

BILL ANALYSIS

Senate Research Center
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S.B. 2425
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Transportation
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

An automated or autonomous vehicle (AV) is defined in the Texas Transportation Code as a motor vehicle that includes an automated driving system, which is hardware and software that, when installed on a motor vehicle and engaged, is collectively capable of performing without any intervention or supervision by a human operator. That includes all aspects of the entire dynamic driving task for the vehicle on a sustained basis and any fallback maneuvers necessary to respond to a failure of the system.

In 2017, Texas passed S.B. 2205, establishing a legal framework for AVs, allowing them to operate on public roads, provided they comply with federal laws, are registered in Texas, and have data recording systems.

S.B. 2425 would require AVs to affirmatively provide information to the Texas Department of Motor Vehicles (TxDMV) for review prior to operating in the state.

S.B. 2425 requires each AV company to submit a first responder interaction plan to the Department of Public Safety of the State of Texas (DPS).

S.B. 2425 requires DPS and TxDMV to have enforcement authority to suspend or revoke an AV's operations in certain circumstances. The bill also states that AVs that are commercial motor vehicles will be subject to enforcement under the existing Texas motor carrier law.

S.B. 2425 makes clear that AVs that operate as transportation network companies (TNCs) are subject to the Texas transportation network company law.

The bill heightens requirements applicable to automated motor vehicles operating as Level 4 or Level 5 vehicles under SAE J3016.

As proposed, S.B. 2425 amends current law relating to the regulation of automated motor vehicles and creates a criminal offense.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of the Texas Department of Motor Vehicles in SECTION 1 (Sections 545.453 and 545.456, Transportation Code) of this bill.

Rulemaking authority is expressly granted to the Public Safety Commission in SECTION 6 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter J, Chapter 545, Transportation Code, as follows:

SUBCHAPTER J. OPERATION OF AUTOMATED MOTOR VEHICLES

Sec. 545.451. DEFINITIONS. Defines "authorization holder," "board," "department," "dynamic driving task," "level 4 automation," "level 5 automation," "minimal risk condition," and "operational design domain." Redefines "automated driving system,"

"automated motor vehicle," and "human driver." Deletes existing definition of "entire dynamic driving task."

Sec. 545.452. New heading: PROHIBITIONS ON REGULATION OF THE OPERATION OF AUTOMATED MOTOR VEHICLES OR AUTOMATED DRIVING SYSTEMS BY STATE AGENCY OR POLITICAL SUBDIVISION. (a) Prohibits a state agency from imposing a regulation that discriminates against a person operating an automated motor vehicle or an automated motor vehicle relative to other types of motor vehicles or with respect to road usage. Deletes existing text providing that, unless otherwise provided by this subchapter, the operation of automated motor vehicles, including any commercial use, and automated driving systems are governed exclusively by this subchapter and Section 547.618 (Equipment Required for Certain Automated Motor Vehicles).

(b) Prohibits a political subdivision of this state, rather than a political subdivision of this state or a state agency, from imposing a franchise or other regulation related to the operation of an automated motor vehicle or automated driving system.

Sec. 545.453. New heading: RULES. Authorizes the board of the Texas Department of Motor Vehicles (board) to adopt rules necessary to administer this subchapter.

Sec. 545.454. OPERATOR OF AUTOMATED MOTOR VEHICLE. Creates this section from existing text. (a) Provides that, when an automated driving system installed on an automated motor vehicle is engaged, the authorization holder for the automated motor vehicle is considered the operator of the vehicle for the purpose of assessing compliance with applicable traffic or motor vehicle laws, regardless of whether the person is physically present in the vehicle while the vehicle is operating and is required to be issued any citation for a violation of traffic or motor vehicle laws related to the vehicle. Deletes existing text providing that, when an automated driving system installed on a motor vehicle is engaged, the owner of the automated driving system is considered the operator of the automated motor vehicle solely for the purpose of assessing compliance with applicable traffic or motor vehicle laws, regardless of whether the person is physically present in the vehicle while the vehicle is operating and the automated driving system is considered to be licensed to operate the vehicle.

(b) Provides that, notwithstanding any other law, neither a licensed human driver nor a license issued under Chapter 521 (Driver's Licenses and Certificates) or 522 (Commercial Driver's Licenses) is required to operate an automated motor vehicle if the automated driving system installed on the vehicle is engaged. Deletes existing text providing that, notwithstanding any other law, a licensed human operator is not required to operate a motor vehicle if an automated driving system installed on the vehicle is engaged.

Sec. 545.455. New heading: AUTOMATED MOTOR VEHICLE OPERATION; OFFENSE. Redesignates existing Section 545.454 as Section 545.455. (a) Authorizes any vehicle equipped with an automated driving system to operate in this state, provided that an automated motor vehicle is authorized to operate in this state with the automated driving system engaged, regardless of whether a human driver, rather than a human operator, is physically present in the automated motor vehicle. Makes a nonsubstantive change.

