

**Department of Legislative Services**  
Maryland General Assembly  
2017 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 9

(Chair, Judicial Proceedings Committee)(By Request -  
Departmental - Transportation)

Judicial Proceedings

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**Motor Vehicles - Autonomous and Connected Vehicles**

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This departmental bill expressly authorizes the Motor Vehicle Administration (MVA), in consultation with the Department of State Police, to adopt regulations related to (1) the inspection, registration, and safe testing and operation of autonomous and connected vehicles and (2) the safe testing and operation of autonomous technologies on State highways.

The bill takes effect July 1, 2017.

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**Fiscal Summary**

**State Effect:** The bill's changes can be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** The Maryland Department of Transportation (MDOT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Current Law/Background:** MVA advises that autonomous and connected vehicles are a rapidly developing segment of the transportation industry. The vehicles and technology have the potential to transform the way people and goods move through the transportation system. The administration further advises that incorporating autonomous and connected vehicles into the transportation landscape will require input from many different

perspectives and disciplines as well as strategic planning that considers a broad range of issues, including the needs of customers; highway safety concerns; potential changes to motor vehicle law; and implications for transportation infrastructure design, operation, and maintenance.

The bill places responsibility for regulating autonomous and connected vehicles with MVA, which currently facilitates the Maryland Autonomous and Connected Vehicle Working Group. The group brings together transportation officials, law enforcement, industry, safety advocates, engineers, and academia to identify and study issues and to make recommendations to the Maryland Secretary of Transportation. The overall goal of the working group is to help the State prepare for the incorporation of these emerging technologies, including changes in federal policy and guidance.

Autonomous and connected vehicles have raised a number of complex issues that the group is reviewing, including the potential need for legislative, regulatory, and other policy changes. MDOT will use the working group's recommendations to develop policies and regulations that govern the safe use of the vehicles on Maryland roadways.

### *Recent Developments in Autonomous Vehicle Technology*

Self-driving, or fully autonomous, vehicles have been the subject of numerous development efforts around the world over the past several decades. More recently, several major automobile manufacturers and Google have unveiled plans to develop an autonomous vehicle for the commercial market. Many newer vehicles already possess autonomous features, even if they are not fully automated.

Because there are varying degrees of automation, the National Highway Traffic Safety Administration (NHTSA) has adopted a six-level classification continuum that ranks vehicles according to level of autonomy. At level 0, the human driver is responsible for all aspects of operating the vehicle. With each successive level, the vehicle performs increasingly more sophisticated tasks, and, by level 5, the automated system performs all driving tasks under all conditions that a human driver could perform them. NHTSA expects manufacturers and other entities to classify their autonomous vehicles along this continuum.

### *Legislative Activity in Other States*

Nevada was the first state to enact legislation authorizing the use of autonomous vehicles in 2011 and issued its first license to Google in May 2012. According to the National Conference of State Legislatures (NCSL), since then, eight other states (California, Florida, Louisiana, Michigan, North Dakota, Tennessee, Utah, and Virginia) as well as the District of Columbia have, as of December 2016, also enacted legislation related to autonomous

vehicles. The number of states with proposed legislation related to autonomous vehicles has steadily increased in recent years, with 20 states introducing legislation in 2016. Two states – Arizona and Massachusetts – have issued executive orders related to autonomous vehicles. According to NCSL, several issues that states are considering include liability, appropriate levels of insurance, cybersecurity, and the application of distracted driving laws for the individual who engages the autonomous vehicle.

### *Federal Actions Related to Autonomous Vehicles*

In January 2016, the U.S. Department of Transportation (DOT) announced policy guidance updating NHTSA’s 2013 preliminary policy statement on autonomous vehicles. DOT and NHTSA’s updated policy is to facilitate and encourage the development and deployment of technologies with the potential to save lives.

In September 2016, NHTSA issued more detailed policy guidance on highly autonomous vehicles (HAV). The guidance covers four major aspects of HAV deployment, including (1) vehicle performance guidance; (2) a model state policy; (3) NHTSA’s current regulatory tools; and (4) new regulatory tools and authorities.

NHTSA notes that state governments play an important role in facilitating HAVs, ensuring they are safely deployed, and promoting their life-saving benefits. The policy guidance confirms that states retain their traditional responsibilities for vehicle licensing and registration, traffic laws and enforcement, and motor vehicle insurance and liability regimes. Since 2014, DOT has partnered with the American Association of Motor Vehicle Administrators to explore HAV policies. The collaboration was one of the bases for NHTSA’s policy guidance and identifies where new issues fit within the existing federal/state relationship. The shared objective is to ensure the establishment of a consistent national framework rather than a patchwork of incompatible state laws.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of State Police; Maryland Department of Transportation; National Conference of State Legislatures; National Highway Traffic Safety Administration; U.S. Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 13, 2017  
md/ljm

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Motor Vehicles – Autonomous and Connected Vehicles

BILL NUMBER: SB 9

PREPARED BY: Maryland Department of Transportation / Motor Vehicle Administration  
(Dept./Agency)

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS