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A BILL TO BE ENTITLED

AN ACT

relating to the regulation of automated motor vehicles; creating a criminal offense.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter J, Chapter 545, Transportation Code, is amended to read as follows:

SUBCHAPTER J. OPERATION OF AUTOMATED MOTOR VEHICLES

Sec. 545.451. DEFINITIONS. In this subchapter:

(1) "Automated driving system" means hardware and software that, when installed on a motor vehicle and engaged, are collectively capable of operating the vehicle with Level 3 automation, Level 4 automation, or Level 5 automation by performing[~~, without any intervention or supervision by a human operator:~~

[~~(A) all aspects of~~] the entire dynamic driving task for the vehicle on a sustained basis, regardless of whether the system is limited to a specific operational design domain[~~; and~~

[~~(B) any fallback maneuvers necessary to respond to a failure of the system~~].

(2) "Automated motor vehicle" means a motor vehicle on which an automated driving system is installed that is capable of being operated with Level 4 automation or Level 5 automation.

(3) "Authorization holder" means a person granted authorization by the department under Section 545.456 to operate

one or more automated motor vehicles.

(4) "Board" means the board of the Texas Department of Motor Vehicles.

(5) "Department," notwithstanding Section 541.002, means the Texas Department of Motor Vehicles.

(6) "Dynamic [~~"Entire dynamic~~] driving task" means the real-time operational and tactical functions required to operate [~~aspects of operating~~] a vehicle. The term:

(A) includes:

(i) operational functions [~~aspects~~], including steering, braking, accelerating, and monitoring the vehicle and the roadway; and

(ii) tactical functions [~~aspects~~], including responding to events, determining when to change lanes, turning, and using signals[~~, and other related actions~~]; and

(B) does not include strategic aspects, including determining destinations or waypoints.

(7) [~~(4)~~] "Human driver [~~operator~~]" means a natural person in an automated motor vehicle who controls all or part of the [~~entire~~] dynamic driving task.

(8) "Level 3 automation" means a standard of automation meeting the criteria for Level 3 specified in the SAE International Standard J3016 (April 2021).

(9) "Level 4 automation" means a standard of automation meeting the criteria for Level 4 specified in the SAE International Standard J3016 (April 2021).

(10) "Level 5 automation" means a standard of

automation meeting the criteria for Level 5 specified in the SAE International Standard J3016 (April 2021).

(11) "Minimal risk condition" means a stable and stopped condition to which a person or an automated driving system may bring an automated motor vehicle to reduce the risk of a collision when a given trip cannot or should not be continued.

(12) "Operational design domain" means operating conditions under which an automated driving system or feature of the system is specifically designed to function, including environmental, geographical, and time-of-day restrictions and the requisite presence or absence of certain traffic or roadway characteristics

[~~(5) "Owner" has the meaning assigned by Section 502.001~~].

Sec. 545.452. PROHIBITIONS ON [~~EXCLUSIVE~~] REGULATION OF THE OPERATION OF AUTOMATED MOTOR VEHICLES OR [~~AND~~] AUTOMATED DRIVING SYSTEMS BY STATE AGENCY OR POLITICAL SUBDIVISION; EXEMPTION FROM CERTAIN TRAFFIC OR MOTOR VEHICLE LAWS. (a) A state agency may not impose a regulation that discriminates against [~~Unless otherwise provided by this subchapter, the operation of automated motor vehicles, including any commercial use, and automated driving systems are governed exclusively by~~]:

(1) a person operating an automated motor vehicle [~~this subchapter~~]; or [~~and~~]

(2) an automated motor vehicle relative to other types of motor vehicles or with respect to road usage [~~Section 547.618~~].

(b) A political subdivision of this state [~~or a state~~

~~agency~~] may not impose a franchise or other regulation related to the operation of an automated motor vehicle or automated driving system.

(c) The Public Safety Commission by rule may exempt from the application of a specific traffic or motor vehicle law of this state automated motor vehicles if the commission determines that the exemption will not cause a risk to public safety.

Sec. 545.453. RULES. The board may adopt rules necessary to administer this subchapter.

Sec. 545.454. [~~OPERATOR OF AUTOMATED MOTOR~~] VEHICLE OPERATORS. (a) When an automated driving system installed on a motor vehicle is engaged, the automated driving system is the operator of the vehicle, including for purposes of assessing compliance with applicable traffic or motor vehicle laws.

