

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7033**

**BILL NUMBER: SB 347**

**NOTE PREPARED: Jan 3, 2015**

**BILL AMENDED:**

**SUBJECT:** Transportation Network Companies.

**FIRST AUTHOR:** Sen. Yoder

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill requires a transportation network company (TNC) to have a permit issued by the Indiana Department of Transportation (INDOT) to provide TNC services in Indiana. The bill establishes requirements that a TNC must satisfy in order to be issued a permit. It provides that a person that violates TNC requirements commits a Class A infraction. It also provides that a person that violates TNC requirements related to accessibility is subject to an additional penalty of up to \$10,000.

The bill establishes the Accessible Transportation Fund to provide grants to TNCs that provide accessible services. It deposits the additional penalties in the fund.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *INDOT:* INDOT is to issue permits to TNCs that wish to operate in Indiana. Additionally, INDOT will administer the fund and will administer grants to TNCs or TNC drivers who provide accessible TNC services. These requirements represent an additional workload and expenditure on INDOT outside of INDOT's routine administrative functions.

Each TNC will pay an annual permit fee of \$5,000 to INDOT, which should somewhat offset administrative costs associated with the issuance of TNC permits. Additionally, the expenses associated with administering the fund are to be paid for out of monies in the fund.

**Explanation of State Revenues:** *Accessible Transportation Fund:* INDOT will administer the fund. Monies in the fund come from penalties assessed for violations of the provisions of the bill on the part of TNCs or TNC drivers. Each violation (in addition to the penalties for a Class A infraction) is \$10,000, which shall be

deposited into the fund. The total amount of revenue from these penalties is indeterminable at this time.

*Penalty Provision:* The maximum judgment for a Class A infraction is \$10,000, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

*Additional Information:* A TNC is a company that uses an online platform to connect passengers with drivers who use their own personal vehicles. This is considered a type of ridesharing or ridesourcing.

In Indiana, there are two major TNCs that operate primarily in the Indianapolis area. Both provide services between Indianapolis and Lafayette and one also provides services between Indianapolis and Bloomington.

Various provisions of the bill establish requirements of TNCs that provide TNC services, as well as rules for TNC drivers. These include driver background checks, zero-tolerance drug and alcohol policies, minimum liability insurance coverage for TNC driver vehicles, fare collection requirements, and passenger privacy protections.

The bill also requires that TNCs provide information to passengers with disabilities who require accessible vehicles. If a TNC is unable to provide an accessible vehicle to an individual, they are required to notify them as such.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

**State Agencies Affected:** INDOT.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Douglas Shinkle, NCSL, [douglas.shinkle@ncsl.org](mailto:douglas.shinkle@ncsl.org).

**Fiscal Analyst:** Stephanie Wells, 232-9866.