERK: Sommer? Zalewski?  
 21 REPRESENTATIVE ZALEWSKI: Yes.  
 22 THE CLERK: (Indiscernible).

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1 UNIDENTIFIED: Yes.  
 2 THE CLERK: Chapa LaVia?  
 3 REPRESENTATIVE CHAPA LAVIA: Yes.  
 4 CHAIRMAN RITA: Davidsmeyer did his.  
 5 THE CLERK: Davidsmeyer, sorry. I can't  
 6 remember who passed.  
 7 We have six --  
 8 CHAIRMAN RITA: We're just going to hold on  
 9 here a minute.  
 10 REPRESENTATIVE DAVIDSMEYER: I'm going to  
 11 vote yes right now because I believe that we do need  
 12 some type of standard for other people coming into the  
 13 market. But this needs to continue. I mean, we have  
 14 to do something more, so I'll vote yes for now knowing  
 15 that we need to come back.  
 16 CHAIRMAN RITA: So seven voting yes.  
 17 THE CLERK: Two no.  
 18 CHAIRMAN RITA: Two no.  
 19 THE CLERK: One present.  
 20 CHAIRMAN RITA: And one present. This will  
 21 be favorably reported to House floor.  
 22 REPRESENTATIVE ZALEWSKI: Thank you,

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1 Mr. Chairman.  
 2 CHAIRMAN RITA: You going to come back with  
 3 an insurance bill, Mike?  
 4 REPRESENTATIVE ZALEWSKI: I don't know,  
 5 Mr. Chairman. I'm going to go home and --  
 6 CHAIRMAN RITA: We're going to stand at  
 7 recess to call the Chair.  
 8 (End of recording)  
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 3 CERTIFICATION  
 4  
 5 I, Ilene Watson, do hereby certify that  
 6 the foregoing is a correct transcript from the  
 7 electronic sound recording provided for transcription  
 8 and prepared to the best of my professional skills and  
 9 ability.  
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STATE OF ILLINOIS  
98th GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

151st Legislative Day

12/3/2014

Senate Bills on Second Reading, we have Senate Bill 2774. Mr. Clerk."

Clerk Bolin: "Senate Bill 2774, a Bill for an Act concerning regulation. The Bill was read for a second time on a previous day. No Committee Amendments. Floor Amendment #1 is offered by Representative Zalewski."

Speaker Turner: "Representative Zalewski."

Zalewski: "Mr. Speaker, I move for the adoption of Floor Amendment #1. It becomes the Bill. I'm happy to discuss the Bill on Third."

Speaker Turner: "Seeing no debate the Gentleman moves that the House adopt Floor Amendment #1 to Senate Bill 2774. All in favor say 'aye'; all opposed say 'nay'. In the opinion of the Chair, the 'ayes' have it. And the Amendment is adopted. Mr. Clerk."

Clerk Bolin: "No further Amendments. No Motions are filed."

Speaker Turner: "Third Reading. Mr. Clerk, please read the Bill."

Clerk Bolin: "Senate Bill 2774, a Bill for an Act concerning regulation. Third Reading of this Senate Bill."

Speaker Turner: "Representative Zalewski."

Zalewski: "Thank you, Mr. Speaker. Senate Bill 2774 represents our attempts to impose a commercial ridesharing Act on Illinois. We were all very familiar with this issue. Over the course of the holiday break, we came... we engaged in negotiations with Uber and tried to reach an agreement. And this encapsulates that agreement. It's a lighter version of what we passed in the spring dealing with driver regulations, dealing with local ability to regulate these services, and dealing with insurance. We're doing this now because we... we



STATE OF ILLINOIS  
98th GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

151st Legislative Day

12/3/2014

agreed to do it in the 98th General Assembly. And it's important to protect our constituent's safety and get something on the books as soon as possible. I'd ask for an 'aye' vote."

Speaker Turner: "On that, we have Representative Sandack."

Sandack: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "The Sponsor will yield."

Sandack: "Mike, can you just walk through, a little bit, for folks that haven't been playing close attention, the agreement... the components in the agreement."

Zalewski: "I... I think, everyone's been playing close attention, Ron. I take offense... umbrage with that remark. I'm just teasing you. Starting with insurance, when the app is on and there's a ride in progress, there... there has to be a thousand... a million dollars in coverage for death, personal injury, and property damage, 50 thousand dollars in coverage for uninsured, underinsured motorists. When there's no ride, when there's not passenger in the vehicle, but the app is on, the coverages are 50 thousand per person for death and personal injury, hundred thousand for death and personal injury per incident, and 25 thousand for property damage. And the ridesharing company must maintain contingent automobile insurance in the amounts above in the event the... the company's own policy excludes that coverage based on its policy and terms. There has to be disclosure of insurance requirements. And then we deal with driver eligibility. There has to be a requirement that the individual submit an application giving their age, their driving history, their driver's license status, criminal... national and local criminal background

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checks, and in review a driving history search. There's a requirements of who and who can't be a driver. There's nondiscrimination policy. And there's safety and operational requirements in the Bill."

Sandack: "Thank you. And you're not wrong. There's been quite a bit of attention. But for the record, and for some people that maybe haven't..."

Zalewski: "I..."

Sandack: "...put this at the forefront, it's kind of important to get those details out."

Zalewski: "Understood."

Sandack: "Mike, I need you to exam... help me out with one concept on the insurance side. I've heard anecdotally that there... the... that many of the insurers do not support the agreement."

Zalewski: "Right."

Sandack: "And I'm... I suspect it has to do with on-duty versus off-duty ridesharing components."

Zalewski: "It has to do with when the app is on, but... It has to do with when the app is on, but the person's not in the car. This is what's called app on picked coverage period."

Sandack: "Okay. Can you just tell me... elaborate a little bit on what the difficulty is with the insurers?"

