

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 685

(Senator Waldstreicher)

Judicial Proceedings

Environment and Transportation

Vehicle Laws - Autonomous Vehicle Converters - Sale of Autonomous Vehicles

This bill authorizes an “autonomous vehicle converter” to sell, transfer, lease, offer for sale, or resell a “converted autonomous vehicle” or a motor vehicle purchased by an autonomous vehicle converter with the intent to convert the motor vehicle into a converted autonomous vehicle. The bill applies only to motor vehicles intended for commercial or industrial use. An autonomous vehicle converter may not be licensed as a manufacturer, distributor, or factory branch or as a dealer. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Converted autonomous vehicle” means a motor vehicle that (1) is equipped with an aftermarket automated driving system capable of operating in accordance with some or all of the automated driving standards established by the Society of Automotive Engineers (SAE), as specified; (2) meets or exceeds weight or capacity thresholds established under federal law; and (3) is capable of operating in accordance with applicable State and federal law.

“Autonomous vehicle converter” means a person that (1) alters or modifies a new or used motor vehicle by addition, substitution, or removal of components, other than readily

attachable components, in compliance with all applicable motor vehicle safety requirements established under federal law and (2) assembles, installs, and affixes an automated driving system to a new or used motor vehicle in such a manner that converts the vehicle into a converted autonomous vehicle.

Current Law: Autonomous vehicles are governed and regulated primarily at the federal level through plans and guidance developed by the U.S. Department of Transportation. The current [Automated Vehicles – Comprehensive Plan](#) includes the three major goals of promoting collaboration and transparency, modernizing the regulatory environment, and preparing the transportation system for autonomous vehicles. Among other things, it includes safety and operational standards developed by SAE.

The Motor Vehicle Administration (MVA) is responsible for regulating businesses that manufacture, distribute, sell, lease, deliver, and title motor vehicles in the State. Generally, to operate one of these businesses, a person must first obtain a license from MVA and pay any applicable license fee. State law includes other requirements for persons and individuals working in the motor vehicle industry; for example, manufacturers, distributors, and factory branches must always act in good faith (*i.e.*, maintaining honesty in fact and the observance of reasonable commercial standards of fair dealing in the trade) when doing business.

Small Business Effect: The bill essentially simplifies the process for a business (including a small business) to carry out autonomous vehicle conversions without direct oversight or regulation by MVA. Under the bill, these businesses may experience increased sales and revenues that could be significant.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 806 (Delegate Qi) - Environment and Transportation.

Information Source(s): Maryland Department of Transportation; U.S. Department of Transportation; Society of Automotive Engineers; Department of Legislative Services

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Analysis by: Richard L. Duncan

Direct Inquiries to:
(410) 946-5510
(301) 970-5510