

CHAPTER 540
TRANSPORTATION NETWORK COMPANIES

761—540.1(321N) Purpose and applicability. This chapter implements the permitting and regulation requirements of Iowa Code chapter 321N, and applies to transportation network companies and transportation network company drivers.

[ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.2(321N) Definitions. The definitions in Iowa Code section 321N.1 are hereby made part of and fully incorporated in this chapter.

[ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.3(321N) General information.

540.3(1) Information and location. Applications, forms, electronic or otherwise, and information regarding transportation network company permits are available by mail from the Motor Vehicle Division, Iowa Department of Transportation, P.O. Box 10382, Des Moines, Iowa 50306-0382; in person at 6310 SE Convenience Blvd., Ankeny, Iowa; by telephone at (515)237-3156; by email at central.vehicle@iowadot.us; or on the department's website at www.iowadot.gov.

540.3(2) Complaints. Complaints against transportation network companies pertaining to the provisions of Iowa Code chapter 321N and this chapter that are within the regulation and jurisdiction of the department shall be submitted in writing to the motor vehicle division via the methods listed in subrule 540.3(1).

[ARC 2987C, IAB 3/15/17, effective 4/19/17; Editorial change: IAC Supplement 8/11/21; ARC 6491C, IAB 9/7/22, effective 10/12/22]

761—540.4(321N) Application for transportation network company permit and supporting documents.

540.4(1) Application. An application for a transportation network company permit shall be made to the motor vehicle division in the form and manner prescribed by the department. The form shall require all of the following:

- a. The transportation network company's full legal name and tax identification number.
- b. The address of the transportation network company's principal place of business.
- c. If incorporated or otherwise organized, the transportation network company's state of incorporation or organization.
- d. The name, address, telephone number and email address of the person submitting the application on behalf of the transportation network company.
- e. A statement confirming the transportation network company's agreement to comply with all applicable requirements of Iowa Code chapter 321N and this chapter, signed by the transportation network company's authorized representative.
- f. The name and address of the transportation network company's agent for service of process in the state of Iowa.
- g. The name by which the transportation network company will do business in the state of Iowa, if different from the transportation network company's full legal name.
- h. A description of the transportation network company's digital network and the means or manner by which it may be accessed by the transportation network company's drivers and riders. This paragraph is not intended to and shall not be construed as requiring the disclosure of information proprietary to the transportation network company.
- i. The name, address, telephone number and email address of the person through whom the department may coordinate examination of the transportation network company's records as required by Iowa Code section 321N.2(5).
- j. Such other information as may be required by the department.

540.4(2) Application fee. An application for a transportation network company permit shall be accompanied by the fee required by Iowa Code section 321N.2. The fee shall be made payable to the Iowa Department of Transportation in the form and manner prescribed by the department.

540.4(3) Supporting documents. An application for a transportation network company permit shall be accompanied by the following:

a. Proof of compliance with the financial responsibility requirements of Iowa Code section 321N.4. Proof of compliance shall be submitted by providing a valid certificate of coverage from an insurer governed by Iowa Code chapter 515, or by a surplus lines insurer governed by Iowa Code chapter 515I. The certificate of coverage shall demonstrate coverage in the amounts and circumstances required by Iowa Code section 321N.4, and shall certify that if insurance maintained by a transportation network company driver under Iowa Code chapter 321N lapses or does not provide coverage in the amounts or types required by Iowa Code section 321N.4, subsection 2 or 3, the insurance certified in the certificate of coverage shall provide coverage in the amounts and types required by Iowa Code section 321N.4, subsection 2 or 3, beginning with the first dollar of the claim, and the insurer providing such coverage shall defend the claim. The certificate of coverage shall also certify that the coverage therein is not dependent on the insurer of a transportation network company driver's personal vehicle first denying a claim, and does not require the insurer of a personal automobile insurance policy to first deny a claim to trigger coverage and defense under the coverage certified.