Zalewski: "I... I think they would argue... they would like to see a mandate that we passed in the spring requiring this full coverage policy in place. They would like to see us do that. I think, in conversations with Uber and conversations with the... with the companies, they feel that this is a market issue. And either the market will adjust to these new and innovative technologies or eventually... or there's enough

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safety in pla... there's enough safety for the passenger in place with this contingent policy that they believe works in Chicago and has worked in other places. So, I know they... they expressed their disagreement with the... with the removing that in committee today. My sense is we'll be revisiting this issue or the market will adjust. But..."

Sandack: "Well, could I... let me... Could I stop you there?"

Zalewski: "Yeah."

Sandack: "So, are they asking you for a trailer? Are they opposed right now?"

Zalewski: "My understanding is stet property casual (sic-casualty) insurers in the insurance industry are opposed, as we speak."

Sandack: "Right. 'Cause you were answering previously as if there was a trailer Bill. So, I wanted to make sure. They're still opposed, but you're open to a trailer Bill?"

Zalewski: "I think we'll be revisiting the issue soon."

Sandack: "All right. And other than the insurers that you've spoken of, with respect to this app, any other opponents of the agreement, as we stand here, today?"

Zalewski: "I don't know about one of the ridesharing companies knows as Lyft. I don't recall. Sidecar, which is a third company, has an issue with our language in terms of the receipt. I've committed to their representative; we should revisit that. The bankers would like to see some language on the liens. We'll have to take a look at that. So, again, we felt it was important to honor the agreement we made with Uber, but my sense is we're not quite finished with this issue yet."

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Sandack: "Okay. Moving on to another issue, Mike, that came up in the original Bill. The concept of Home Rule."

Zalewski: "Yeah."

Sandack: "How does Home Rule fit in? Are we preempting or are we leaving things as is?"

Zalewski: "We... we went to a standard by which local authorities are given exclusive ability to regulate these issues, with the exception of what we articulate in our Bill. So, we're silent in our Bill. The local gets to decide it."

Sandack: "All right. For Chicago, they have..."

Zalewski: "They have."

Sandack: "I think, some ordinances in place. One or more, with respect to ridesharing, whether it's Uber or another provider. This doesn't do anything to what Chicago has already done."

Zalewski: "No. No."

Sandack: "Or what any locality wants to do going forward."

Zalewski: "Correct. Correct, Ron."

Sandack: "Thank you. To the Bill. The Sponsor has been working tirelessly. And I appreciate his being open to talk about this issue one more time. It's complex. It obviously has divergent interest. And of course, new novel things always take time here in Illinois. We don't necessarily embrace them. But I know the efforts have been employed by Representative Zalewski. I appreciate them. And thanks for answering the questions."

Speaker Turner: "Representative David Harris."

Harris, D.: "Thank you... thank you, Mr. Speaker. And questions of the Sponsor?"

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Speaker Turner: "The Sponsor will yield."

Harris, D.: "So, Representative, it's an agreed Bill that not everyone agrees with."

Zalewski: "Yeah. Welcome to this issue, Representative. Yes. Yes, that... Uber agrees with this Bill."

Harris, D.: "Well, Uber agrees with the Bill. The rights..."

Zalewski: "The insurance... the industry... the industry... the insurance industry has challenges with it and there's a couple of... a couple of other challenges, as well. But we're going to try to work those out as soon as we possibly can."

Harris, D.: "So, we expect to see another Bill, probably then. Stet."

Zalewski: "I would be stunned if we didn't."

Harris, D.: "Is there any limitation on the number of driving hours that someone can operate in a ridesharing app?"

Zalewski: "We give that regulatory power to... well, we're silent on it... we give it to the local governments' ability to regulate that."

Harris, D.: "Okay. What about surge pricing? Which is an issue that developed with the ridesharing apps. Is there any limitation on surge pricing?"

Zalewski: "What we say is if a ride is hailed on a transportation digital network or... what these are in the statute, that rule... the same rules apply for everybody. So, if you could surge price if your Uber, you can surge price as long as you have an app that's functional and it's on the network. Because again, Uber felt that this was a restriction on the market to touch that. So, our feeling was, well, let's give the locals the ability to regulate that any way they want."

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Harris, D.: "Is there any regulation on surge pricing in the city of Chicago's regulations?"

Zalewski: "I think there's a requirement that they tell the riders when they hit... for the ride that their surge is in effect. Stet, when you get an Uber ride..."

Harris, D.: "So... so, taxi cab fare that might normally be \$10, if there... if there... it's snowing or raining and there's not a taxi cab available, that ridesharing app might charge you \$20 or \$30 or more dollars for what..."

Zalewski: "If... if a taxi... No. If a taxi chooses to get dispatched by an app... if a local government has a disclosure requirement about surge pricing going into effect, that regulation is imposed upon both now, taxis and ridesharing companies."

Harris, D.: "Okay. Well, Ladies and Gentlemen, this is an agreed Bill. This agreed Bill that will probably pass with, who knows, 90 or 100 votes, but let me tell you why I'm going to be one of the 'no' votes. And first of all, I want to compliment the Gentleman on the work that he has done on the Bill. He clearly has recognized that there are important issues dealing with the regulation of ridesharing applications like Uber and Lyft and others. And there really are serious issues to be addressed. As an example, the security of passengers, background checks for drivers. You know, you want to make sure that when you're picked up and taken to your home that the driver's not 'Joe the sexual assaulter'. I had a conversation, as an example, with my young son, who is a young professional in the Chicago area and all of his friends use Uber. And he talked to me over the Thanksgiving holiday, and he said, you know, my female friends

