



HOUSE BILL 2175

By Travis

AN ACT to amend Tennessee Code Annotated, Title 4; Title 7; Title 55; Title 56 and Title 65, relative to delivery network companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 15, is amended by adding the following as a new part:

65-15-401.

As used in this part:

(1) "Delivery network company" or "DNC" means a business entity operating in this state that maintains a digital network that it uses to facilitate delivery services for the sale of products;

(2) "Digital network" includes an internet website, mobile application, or other software application;

(3) "DNC customer" or "customer" means an individual who uses a DNC's digital network to connect with a driver to obtain delivery services from the driver for the individual, or for another individual or entity;

(4) "DNC driver" or "driver" means an individual who operates a motor vehicle that is:

(A) Owned, leased, or otherwise authorized for use by the individual;

(B) Not a for-hire vehicle; and

(C) Used to provide DNC services or delivery services;

(5) "DNC services" or "delivery services":

(A) Means the pickup of one (1) or more products from a merchant and the delivery of the products to a DNC customer; and

(B) Does not include:

(i) A delivery that requires over fifty (50) miles of travel from the merchant to the customer;

(ii) Services provided by a for-hire vehicle; or

(iii) A street hail service; and

(6) "Street sale" means the acceptance of payment for delivery services through an in-person interaction not using a digital network furnished or used by a DNC.

65-15-402.

A delivery network company is:

(1) Governed exclusively by this part; and

(2) Not subject to the authority of the department of safety to regulate delivery operations pursuant to part 1 or part 2 of this chapter.

65-15-403.

A delivery network company shall maintain an agent for service of process in this state.

65-15-404.

A delivery network company operating in this state shall:

(1) Provide a DNC customer with any applicable rates charged for delivery services and the option to receive an estimated total before the customer purchases delivery services;

(2) Use a software application or website to display a picture of the driver and the license plate number of the motor vehicle utilized for providing the delivery service;

(3) Transmit an electronic receipt to the customer within a reasonable time after the delivery that lists:

(A) The origin and destination of the trip;

(B) An itemization of the total items ordered; and

(C) An itemization of any and all fees;

(4) Implement a zero-tolerance policy on the use of drugs or alcohol while a driver provides DNC services or is logged into the DNC's digital network but is not providing services, and provide notice of this policy on its website;

(5) Require an individual, prior to becoming a driver on the DNC's digital platform, to submit a driver application that includes, but is not limited to, the applicant's address, age, driver license number, driving history, proof of motor vehicle registration, and automobile liability coverage; provided, that this subdivision (a)(5) does not prevent a DNC from requiring other information from the applicant;

(6) Maintain:

(A) Individual trip records for each driver for at least one (1) year from the date each delivery was provided by the driver; and

(B) Driver records for no less than one (1) year from the date on which a driver activation on the DNC's digital network has ended;

(7) Conduct, or have a third party conduct, a local and national criminal background check on any potential driver that includes a multi-state criminal records locator or other similar commercial nationwide database with validation;

(8) Conduct a national sex offender registry search for any potential driver; and

(9) Obtain motor vehicle records for any potential driver.

65-15-405.

(a) On and after July 1, 2026, a delivery network company or DNC driver shall comply with the automobile liability insurance requirements of this section.

(b)

(1) When a DNC driver is logged into the DNC's digital network and available to receive requests for delivery services, but is not providing such services, the driver must have automobile liability insurance that meets at least the minimum coverage requirements for proof of financial responsibility, as defined in § 55-12-102.

(2) The DNC shall also maintain automobile liability insurance required under subdivision (b)(1). Such insurance must provide coverage in the event that a participating DNC driver's own automobile liability policy excludes coverage according to its policy terms or does not provide coverage of at least the limits required under subdivision (b)(1).

(c)

(1) The following automobile liability insurance requirements apply while a driver is providing services:

(A) Primary automobile liability insurance that recognizes the DNC driver's provision of DNC services; and

(B) Automobile liability insurance of at least one hundred thousand dollars (\$100,000) for death, personal bodily injury, and property damage.

(2) The coverage requirements of subdivision (c)(1) may be satisfied by any of the following:

- (A) Automobile liability insurance maintained by the driver;
- (B) Automobile liability insurance maintained by the DNC; or
- (C) Any combination of subdivision (c)(2)(A) or (c)(2)(B).

(d) If the insurance maintained by a driver to fulfill the insurance requirements of this section has lapsed, failed to provide the required coverage, denied a claim for the required coverage, or otherwise ceased to exist, then the insurance maintained by the DNC must provide the coverage required by this section beginning with the first dollar of a claim.

