

SUBJECT:	Limiting vicarious liability for certain transportation network companies
COMMITTEE:	Judiciary & Civil Jurisprudence — committee substitute recommended
VOTE:	8 ayes — Leach, Julie Johnson, Flores, Moody, Murr, Schofield, Slawson, Vasut 0 nays 1 absent — Davis
WITNESSES:	<p>For — Lee Parsley, Texans for Lawsuit Reform; Joe Messina, Uber Technologies, Inc (<i>Registered, but did not testify</i>: Steve Koebele, American Property Casualty Insurance Association; Servando Esparza, TechNet; George Christian, Texas Civil Justice League; Thomas Parkinson)</p> <p>Against — Laura Tamez, Texas Trial Lawyers Association (<i>Registered, but did not testify</i>: Laura Nodolf, Midland County District Attorney’s Office; Ware Wendell, Texas Watch; Vicki Burnett; and 8 individuals)</p>
BACKGROUND:	Some have suggested that limiting vicarious liability for certain transportation network companies, could reduce legal costs and streamline certain auto accident claims.
DIGEST:	<p>Under, CSHB 1745, a transportation network company could not be held vicariously liable for damages in an action or arbitration proceeding if:</p> <ul style="list-style-type: none">• the claimant did not prove by clear and convincing evidence that the was grossly negligent with the respect to the subject claim; or• the company had fulfilled all of the company’s obligations with respect to the transportation network company driver. <p>The bill would not affect the liability of a transportation network company arising from the company’s own negligence for an act of omission relating to the use of the company’s digital network, including if at the time of the</p>

event the company had knowledge that a driver was disqualified from logging on to the company's digital network and failed to prevent the driver from logging on.

The bill would apply only to an action or arbitration proceedings in which:

- a transportation network company was the defendant;
- the claimant sought recovery damages for loss of property, bodily injury, or death;
- the claim arose out of the ownership, use, operation, or possession of a network vehicle while the vehicle's driver or passenger was logged on to the company's digital network; and
- the theory of recovery for damages was based on the ownership, operation, design, manufacture, or maintenance of a digital network accessed by a driver or passenger or the relationship or interaction with a driver logged on to the company's digital network.

The bill would take effect September 1, 2023 and would apply only to a cause of action that occurred on or after the effective date.