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get hit on by their Uber drivers. Because what's the one thing that... that ridesharing driver has that a taxicab driver probably doesn't have, they have your cell phone number. And they are calling, not all, but they are calling up passengers that they might like to date later on. Are we addressing that? I don't know that we are. The insurance coverage is an issue. And I think the insurance industry is concerned that the coverage when the app is on, not when there's a passenger in the vehicle, but when the app is on is insufficient. So, the Gentleman recognized that there was a... was a wide range of issues that had to be addressed. And you know what, he did that in House Bill 4075. It was a good Bill. It was, in my opinion, the right way to go. And that's one of the reasons I'm voting 'no' because House Bill 4075 was a better Bill. Now, I'm not against innovation. I'm not against competition. As a matter of fact, the taxicab industry has had virtually a monopoly. And the best way to defeat a monopoly is to introduce competition into the marketplace. And the ridesharing apps do that. They bring in competition. And that's a good thing, but the regulation of apps, ridesharing apps, is warranted. And let me read, just very briefly, a sentence from the Chicago Tribune editorial of August the 26. And it says, Governor Pat Quinn was presented with a tough choice... and get this... with a tough choice between the desire to protect consumers and the desire to promote innovation. On Monday, he decided to err on the side of innovation by vetoing House Bill 4075. Now, the Tribune went on to say that that's what they wanted. They wanted a veto of the Bill. But think about that, ...a tough choice between the desire to protect

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consumers and the desire to promote innovation. You know what, I'm for innovation, but I'm more for protecting consumers. And I think that House Bill 4075 did a better job of protecting consumers than this Bill does. It introduced sensible and reasonable regulations that, I think, this Bill is weak on. And I'll close by simply saying the regulations in 4075 didn't prevent the ridesharing apps from operating. It didn't put them out of business. The Tribune in its final sentence said, regulation should make it better not make it shrink. And you know what, the Bill that we had was... 4075 was good regulation. This is okay. But the Gentleman, himself... the Gentleman, himself, for all of his hard work, has said there is more to come. If there's more to come, let's not pass this. Let's go back and get it right from the beginning. That's why I'm voting 'no'. Thank you."

Speaker Turner: "Representative Ives."

Representative Ives: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "The Sponsor will yield."

Representative Ives: "Just a couple questions along the same vein as Representative David Harris spoke about. And Representative Zalewski, is this strictly an agreed Bill between you and Uber? And where is Sidecar and Lyft on it?"

Zalewski: "So, Sidecar has a challenge, Jeanne, with a piece of the Bill dealing with a type of receipt you give... ridesharing company gives. And what, basically, their challenge is, is we require certain disclosures in a receipt. It's a small issue. My understanding, from their representation, is they're comfortable; we can get it worked out soon enough. I have not



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been told what Lyft... how they feel about this Bill. I don't recall if they filed a slip. I simply don't know the answer to that."

Ives: "Okay. And why... is there a rush to get this done now, for some reason or because... I know you can do rideshare in Naperville and in Wheaton, and I'm imagining they're regulated to some degree. Or are you saying there's absolutely no regulation other than what that industry is putting on itself?"

Zalewski: "So, there's two reasons why I want to do it now. The first is because we said we would. When we agreed not to call the Motion, we said we would work this out before the expiration of this General Assembly. And I just think, it's good to keep our word. The second reasoning behind it is this is an incredibly... and I'm not trying to... it's a very hard issue to deal with in terms of legislation and statute making. And I don't feel as though this can linger on, because it's just hard to get agreement on these issues. So, my feeling is if I have an agreement... and I just got a text that Lyft is okay with the Bill... My feeling is that if we have agreement we should pass a Bill and not risk having this regulatory vacuum in the State of Illinois."

Ives: "And do you intend to work with the insurance companies then, also, on an agreed process? What is actually going to... what are you going to work on in the next GA?"

Zalewski: "I think that the insurance industry is convinced that the market won't adjust to what these companies are doing. That there won't be... that eventu... that there won't be policies

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put in place that cover this period of app off.. or app on, but driver not in the car."

Ives: "Mmm mmm."

Zalewski: "Conversely, I think, Uber and Lyft are of the opinion the market's already adjusting. And that eventually there's not going to be a need for legislation mandating these coverages. It's... You should know, Jeanne, it's a mandate. What the insurance company's asking for is a mandate. So, to answer your question, do I think the insurance company will want to adjust this in the spring? Yes, I do. Do I ultimately think this Body will allow that to happen? I'm not entirely sure yet."

Ives: "Okay. Thank you."

Speaker Turner: "Representative Mautino."

Mautino: "Will the Gentleman yield?"

Speaker Turner: "The Gentleman will yield."

Mautino: "Mike, I do intend to support your Bill. I know that you've gotten to a agreement, but I'd... would like to get a commitment to work on the insurance portion. Because as I've seen this... the original Bill that passed had recoverage through all three periods. When someone was trolling for a match, the app was on. Then when they hooked up and the apps made the contract and then when they were in the car, you had a million dollars' worth of coverage during that point. Now, that was agreed to by this Body and is probably a protection that the consumers deserve. Where you may end up is in the time when that app is on prior to them making the agreement, you have a red zone where..."

Zalewski: "A gap."

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Mautino: "That's your gap coverage. And so, the personalized insurance may say, you know what, we're not covered at that point and the company may not wish to cover it. So, you have a potential source of a lot of litigation. And I think that's a piece that was worked through in the original Bill that should've stayed. So, I'll support this, but I do believe that you have a glaring gap within that coverage. And I know, I've worked with you on other issues. This is one where we don't want to see litigation when there are already two separate forms of making this correct."

Zalewski: "I agree, Leader. And I appreciate... You obviously have a lot more expertise on insurance than I do. I think, I'm fully aware and committing to you that we will evaluate these insurance concerns going forward and work with you and the others in the spring. I do, though, believe that the market may adjust too. So, I want to leave the possibility for that. But you have my word, we'll continue to evaluate the Act as we go forward."

Mautino: "It may and it may not adjust. But there really shouldn't be a time when an individual consumer does not have the full million dollar coverage that an app on, which is still not the best way to do this, would provide. So, in order to ensure that we don't have those, I look forward to a trailer Bill."