(b) When an automated driving system installed on an automated motor vehicle is engaged,[~~:~~

[~~(1)~~] the owner of, or if the vehicle is operating under an authorization issued by the department under Section 545.456, the authorization holder for, the automated motor vehicle shall be issued any citation for a violation of traffic or motor vehicle laws related to the vehicle [~~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~~

[~~(2) the automated driving system is considered to be licensed to operate the vehicle~~].

(c) [~~(b)~~] Notwithstanding any other law, neither a licensed human driver nor a license issued under Chapter 521 or 522 [~~operator~~] is [~~not~~] required to operate an automated [~~a~~] motor vehicle if the [~~an~~] automated driving system installed on the vehicle is engaged.

Sec. 545.455 [~~545.454~~]. AUTOMATED MOTOR VEHICLE OPERATION; OFFENSE. (a) Any motor vehicle equipped with an automated driving system may operate in this state. An automated motor vehicle may operate in this state with the automated driving system engaged, regardless of whether a human driver [~~operator~~] is physically present in the automated motor vehicle.

(b) Subject to Subsection (c), an [~~An~~] automated motor vehicle may not operate on a highway or street in this state with the automated driving system engaged unless the vehicle is:

(1) capable of operating in compliance with applicable traffic and motor vehicle laws of this state, subject to this subchapter;

(2) equipped with a recording device, as defined by Section 547.615(a), installed by the manufacturer of the automated motor vehicle or automated driving system;

(3) equipped with an automated driving system in compliance with applicable federal law, including [~~and~~] federal motor vehicle safety standards;

(4) 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;

(5) registered and titled in accordance with the laws of this state; and

(6) [~~(5)~~] 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 or federal law, as applicable to the type and use of the vehicle.

(c) In addition to satisfying the requirements of Subsection (b), a person may not operate an automated motor vehicle to transport property or passengers in furtherance of a commercial enterprise on a highway or street in this state without a human driver unless:

(1) the person receives and maintains authorization to operate automated motor vehicles from the department under Section 545.456; and

(2) the Department of Public Safety has been provided, in the form and manner prescribed by rule of the Public Safety 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, including:

(A) how to communicate with a fleet support specialist who is available during the period in which the vehicle is in operation;

(B) how to safely remove the vehicle from the roadway and safely tow the vehicle;

(C) how to recognize whether the vehicle is being operated with the automated driving system engaged; and

(D) any additional information the person or the manufacturer of the vehicle or the automated driving system considers necessary regarding hazardous conditions or public safety risks associated with the operation of the vehicle.

(d) A person commits an offense if the person operates an automated motor vehicle in violation of Subsection (c). An offense under this subsection is a Class B misdemeanor. If a corporation, an association, a limited liability company, or another business entity is convicted of an offense under this subsection, the entity shall be punished in accordance with Section 12.51, Penal Code.

(e) For purposes of Subsection (d), each day the person operates an automated motor vehicle in violation of Subsection (c) constitutes a separate offense.

Sec. 545.456. AUTHORIZATION TO OPERATE AUTOMATED MOTOR VEHICLE. (a) The board by rule shall prescribe the form and manner by which a person may apply to the department for authorization to operate automated motor vehicles to transport property or passengers in furtherance of a commercial enterprise on highways and streets in this state without a human driver.

(b) The rules adopted under Subsection (a) must require a person to provide the following to the department:

(1) a written statement by the person that includes:

(A) the person's contact information; and

(B) vehicle descriptive information as prescribed by the department;

(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) capable of operating in compliance with applicable traffic and motor vehicle laws of this state, subject to this subchapter;

(B) equipped with a recording device, as defined by Section 547.615(a), installed by the manufacturer of the automated motor vehicle or automated driving system;

(C) equipped with an automated driving system in compliance with applicable federal law, including federal motor vehicle safety standards;

(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) registered and titled in accordance with the laws of this state; 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 or federal law, as applicable to the type and use of the vehicle; and

(3) a certification acknowledging that the Department of Public Safety has been provided the plan required by Section 545.455(c)(2).

(c) 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), the department shall 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) An authorization issued by the department under this section does not expire and remains active unless suspended, revoked, or canceled by the department.

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

(f) The department may immediately suspend, revoke, or cancel the authorization issued under this section if the authorization holder fails to comply with:

(1) Subsection (e); or

(2) department requests for an updated or current document described by Subsection (b)(1), (2), or (3).

(g) The department shall promptly rescind a suspension, revocation, or cancellation imposed under Subsection (f) upon receiving the updated or current document as requested by the department.