b. Proof that the transportation network company has established a zero tolerance policy for the use of drugs and alcohol as provided in Iowa Code section 321N.3(5). The transportation network company shall provide a written copy of the applicable policy and an explanation of the manner or means by which the policy is made known to transportation network company drivers and the manner or means by which the policy is enforced.

c. Proof that the transportation network company has adopted and is enforcing nondiscrimination and accessibility policies. As used herein, "nondiscrimination policy" means a policy that prohibits discrimination against transportation network company riders on the basis of race, age, disability, religion, color, sex, or national origin. "Accessibility policy" means a policy that prohibits discrimination against and assures equal opportunity and access to transportation network company riders who are persons with disabilities under the Americans with Disabilities Act of 1990 (ADA) as amended by the ADA Amendments Act of 2008 (P.L. 110-325) codified at 42 U.S.C. 12101 et. seq. The transportation network company shall provide a written copy of the applicable policy and an explanation of the manner or means by which the policy is made known to transportation network company drivers and the manner or means by which the policy is enforced.

d. Proof that the transportation network company has established record retention guidelines that comply with the requirements of Iowa Code section 321N.2(2). The transportation network company shall provide a written copy of the applicable policy and an explanation of the manner or means by which the policy is made known to the designated records retention officer or responsible staff and the manner or means by which the policy is enforced.

e. Proof that the transportation network company has established a means for informing persons seeking approval to serve as transportation network company drivers of their notification obligations under Iowa Code section 321N.3(2). The transportation network company shall provide a copy of the disclosure form used by the transportation network company to inform such persons of the notification obligations under Iowa Code section 321N.3(2) and an explanation of the manner or means by which the disclosure form is made known to and signed by such persons.

f. Proof that the transportation network company has established a means for making the automobile insurance disclosures required by Iowa Code section 321N.5 to persons serving as transportation network company drivers. The transportation network company shall provide a copy of the written disclosure used by the transportation network company and an explanation of the manner or means by which the written disclosure is made known to transportation network company drivers.

g. Proof that the transportation network company has established a means for making the driver and vehicle disclosures required by Iowa Code section 321N.7 to transportation network company riders.

The transportation network company shall provide an explanation of the manner or means by which the disclosure is made known to transportation network company riders.

h. Proof that the transportation network company has established a means for transmitting an electronic receipt to transportation network company riders as required by Iowa Code section 321N.8. The transportation network company shall include a sample, representative receipt and an explanation of the manner or means by which the receipt is delivered and the time frame within which the receipt is delivered.

i. If incorporated or organized, a current copy of the transportation network company's certificate of good standing from the transportation network company's state of incorporation or organization.

j. All applicable documents identified in 761—subrule 380.7(2) and any other documentation, if required by the department, necessary to assess the operational capabilities of any driverless-capable vehicles the transportation network company intends to operate, including for the purpose of determining whether to impose operational restrictions as authorized under rule 761—400.21(321).

k. Other such documents as requested by the department.

[ARC 2987C, IAB 3/15/17, effective 4/19/17; ARC 3688C, IAB 3/14/18, effective 4/18/18; Editorial change: IAC Supplement 8/11/21; ARC 5893C, IAB 9/8/21, effective 10/13/21; ARC 6491C, IAB 9/7/22, effective 10/12/22]

761—540.5(321N) Issuance of permit. A transportation network company shall not operate or conduct business in the state of Iowa without a valid permit issued under this chapter. Upon submission of a completed application package as set forth in rule 761—540.4(321N), the department shall process the package and shall inform the transportation network company of the package's status no later than 30 days after the department receives the package. Application package statuses for the purpose of this rule are as follows: "in process," "granted," and "denied." If the department informs a transportation network company that the application is "in process," then the department shall also inform the transportation network company of the reason for the status. If the department determines that the transportation network company is in compliance with the provisions of Iowa Code chapter 321N and this chapter, the department shall issue a permit to the transportation network company. A permit, when issued, shall be valid for one year. The department may deny issuance of the permit if the department determines, and evidence demonstrates, that the transportation network company is not in compliance or is not able to comply with the provisions of Iowa Code chapter 321N or this chapter.

[ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.6(321N) Amendment to transportation network company permit. If during the period the permit is valid any information required and presented in the application under paragraph 540.4(1) "a," "b," "c," "f," "g" or "i" changes, the transportation network company shall notify the motor vehicle division of the change in writing within 30 days after the change. Notification shall include the permit number and a recitation of the information that has changed and that should be updated in the department's records. Submission of amended information is not a request for a new permit or for permit approval and shall not extend the period the permit is valid. Upon determination that the information submitted is complete and correct, the department shall update its records and issue an amended permit, if the department determines it is necessary.

[ARC 2987C, IAB 3/15/17, effective 4/19/17; ARC 6491C, IAB 9/7/22, effective 10/12/22]

761—540.7(321N) Suspension. If the department determines that the transportation network company has violated Iowa Code chapter 321N or this chapter and the violation is more than an isolated event and remains uncorrected, the department shall issue to the transportation network company a written notice of the violation. The written notice shall specify the violation and shall advise the transportation network company that failure to remedy the violation and to comply with the applicable requirements within 30 days shall result in the issuance of a written notice of suspension of the permit and the privilege to operate or conduct business as a transportation network company in the state of Iowa. If the transportation network company fails to remedy the violation within 30 days, the department shall issue to the transportation network company a written notice of suspension of the permit and the privilege to operate or conduct business as a transportation network company in the state of Iowa, which shall be

effective 30 days after service of the written notice of suspension. Once effective, the suspension shall remain in effect until the transportation network company demonstrates to the department that it is in compliance with the applicable requirements or the permit is revoked or expires, whichever occurs first. [ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.8(321N) Revocation. If the department determines that the transportation network company is in continued noncompliance with Iowa Code chapter 321N or this chapter, the department shall revoke the transportation network company's permit and the privilege to operate or conduct business as a transportation network company in the state of Iowa. Notice of revocation shall be in writing, shall specify the continued noncompliance, and shall be effective 30 days after service of the written notice of revocation. The period of revocation shall be for at least 90 days, and shall continue thereafter until the following criteria are satisfied: (1) The transportation network company submits a new application, application fee, and supporting documents under rule 761—540.4(321N), and (2) the department determines a new permit should be issued, pursuant to rule 761—540.5(321N). As used in this rule, "continued noncompliance" means a violation of Iowa Code chapter 321N or this chapter for which a notice of suspension has become effective and has remained in effect for a period of at least 180 days. [ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.9(321N) Appeal.

540.9(1) A transportation network company whose permit has been suspended, revoked, or denied may request an informal settlement or a contested case proceeding as provided in 761—Chapter 13 to contest said action.

540.9(2) The request shall be submitted in writing to the director of the motor vehicle division at the address indicated in subrule 540.3(1), and may be submitted electronically by facsimile, email or other means prescribed by the department. To be timely, the request must be submitted within 20 days of service of the notice of suspension, revocation or denial. Failure to contest denial of a permit application does not preclude the transportation network company from submitting a new application for a permit at any time after the denial.

540.9(3) When the department receives a properly submitted, timely request for an informal settlement or contested case proceeding or an appeal of a presiding officer's proposed decision regarding a suspension or revocation, the department shall stay the suspension or revocation pending resolution of the informal resolution, contested case, or appeal.

[ARC 2987C, IAB 3/15/17, effective 4/19/17; Editorial change: IAC Supplement 8/11/21; ARC 6491C, IAB 9/7/22, effective 10/12/22]

761—540.10(321N) Renewal.

540.10(1) A transportation network company that has been issued and holds a valid permit may renew the permit by submitting, at minimum, the following: (1) the application, (2) the application fee and (3) the supporting documents as set forth in rule 761—540.4(321N). The application for renewal must be submitted no more than 60 days before the expiration date of the existing permit and no fewer than 30 days before the expiration date of the existing permit.