Zalewski: "Thank you. Thank you, Leader."

Speaker Turner: "Representative Tracy."

Tracy: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "The Sponsor will yield."

Tracy: "Representative Zalewski, what kind of background checks do they do for taxicab drivers in the State of Illinois?"

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Zalewski: "So, a taxi driver has to obtain an initial chauffer's license. So, that necessarily requires them to obtain a background check from, I believe, the licensing agency, their Secretary of State, or department of regulation. I don't know which one."

Tracy: "Does that background check include... I'm presuming it includes an investigation as to whether, of course, they have a valid... ability to have an Illinois driver's license. Does it include criminal background?"

Zalewski: "I would assume it has a driving history background, correct."

Tracy: "What about criminal background?"

Zalewski: "What about criminal? Yes."

Tracy: "And if you have a criminal background, are you prohibited from having a chauffeur's license?"

Tracy: "Jill I'm having a hard time hearing you. Can you repeat that?"

Tracy: "If you have a criminal background, are you prohibited from having a chauffer's license?"

Zalewski: "I don't know the answer to that. My guess is depending on the nature of the criminal background. And some things are probably disqualifying and some things probably aren't."

Tracy: "In comparison then, for a person that would want to be an Uber driver, what type of background check would be provided on those persons?"

Zalewski: "So, under this Bill?"

Tracy: "Yes."

Zalewski: "Under this Bill, we give the local govern... local unit of government complete discretion to determine how they're

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going to proceed with background checks. So, the city... But we will require... we will require local and national criminal background checks."

Tracy: "Okay. And if it comes back with... say a person was a convicted sex offender, what... would that driver be able to be a Uber driver?"

Zalewski: "I don't think so. I don't know. If they're in the sex offender database, the answer is no."

Tracy: "So, your answer is no?"

Zalewski: "Right."

Tracy: "What other kind of criminal background conviction would prohibit somebody from being a Uber driver?"

Zalewski: "Three or more... Is a match in the database for sex offender, has been convicted within the last seven years for DUI, fraud, sexual offenses, use of a vehicle to commit a felony, thefts, or act of violence. They're prohibited from being a TNC driver."

Tracy: "From being a... excuse me... from being a what?"

Zalewski: "For being an Uber driver or a rideshare driver, but one moment, Jil. And at that point, if you see that on their... on the person's background check, my sense is and it's safe to assume, not only is there a legal prohibition from them working there, but Uber and Lyft are hopefully going to have challenges placing that person into employment."

Tracy: "Is that in your Bill?"

Zalewski: "That they... that they have the ability to not hire the person?"

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Tracy: "That the background check must be conducted and that those people that have... I think you said seven years felony conviction..."

Zalewski: "Yeah. That piece is in the Bill, correct."

Tracy: "Okay. Do you recall what part it's in?"

Zalewski: "I'm... Say that... What Section?"

Tracy: "Yes."

Zalewski: "It's on page 6, Jil, Section 15. The driver requirements."

Tracy: "Okay. Thank you."

Speaker Turner: "Representative Bost."

Bost: "Thank you, Mr. Speaker. If Representative Reboletti could be excused for the rest of the day, please."

Speaker Turner: "Thank you, Representative. Representative Andrade."

Andrade: "Thank you, Mr. Speaker. Will the Gentleman yield?"

Speaker Turner: "The Gentleman will yield."

Andrade: "Mike, I just want... I have a question. I called my insurance agent. And my insurance agent said that when they receive a phone call, they're telling the drivers that by their policy and their legal counselors that if the app is on, they are saying that their personal insurance is not covering them. Their insurance... that insurance company said, listen, we are not going to cover you. So, at that moment... what Representative Mautino was talking about, there is no coverage."

Zalewski: "That's not... that's not true. That's not true."

Andrade: "No. Well, the question I have is, does the insurance company have the right to say no, we're not... we're not

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covering you? Can they say, listen, at that moment you had the app on. We are not going to cover you? Are we silent on that or are we mandating them that they have to cover them?"

Zalewski: "So, what we're saying is a ridesharing company's going to be allowed to do what's called a contingency in the policy. So, the driver's going to have to have their personal policy in place. If their personal policy doesn't cover the accident because of their activities as a commercial driver, Uber, or Lyft, or whomever, has this contingency in place whereby they will cover the accident, the victim of the accident. That's the way Chicago... the Chicago version did and we are strengthening the Chicago version of insurance. We're a little less than California; we're a little more than Chicago."

Andrade: "The contingency. Does it have a dollar amount?"

Zalewski: "It's the same as what the driver would be required to have, which is 50 thousand per person for death and personal injury, a hundred thousand for death and personal injury per incident, and 25 thousand for property damage."

Andrade: "So, by market, are you... that saying that by market it might adjust itself?, Are we saying that basically we're going to end up... there's going to be a case and precedent's going to be set by law. When's there's a lawsuit and they say no, that person... we want a million dollars."

Zalewski: "No. I think what we're saying is eventually there's going to become a product on the market, insurance market, that Uber's going to decide is what cost prohibitive in this contingency that they have right now. And they're going to buy that and that way the driver's covered. That being said, when I told the Leader Mautino is the insurance companies

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don't believe that's accurate. They think that we need this.. we need to set the market ourselves and that's going to be an ongoing discussion."

Andrade: "Thank you."

Speaker Turner: "Representative Davidsmeyer."

Davidsmeyer: "Thank you, Mr. Speaker. Will the Sponsor yield?"

Speaker Turner: "The Sponsor will yield."

Davidsmeyer: "We had... we had good discussion this morning in committee and I appreciate your work on this. I know it's been a long time... a lot of issues and things of that sort. So, my... my question is on that 25, 50, hundred thousand. Who is required to have that coverage? Is it the individual driver or is it the company or does it state who is required to have that? And if that coverage isn't there, who would be breaking the law?"

