

Interpretive Notice & Formal Opinion ("INFO") #23:

Delivery and Transportation Network Companies: Driver Rights and Labor Transparency

Overview

Two laws establish transparency and related responsibilities for app-based Delivery Network Companies¹ ("DNCs," for delivery of food or other purchases) and Transportation Network Companies² ("TNCs," for ride services, often called "rideshares"), as well as related rights of drivers and consumers.

Requirements under the Protections for Delivery Network Company Drivers Act ("DNC Act")

- Coverage:
 - DNCs are companies with online applications connecting drivers with consumers seeking delivery services.
 - DNCs do not include moving or towing companies, and DNCs need not comply with the DNC Act as to drivers who receive tax form W-2 from the DNC.
- Required as of August 7, 2024:
 - **Acceptance Time:** DNCs must ensure that drivers have at least 60 seconds after a delivery offer is sent to them to choose whether to accept the delivery.
- Required as of January 1, 2025:
 - **Disclosure to drivers:** DNCs must disclose delivery data for each delivery, including:
 - Total amount including tips and reimbursements Total delivery task time
 - Number of transactions in the delivery Driving distance
 - The addresses for pick-up and delivery Directions from pick-up to destination
 - **Disclosure summaries:** Within 30 days after the end of each month, or each calendar quarter, DNCs must provide drivers with the total miles they drove that month or quarter and the IRS mileage deduction rate for that month or quarter.
 - **Contract transparency:** DNCs must disclose new or amended contracts to drivers at least 14 days before the contract becomes enforceable.
 - **Disclosure to consumers:** DNCs must disclose the total amount a consumer will pay for a delivery on the same screen that presents the consumer with the opportunity to tip a driver.
 - **Deactivation policy:** DNCs must have an account deactivation policy and establish an account deactivation challenge procedure, which must be provided to all drivers. The policy must:
 - Be provided to the Division 30 days before it takes effect for example, for an effective date of January 1, 2025, the policy must be provided to the Division by December 2, 2024;

¹ C.R.S. 8-4-126 (<u>HB 24-1129</u>, Protections for Delivery Network Company Drivers Act, "DNC Act").

² C.R.S. 8-4-127 (SB 24-075 Transportation Network Company Transparency Act, "TNC Act").

INFOs are not binding law, but are the officially approved Division opinions and notices on how it applies and interprets various statutes and rules. The Division continues to update and post new INFOs; email cdle_labor_standards@state.co.us with any suggestions. To be sure to reference up-to-date INFOs, rules, or other material, visit <u>ColoradoLaborLaw.gov</u>. Last updated October 11, 2024

- List the reasons for, and consequences of, driver deactivation; and
- Be available in English, Spanish, Arabic, and other languages set by rule by the Division.

Requirements under the Transportation Network Company Transparency Act ("TNC Act")

- Coverage:
 - TNCs are companies with online applications connecting drivers with consumers seeking rides.³ TNCs used primarily to give rides to minors and/or under contracts with schools or other governmental entities who meet requirements listed in the TNC Act, and submit an attestation to the Public Utilities Commission by January 1, 2025, are not covered by the TNC Act.
 - Driver Support Organizations (DSOs) are membership-led labor organizations that primarily educate and support drivers, including by representing drivers in TNC deactivation reconsideration processes. The Division will certify DSOs for three-year terms, accepting initial DSO applications from January 1, 2025 through March 31, 2025, for certification effective October 1, 2025. The certified DSO will be funded by TNC remittances and voluntary driver contributions.
- Required as of November 5, 2024:
 - **Annual task numbers:** By November 5, 2024, and then by January 15 every year, TNCs must report to the Division how many tasks (rides) their drivers performed the prior calendar year.
- Required as of February 1, 2025:
 - **Rights to accept or reject rides:** TNCs may not retaliate against drivers for rejecting or accepting ride offers by suspending, deactivating, or limiting access to driver support, ride offers, or area preferences.
 - **Disclosure to drivers:** TNCs must disclose the following information to drivers at the following times.
 - At the time of the offer of a ride to a driver:
 - Direction and distance to pick up riders;
 - The amount a driver will receive from the TNC;
 - Estimated mileage and time for the ride; and
 - The amount of any tip, if already added.
 - When a driver finishes a ride: how much the driver was paid for the ride, how much the consumer paid the TNC for the ride, and the amount of any tip left by the consumer.
 - Monthly: A summary including the following, on a monthly or more frequent basis, to each driver, by the end of the following month (or of the other period if provided more frequently):
 - Pay and tips;
 - Time spent on, and miles driven during, available platform time, dispatch platform time, and consumer platform time; and
 - Estimated mileage deductible from the driver's taxes.
 - **Disclosure to consumers:** Before allowing a consumer to tip a driver, a TNC must tell the consumer how much they will pay, and how much the driver will receive, excluding any tip.

³ For other TNC regulations in Colorado, see the Public Utility Commission's website: <u>https://puc.colorado.gov/tnc</u>.

• Required as of May 1, 2025:

- **Deactivation and suspension policy development and disclosure:** TNCs must have and provide to all drivers a deactivation and suspension policy, which must:
 - Clearly list the reasons for, and consequences of, driver deactivation or suspension;
 - Describe the TNC's procedure for reconsidering driver deactivations; and
 - Be available in English, Spanish, Arabic, and other languages set by rule by the Division.
- Required as of June 1, 2025:
 - Deactivation and suspension policy compliance: TNCs must follow their deactivation and suspension policy when deactivating or suspending - a driver.
- Required as of August 1, 2026:
 - **Semiannual disclosures:** Starting on August 1, 2026, and then twice per year, TNCs must disclose to the Division:
 - Total number of driver deactivations and reconsiderations during the six-month reporting period;
 - Demographic data for all drivers that were deactivated during the reporting period; and
 - Driver and consumer data related to ride requests.

Rulemaking, Fall 2024: Schedule and Process

- Proposed rules were published on September 30, 2024, to implement each statute, including to:
 - explain how companies, drivers, consumers, and others make submissions to the Division;
 - establish how the Division will investigate and decide various matters the statutes assigned to it; and
 - clarify details of how the statutes will be applied (e.g., the languages to translate key disclosures into).
- Input from Coloradans is invited on the proposed rules in both public meetings and written comments that will be fully reviewed before final rules are expected to be adopted in November.
- Information on all proposed and final rules, public meetings, and how to submit comments is on the Division rules page: <u>cdle.colorado.gov/LaborRules</u>.

For More Information: Visit the Division <u>website</u>, call 303-318-8441, or email cdle_labor_standards@state.co.us.