

# Legislative Analysis

---



## AUTOMATED MOTOR VEHICLES

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 169 (Substitute H-1)**

**Senate Bill 663 (Substitute H-1)**

*(Enacted as Public Acts 231 and 251 of 2013)*

**Sponsor: Sen. Mike Kowall**

**House Committee: Commerce**

**Senate Committee: Economic Development**

**Complete to 12-11-13**

## A PRELIMINARY SUMMARY OF SENATE BILLS 169 & 663 AS REPORTED FROM HOUSE COMMITTEE

The bills both address *automated motor vehicles*. These are vehicles equipped with automated technology, which is technology installed on a motor vehicle that has the capability to assist, make decisions for, or replace an operator.

Senate Bill 169 would amend the Michigan Vehicle Code to provide general regulations regarding the operation of such vehicles. Senate Bill 663 would amend the Revised Judicature Act to provide immunity for vehicle manufacturers for alleged damages resulting from the conversion or modification of a vehicle into an automated motor vehicle unless the defect from which the damages resulted was present in the vehicle when it was manufactured. The two bills are tie-barred, meaning neither could take effect unless both are enacted.

An *automated motor vehicle* would be defined (in Senate Bill 169) as a motor vehicle on which automated technology has been installed, either by a manufacturer of automated technology or an upfitter, that enables the motor vehicle to be operated without any control or monitoring by a human operator. (An "upfitter" is defined as a person that modifies a motor vehicle after it was manufactured by installing automated technology in the vehicle to convert it to an automated vehicle. The term includes a subcomponent system producer recognized by the Secretary of State that develops or produces automated technology.)

The term "automated motor vehicle" does not include a motor vehicle enabled with one or more safety systems or operator assistance systems, including, but not limited to, a system to provide electronic blind spot assistance, crash avoidance, emergency braking, parking assistance, adaptive cruise control, lane-keeping assistance, lane departure warning, or traffic jam and queuing assistance, unless one or more of these technologies, alone or in combination with other systems, enable the vehicle on which the technology is installed to operate without any control or monitoring by an operator.

## Senate Bill 169

The bill would amend the Michigan Vehicle Code (MCL 257.244 et al.) to do the following:

- Prohibit the operation of an automated motor vehicle in automated mode upon a highway or street except as provided in Section 665 of the bill.
- Require a manufacturer to submit proof of mandatory no-fault insurance coverage before beginning research or testing of an automated motor vehicle or of automated technology installed in a motor vehicle.
- The bill would allow, subject to the bill's restrictions, a manufacturer of automated technology to operate or otherwise move a motor vehicle or an automated motor vehicle on a street or highway solely to transport or test automated technology if the vehicle displays a special plate approved by the Secretary of State. (Such a vehicle would be exempt from prohibitions on messaging while driving.)
- Require a manufacturer of automated technology to ensure that all of the following circumstances exist when researching or testing the operation of a vehicle, or any automated technology installed on a vehicle, on a highway or street: (1) the vehicle is operated only by an employee, contractor, or other person designated or otherwise authorized by the manufacture; (2) an individual is present in the vehicle while it is operated on a highway or street and that individual has the ability to monitor the vehicle's performance and, if necessary, immediately take control of the vehicle's movements; (3) the individuals cited in (1) and (2) above are licensed to operate a motor vehicle in the United States.
- Grant manufacturers of automated technology immunity from civil liability for damages arising out of third-person modification of automated vehicles and automated technology.
- Prescribe civil penalties for violations. This would not prohibit a person from being charged with, convicted of, or being found responsible for, ordered to pay a fine or costs, or punished for any other violation of law arising out of the same transaction as a violation of the act.
- Require the Michigan Department of Transportation (MDOT), in consultation with the Secretary of State and experts from various sizes of automobile manufacturing and automated technology manufacturing industries, by February 1, 2016, to submit a report to the Senate standing committees on Transportation and Economic Development and to the House standing committees on Transportation and Commerce recommending any additional legislative or regulatory action for the continued safe testing and operation of automated motor vehicles and automated technology.

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

### **Senate Bill 663**

The bill would add Section 2949b to the Revised Judicature Act to provide that the manufacturer of a vehicle would not be liable and would be dismissed from any action for alleged damages resulting from any of the following, unless the defect from which the damages resulted was present in the vehicle when it was manufactured:

- The conversion or attempted conversion of the vehicle into an automated motor vehicle by another person.
- The installation of equipment in the vehicle by another person to convert it into an automated motor vehicle.
- The modification by another person of equipment that was installed by the manufacturer in an automated motor vehicle specifically for using it in automatic mode.

Senate Bill 663 also would grant immunity from product liability to a subcomponent system producer for damages resulting from the modification of equipment installed by that producer to convert a vehicle to an automated motor vehicle, unless the defect from which the damages resulted was present in the equipment when it was installed by the producer.

The bill specifies that Sections 2945 to 2949a of the RJA would not apply in a product liability action to the extent that they were inconsistent with proposed new section created by SB 663. (Those sections pertain to admissible evidence; damages; circumstances under which a manufacturer or seller is not liable; warning of risks connected with the product's foreseeable use; and willful disregard of knowledge that a product was defective at the time of manufacture or distribution.)

The bill is tie-barred to Senate Bill 169.

### **FISCAL IMPACT:**

The bill would not appear to have significant fiscal impact on the state or local units of government. A fiscal analysis is in process.

Legislative Analyst: Chris Couch  
Fiscal Analyst: William E. Hamilton  
Marilyn Peterson

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.