

**TRANSPORTATION DEPARTMENT[761]**

**Notice of Intended Action**

**Proposing rule making related to transportation network companies  
and providing an opportunity for public comment**

The Transportation Department hereby proposes to amend Chapter 540, “Transportation Network Companies,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code sections 307.12 and 321N.2.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapter 321N.

*Purpose and Summary*

This proposed rule making relates to permitting and regulation of transportation network companies (TNCs) and TNC drivers. The proposed amendments align with existing legal authority and Department practice, eliminate outdated or irrelevant requirements or options, and accommodate modern procedures.

Updates are proposed to various rules throughout the chapter to correct the Department’s contact and submission information for TNC permits and other required submissions. The proposed amendments adjust the fee payment methods in subrule 540.4(2) to eliminate outdated language and instead use language that will encompass all acceptable payment methods.

The subrule addressing supporting documentation for a TNC permit is proposed to be amended to clarify that a current copy of the TNC’s certificate of good standing must be submitted with the application if the TNC is incorporated or organized.

Finally, the proposed rule making adds a new rule to implement existing statutory authority regarding review of TNC records by the Department. Pursuant to Iowa Code section 321N.2(5), the Department is authorized to examine TNC records for the purposes of enforcing the requirements of Iowa Code chapter 321N. The proposed rule outlines the types of records that will be requested by the Department and how those records may be submitted.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 761—Chapter 11.

*Public Comment*

Any interested person may submit written comments concerning this proposed rule making or may submit written request to make an oral presentation at a public hearing. Written comments or requests to present oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on May 24, 2022. Comments should be directed to:

Tracy George  
Department of Transportation  
DOT Rules Administrator, Government and Community Relations  
800 Lincoln Way  
Ames, Iowa 50010  
Email: [tracy.george@iowadot.us](mailto:tracy.george@iowadot.us)

### *Public Hearing*

If requested, a public hearing to hear oral presentations will be held on May 26, 2022, via conference call at 1 p.m. Persons who wish to participate in the conference call should contact Tracy George before 4:30 p.m. on May 24, 2022, to facilitate an orderly hearing. A conference call number will be provided to participants prior to the hearing.

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact Tracy George and advise of specific needs.

The public hearing will be canceled without further notice if no oral presentation is requested.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 761—540.3(321N) as follows:

#### **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 ~~Office of Vehicle and Motor Carrier Services~~ 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)237-3268~~ (515)237-3156; by email at ~~omes@iowadot.us~~ central.vehicle@iowadot.us; ~~by facsimile at (515)237-3225~~; or on the department's website at [www.iowadot.gov](http://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 ~~office of motor vehicle and motor carrier services~~ division via the methods listed in subrule 540.3(1).

ITEM 2. Amend rule 761—540.4(321N) as follows:

#### **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 ~~office of motor vehicle and motor carrier services on a~~ division in the form designated and manner prescribed by the department; ~~electronic or otherwise, and prescribed for that purpose.~~ The form shall require all of the following:

*a. to i.* No change.

*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 ~~cash, check, money order, or other means acceptable to, and offered by,~~ the department.

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

*a. to h.* No change.

*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. and k.* No change.

ITEM 3. Amend rule 761—540.6(321N) as follows:

**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 ~~office of~~ motor vehicle and motor carrier services 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.

ITEM 4. Amend subrule 540.9(2) as follows:

**540.9(2)** The request shall be submitted in writing, to the director of the ~~office of~~ motor vehicle and motor carrier services, 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.

ITEM 5. Adopt the following new rule 761—540.11(321N):

**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 two weeks 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 or negative reports 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).