

March 9, 2022

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
Statehouse, Room 546-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 546 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 546 is respectfully submitted to your committee.

SB 546 would allow a driverless-capable vehicle to operate on the public highways in Kansas without a conventional human driver with the automated driving system (ADS) engaged if the vehicle meets the following conditions:

1. The vehicle would be capable of achieving a minimal risk condition if a malfunction of the ADS occurs that renders the system unable to perform the entire dynamic driving task within the system's intended operational design domain, if any;
2. While in driverless operation, the vehicle would be capable of operating in compliance with the applicable traffic and motor vehicle safety laws and regulations of Kansas that govern the performance of the dynamic driving task, unless an exemption has been granted to the vehicle by the Kansas Department of Transportation (KDOT);
3. When required by federal law, the vehicle bears the required manufacture's certification label indicating that at the time of manufacture the vehicle has been certified in compliance with all applicable federal motor vehicle safety standards, including any reference to any exception granted by the National Highway Traffic Safety Administration; and
4. A conventional human driver would be required to be physically present in every driverless-capable vehicle placed into service in Kansas for the first year from the date that the entity places a driverless-capable vehicle into service in Kansas.

The bill specifies that prior to operating a driverless-capable vehicle on the public roads of Kansas without a conventional human driver, the owner of the driverless-capable vehicle would be required to submit a law enforcement interaction plan to KDOT that describes how to communicate with a fleet support specialist who is available during the times the vehicle is in

operation; how to safely remove the driverless-capable vehicle from the roadway and steps to safely tow the vehicle; how to recognize whether the driverless-capable vehicle would be in autonomous mode; and any additional information the manufacturer or owner deems necessary regarding hazardous conditions or public safety risks associated with the operation of the driverless-capable vehicle.

Before an ADS-equipped vehicle would be allowed to operate on the state's public highways, the owner would be required to obtain insurance, self-insurance, or any other financial security coverage for the vehicle and the vehicle could not operate on the state's highways unless insurance, self-insurance, or other financial security coverage is in effect for the vehicle and proof of insurance is carried in the vehicle. The bill specifies in the event of an accident crash that would otherwise be subject to KSA 8-1602 through 8-1609, the provisions would not apply to a driverless-capable vehicle operating without a conventional human driver if the vehicle owner, or a person acting on behalf of the owner, promptly contacts the applicable law enforcement agency to report the accident; for a vehicle that has the capability of promptly alerting a law enforcement agency or emergency services, the vehicle alerts a law enforcement agency or emergency services to the crash; or the vehicle remains at the scene or in the immediate vicinity of the crash until law enforcement arrives or vehicle registration and insurance information is provided to the parties affected by the accident.

SB 546 would allow a person to operate an on-demand driverless-capable vehicle network and specifies that certain statute sections applicable to conventional human drivers would not apply to these networks. The network could be used to transport goods or persons. The bill specifies that all ADS and ADS-equipped vehicles would be regulated exclusively by KDOT. Political subdivisions could not impose additional requirements and could not impose a tax on ADS, ADS-equipped vehicles, or on-demand driverless-capable vehicle networks if the tax relates specifically to the operation of the ADS, ADS-equipped vehicle, or network. A driverless-capable vehicle would be required to be properly registered and titled with the state.

A driverless-capable vehicles that is also a commercial motor vehicle may operate pursuant to state laws governing the operation of commercial vehicles, except that any provision that reasonably applies to a conventional human driver would not apply to a vehicle operating with an ADS engaged, and a vehicle would not carry hazardous materials as defined in KSA 48-904. These provisions would expire on January 1, 2025. The bill specifies that the uniform act regulating traffic on highways, to the extent practicable, would apply to driverless-capable vehicles.

The bill would establish the Autonomous Vehicle Advisory Committee and outlines the members of the Committee. Members of the Committee would serve without compensation. On or before July 1, 2023, the Committee would submit a report of activities and any recommendations regarding the use or regulation of autonomous motor vehicles in Kansas. This provision would expire on July 1, 2023.

The Office of Judicial Administration states enactment of the bill could have a fiscal effect on Judicial Branch operations if the use of driverless vehicles increases the number of accidents on Kansas roadways, which could lead to additional cases in district courts. According to the

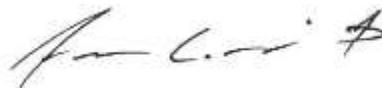
Office, a fiscal effect cannot be estimated until the Judicial Branch has had an opportunity to operate under the bill's provisions.

KDOT states it does not currently possess staff with the knowledge regarding exemptions for traffic laws, reviewing law enforcement interaction plans, and regulating ADS-equipped vehicles. In order to implement the bill, KDOT indicates the agency would initially use contractual costs to obtain the necessary expertise. The contractual costs are estimated to be approximately \$500,000 in FY 2023, which would require an increase to the expenditure limitation of the agency's operations account. For FY 2024, the agency estimates additional expenditures totaling \$227,000, along with an additional 3.00 FTE positions. Of this amount, \$213,000 would be for salaries and wages, \$1,400 for one-time IT equipment costs, and \$12,600 for on-going other operating expenditures. For both FY 2025 and FY 2026, total expenditures are estimated to be approximately \$225,600.

The Department of Revenue indicates for each vehicle registered as an autonomous vehicle \$.75 goes to the county and the remainder goes to the State Highway Fund, depending on registration weight or usage type of the vehicles, which could vary from \$29.25 up to \$2,070. Additionally, the Department indicates due to the possibility of autonomous vehicles replacing other vehicles owned, which would be cost neutral, there may be a negligible fiscal effect. The Department estimates additional expenditures of \$113,200 up to \$133,200 to update various agency systems and for testing.

The Kansas Highway Patrol indicates enactment of the bill would not have a fiscal effect on agency operations. Any fiscal effect associated with SB 546 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Peter Barstad, KCC
Karen Clowers, Legislative Services
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