(h) A determination under Subsection (f) is not a contested case under Chapter 2001, Government Code.

Sec. 545.457 [~~545.455~~]. DUTIES FOLLOWING COLLISION INVOLVING AUTOMATED MOTOR VEHICLE. In the event of a collision involving an automated motor vehicle, the automated motor vehicle, a person on behalf of the automated motor vehicle, or any human

driver [~~operator~~] of the automated motor vehicle shall comply with Chapter 550.

Sec. 545.458. APPLICABILITY OF COMMERCIAL MOTOR VEHICLE LAWS TO AUTOMATED MOTOR VEHICLE. (a) In this section, "commercial motor vehicle" has the meaning assigned by Section 644.001.

(b) An automated motor vehicle that is a commercial motor vehicle shall operate in accordance with Subtitle F 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) If the department determines that an automated motor vehicle operating under an authorization issued by the department under Section 545.456 is not in safe operational condition and the operation of the vehicle on a highway or street in this state endangers the public, the department shall provide to the authorization holder for the vehicle a notice of intent to:

(1) suspend, revoke, or cancel the authorization issued under this subchapter for the vehicle; or

(2) impose restrictions on the operation of the vehicle.

(b) For purposes of Subsection (a), the operation of an automated motor vehicle endangers the public when the operation has resulted in or is likely to result in serious bodily injury as

defined by Section 1.07, Penal Code.

(c) A notice of intent under Subsection (a) must:

(1) include a summary of the department's determination and evidence supporting the determination;

(2) provide the authorization holder with a reasonable period to:

(A) correct the issues identified in the department's determination; and

(B) provide to the department the certification described by Subsection (d)(2); and

(3) specify which enforcement actions described by Subsections (a)(1) and (2) the department will take if the authorization holder fails to complete the actions described by Subdivision (2) within the specified period.

(d) Before the expiration of the period specified in a notice of intent provided under Subsection (a), the authorization holder shall:

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

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

(e) The department may extend the period specified in a notice provided under Subsection (a) on a written request for an extension that the department determines is reasonable.

(f) A certification provided under Subsection (d) must

include an explanation of how the issues identified by the department in the notice of intent have been corrected, such as identifying specific adjustments made to the automated driving system or operational measures implemented.

(g) If the authorization holder fails to comply with Subsection (d), the department shall:

(1) issue a decision, as specified in the notice of intent, that:

(A) suspends, revokes, or cancels the authorization issued under this subchapter for the vehicle; or

(B) imposes restrictions on the operation of the vehicle; and

(2) notify the authorization holder of the decision issued by the department under Subdivision (1).

(h) An authorization holder notified of a decision issued under Subsection (g) may submit a written request to the department for review of the decision not later than the 10th day after the date the department issued the decision. Not later than the 10th day after the date the department receives a request under this subsection, the department shall review the decision and issue a final determination to the authorization holder either upholding or rescinding the decision. If the authorization holder does not submit a request for review of a decision issued under Subsection (g) during the period provided by this subsection, the decision becomes a final determination on the 11th day after the date the department issued the decision.

(i) A suspension, revocation, cancellation, or restriction

under this section takes effect on the date of the final determination of the decision under Subsection (h).

(j) The department shall promptly rescind a suspension, revocation, or cancellation under this section or remove a restriction under this section at any time if the authorization holder subsequently takes the actions required by Subsections (d)(1) and (2).

(k) An authorization holder aggrieved by an action of the department under Subsection (h) may submit a written request for a hearing not later than the 10th day after the date of the department's final determination under that subsection. The department shall file a request with the State Office of Administrative Hearings for an expedited hearing not later than the 10th day after the date the authorization holder requests the hearing. The State Office of Administrative Hearings shall hold a hearing requested under this subsection not later than the 60th day after the date of the department's final determination under Subsection (h). If a hearing is not held during the period required by this subsection, the authorization issued under this subchapter shall be automatically reinstated or the restriction imposed automatically removed, as applicable.

(l) The contested case provisions of Chapter 2001, Government Code, including the right to judicial review, apply to a proceeding under Subsection (k).

(m) Except as provided by Section 545.456, this section provides the exclusive means by which the department may:

(1) suspend, revoke, or cancel an authorization issued

under this subchapter for an automated motor vehicle; or

(2) otherwise restrict the operation of an automated motor vehicle operating under an authorization issued by the department under Section 545.456.