(e) Insurance required by this section may be placed with an insurer authorized to do business in this state or with a surplus lines insurer eligible under the Surplus Lines Insurance Act, compiled in title 56, chapter 14.

(f) Insurance required by this section satisfies the financial responsibility requirements for a motor vehicle under the Tennessee Financial Responsibility Law of 1977, compiled in title 55, chapter 12, while a driver is logged into the DNC's digital network or while the driver is engaged in providing delivery services through the DNC's digital network; provided, that this section does not relieve a driver from the financial responsibility requirements for a motor vehicle under the Tennessee Financial Responsibility Law of 1977, when the driver is neither logged into the DNC's digital network nor providing delivery services through the DNC's digital network.

65-15-406.

(a) The delivery network company shall disclose in writing to a DNC driver the following before a driver is allowed to accept a request for delivery services on the DNC's digital network:

(1) The insurance coverage and limits of liability that the DNC provides while the DNC driver uses a motor vehicle in connection with a DNC's digital network; and

(2) That the DNC driver's own insurance policy may not provide coverage while the DNC driver uses a motor vehicle in connection with a DNC's digital network, depending on its terms.

(b) An insurer that writes automobile liability insurance in this state may exclude any and all coverage and the duty to defend afforded under the driver's insurance policy for any loss or injury that occurs while an insured motor vehicle provides or is available to provide DNC services; provided, that such exclusion is expressly set forth in the policy and approved for sale in this state. The right to exclude coverage and the duty to indemnify and defend may apply to any coverage included in an automobile liability insurance policy, including:

- (1) Liability coverage for bodily injury and property damage;
- (2) Uninsured and underinsured motorist coverage;
- (3) Medical payments coverage;
- (4) Comprehensive physical damage coverage; and
- (5) Collision physical damage coverage.

(c) The insurer shall notify an insured after receiving a notice of loss that the insurer does not have a duty to defend or indemnify any person or organization for liability for a loss that is properly excluded pursuant to the terms of the applicable primary or excess insurance policy.

(d) An insurer that writes automobile liability insurance in this state shall disclose on its application for insurance, in a prominent place, whether or not the insurance policy provides coverage while an insured motor vehicle provides or is available to provide

DNC services. If an automobile liability insurance policy contains an exclusion for DNC services, then the insurer or its agent shall disclose in writing the exact language of the exclusion to the applicant during the application process.

(e) In a claims coverage investigation, a DNC and any insurer providing coverage under § 65-15-405 shall cooperate to facilitate the exchange of information, including the precise times that a DNC driver logged on and off of the DNC's digital network in the twenty-four-hour period immediately preceding the accident and disclose to one another a clear description of the coverage, exclusions, and limits provided under any insurance policy each party issued or maintained.

65-15-407.

(a) A delivery network company operating in this state shall establish procedures to report any complaint about a driver with whom a DNC customer was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(b) Upon receipt of a customer complaint alleging a violation of the zero-tolerance policy set out in § 65-15-404(4), the DNC shall immediately suspend the driver's access to the DNC's digital platform and conduct an investigation into the reported complaint. The suspension must last the duration of the investigation.

(c) The DNC shall maintain records relevant to a rider complaint made pursuant to this section for a period of at least two (2) years from the date that the complaint is received by the DNC.

65-15-408.

A delivery network company operating in this state shall not permit any individual to act as a driver on its digital platform who:

(1) Has been convicted of more than three (3) moving violations in the prior three-year period, or one (1) major moving violation in the past three-year period, including attempting to evade the police, reckless driving, or driving on a suspended or revoked license;

(2) Has been convicted, within the past seven (7) years, of driving under the influence of drugs or alcohol, fraud, any sexual offense, use of a motor vehicle to commit a felony, a crime involving property damage, theft, any crime involving acts of violence, or acts of terror;

(3) Is a match in the national sex offender registry;

(4) Does not possess a valid driver license;

(5) Does not possess proof of registration for any motor vehicle used to provide services;

(6) Does not possess proof of financial responsibility, as defined under § 55-12-102, for any motor vehicle used to provide DNC services; or

(7) Is not at least nineteen (19) years of age.

65-15-409.

A driver shall not solicit or accept a street sale.

65-15-410.

(a) A delivery network company shall adopt a policy prohibiting solicitation or acceptance of cash payments from a DNC customer and notify the DNC's drivers of the policy.

(b) A driver shall not solicit or accept a cash payment from a customer.

(c) Payment for delivery services must be made electronically using the DNC's digital network.

65-15-411.

(a) The delivery network company shall adopt a policy of nondiscrimination with respect to DNC customers and potential customers and notify DNC drivers of the policy.