Zalewski: "So... so, by law the driver has to have in their individual insurance policy a little less than what is in our Bill. And I believe that Uber or Lyft will then have to cover it... what's articulated in the statute."

Davidsmeyer: "So, if my insurance... like the previous speaker said, if my insurance... my personal insurance said that I am not allowed to operate for-profit under my personal insurance, when I turn on the app, I'm operating for-profit, correct?"

Zalewski: "Correct."

Davidsmeyer: "So, that could possibly go away. And so, this Bill will require Uber, Lyft, whoever the rideshare person is, it would require them to cover the driver, correct?"

Zalewski: "Yes. They have the contingency in place to cover them when the app goes on."



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Davidsmeyer: "Okay. So, it will be the company that is required to ensure that the driver is insured."

Zalewski: "Assuming the personal policy doesn't have this commercial rider on it, correct."

Davidsmeyer: "Okay. I still have a number of concerns about this. I think there's a major gap. I think we are somewhat picking winners and losers in an industry that provides the same service, so I think we need to continue to work on this. But I appreciate all that you've done. Thank you."

Zalewski: "Thank you, C.D."

Speaker Turner: "Leader Lang."

Lang: "Thank you, Mr. Speaker. I simply rise to support the Bill and congratulate the Sponsor on a substantial effort. Many of us preferred the original Bill. I heard Mr. Harris, particularly, talk about that. And I certainly preferred the original Bill, but this is a place of compromise. And I think this... this Bill does move the process forward and I appreciate the hard work of Mr. Zalewski. I would suggest an 'aye' vote."

Speaker Turner: "Representative Zalewski to close."

Zalewski: "Thank you, Mr. Speaker. Briefly, I'm told Sidecar and Lyft are neutral on the Bill. Again, we want to address some concerns going forward. The bankers have raised concerns about liens and notice to lienholders. We had an at length discussion about... about insurance. This is a good piece of legislation that gets a commercial ridesharing act on the books. It's important to enact it. And I ask for an 'aye' vote."

Speaker Turner: "The question is, 'Shall Senate Bill 2774 pass?' All in favor vote 'aye'; all opposed vote 'nay'. The voting

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is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Mr. Clerk, please take the record. On a count of 105 voting 'yes', 7 voting 'no', 2 voting 'present', Senate Bill 2774, having received the Constitutional Majority, is hereby declared passed. Mr. Clerk."

Clerk Hollman: "Committee Reports. Representative Barbara Flynn Currie, Chairperson from the Committee on Rules reports the following committee action taken on December 03, 2014: recommends be adopted for the floor is Floor Amendment #7 to Senate Bill 636. Representative Barbara Flynn Currie, Chairperson from the Committee on Rules reports the following committee action taken on December 03, 2014: recommends be adopted is a Motion to Concur with Senate Amendments 1 and 2 to House Bill 3834."

Speaker Turner: "Representative Williams, for what reason do you seek recognition?"

Williams: "Thank you, Mr. Speaker. I just wanted to note that on Senate Bill 172, my intention was to vote 'yes'."

Speaker Turner: "The Journal will reflect your request. On page 5 of the Calendar, we have Senate Joint Resolution 42. Representative Chapa LaVia."

Chapa LaVia: "Thank you, Speaker and Members of the House. Senate Joint Resolution 42 is a Constitutional Convention Resolution. It was passed over from the Senate over here. And I'd be more than happy to take any questions on it. Thank you."

Speaker Turner: "On that, we have Representative Sandack."

Sandack: "Question the Sponsor."


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## Witness Slips For SB2774 98th General Assembly

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[Bill Status](#)

### Legislation: House Amendment 001

**Proponents: 7**    **Opponents: 3**    **No Position: 2**
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Name	Firm, Business Or Agency	Representing
<b>Hearing Date and Time: Executive (S) 12/3/2014 12:00 PM</b>		
Adam Blinick	Uber	Uber
Jim McPike	Dorgan-McPike & Associates	Uber
John Dorgan	Dorgan-McPike & Associates	Uber
Mike Noonan	The Roosevelt Group	Il transportation Trade Association
<b>Hearing Date and Time: Business Occupational Licenses (H) 12/3/2014 8:30 AM</b>		
Al Ronan	Alfred G. Ronan Ltd	UBER
Andrew M Raucci	Raucci & Sullivan Strategies, LLC	Uber
Jack Dorgan - Jim McPike	UBER	UBER

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**STATE OF ILLINOIS**



**HOUSE JOURNAL**

**HOUSE OF REPRESENTATIVES**

**NINETY-EIGHTH GENERAL ASSEMBLY**

**151ST LEGISLATIVE DAY**

**REGULAR & PERFUNCTORY SESSION**

**WEDNESDAY, DECEMBER 3, 2014**

**10:03 O'CLOCK A.M.**

NO. 151

STATE OF ILLINOIS  
 NINETY-EIGHTH  
 GENERAL ASSEMBLY  
 HOUSE ROLL CALL  
 SENATE BILL 2774  
 TAX RETURN PREPARER-REGULATION  
 THIRD READING  
 PASSED

