

SENATE BILL 1561

By Green

AN ACT to amend Tennessee Code Annotated, Title 47;
Title 54, Chapter 1; Title 55 and Title 67, relative to
autonomous vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 8, is amended by adding Sections 2 through 10 as a new part.

SECTION 2. As used in this part:

(1) "Autonomous system" means a system that enables the operation of a motor vehicle without the active physical control of, or monitoring by, a human operator;

(2) "Autonomous vehicle" means a motor vehicle equipped with an autonomous system;

(3) "Fleet service provider" means a person or entity that owns, or leases, and operates one (1) or more autonomous vehicles for commercial or public use;

(3) "Manufacturer" means:

(A) A person or entity that builds or sells autonomous vehicles;

(B) A person or entity that installs autonomous systems or autonomous system components in motor vehicles not originally built as autonomous vehicles;
or

(C) A person or entity that develops software or components for autonomous systems in autonomous vehicles, regardless if originally built as autonomous vehicles;

(4) "No-operator-required autonomous vehicle" or "NORAV" means an autonomous vehicle that may have operational controls for a human operator, including

a steering wheel, accelerator, or brake, but does not require a human operator to be present in the vehicle during vehicle operation; and

(5) "Operator-required autonomous vehicle" or "ORAV" means an autonomous vehicle equipped with operational controls for a human operator, including a steering wheel, accelerator, and brake, and requires a human operator to be present in the vehicle for vehicle operation.

SECTION 3.

(a) A manufacturer may test operator-required autonomous vehicles on the streets and highways of this state and sell or lease such vehicles for operation on the streets and highways of this state only if the manufacturer has been certified by the department of safety.

(b) A manufacturer may apply to the department for certification under this section. The application shall be in the form prescribed by the department. The application shall establish that:

(1) The ORAV and the autonomous system meet all requirements of Section 4 of this act; and

(2) The ORAV shall be operated only in accordance with Section 5 of this act.

(c) The department, in consultation with the department of transportation, shall promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, for the testing, sale or leasing, and operation of ORAVs under this part. The rules shall establish standards for equipment used in autonomous systems and for the performance of ORAVs that the department determines are necessary to ensure the safe operation of such vehicles on the streets and highways of this state. The rules may include, but need not be limited to:

(1) Limits on the number of ORAVs that may be tested or operated at any given time on the streets and highways of this state;

(2) Special license requirements for operators of ORAVs appropriate to the class of vehicle based on weight rating or number of passengers; and

(3) Criteria for revocation, suspension, or denial of an application or certification under this section.

(d) A manufacturer shall submit proof of liability insurance with an application made under this section. The insurance policy shall be for an amount not less than five million dollars (\$5,000,000).

(e) The department may certify a manufacturer under this section only if the department determines that the ORAVs covered by the certification are safe to operate on the streets and highways of this state.

(f) The department by rule shall establish fees for applications made under this section. The fees shall be in amounts adequate to pay all administrative costs incurred by the department in administering this part.

SECTION 4.

(a) An ORAV may be tested and operated on the streets and highways of this state only if:

(1) The ORAV has a mechanism to engage and disengage the autonomous system that is easily accessible to the operator;

(2) The ORAV has a visual indicator inside the vehicle to indicate when the autonomous system is engaged and when the autonomous system is disengaged;

(3) The ORAV has a failure alert system to notify the operator when a system failure is detected;

(4)

(A) The failure alert system allows the operator to take immediate manual control of the ORAV when a failure of the autonomous system or other emergency is detected; or

(B) The failure alert system stops the ORAV if the operator does not or cannot take immediate manual control of the vehicle when a failure of the autonomous system or other emergency is detected; and

(5) The failure alert system allows the operator to take immediate manual control of the ORAV in more than one (1) manner, including using the brake, the accelerator, or the steering wheel.

(b) An ORAV may be operated on the streets and highways of this state only if the vehicle and its autonomous system meet the federal motor vehicle safety standards for its model year and all other applicable safety standards and performance requirements established by state and federal law.