(b) Drivers shall comply with all applicable laws regarding nondiscrimination against customers or potential customers.

(c) A DNC shall not impose additional charges for providing services to persons with physical disabilities because of such disabilities.

65-15-412.

(a) Except as otherwise provided in subdivisions (b)(1) and (2), a delivery network company shall not disclose a DNC customer's personally identifiable information to a third party unless:

(1) The customer consents;

(2) Disclosure is required by a legal obligation; or

(3) Disclosure is required to protect or defend the terms of use of the service or to investigate violations of those terms.

(b) A DNC may share a customer's name and telephone number with the driver providing delivery services to the customer to facilitate:

(1) Correct identification of the customer by the driver; or

(2) Communication between the customer and the driver.

65-15-413.

A delivery network company is not deemed to own, control, operate, or manage the motor vehicles used by drivers.

65-15-414.

A delivery network company service begins when a driver accepts a request for delivery services received through the DNC's digital network or software application,

continues while the driver transports the products or goods in the driver's motor vehicle,
and ends when the driver removes the products or goods from the driver's motor vehicle.

SECTION 2. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 1 to HB2175

Vaughan
Signature of Sponsor

AMEND Senate Bill No. 2458

House Bill No. 2175*

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 12, Part 1, is amended by adding the following as a new section:

55-12-143.

(a) As used in this section:

(1) "Delivery availability period" means the period when a DNC driver:

(A) Is operating a personal vehicle;

(B) Has logged on to a digital network and is available to receive requests to provide delivery services from a delivery network company; and

(C) Is not providing delivery services or operating in the delivery service period;

(2) "Delivery network company" or "DNC" means a business entity operating in this state that uses a digital network to connect a delivery network company customer to a delivery network driver to provide delivery services. A DNC is not deemed to control, direct, or manage the personal vehicles or delivery network drivers that connect to its digital network, except where agreed to by written contract;

(3) "Delivery service":

(A) Means the pickup of one (1) or more products from a location and the delivery of the products to a DNC customer, including a series of deliveries to different customers; and

(B) Does not include:

(i) Services provided by a for-hire vehicle; or

(ii) A street hail service;

(4) "Delivery service period" means the period:

(A) Beginning when a DNC driver starts operating a personal vehicle enroute to pick up a good for a delivery or series of deliveries as documented via a digital network controlled by a delivery network company;

(B) Continuing while the driver transports the requested deliveries; and

(C) Ending upon delivery of the requested goods to:

(i) The customer, or the last customer in a series of deliveries;

(ii) A location designated by the customer, or the last location designated in a series of deliveries; or

(iii) A location designated by the delivery network company, including for purposes of returning the goods;

(5) "Digital network" means an online-enabled application, software, website, or system offered or utilized by a delivery network company that enables deliveries with DNC drivers;

(6) "DNC customer" or "customer" means an individual who uses a DNC's digital network to connect with a DNC driver to obtain delivery services from the driver for the individual, or for another individual or entity;

(7) "DNC driver" or "driver" means an individual who provides delivery services through a DNC's digital network using a personal vehicle; and

(8) "Personal vehicle" means a vehicle that is:

(A) Used by a delivery network driver to provide delivery services via a digital network; and

(B) Owned, leased, or otherwise authorized for use by the delivery network driver.

(b) On and after July 1, 2026, a delivery network company or DNC driver shall comply with the automobile liability insurance requirements of this section.

(c) A delivery network company shall ensure that, during the delivery availability period, if it applies, and during the delivery service period, primary automobile liability insurance is in place that recognizes that the driver is a DNC driver or that does not exclude coverage for use of a personal vehicle to provide deliveries.

(d) During the delivery availability period and the delivery service period, the DNC driver, delivery network company, or a combination of the two (2), shall maintain insurance that insures the driver for liability to third parties of not less than fifty thousand dollars (\$50,000) for damages arising out of bodily injury sustained by any one (1) person in an accident, of not less than one hundred thousand dollars (\$100,000) for damages arising out of bodily injury sustained by all persons injured in an accident, and of not less than twenty-five thousand dollars (\$25,000) for all damages arising out of damage to or destruction of property in an accident.

(e) The coverage requirements of this section may be satisfied by any of the following:

- (1) Automobile liability insurance maintained by the driver;
- (2) Automobile liability insurance maintained by the DNC; or
- (3) Any combination of subdivision (e)(1) or (e)(2).

(f) If the insurance coverage maintained by a driver pursuant to this section has lapsed or does not provide the required coverage, then insurance maintained by the delivery network company must provide the coverage required by this section beginning with the first dollar of a claim, and the issuer of the insurance maintained by the delivery network company has a duty to defend the claim.

