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Senate Bill 169 (Substitute S-2)
Sponsor: Senator Mike Kowall
Committee: Transportation

Date Completed: 3-5-13

CONTENT

The bill would amend the Michigan Vehicle Code to do the following:

- **Prohibit the operation of a vehicle in automated mode except as provided in the bill.**
- **Allow the operation of an automated vehicle for research or testing purposes.**
- **Except when an automated vehicle was subject to researching, testing, or demonstration, on a closed course, require a human operator to be present in an automated vehicle to monitor its performance and intervene, if necessary.**
- **Require a registered automated vehicle to 1) have a means to engage and disengage the automated technology, 2) clearly indicate to an occupant when it was operating in automatic mode, and 3) alert its operator of an automated technology failure affecting safe operation of the vehicle.**
- **Prescribe criminal and civil penalties for the unlawful operation of an automated vehicle.**
- **Require the Michigan Department of Transportation, the Secretary of State, and industry experts, by February 1, 2016, to recommend to the Legislature legislative or regulatory action for the safe testing and operation of automated vehicles.**
- **Refer to an automated vehicle and an automated technology upfitter in provisions regarding the operation of a vehicle for the purpose of testing a subcomponent system.**

The bill would take effect 90 days after it was enacted.

"Automated vehicle" would mean a vehicle equipped with automated technology (defined below).

Operation of Automated Vehicle

The bill would prohibit a person from operating any vehicle on the State's highways or streets in automatic mode except as provided in Section 665 (described below).

("Automatic mode" would mean the mode of operating an automated vehicle when automated technology is engaged to operate the vehicle without any control or monitoring by a human driver. "Automated technology" would mean technology installed on a motor vehicle that has the capability to assist, make decisions for, and replace a human driver. The term would not include a motor vehicle enabled with one or more active safety systems or operator assistance systems, including a system to provide electronic blind spot assistance, crash avoidance, emergency braking, parking assistance, adaptive cruise control, lane keep assistance, lane departure warning, or traffic jam and queuing assistance, unless one or more of these systems, alone or in conjunction with others, enable the vehicle to operate without active control or monitoring by a human driver.)

The bill would add Section 665 to the Code to allow the operation of an automated vehicle by employees, contractors, or other people designated by manufacturers of automated technology or by upfitters for the purpose of researching or testing the technology. Unless the vehicle were being subject to testing, research, or demonstration, on a closed course, a human operator would have to be present in the vehicle so that he or she had the ability to monitor its performance and intervene, if necessary. ("Upfitter" would mean a person who modifies a motor vehicle after it was manufactured by installing automated technology in that motor vehicle to convert it to an automated vehicle.)

The operator would have to possess a valid operator's or chauffeur's license. Only a person who possessed a valid license could operate an automated vehicle in automatic mode on a Michigan highway or street for research or testing purposes.

A person would be considered to be operating an automated vehicle when he or she caused the vehicle's automated technology to engage, regardless of whether he or she were physically present in the vehicle while it was in automatic mode.

Before beginning research or testing of an automated vehicle, the entity performing the research or testing would have to submit proof satisfactory to the Secretary of State that the vehicle was insured.

Automated Vehicle Requirements

The bill would add Section 666 to establish requirements that an automated vehicle registered under the Code would have to meet.

Specifically, a registered automated vehicle would have to satisfy each of the following requirements:

- Have an easily accessible means for the operator to engage and disengage the automated technology.
- Have a means to clearly indicate to its occupant that the vehicle was operating in automatic mode.
- Have a means to alert its operator if an automated technology failure affecting the ability to operate safely in automatic mode were detected while the vehicle was operating in that mode.

In addition, the vehicle would have to be capable of being operated in compliance with the State's applicable traffic and motor vehicle laws.

Any conflicting Federal regulations promulgated by the National Highway Traffic Safety Administration would supersede the requirements in Section 666.

Penalties

As a rule, a person who operated a vehicle in automatic mode except as authorized by the bill would be guilty of a misdemeanor punishable by imprisonment for a maximum of 90 days and/or a maximum fine of \$100.

A person who violated proposed Section 665 or 666 would be responsible for a civil infraction and could be fined as provided in Section 907. (Under that section, a person who is determined to be responsible or responsible "with explanation" for a civil infraction may be ordered to pay a maximum civil fine of \$100 and costs of not more than \$100. In addition, unless the total fine and costs imposed do not exceed \$10, the person must be ordered to pay a justice system assessment of \$40.)

Report to the Legislature

By February 1, 2016, the Michigan Department of Transportation, in consultation with the Secretary of State (SOS) and experts from the automobile manufacturing and automated technology manufacturing industries, would have to submit a report to the Senate standing committees on transportation and economic development and to the House of Representatives standing committees on transportation and commerce. The report would have to recommend any additional legislative or regulatory action that could be necessary for the continued safe testing and operation of automated vehicles.

Manufacturer & Upfitter Liability

The bill specifies that manufacturers of automated vehicles and upfitters who were recognized by the SOS would be immune from civil liability for damages arising out of the modification of automated vehicles and automated vehicle technology by third persons, as provided in the Revised Judicature Act.

Subcomponent System

Under the Code, a producer of a vehicle subcomponent system essential to the vehicle's operation or the safety of an occupant may operate or move the motor vehicle upon a street or highway solely to transport or test the subcomponent system if the vehicle displays a special plate approved by the SOS. (To be eligible for the plate, the producer must be either a recognized subcomponent system producer, or a producer under contract with a vehicle manufacturer.) Under the bill, the reference to a motor vehicle in this provision would include an automated vehicle.

The bill would allow the SOS to determine that an upfitter was a recognized subcomponent producer for purposes of testing an automated vehicle under this provision and under proposed Section 665.

MCL 257.244 et al.

Legislative Analyst: Julie Cassidy
Glenn Steffens

FISCAL IMPACT

The bill should have no fiscal impact on either the Department of State or the Department of Transportation. Any costs for the Secretary of State associated with determining that an upfitter was a recognized subcomponent producer, or any costs to the Secretary of State or the Department of Transportation for reporting, should be absorbed within the Department's current annual budget.

The bill would have a minor, likely, negligible, fiscal impact on State and local criminal justice costs associated with individuals' operating automated vehicles in a manner that did not comply with the proposed regulations. Any increase in fine revenue would benefit public libraries.

Fiscal Analyst: Joe Carrasco
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.