(c) An ORAV may be operated on the streets and highways of this state only if the autonomous vehicle has a system that captures and stores the autonomous system sensor data for the vehicle for at least ninety (90) seconds before a collision can occur. The data system described in this subsection must store data in a read-only format for a minimum of three (3) years after the date of a collision.

SECTION 5. An ORAV may be tested and operated on the streets and highways of this state only if:

(1) The operator possesses the proper class of license for the type of ORAV being tested or operated; and

(2) The operator is:

(A) In the driver's seat of the ORAV;

(B) Monitoring the operation of the ORAV; and

(C) Capable of taking immediate manual control of the ORAV in the event of a failure of the autonomous system or other emergency.

SECTION 6. The manufacturer of an autonomous vehicle shall provide a written disclosure to a purchaser of the vehicle that describes the information that will be collected by the autonomous system in the vehicle and any potential use of that information that may be made by the manufacturer or other persons.

SECTION 7. If an autonomous system is installed in a motor vehicle that was not originally designed and built as an autonomous vehicle, the person or entity that originally manufactured the motor vehicle shall not be liable to any person for injury or death resulting from a failure of the subsequently installed autonomous system.

SECTION 8. A motor vehicle shall not be considered an autonomous vehicle, and this part shall not apply to such motor vehicle, solely because the motor vehicle has systems for:

- (1) Collision avoidance;
- (2) Electronic blind spot assistance;
- (3) Automated emergency braking;
- (4) Park assist;
- (5) Adaptive cruise control;
- (6) Lane keep assist;
- (7) Lane departure warning; or
- (8) Other similar systems that enhance safety or assist drivers and that are not

capable of operating the motor vehicle without the active control or monitoring of a human operator.

SECTION 9. The department, in consultation with the department of transportation, shall promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, for the testing, sale or leasing, and operation of NORAVs under this part.

The rules shall establish standards for equipment used in autonomous systems and for the performance of a NORAV that the department determines are necessary to ensure the safe operation of such vehicles on the streets and highways of this state.

SECTION 10.

(a) A fleet service provider may operate autonomous vehicles on the streets and highways of this state only if the fleet service provider has been certified by the department.

(b) A fleet service provider may apply to the department for certification under this section. The application shall be in the form prescribed by the department. The application shall establish that the ORAV, or NORAV, and the autonomous system meet all safety and operational standards established by this part or by the department.

SECTION 11. Tennessee Code Annotated, Title 67, Chapter 3, is amended by adding Sections 12 and 13 as a new part.

SECTION 12.

(a) A use tax is imposed on autonomous vehicles that operate on the public highways within this state pursuant to Sections 4, 5, 9, and 10. Autonomous vehicles shall be taxed according to the number of axles. Autonomous vehicles with two (2) axles shall be taxed at a rate of one cent (1¢) per mile. Autonomous vehicles with more than two (2) axles shall be taxed at a rate of two and six-tenths cents (2.6¢) per mile.

(b) The department of revenue, in consultation with the departments of safety and transportation, shall promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, regarding the computation, assessment, and collection of the use tax on autonomous vehicles.

SECTION 13.

All revenue generated by the use tax on autonomous vehicles pursuant to Section 12 shall be allocated and distributed as follows:

- (1) Ten percent (10%) to the general fund;
- (2) Sixty percent (60%) to the highway fund;
- (3) Twenty percent (20%) to the counties to become part of the county

highway fund in the following manner:

- (A) Fifty percent (50%) equally among all counties;
- (B) Twenty-five percent (25%) on the basis of population; and
- (C) Twenty-five percent (25%) on the basis of area; and
- (4) Ten percent (10%) to municipalities, as defined in § 54-4-201, on the

basis set out in § 54-4-203.

SECTION 14. For purposes of promulgating rules and forms, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2017, the public welfare requiring it.