



Ordinance No. 2024-009

City of Minneapolis

File No. 2024-00146

Author: Wonsley

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Committee: BHZ

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RECORD OF COUNCIL VOTE				
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT
Payne	X			
Wonsley	X			
Rainville		X		
Vetaw		X		
Ellison	X			
Osman	X			
Cashman	X			
Jenkins	X			
Chavez	X			
Chughtai	X			
Koski		X		
Chowdhury	X			
Palmisano		X		

MAYOR ACTION

APPROVED

VETOED

[Signature]
MAYOR FREY

MAR 08 2024

DATE

VETO OVERRIDDEN
MARCH 14, 2024

Certified an official action of the City Council

ATTEST:

[Signature]
CITY CLERK

Presented to Mayor: MAR 08 2024

Received from Mayor: MAR 08 2024

Amending Title 13, Chapter 343 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations: Transportation Network Companies.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Chapter 343 of the Minneapolis Code of Ordinances be amended by adding thereto a new Section 343.125 to read as follows:

343.125. Transportation network company driver minimum compensation. (a) *Minimum compensation.* Minimum compensation paid by a TNC to a driver shall be as provided in this subsection. A TNC driver is covered by this subsection if the TNC driver provides TNC services within the geographic boundaries of the City of Minneapolis.

(1) A TNC driver shall be paid at least one dollar forty cents (\$1.40) per mile and fifty-one cents (\$0.51) per minute for the time transporting a rider, subject to annual adjustment as provided by this section, or five dollars (\$5.00), whichever is greater. A TNC driver shall be paid at least one dollar eighty-one cents (\$1.81) per mile and fifty-one cents (\$0.51) per minute for the time transporting a rider if the vehicle is a wheelchair accessible transportation network vehicle, subject to annual adjustment as provided by this section, or five dollars (\$5.00), whichever is greater. Minimum compensation is due only for the portion of the ride that occurs within the city.

(2) The per mile and per minute minimum rates established by this section shall be automatically adjusted on January 1, 2025, and each January 1 thereafter in the same manner as provided for the municipal minimum wage in section 40.390(e) of this Code.

(3) If a cancellation occurs after the driver has already departed to pick up a rider, the TNC must provide eighty percent (80%) of any cancellation fee charged to the rider to the driver.

(4) A TNC shall pay to its TNC drivers all tips and gratuities on or before the driver's next payment. Tips paid to a TNC driver are in addition to, and may not count towards, the TNC driver's minimum compensation as required pursuant to this section.

(5) If a rider is charged any special surcharge such as an event surcharge the TNC must provide eighty percent (80%) of such surcharge to the driver.

(6) A TNC must pay a driver the compensation required under this section over a reasonable pay period not to exceed seven (7) calendar days.

(7) A TNC that uses its software or collection technology to collect fees or fares must pay a driver the fees and fares earned by the driver, regardless of whether the fees or fares are actually collected.

(b) *Deductions from driver compensation.* Deductions from driver compensation are subject to the requirements of this subsection.

(1) A TNC may deduct any portion of a driver's compensation, without a driver's prior written authorization, only for the following reasons:

a. If the deduction is required by state or federal law; or

b. To satisfy a court order, judgment, wage attachment, trustee process, bankruptcy proceeding, or payroll deduction notice for child support payments.

(2) A mandatory deduction may reduce a driver's compensation below the minimum compensation requirements established by this section.

(3) Except as required by law, a TNC may only deduct compensation when the driver expressly authorizes the deduction in writing and does so in advance and for a lawful purpose. Voluntary deductions may reduce the driver's per trip earnings below the minimum compensation requirements set forth in this section. Any authorization by a driver must be voluntary and knowing. Voluntary deductions that may be

authorized by a driver include, but are not limited to, voluntary deductions for a lease or rental car program. A driver's written authorization for deductions is valid if it:

- a. Is written in either English or the driver's preferred language;
- b. States that the driver authorizes a deduction from the driver's compensation;
- c. States the deduction amount(s), interval(s) of deductions, and nature of any deductions;
- d. States the effective date(s) of a deduction;
- e. States the estimated end date of a deduction, if any;
- f. Includes sufficient information to identify the driver;
- g. Is submitted in advance of the deduction; and
- h. Is submitted by the driver or the driver's authorized representative.

(4) A "voluntary and knowing" deduction means:

- a. The driver was informed via an accessible system that the deduction may reduce their compensation below the minimum compensation requirements of this section; and
- b. The driver was not pressured, manipulated, or coerced into authorizing the deduction.
- c. A driver may rescind a voluntary deduction with notice, written in either English or the driver's preferred language, at least ten (10) days before a scheduled deduction.
- d. There is no financial benefit for any deduction. A TNC, or any person acting in the interest of the TNC, may not derive any financial profit or benefit from any deduction.

(5) A deduction will be considered for financial profit or benefit if it results in a financial gain. In determining whether a deduction resulted in a financial profit or benefit to the TNC, or any person acting in the interest of the TNC, the following non-exhaustive factors may be considered:

- a. The cost of the goods or services incurred by the TNC, including necessary administrative costs to provide the goods or services to the TNC driver; and
- b. Whether the deduction resulted in a gain over and above expenditures.

(6) In no case may a TNC deduct the cost of damage to or loss of TNC equipment, software, intellectual property, or other tangible or intangible property from a driver's compensation.

(7) A TNC must not deduct from a driver's tips, unless required by law or expressly authorized under the voluntary deduction provisions of this section.

(c) *TNC to supply required supplies.* If a TNC requires drivers to maintain any specific personal protective equipment, disinfecting supplies, or similar supplies or equipment, including requirements for certain vehicle types or standards that exceed those required by section 343.80, the TNC shall be responsible for providing such equipment or supplies to its drivers without charge.

(d) *Retaliation prohibited; encouragement of more generous policies.* No TNC or any other person shall interfere with, restrain, deny, or attempt to deny the exercise of any right protected under this chapter or applicable law, nor retaliate against any person for attempting to exercise any such right. Nothing in this chapter shall be construed to discourage or prohibit a TNC from the adoption or retention of protections more generous than those required by this chapter.

(e) *Collective bargaining agreements; employment status.* Notwithstanding any law to the contrary, nothing in this chapter prohibits collective bargaining or shall be used as a basis to conclude whether a driver is an employee or independent contractor.

(f) An external evaluation of the impact of Chapter 343, the Transportation Network Company ordinance, shall be conducted six (6) months and one (1) year after its effective date, and each year thereafter. The City Operations Officer, in conjunction with the community planning and economic development department and finance and property services department, and the external evaluator should provide annual economic and market impact reports to the appropriate committee of the City Council beginning in early 2025. This report will investigate how driver compensation increases will affect driver behavior, the TNC companies, and their passengers, and may also include recommendations for improvements to this article.

The report shall include, but not be limited to, the impact of the ordinance on the rideshare industry in the City of Minneapolis and the region including a discussion of the impact on supply and demand in the market, estimated average net hourly earnings after associated cost factors (or driver earnings), and passenger fares.

All evaluation and reporting should include the impact of the ordinance on people with disabilities, low-income communities, hours worked by drivers, and the added cost of enforcement by the City.

Section 2. The effective date of the ordinance amendments herein described shall be May 1, 2024.