December 03, 2014

105 YEAS

7 NAYS

2 PRESENT

Y Acevedo	Y Drury	Y Kosel	Y Scherer
Y Andrade	Y Dunkin	Y Lang	Y Schmitz
Y Anthony	E Durkin	Y Leitch	Y Senger
Y Arroyo	Y Evans	Y Lilly	Y Sente
Y Beiser	Y Feigenholtz	Y Manley	Y Sims
Y Bellock	Y Fine	Y Martwick	Y Smiddy
Y Berrios	Y Flowers	Y Mautino	Y Smith
Y Bost	Y Ford	Y Mayfield	N Sommer
Y Bradley	Y Fortner	Y McAsey	Y Sosnowski
N Brady	Y Franks	Y McAuliffe	Y Soto
Y Brauer	Y Gabel	Y McSweeney	Y Stewart
Y Brown	Y Golar	Y Meier	Y Sullivan
Y Burke, Daniel	Y Gordon-Booth	Y Mitchell, Bill	Y Tabares
Y Burke, Kelly	Y Halbrook	Y Mitchell, Christian	Y Thapedi
Y Cabello	N Hammond	Y Moeller	Y Tracy
Y Cassidy	N Harms	Y Moffitt	Y Tryon
Y Cavaletto	N Harris, David	P Morrison	Y Turner
Y Chapa LaVia	Y Harris, Greg	Y Moylan	N Unes
Y Cloonen	Y Hatcher	Y Mussman	Y Verschoore
Y Conroy	E Hays	Y Nekritz	Y Wallace
Y Costello	Y Hernandez	Y Phelps	Y Walsh
Y Crespo	Y Hoffman	Y Pihos	Y Welch
Y Cross	Y Hurley	E Poe	Y Wheeler
Y Currie	Y Ives	Y Pritchard	Y Williams
Y D'Amico	Y Jackson	E Reboletti	Y Willis
Y Davidsmeyer	Y Jakobsson	Y Reis	Y Yingling
Y Davis, Monique	Y Jesiel	Y Riley	Y Zalewski
Y Davis, William	Y Jones	Y Rita	P Mr. Speaker
Y DeLuca	N Kay	Y Rosenthal	
Y Demmer	Y Kifowit	Y Sandack	

E - Denotes Excused Absence



# **SENATE JOURNAL**

**STATE OF ILLINOIS**

**NINETY-EIGHTH GENERAL ASSEMBLY**

**140TH LEGISLATIVE DAY**

**WEDNESDAY, DECEMBER 3, 2014**

**10:39 O'CLOCK A.M.**

NO. 140  
[December 3, 2014]

**A406**

Cunningham	Jacobs	Mulroe	Mr. President
Delgado	Jones, E.	Muñoz	
Forby	Koehler	Noland	
Frerichs	Kotowski	Raoul	
Haine	Landek	Sandoval	

The following voted in the negative:

Althoff	Duffy	Murphy	Rose
Barickman	LaHood	Nybo	Syverson
Bivins	McCann	Radogno	
Brady	McCarter	Rezin	
Connelly	McConnaughay	Righter	

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to **Senate Bill No. 172**.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Muñoz, **Senate Bill No. 2774**, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Muñoz moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

YEAS 52; NAYS 2; Present 1.

The following voted in the affirmative:

Althoff	Harris	Martinez	Rose
Barickman	Hastings	McCann	Sandoval
Bertino-Tarrant	Holmes	McConnaughay	Silverstein
Biss	Hunter	McGuire	Stadelman
Bivins	Hutchinson	Morrison	Steans
Bush	Jacobs	Mulroe	Sullivan
Collins	Jones, E.	Muñoz	Syverson
Connelly	Koehler	Murphy	Trotter
Cullerton, T.	Kotowski	Noland	Van Pelt
Cunningham	LaHood	Nybo	Mr. President
Delgado	Landek	Radogno	
Forby	Lightford	Raoul	
Frerichs	Link	Rezin	
Harmon	Manar	Righter	

The following voted in the negative:

Duffy  
McCarter

The following voted present:

Haine

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to **Senate Bill No. 2774**.

Ordered that the Secretary inform the House of Representatives thereof.

[December 3, 2014]

**A407**

West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/1

57/1. Short title

Effective: June 1, 2015

Currentness

§ 1. Short title. This Act may be cited as the Transportation Network Providers Act.

**Credits**

P.A. 98-1173, § 1, eff. June 1, 2015.

625 I.L.C.S. 57/1, IL ST CH 625 § 57/1

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

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West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/5

57/5. Definitions

Effective: June 1, 2015

Currentness

§ 5. Definitions.

“Transportation network company” or “TNC” means an entity operating in this State that uses a digital network or software application service to connect passengers to transportation network company services provided by transportation network company drivers. A TNC is not deemed to own, control, operate, or manage the vehicles used by TNC drivers, and is not a taxicab association or a for-hire vehicle owner.

“Transportation network company driver” or “TNC driver” means an individual who operates a motor vehicle that is:

- (1) owned, leased, or otherwise authorized for use by the individual;
- (2) not a taxicab or for-hire public passenger vehicle; and
- (3) used to provide transportation network company services.

“Transportation network company services” or “TNC services” means transportation of a passenger between points chosen by the passenger and prearranged with a TNC driver through the use of a TNC digital network or software application. TNC services shall begin when a TNC driver accepts a request for transportation received through the TNC's digital network or software application service, continue while the TNC driver transports the passenger in the TNC driver's vehicle, and end when the passenger exits the TNC driver's vehicle. TNC service is not a taxicab, for-hire vehicle, or street hail service.

**Credits**

P.A. 98-1173, § 5, eff. June 1, 2015.

625 I.L.C.S. 57/5, IL ST CH 625 § 57/5

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/10

57/10. Insurance

Effective: July 16, 2015

Currentness

§ 10. Insurance.

(a) Transportation network companies and participating TNC drivers shall comply with the automobile liability insurance requirements of this Section as required.

(b) The following automobile liability insurance requirements shall apply from the moment a participating TNC driver logs on to the transportation network company's digital network or software application until the TNC driver accepts a request to transport a passenger, and from the moment the TNC driver completes the transaction on the digital network or software application or the ride is complete, whichever is later, until the TNC driver either accepts another ride request on the digital network or software application or logs off the digital network or software application:

(1) Automobile liability insurance shall be in the amount of at least \$50,000 for death and personal injury per person, \$100,000 for death and personal injury per incident, and \$25,000 for property damage.

