

GOVERNOR THORNBURGH SIGNS RIDE-SHARING BILL

On December 14, 1982 Governor Thornburgh signed into law House Bill 521, as amended by the Senate. (The full text of the Bill is given below.) This legislation clarifies many of the grey areas of carpool and vanpool activity in the state.

Since originally introduced in February of 1981, ride-sharing advocates across the state have lobbied for its passage into law. Local support from the Southwestern Pennsylvania Ride-sharing Task Force played a significant part in the final passage into law just prior to the end of the 1982 session.

The legislation provides for ride-sharing arrangements, as defined in the Bill, to be exempt from certain laws. The most significant provisions of the Act include:

Vanpools and carpools are exempt from:

- . PUC regulations;
- . Special insurance, driver license, or equipment requirements;
- . Insurance provisions designated for "bus," "taxi" or other "commercial vehicles"; and
- . Overtime compensation or minimum work laws.

Providing for ride-sharing arrangements and providing that certain laws shall be inapplicable to ride-sharing arrangements.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Ride-sharing arrangement defined.

As used in this act, "ride-sharing arrangement" shall mean any one of the following forms of transportation:

- (1) *The transportation of not more than 15 passengers where such transportation is incidental to another purpose of the driver who is not engaged in transportation as a business. The term shall include ridesharing arrangements commonly known as carpools and vanpools, used in the transportation of employees to or from their place of employment.*

Insurance premiums charged for ride-sharing vehicles must be approved by the Insurance Commissioner.

Money received by a driver as part of a ride-sharing arrangement shall not be subject to taxation.

Employers are not liable for injuries to employees resulting from a ride-sharing arrangement in a vehicle not owned, leased or contracted for by the company.

An employer is not liable for injuries to passengers because he provides information, incentives or otherwise encourages his employees to participate in a ride-sharing arrangement.

Workman's Compensation does not apply to passengers injured while participating in a ride-sharing arrangement--if, however, the vehicle is owned or leased by the company, the driver is covered.

Following is the full text of the House Bill No. 521 as amended by the Senate and signed into law on December 14, 1982.

AN ACT

- (2) *The transportation of employees to or from their place of employment in a motor vehicle owned or operated by their employer.*
- (3) *The transportation of persons in a vehicle designed to hold no more than 15 people and owned or operated by a public agency or nonprofit organization for that agency's clientele or for a program sponsored by the agency.*

Section 2. Motor carrier laws not applicable to ride-sharing.

The following laws and regulations of this State shall not apply to any ride-sharing arrangement:

- (1) *Title 66 of the Pennsylvania Consolidated Statutes (relating to public utilities).*

- (2) Laws and regulations containing special insurance requirements for motor carriers.
- (3) Laws imposing a greater standard of care on motor carriers than that imposed on other drivers or owners of motor vehicles.
- (4) Laws and regulations imposing special equipment requirements and special accident reporting requirements on motor carriers.

Section 3. Workmen's compensation act not applicable to ride-sharing.

The act of June 2, 1915 (P.L. 736, No. 338), known as "The Pennsylvania Workmen's Compensation Act," shall not apply to a passenger injured while participating in a ride-sharing arrangement between such passenger's place of residence and place of employment. "The Pennsylvania Workmen's Compensation Act," shall apply to the driver of a company owned or leased vehicle used in a ride-sharing arrangement.

Section 4. Liability of employer.

- (a) An employer shall not be liable for injuries to passengers and other persons resulting from the operation or use of a motor vehicle, not owned, leased or contracted for by the employer, in a ride-sharing arrangement.
- (b) An employer shall not be liable for injuries to passengers and other persons because he provides information, incentives or otherwise encourages his employees to participate in ride-sharing arrangements.

Section 5. Insurance rates and policy exclusions.

- (a) Provisions in an insurance policy which deny coverage for any motor vehicle used for commercial purposes or as a public or livery conveyance shall not apply to a vehicle used in a ride-sharing arrangement.

- (b) Premiums charged for ride-sharing vehicles shall be approved by the Insurance Commissioner in conformity with the act of June 11, 1947 (P.L. 538, No. 246), known as "The Casualty and Surety Rate Regulatory Act."

Section 6. Sales taxes and ride-sharing.

Money received by a driver as part of a ride-sharing arrangement shall not be subject to taxation under Article II of the act of March 4, 1971 (P.L. 6, No. 2), known as the "Tax Reform Code of 1971."

Section 7. Municipal licenses and taxes.

No municipality may impose a tax on, or require a license for, a ride-sharing arrangement.

Section 8. Overtime compensation and minimum wage laws do not apply to ride-sharing arrangements.

The laws of this State requiring payment of a minimum wage, overtime pay or otherwise regulating the hours a person may work shall not apply to employees while traveling between their residences and places of employment.

Section 9. Ride-sharing vehicles are not commercial vehicles or buses.

- (a) A motor vehicle designed for carrying not more than 15 passengers exclusive of the driver that is used in a ride-sharing arrangement shall not be a "bus" as that term is defined in 75 Pa.C.S. §102 (relating to definitions).
- (b) A motor vehicle used in a ride-sharing arrangement shall not be considered a "bus" or a "taxi" under the provisions of 75 Pa.C.S. §1305 (relating to application for registration).

Section 10. Effective date.

This act shall take effect in 60 days.

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