540.10(2) Pursuant to Iowa Code section 17A.18(2), when a transportation network company has made a timely and sufficient application for the renewal of a valid permit, the existing permit does not expire until the application has been finally determined by the department, and, in case the application is denied or the terms of the new permit are limited, until the last day for seeking judicial review of the department's order or a later date fixed by order of the department or the reviewing court.

540.10(3) If the application for renewal is submitted fewer than 30 days before the expiration date of the existing permit, then the application shall be considered a new application and Iowa Code section 17A.18(2) shall not apply. If a transportation network company does not file a renewal application pursuant to this rule, then the original application shall expire on the expiration date set forth on the original permit.

540.10(4) If a transportation network company initiates an appeal, informal settlement, or contested case proceeding pursuant to rule 761—540.9(321N) and the original application expires pursuant to the

expiration date of the application, then the transportation network company shall be required to submit a renewal application pursuant to subrule 540.10(1) if the transportation network company intends to hold a valid permit under this chapter once the appeal, informal settlement, or contested case proceeding has been finally determined.

[ARC 2987C, IAB 3/15/17, effective 4/19/17]

761—540.11(321N) Record review.

540.11(1) When the department examines the records of a transportation network company as authorized under Iowa Code section 321N.2(5), the department may request the transportation network company to provide a list of all prearranged rides for a seven-day period or all transportation network company drivers in Iowa for a specific date. The transportation network company shall provide the required information to the department within 30 days of the request.

540.11(2) For the records provided under subrule 540.11(1), the department may identify a random sample of rides or drivers, or rides and drivers, for review for the specified period. The transportation network company shall provide additional information for each driver and each rider for each ride as requested by the department.

a. Additional information requested for the transportation network company driver shall include the following:

- (1) A copy of the driver's license for the transportation network company driver.
- (2) A copy of the driver's state-issued vehicle registration, including year, make, model, VIN and license plate number.
- (3) A copy of proof of the driver's financial liability coverage. The copy shall include the driver's insurance company name, address, and policy number. In addition, a copy of proof of financial liability coverage maintained to comply with Iowa Code sections 321N.4(2) and 321N.4(3) that includes coverages and limits may be satisfied by any of the following:
 1. Insurance maintained by the transportation network company driver.
 2. Insurance maintained by the transportation network company.
 3. A combination of numbered paragraphs 1 and 2.
- (4) A copy of or a verification that all necessary disclosures were supplied to the driver by the transportation network company, including the lienholder, vehicle owner, insurance and motor vehicle equipment requirements.
- (5) A copy of all complaints received by the transportation network company from any rider who received a ride from the driver. This includes, but is not limited to, complaints related to drug or alcohol use, vehicle safety, motor vehicle equipment safety, driver behavior, driver ability or operation of the vehicle.
- (6) A summary or other documentation that shows how the transportation network company resolved any complaint from a rider.
- (7) Documentation or verification of the background and sex offender registry check on the driver.

b. Additional information for each transportation network company rider shall include the electronic ride receipt provided to the rider.

540.11(3) Notwithstanding any provision of subrule 540.11(1) to the contrary, the department and the transportation network company may agree to an alternative process or format for the transportation network company to provide the requested records if the records otherwise include the information required in subrule 540.11(2).

540.11(4) Records submitted by the transportation network company to the department pursuant to this rule shall maintain the same status, including confidentiality and disclosure requirements as provided in Iowa Code section 321N.2(5).

[ARC 6491C, IAB 9/7/22, effective 10/12/22]

These rules are intended to implement Iowa Code sections 321.515 and 321.519 and chapter 321N.

[Filed ARC 2987C (Notice ARC 2907C, IAB 1/18/17), IAB 3/15/17, effective 4/19/17]

[Filed ARC 3688C (Notice ARC 3572C, IAB 1/17/18), IAB 3/14/18, effective 4/18/18]

[Editorial change: IAC Supplement 8/11/21]

[Filed ARC 5893C (Notice ARC 5621C, IAB 5/19/21), IAB 9/8/21, effective 10/13/21]
[Filed ARC 6491C (Notice ARC 6312C, IAB 5/4/22), IAB 9/7/22, effective 10/12/22]