[~~Sec. 545.456. VEHICLE CLASSIFICATION. An owner as defined by Section 502.001(31) may identify the vehicle to the department as an automated motor vehicle or an automated driving system.~~]

SECTION 2. Subchapter A, Chapter 1954, Insurance Code, is amended by adding Section 1954.003 to read as follows:

Sec. 1954.003. APPLICABILITY TO AUTOMATED MOTOR VEHICLES. An automated motor vehicle, as defined by Section 545.451, Transportation Code, is considered a transportation network company driver for purposes of Subchapter B, and the coverage requirements of that subchapter apply to the automated motor vehicle.

SECTION 3. Section 2402.001, Occupations Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Automated driving system" and "automated motor vehicle" have the meanings assigned by Section 545.451, Transportation Code.

(1-a) "Department" means the Texas Department of Licensing and Regulation.

SECTION 4. Subchapter A, Chapter 2402, Occupations Code, is amended by adding Section 2402.005 to read as follows:

Sec. 2402.005. APPLICABILITY TO AUTOMATED MOTOR VEHICLES. (a) A corporation, partnership, sole proprietorship, or other

entity that, for compensation, enables a passenger to prearrange a ride in an automated motor vehicle through the entity's digital network is a transportation network company and is subject to the requirements of this chapter, except as otherwise provided by this section.

(b) A transportation network company holding a permit under this chapter may use automated motor vehicles owned by the company or operated under a contract with the company to provide digitally prearranged rides through the company's digital network.

(c) 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 5. Section 2402.111, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding Subsection (a)(2)(A), an automated motor vehicle that is used to provide digitally prearranged rides is not required to have four doors.

SECTION 6. Section 2402.113, Occupations Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to a transportation network company that uses automated motor vehicles to provide digitally prearranged rides through the company's digital network or the digital network of another entity.

SECTION 7. Section 643.054(a-2), Transportation Code, is

amended to read as follows:

(a-2) The department may deny a registration if the applicant is owned, operated, managed, or otherwise controlled by or affiliated with a person, including a family member, corporate officer, entity, or shareholder, that the Department of Public Safety has determined has:

(1) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C, other than Section 545.455(c).

SECTION 8. Section 643.058(e), Transportation Code, is amended to read as follows:

(e) The department may deny a motor carrier's application to renew a registration if the motor carrier is owned, operated, managed, or otherwise controlled by or affiliated with a person, including a family member, corporate officer, entity, or shareholder, that:

(1) the Department of Public Safety has determined has:

(A) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(B) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C, other than Section 545.455(c);

(2) owned, operated, managed, or otherwise controlled a motor carrier that the Federal Motor Carrier Safety Administration has placed out of service for unacceptable safety

compliance; or

(3) has unpaid administrative penalties assessed under this chapter or Subtitle E.

SECTION 9. Section 643.0585(c), Transportation Code, is amended to read as follows:

(c) The department may deny a motor carrier's application for reregistration if the motor carrier is owned, operated, managed, or otherwise controlled by or affiliated with a person, including a family member, corporate officer, entity, or shareholder, that:

(1) the Department of Public Safety has determined has:

(A) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(B) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C, other than Section 545.455(c);

(2) owned, operated, managed, or otherwise controlled a motor carrier that the Federal Motor Carrier Safety Administration has placed out of service for unacceptable safety compliance; or

(3) has unpaid administrative penalties assessed under this chapter or Subtitle E.

SECTION 10. Section 643.252(b), Transportation Code, is amended to read as follows:

(b) The Department of Public Safety may request that the department suspend or revoke a registration issued under this

chapter or place on probation a motor carrier whose registration is suspended if a motor carrier has:

(1) an unsatisfactory safety rating under 49 C.F.R. Part 385; or

(2) multiple violations of Chapter 644, a rule adopted under that chapter, or Subtitle C, other than Section 545.455(c).

SECTION 11. (a) Not later than December 1, 2025:

(1) the board of the Texas Department of Motor Vehicles shall adopt the rules required by Subchapter J, Chapter 545, Transportation Code, as amended by this Act; and

(2) the Public Safety Commission shall adopt the rule required by Section 545.455(c)(2), Transportation Code, as added by this Act.

(b) A person is not required to comply with Subchapter J, Chapter 545, Transportation Code, as amended by this Act, until the 90th day after the effective date of rules adopted by the Public Safety Commission and the board of the Texas Department of Motor Vehicles under Subsection (a) of this section.

SECTION 12. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.