(g) Coverage under an automobile insurance policy maintained by the delivery network company must not be dependent upon another motor vehicle liability:

- (1) Insurer first denying a claim; or
- (2) Insurance policy first denying a claim.

(h) Insurance required by this section may be obtained from an insurer authorized to do business in this state or with a surplus lines insurer eligible under the Surplus Lines Insurance Act, compiled in title 56, chapter 14.

(i) Insurance required by this section satisfies the Tennessee Financial Responsibility Law of 1977, compiled in title 55, chapter 12, while a driver is logged into the delivery network company's digital network or while the driver is engaged in providing delivery services through the DNC's digital network; provided, that this section does not relieve a driver from the financial responsibility requirements for a motor vehicle under the Tennessee Financial Responsibility Law of 1977 when the driver is neither logged into the DNC's digital network nor providing delivery services through the DNC's digital network.

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 7, is amended by adding the following as a new part:

56-7-3901.

As used in this part:

- (1) "Delivery availability period" means the period when a DNC driver:
 - (A) Is operating a personal vehicle;

(B) Has logged on to a digital network and is available to receive requests to provide delivery services from a delivery network company; and

(C) Is not providing delivery services or operating in the delivery service period;

(2) "Delivery network company" or "DNC" means a business entity operating in this state that uses a digital network to connect a delivery network company customer to a delivery network driver to provide delivery services. A DNC is not deemed to control, direct, or manage the personal vehicles or delivery network drivers that connect to its digital network, except where agreed to by written contract;

(3) "Delivery service":

(A) Means the pickup of one (1) or more products from a location and the delivery of the products to a DNC customer, including a series of deliveries to different customers; and

(B) Does not include:

(i) Services provided by a for-hire vehicle; or

(ii) A street hail service;

(4) "Delivery service period" means the period:

(A) Beginning when a DNC driver starts operating a personal vehicle enroute to pick up a good for a delivery or series of deliveries as documented via a digital network controlled by a delivery network company;

(B) Continuing while the driver transports the requested deliveries; and

(C) Ending upon delivery of the requested goods to:

(i) The customer, or the last customer in a series of deliveries;

(ii) A location designated by the customer, or the last location designated in a series of deliveries; or

(iii) A location designated by the delivery network company, including for purposes of returning the goods;

(5) "Digital network" means an online-enabled application, software, website, or system offered or utilized by a delivery network company that enables deliveries with DNC drivers;

(6) "DNC customer" or "customer" means an individual who uses a DNC's digital network to connect with a DNC driver to obtain delivery services from the driver for the individual, or for another individual or entity;

(7) "DNC driver" or "driver" means an individual who provides delivery services through a DNC's digital network using a personal vehicle; and

(8) "Personal vehicle" means a vehicle that is:

(A) Used by a delivery network driver to provide delivery services via a digital network; and

(B) Owned, leased, or otherwise authorized for use by the delivery network driver.

56-7-3902.

(a) An insurer that writes automobile liability insurance in this state may exclude any and all coverage and the duty to defend or indemnify for any loss or injury that occurs during the delivery availability period and the delivery service period. The right to exclude coverage and the duty to indemnify and defend may apply to any coverage included in an automobile liability insurance policy, including:

(1) Liability coverage for bodily injury and property damage;

(2) Uninsured and underinsured motorist coverage;

- (3) Medical payments coverage;
- (4) Comprehensive physical damage coverage; and
- (5) Collision physical damage coverage.

(b) This section does not invalidate or limit an exclusion contained in a motor vehicle liability insurance policy, including any insurance policy in use or approved for use that excludes coverage for motor vehicles used for delivery or for any business use.

(c) This section does not invalidate, limit, or restrict an insurer's ability under existing law to underwrite an insurance policy, or to cancel or not renew a policy.

(d) A motor vehicle liability insurer that defends or indemnifies a claim against a delivery network driver that is excluded under the terms of its policy may seek recovery against the insurer providing coverage under § 55-12-143 if the claim:

- (1) Occurs during the delivery availability period or the delivery service period; and
- (2) Is excluded under the terms of its policy.

(e) In a claims coverage investigation, a DNC or its insurer shall cooperate with all insurers that are involved in the claims coverage investigation to facilitate the exchange of information and shall immediately provide, upon request by directly involved parties or any insurer, the precise times that a delivery network driver began and ended the delivery availability period or the delivery service period on the delivery network company's digital network in the twelve-hour period immediately preceding the accident and in the twelve-hour period immediately following the accident. An insurer providing the coverage required by § 55-12-143 must disclose, upon request by another insurer involved in the particular claim, the applicable coverages, exclusions, and limits provided under any automobile insurance maintained in order to satisfy the requirements of this section.

(f) The insurer of a DNC providing coverage under § 55-12-143 must assume primary liability for a claim when a dispute exists as to when the delivery availability

period or the delivery service period began or ended and the DNC does not have available, did not retain, or fails to provide the information required by subsection (e).

SECTION 3. Tennessee Code Annotated, Title 65, Chapter 15, is amended by adding the following as a new part:

65-15-401.

As used in this part:

(1) "Delivery availability period" means the period when a DNC driver:

(A) Is operating a personal vehicle;

(B) Has logged on to a digital network and is available to receive requests to provide delivery services from a delivery network company; and

(C) Is not providing delivery services or operating in the delivery service period;

(2) "Delivery network company" or "DNC" means a business entity operating in this state that uses a digital network to connect a delivery network company customer to a delivery network driver to provide delivery services. A DNC is not deemed to control, direct, or manage the personal vehicles or delivery network drivers that connect to its digital network, except where agreed to by written contract;

(3) "Delivery service":

(A) Means the pickup of one (1) or more products from a location and the delivery of the products to a DNC customer, including a series of deliveries to different customers; and

(B) Does not include:

(i) Services provided by a for-hire vehicle; or

(ii) A street hail service;

(4) "Delivery service period" means the period:

(A) Beginning when a DNC driver starts operating a personal vehicle enroute to pick up a good for a delivery or series of deliveries as documented via a digital network controlled by a delivery network company;

(B) Continuing while the driver transports the requested deliveries; and

(C) Ending upon delivery of the requested goods to:

(i) The customer, or the last customer in a series of deliveries;

(ii) A location designated by the customer, or the last location designated in a series of deliveries; or

(iii) A location designated by the delivery network company, including for purposes of returning the goods;

(5) "Digital network" means an online-enabled application, software, website, or system offered or utilized by a delivery network company that enables deliveries with DNC drivers;

(6) "DNC customer" or "customer" means an individual who uses a DNC's digital network to connect with a DNC driver to obtain delivery services from the driver for the individual, or for another individual or entity;

(7) "DNC driver" or "driver" means an individual who provides delivery services through a DNC's digital network using a personal vehicle; and

(8) "Personal vehicle" means a vehicle that is:

(A) Used by a delivery network driver to provide delivery services via a digital network; and

(B) Owned, leased, or otherwise authorized for use by the delivery network driver.

65-15-402.

A delivery network company shall disclose in writing to a DNC driver the following before a driver is allowed to accept a request for delivery services on the DNC's digital network:

(1) The insurance coverage and limits for each coverage that the DNC provides while the DNC driver uses a motor vehicle in connection with a DNC's digital network; and

(2) That the DNC driver's own insurance policy may not provide coverage during the delivery availability period and the delivery service period.

65-15-403.

A delivery network company is not deemed to own, control, operate, or manage the motor vehicles used by drivers.

65-15-404.

A delivery network company service begins when a driver accepts a request for delivery services received through the DNC's digital network or software application, continues while the driver transports the products or goods in the driver's motor vehicle, and ends upon delivery of the requested goods to:

(1) The customer, or the last customer in a series of deliveries;

(2) A location designated by the customer, or the last location designated in a series of deliveries; or

(3) A location designated by the delivery network company, including for purposes of returning the goods.

SECTION 4. This act takes effect July 1, 2026, the public welfare requiring it.

Amendment No. 2 to HB2175

Vaughan
Signature of Sponsor

AMEND Senate Bill No. 2458

House Bill No. 2175*

by deleting "available" and substituting "eligible" in § 55-12-143(a)(1)(B) in Section 1.

AND FURTHER AMEND by deleting "available" and substituting "eligible" in § 56-7-3901(1)(B) in Section 2.

AND FURTHER AMEND by deleting "available" and substituting "eligible" in § 65-15-401(1)(B) in Section 3.

AND FURTHER AMEND by deleting the following from Section 3:

65-15-404.

A delivery network company service begins when a driver accepts a request for delivery services received through the DNC's digital network or software application, continues while the driver transports the products or goods in the driver's motor vehicle, and ends upon delivery of the requested goods to:

- (1) The customer, or the last customer in a series of deliveries;
- (2) A location designated by the customer, or the last location designated in a series of deliveries; or
- (3) A location designated by the delivery network company, including for purposes of returning the goods.

House Commerce 3

Amendment No. 3 to HB2175

Vaughan
Signature of Sponsor

AMEND Senate Bill No. 2458

House Bill No. 2175*

by deleting "July 1, 2026" in the effective date section and substituting "January 1, 2027".