(2) Contingent automobile liability insurance in the amounts required in paragraph (1) of this subsection (b) shall be maintained by a transportation network company and provide coverage in the event a participating TNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide at least the limits of coverage required in paragraph (1) of this subsection (b).

(c) The following automobile liability insurance requirements shall apply from the moment a TNC driver accepts a ride request on the transportation network company's digital network or software application until the TNC driver completes the transaction on the digital network or software application or until the ride is complete, whichever is later:

(1) Automobile liability insurance shall be primary and in the amount of \$1,000,000 for death, personal injury, and property damage. The requirements for the coverage required by this paragraph (1) may be satisfied by any of the following:

(A) automobile liability insurance maintained by a participating TNC driver;

(B) automobile liability company insurance maintained by a transportation network company; or

(C) any combination of subparagraphs (A) and (B).

(2) Insurance coverage provided under this subsection (c) shall also provide for uninsured motorist coverage and underinsured motorist coverage in the amount of \$50,000 from the moment a passenger enters the vehicle of a participating TNC driver until the passenger exits the vehicle.

(3) The insurer, in the case of insurance coverage provided under this subsection (c), shall have the duty to defend and indemnify the insured.

(4) Coverage under an automobile liability insurance policy required under this subsection (c) shall not be dependent on a personal automobile insurance policy first denying a claim nor shall a personal automobile insurance policy be required to first deny a claim.

(d) In every instance when automobile liability insurance maintained by a participating TNC driver to fulfill the insurance obligations of this Section has lapsed or ceased to exist, the transportation network company shall provide the coverage required by this Section beginning with the first dollar of a claim.

(e) This Section shall not limit the liability of a transportation network company arising out of an automobile accident involving a participating TNC driver in any action for damages against a transportation network company for an amount above the required insurance coverage.

(f) The transportation network company shall disclose in writing to TNC drivers, as part of its agreement with those TNC drivers, the following:

(1) the insurance coverage and limits of liability that the transportation network company provides while the TNC driver uses a vehicle in connection with a transportation network company's digital network or software application; and

(2) that the TNC driver's own insurance policy may not provide coverage while the TNC driver uses a vehicle in connection with a transportation network company digital network depending on its terms.

(g) An insurance policy required by this Section may be placed with an admitted Illinois insurer, or with an authorized surplus line insurer under Section 445 of the Illinois Insurance Code; and is not subject to any restriction or limitation on the issuance of a policy contained in Section 445a of the Illinois Insurance Code.

(h) Any insurance policy required by this Section shall satisfy the financial responsibility requirement for a motor vehicle under Sections 7-203 and 7-601 of the Illinois Vehicle Code.

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

**Credits**

P.A. 98-1173, § 10, eff. June 1, 2015. Amended by P.A. 99-56, § 5, eff. July 16, 2015.

625 I.L.C.S. 57/10, IL ST CH 625 § 57/10

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

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West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/15

57/15. Driver requirements

Effective: August 7, 2018

Currentness

§ 15. Driver requirements.

(a) Prior to permitting an individual to act as a TNC driver on its digital platform, the TNC shall:

(1) require the individual to submit an application to the TNC or a third party on behalf of the TNC, which includes information regarding his or her full legal name, social security number, address, age, date of birth, driver's license, driving history, motor vehicle registration, automobile liability insurance, and other information required by the TNC;

(2) conduct, or have a third party conduct, a local and national criminal history background check for each individual applicant that shall include:

(A) Multi-State or Multi-Jurisdictional Criminal Records Locator or other similar commercial nationwide database with validation (primary source search); and

(B) National Sex Offenders Registry database; and

(3) obtain and review a driving history research report for the individual.

(b) The TNC shall not permit an individual to act as a TNC driver on its digital platform who:

(1) has had more than 3 moving violations in the prior three-year period, or one major violation in the prior three-year period including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license;

(2) has been convicted, within the past 7 years, of driving under the influence of drugs or alcohol, fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, or theft, acts of violence, or acts of terror;

(3) is a match in the National Sex Offenders Registry database;

(4) does not possess a valid driver's license;

(5) does not possess proof of registration for the motor vehicle used to provide TNC services;

(6) does not possess proof of automobile liability insurance for the motor vehicle used to provide TNC services; or

(7) is under 19 years of age.

(c) An individual who submits an application under paragraph (1) of subsection (a) that contains false or incomplete information shall be guilty of a petty offense.

**Credits**

P.A. 98-1173, § 15, eff. June 1, 2015. Amended by P.A. 100-738, § 5, eff. Aug. 7, 2018.

625 I.L.C.S. 57/15, IL ST CH 625 § 57/15

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/20

57/20. Non-discrimination

Effective: June 1, 2015

Currentness

§ 20. Non-discrimination.

(a) The TNC shall adopt and notify TNC drivers of a policy of non-discrimination on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity with respect to passengers and potential passengers.

(b) TNC drivers shall comply with all applicable laws regarding non-discrimination against passengers or potential passengers on the basis of destination, race, color, national origin, religious belief or affiliation, sex, disability, age, sexual orientation, or gender identity.

(c) TNC drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A TNC shall not impose additional charges for providing services to persons with physical disabilities because of those disabilities.

(e) A TNC shall provide passengers an opportunity to indicate whether they require a wheelchair accessible vehicle. If a TNC cannot arrange wheelchair-accessible TNC service in any instance, it shall direct the passenger to an alternate provider of wheelchair-accessible service, if available.

(f) If a unit of local government has requirements for licensed chauffeurs not to discriminate in providing service in under-served areas, TNC drivers participating in TNC services within that unit of local government shall be subject to the same non-discrimination requirements for providing service in under-served areas.

**Credits**

P.A. 98-1173, § 20, eff. June 1, 2015.

625 I.L.C.S. 57/20, IL ST CH 625 § 57/20

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/25

57/25. Safety

Effective: June 1, 2015

Currentness

§ 25. Safety.

