



Contact: Zach Schiller, 216.361.9801

Bill to regulate transportation companies needs work Eliminates whistleblower, minimum wage, other protections

Ohio legislation to regulate Uber, Lyft and other new transportation services falls short by excluding drivers from whistleblower, minimum-wage and other job protections, Policy Matters Ohio said in testimony to lawmakers today.

The bill in the Ohio General Assembly needs significant changes. While provisions of the bill that would ensure insurance coverage make sense, other sections of the bill create new problems and should be deleted or postponed for consideration.

House Bill 237, which was approved by the Ohio House in June, is now before the Senate State and Local Government Committee. Zach Schiller, Policy Matters research director, testified to the committee that the bill would:

- Eliminate protection from retaliation against drivers if they blow the whistle on a hazard to public health or safety or other offense under the whistleblower protection law. “How will it serve the public to potentially allow misconduct to go unreported because drivers don’t have this protection?” Schiller asked.
- Exclude drivers from coverage under Ohio’s minimum wage, when the Ohio Supreme Court is now considering a case that could override this provision.
- Preempt local governments from enforcing their own industry regulations, such as vehicle safety provisions.
- Contain only weak anti-discrimination language. Since under the bill, drivers are not agents of the companies except as agreed in written contract, it is unclear whether a rider would have any recourse against a company for a driver’s refusal of pick-ups based on race, gender or disability.

The bill also would inappropriately exempt these companies’ drivers from a number of other basic employment protections, such as unemployment insurance and workers’ compensation.

In addition, Schiller noted, it appears that tax operators and the new transportation companies are not always following existing requirements to collect the state sales tax.

“Clearly, there are far more establishments providing these services than there are collecting sales tax,” he said, citing data from the Ohio Department of Taxation and the U.S. Census Bureau. “This subject should be reviewed as part of any overhaul of industry regulations—and new privileges should not be extended until we can be surer that the beneficiaries are in compliance with Ohio’s tax laws.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*

