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BILL ANALYSIS

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Senate Bill 996 (as introduced 5-25-16)
Sponsor: Senator Mike Kowall
Committee: Economic Development and International Investment

Date Completed: 8-30-16

CONTENT

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

-- **Allow a motor vehicle manufacturer to participate in a SAVE project if it met certain self-certification criteria.**
-- **Prescribe additional requirements, including the designation of a project's geographic boundaries and the maintenance of incident records, for a motor vehicle manufacturer that participated in a SAVE project.**
-- **Specify that an automated driving system or any remote or expert-controlled assist activity, when engaged, would be considered the driver or operator of the vehicle and would be deemed to satisfy electronically all physical acts required by a driver or operator of the vehicle.**
-- **Require a motor vehicle manufacturer to insure each vehicle in a participating fleet.**
-- **Require a motor vehicle manufacturer, for each SAVE project in which it participated, to assume liability for each incident in which an automated driving system was at fault during the time that the automated driving system was in control of a vehicle in the participating fleet.**
-- **Specify that a manufacturer of automated technology would be immune from civil liability for damages that arose out of any modification made to a motor vehicle or an automated motor vehicle, driving system, or technology by another person without the manufacturer's consent.**

(The term "SAVE project" would be defined by Senate Bill 997 as an initiative that authorizes eligible motor vehicle manufacturers to make available to the public on-demand automated vehicle networks. "On-demand automated vehicle network" would mean a digital network or software application used to connect passengers to automated motor vehicles, not including commercial motor vehicles, in participating fleets for transportation between points chosen by passengers, for transportation between locations chosen by the passenger when the automated motor vehicle is operated without any control or monitoring by a human operator.)

Specifically, a motor vehicle manufacturer could participate in a SAVE project if it self-certified to all of the following:

  -- That it was a motor vehicle manufacturer.
  -- That the participating fleet complied with all applicable State and Federal laws.
  -- That each vehicle in the participating fleet was capable of being operated in compliance with applicable traffic and motor vehicle laws of the State.

In addition, a motor vehicle manufacturer would have to certify that each vehicle in the participating fleet was owned or controlled by the motor vehicle manufacturer and equipped with an automated driving system, automatic crash notification technology, and a data recording system that had the capacity to record the automated driving system's status and other vehicle attributes including speed, direction, and location during a specified time period before a crash as determined by the motor vehicle manufacturer.

An individual that was not a motor vehicle manufacturer could not participate in a SAVE project.

A motor vehicle manufacturer's eligibility to participate in a SAVE project would be conditioned solely on meeting the bill's requirements. A motor vehicle manufacturer would have to verify its satisfaction of the requirements using the self-certification described above.

A motor vehicle manufacturer that participated in a SAVE project could begin the SAVE project at any time after it notified the Department of State that it had self-certified. The notification also would have to set forth the geographical boundaries for the SAVE project. A motor vehicle manufacturer could make multiple notifications.

A motor vehicle manufacturer could participate in a SAVE project under any terms it deemed appropriate as long as the terms were consistent with the Code and other applicable law.

A motor vehicle manufacturer that participated in a SAVE project would have to determine the geographical boundaries for the SAVE project, which could include any of the following:

 -- A designated area within a municipality.
 -- An area maintained by a regional authority.
 -- A university campus.
 -- A development catering to senior citizens.
 -- A geographic or demographic area similar to the areas described above.

Public operation of a participating fleet would have to be confined to the boundaries determined by the motor vehicle manufacturer participating in the SAVE project.

For the duration of a SAVE project, the motor vehicle manufacturer would have to maintain incident records and provide periodic summaries related to the safety and efficacy of travel of the participating fleet to the Department and the National Highway Traffic Safety Administration (NHTSA).

An individual who participated in a SAVE project would be deemed by his or her participation to have consented to the collection of the incident records and periodic summaries while he or she was in a vehicle that was part of the participating fleet and to the provision of the summaries to the Department and the NHTSA. Before beginning a SAVE project, and for the duration of the project, the motor vehicle manufacturer would have to make publicly available a privacy statement disclosing its data handling practices in connection with the applicable participating fleet.

When engaged, an automated driving system or any remote or expert-controlled assist activity would be considered the driver or operator of the vehicle for purposes of determining conformance to any applicable traffic or motor vehicle laws and would be deemed to satisfy electronically all physical acts required by a driver or operator of the vehicle.

A motor vehicle manufacturer would have to insure each vehicle in a participating fleet as required under the Vehicle Code and Chapter 31 of the Insurance Code (which governs no-fault insurance). For each SAVE project in which it participated, during the time that an automated driving system was in control of a vehicle in the participating fleet, a motor vehicle

manufacturer would have to assume liability for each incident in which the automated driving system was at fault, subject to Chapter 31 of the Insurance Code.

A manufacturer of automated technology would be immune from civil liability for damages that arose out of any modification made to a motor vehicle or an automated motor vehicle, driving system, or technology by another person without the consent of the manufacturer of automated technology, as provided in Section 2949b of the Revised Judicature Act. (Section 2949b specifies criteria related to automated motor vehicle conversion under which the manufacturer of a vehicle or a subcomponent system producer is not liable for damages resulting from the conversion.)

Proposed MCL 257.665b   Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an indeterminate, though likely negligible, fiscal impact on the State and no fiscal impact on local government.

The bill would allow motor vehicle manufacturers to self-certify the automated driving networks they wished to offer to the public. The Department of State would have to receive notification of self-certification, and of the geographical boundaries for the driving networks. The Department would not be required to approve the certification, or otherwise spend time or resources to monitor or regulate the driving networks. The bill would not require expenditures or redirect revenue.

Fiscal Analyst: Michael Siracuse

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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.

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