(b) Prohibits a person from operating an automated motor vehicle on a highway or street in this state without a human driver, rather than with the automated driving system engaged, unless the person receives and maintains authorization to operate automated motor vehicles from the Texas Department of Motor Vehicles (TxDMV) under Section 545.456 and the Department of Public Safety of the State of Texas (DPS) has been provided, in the form and manner prescribed by rule of the Public Safety Commission (commission), a plan specifying how a person who provides firefighting, law enforcement, ambulance, medical, or other

emergency services should interact with the automated motor vehicle during the provision of those services.

(c) Provides that a person commits an offense if the person operates an automated motor vehicle in violation of Subsection (b). Provides that an offense under this subsection is a Class B misdemeanor. Requires a corporation, an association, a limited liability company, or another business entity, if convicted of an offense under this subsection, to be punished in accordance with Section 12.51 (Authorized Punishments for Corporations, Associations, Limited Liability Companies, and Other Business Entities), Penal Code.

(d) Provides that, for purposes of Subsection (c), each day the person operates an automated motor vehicle in violation of Subsection (b) constitutes a separate offense and each vehicle operated by the person in violation of Subsection (b) constitutes a separate offense.

Sec. 545.456. AUTHORIZATION TO OPERATE AUTOMATED MOTOR VEHICLE.

(a) Requires the board by rule to prescribe the form and manner by which a person is authorized to apply to TxDMV for authorization to operate automated motor vehicles on highways and streets in this state without a human driver.

(b) Requires that the rules adopted under Subsection (a) require a person to provide the following to TxDMV:

(1) a written statement by the person that includes the person's contact information and vehicle descriptive information as prescribed by TxDMV;

(2) a written statement by the person or the manufacturer of the vehicle or the automated driving system acknowledging that each automated motor vehicle is:

(A)-(C) makes nonsubstantive changes to these paragraphs;

(D) capable of achieving a minimal risk condition if a failure of the automated driving system occurs that renders the system unable to perform the dynamic driving task relevant to its intended operational design domain;

(E) makes a nonsubstantive change to this paragraph; and

(F) covered by motor vehicle liability coverage or self-insurance in an amount equal to or greater than the amount of coverage that is required under the laws of this state; and

(3) a certification acknowledging that DPS has been provided the plan required by Section 545.455(b)(2) (relating to a safety plan provided to DPS that meets certain criteria).

Makes a nonsubstantive change to this subsection.

(c) Requires TxDMV, on receipt of an application under this section and verifying that the application complies with the rules adopted under Subsection (a), including satisfying the requirements described by Subsection (b), to approve the application and issue a unique operating number to the applicant authorizing the operation of automated motor vehicles on highways and streets in this state without a human driver.

(d) Provides that an authorization issued by TxDMV under this section does not expire and remains active unless suspended, revoked, or canceled by TxDMV.

(e) Requires the person issued an authorization under this section to provide to TxDMV in the form and manner prescribed by TxDMV an update to a document described by Subsection (b)(1), (2), or (3) not later than the 30th day after the date information in the document changes.

(f) Authorizes TxDMV to immediately suspend, revoke, or cancel the authorization issued under this section if the authorization holder fails to comply with Subsection (e) or TxDMV requests for an updated or current document described by Subsection (b)(1), (2), or (3).

(g) Requires TxDMV to promptly rescind a suspension, revocation, or cancellation imposed under Subsection (f) on receiving the updated or current document as requested by TxDMV.

(h) Provides that a determination under Subsection (f) is not a contested case under Chapter 2001 (Administrative Procedure), Government Code.

Sec. 545.457. DUTIES FOLLOWING COLLISION INVOLVING AUTOMATED MOTOR VEHICLE. Redesignates existing Section 545.455 as Section 545.457. Requires a person on behalf of the automated motor vehicle, or any human driver, of the automated motor vehicle, in the event of a collision involving an automated motor vehicle, the automated motor vehicle, to comply with Chapter 550 (Collisions and Collision Reports). Makes a conforming change.

Sec. 545.458. APPLICABILITY OF COMMERCIAL MOTOR VEHICLES LAWS TO AUTOMATED MOTOR VEHICLE. (a) Defines "commercial motor vehicle."

(b) Requires that an automated motor vehicle that is a commercial motor vehicle operate in accordance with Subtitle F (Commercial Motor Vehicles) and any other applicable laws or regulations of this state or a political subdivision of this state governing the operation of a commercial motor vehicle, except that any provision of a commercial motor vehicle law that by its nature reasonably applies only to a human driver does not apply to an automated motor vehicle operating with the automated driving system engaged.