(a) The TNC shall implement a zero tolerance policy on the use of drugs or alcohol while a TNC driver is providing TNC services or is logged into the TNC's digital network but is not providing TNC services.

(b) The TNC shall provide notice of the zero tolerance policy on its website, as well as procedures to report a complaint about a driver with whom a passenger was matched and whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(c) Upon receipt of a passenger's complaint alleging a violation of the zero tolerance policy, the TNC shall immediately suspend the TNC driver's access to the TNC's digital platform, and shall conduct an investigation into the reported incident. The suspension shall last the duration of the investigation.

(d) The TNC shall require that any motor vehicle that a TNC driver will use to provide TNC services meets vehicle safety and emissions requirements for a private motor vehicle in this State.

(e) TNCs or TNC drivers are not common carriers, contract carriers or motor carriers, as defined by applicable State law, nor do they provide taxicab or for-hire vehicle service.

**Credits**

P.A. 98-1173, § 25, eff. June 1, 2015.

625 I.L.C.S. 57/25, IL ST CH 625 § 57/25

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.



West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/30

57/30. Operational

Effective: June 1, 2015

Currentness

§ 30. Operational.

(a) A TNC may charge a fare for the services provided to passengers; provided that, if a fare is charged, the TNC shall disclose to passengers the fare calculation method on its website or within the software application service.

(b) The TNC shall provide passengers with the applicable rates being charged and the option to receive an estimated fare before the passenger enters the TNC driver's vehicle.

(c) The TNC's software application or website shall display a picture of the TNC driver, and the license plate number of the motor vehicle utilized for providing the TNC service before the passenger enters the TNC driver's vehicle.

(d) Within a reasonable period of time following the completion of a trip, a TNC shall transmit an electronic receipt to the passenger that lists:

(1) the origin and destination of the trip;

(2) the total time and distance of the trip; and

(3) an itemization of the total fare paid, if any.

(e) Dispatches for TNC services shall be made only to eligible TNC drivers under Section 15 of this Act who are properly licensed under State law and local ordinances addressing these drivers if applicable.

(f) A taxicab may accept a request for transportation received through a TNC's digital network or software application service, and may charge a fare for those services that is similar to those charged by a TNC.

**Credits**

P.A. 98-1173, § 30, eff. June 1, 2015.

625 I.L.C.S. 57/30, IL ST CH 625 § 57/30

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

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West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/32

57/32. Preemption

Effective: July 16, 2015

Currentness

§ 32. Preemption. A unit of local government, whether or not it is a home rule unit, may not regulate transportation network companies, transportation network company drivers, or transportation network company services in a manner that is less restrictive than the regulation by the State under this Act. This Section is a limitation under subsection (i) of Section 6 of Article VII of the Illinois Constitution on the concurrent exercise by home rule units of powers and functions exercised by the State.

**Credits**

P.A. 98-1173, § 32, added by P.A. 99-56, § 5, eff. July 16, 2015.

625 I.L.C.S. 57/32, IL ST CH 625 § 57/32

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

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West's Smith-Hurd Illinois Compiled Statutes Annotated Chapter 625. Vehicles Act 57. Transportation Network Providers Act

625 ILCS 57/34

57/34. Repeal

Effective: July 16, 2015

Currentness

§ 34. Repeal. This Act is repealed on June 1, 2020.

**Credits**

P.A. 98-1173, § 34, added by P.A. 99-56, § 5, eff. July 16, 2015.

625 I.L.C.S. 57/34, IL ST CH 625 § 57/34

Current through P.A. 101-621. Some statute sections may be more current, see credits for details.

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Case No. 126605

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In the  
Supreme Court of Illinois

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JANE DOE,

Plaintiff-Petitioner

v.

LYFT, INC.; ANGELO MCCOY; and  
STERLING INFOSYSTEMS, INC. d/b/a  
STERLING TALENT SOLUTIONS;

Defendants-Respondents

On Appeal from the Appellate Court of Illinois,  
First Judicial District, Case No. 1-19-1328  
There on Appeal from the Circuit Court of Cook County, Illinois  
County Department, Law Division, Case No. 17L11355  
Hon. Patricia O'Brien Sheahan, Judge Presiding

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**NOTICE OF FILING**

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TO: *See Certificate of Service*

PLEASE TAKE NOTICE that on November 30, 2020, Lyft, Inc., through the undersigned attorney, caused to be electronically submitted to the Supreme Court of Illinois, DEFENDANT-RESPONDENT LYFT, INC.'S ANSWER TO PETITION FOR LEAVE TO APPEAL and SUPPLEMENTARY APPENDIX TO DEFENDANT-RESPONDENT LYFT, INC.'S ANSWER TO PETITION FOR LEAVE TO APPEAL, copies of which are hereby served upon you.

Dated: November 30, 2020

Respectfully submitted,

Lyft, Inc., *Defendant-Respondent*

By: /s/ Anthony J. Carballo  
One of Its Attorneys

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**CERTIFICATE OF SERVICE**

I, Anthony J. Carballo, the undersigned attorney, hereby certify that on November 30, 2020, I caused a copy of DEFENDANT-RESPONDENT LYFT, INC.'S ANSWER TO PETITION FOR LEAVE TO APPEAL and SUPPLEMENTARY APPENDIX TO DEFENDANT-RESPONDENT LYFT, INC.'S ANSWER TO PETITION FOR LEAVE TO APPEAL to be served on the individuals listed below by the Odyssey electronic filing system and email, as indicated below, from the offices of Freeborn & Peters LLP before 9:00pm.

Under penalties as provided by law pursuant to Section 1-109 of the Illinois Code of Civil Procedure and Illinois Supreme Court Rule 12, the undersigned certifies that the statements set forth in this instrument are true and correct.

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Respectfully submitted,

Lyft, Inc., *Defendant-Respondent*

By: /s/ Anthony J. Carballo  
One of Its Attorneys