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## BILL ANALYSIS



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Senate Bill 995 (Substitute S-2 as reported)  
Sponsor: Senator Mike Kowall  
Committee: Economic Development and International Investment

**CONTENT**

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

- Allow an automated motor vehicle to be operated on a street or highway in Michigan.
- Allow an on-demand automated motor vehicle network to be operated on a highway, road, or street in Michigan.
- Prohibit a local unit of government from imposing a fee, registration, franchise, or regulation on an on-demand automated motor vehicle network through December 31, 2022.
- Specify that, when engaged, an automated driving system allowing for operation without a human operator would be considered the driver or operator of a vehicle for purposes of determining conformance to traffic or motor vehicle laws and would be deemed to electronically satisfy all physical acts required by a driver or operator of the vehicle.
- Allow an individual to use two-way communication devices to operate or program the operation of an automated motor vehicle while operating it without a human operator.
- Revise the circumstances that a manufacturer of automated technology must ensure exist when researching or testing the operation of an automated motor vehicle or automated technology installed in a vehicle on a highway or street; and apply this requirement to a manufacturer of automated driving systems (rather than automated technology) and an upfitter.
- Allow a university researcher or an employee of the Michigan Department of Transportation (MDOT) or the Department of State who was engaged in research or testing of automated motor vehicles to operate them if the operation complied with generally the same circumstances as applicable to a manufacturer.
- Provide that a manufacturer of automated technology or an automated driving system would be immune from civil liability for damages that arose out of a modification made to certain automated vehicles or systems without the manufacturer's consent.
- Create exceptions to distance restrictions for vehicles weighing a certain amount and for vehicles being delivered to a location if the vehicles were in a platoon.
- Allow an individual to operate a platoon on a street or highway in Michigan if the individual first filed a plan for general platoon operations with the Michigan State Police (MSP) and MDOT, and neither Department rejected the plan.
- Create the Michigan Council on Future Mobility within MDOT, and require the Council to provide annual policy recommendations.

The bill also would repeal Section 663 of the Code, which prohibits an individual from operating an automated motor vehicle on a highway or street in automatic mode, except as allowed for research or testing.

MCL 257.2b et al.

Legislative Analyst: Drew Krogulecki

## **FISCAL IMPACT**

The bill would have an indeterminate, though likely minimal, fiscal impact on State and local government.

The bill would require the creation of a council within the State Transportation Department to make policy recommendations to promote autonomous, driverless, and connected vehicle technology. The council members would serve without compensation. It is expected that the cost of administration of the council within the Department would be minimal.

Proof of insurance for vehicles with automated driving systems would have to be submitted to the Secretary of State. It is not anticipated that there would be additional expenditures for the Secretary of State to determine that the insurance was satisfactory.

The bill would not generate additional revenue for State or local government.

Date Completed: 9-1-16

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.