Sec. 545.459. ENFORCEMENT. (a) Requires TxDMV, if TxDMV determines that an automated motor vehicle is not in safe operational condition and the operation of the vehicle on a highway or street in this state endangers the public, to provide to the authorization holder for the vehicle a notice of intent to suspend, revoke, or cancel the authorization issued under this subchapter for the vehicle or impose restrictions on the operation of the vehicle.

(b) Requires that a notice of intent under Subsection (a) meet certain criteria.

(c) Requires the authorization holder, before the expiration of the period specified in a notice of intent provided under Subsection (a):

(1) to ensure the issues identified by TxDMV in the notice are corrected; and

(2) provide to TxDMV, in the form and manner prescribed by TxDMV, a certification acknowledging that the issues identified by TxDMV in the notice have been corrected.

(d) Authorizes TxDMV to extend the period specified in a notice provided under Subsection (a) on a written request for an extension that TxDMV determines is reasonable.

(e) Requires that a certification provided under Subsection (c) include an explanation of how the issues identified by TxDMV in the notice of intent have

been corrected, such as identifying specific adjustments made to the automated driving system or operational measures implemented.

(f) Requires TxDMV, if the authorization holder fails to comply with Subsection (c) or TxDMV determines that the certification provided to TxDMV under that subsection is inaccurate:

(1) as specified in the notice of intent, to suspend, revoke, or cancel the authorization issued under this subchapter for the vehicle or impose restrictions on the operation of the vehicle; and

(2) notify the authorization holder of the action taken by TxDMV under Subdivision (1).

(g) Requires TxDMV to promptly rescind a suspension, revocation, or cancellation imposed under Subsection (f) or remove a restriction imposed under that subsection if:

(1) the authorization holder subsequently takes the actions required by Subsections (c)(1) and (2); and

(2) TxDMV does not determine that the certification provided under Subdivision (1) is inaccurate.

(h) Authorizes an authorization holder aggrieved by an action of TxDMV under Subsection (f) to submit a written request for a hearing not later than the 10th day after the date of TxDMV's action under that subsection. Requires TxDMV to set a hearing not later than the fifth day after the date an authorization holder requests a hearing under this subsection and provide the authorization holder notice of the hearing and the opportunity to present evidence at the hearing. Requires that a hearing under this subsection be conducted by an administrative law judge of the State Office of Administrative Hearings. Provides that Chapter 2001, Government Code, applies to a proceeding under this subsection.

(i) Provides that, except as provided by Section 545.456, this section provides the exclusive means by which TxDMV is authorized to suspend, revoke, or cancel an authorization issued under this subchapter for an automated motor vehicle or otherwise restrict the operation of an automated motor vehicle.

Deletes text of existing Section 545.456 (Vehicle Classification), Transportation Code authorizing an owner as defined by Section 502.001(31) (relating to the definition of an "owner") to identify the vehicle as an automated motor vehicle or an automated driving system.

SECTION 2. Amends Section 2402.001, Occupations Code, by amending Subdivision (1) and adding Subdivision (1-a) to define "automated driving system" and "automated motor vehicle."

SECTION 3. Amends Subchapter A, Chapter 2402, Occupations Code, by adding Section 2402.005, as follows:

Sec. 2402.005. **APPLICABILITY TO AUTOMATED MOTOR VEHICLES.** (a) Authorizes a transportation network company holding a permit under Chapter 2402 (Transportation Network Companies) to use automated motor vehicles to provide digitally prearranged rides through the company's digital network.

(b) Provides that a reference in this chapter or a rule adopted under this chapter to a "driver" includes an automated motor vehicle, except that a provision of this chapter or a rule adopted under this chapter that by its nature reasonably applies only to a human driver does not apply to an automated motor vehicle operating with the automated driving system engaged.

SECTION 4. Amends Section 2402.111, Occupations Code, by adding Subsection (d) to provide that, notwithstanding Subsection (a)(2)(A) (relating to the requirement that a motor vehicle used to provide digitally prearranged rides has four doors), an automated motor vehicle that is used to provide digitally prearranged rides is not required to have four doors.

SECTION 5. Amends Section 2402.113, Occupations Code, by adding Subsection (e) to provide that Section 2402.113 (Accessibility Pilot Program) does not apply to a transportation network company that uses automated motor vehicles to provide digitally prearranged rides through the company's digital network.

SECTION 6. (a) Provides that, not later than December 1, 2025:

(1) the board is required to adopt the rules required by Subchapter J, Chapter 545, Transportation Code, as amended by this Act; and

(2) the commission to adopt the rule required by Section 545.455(b)(2), Transportation Code, as added by this Act.

(b) Makes application of Subchapter J, Chapter 545, Transportation Code, as amended by this Act, prospective to the 90th day after the effective date of rules adopted by the commission and the board under Subsection (a) of this section.

SECTION 7. Effective date: upon passage or September 1, 2025.