

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 151 – HB 381

April 7, 2017

SUMMARY OF ORIGINAL BILL: Establishes registration, restraint, operational, and accident requirements for autonomous vehicles to operate on public roads and highways in Tennessee.

Creates the *Safe Automated Vehicles (SAVE) Act* in which motor vehicle manufacturers are eligible to participate in making automated driving system (ADS)-operated vehicles available to the public for operation on the public roads and highways of this state in a manner that is determined by the manufacturer that owns the vehicle and making an on-demand ADS-operated vehicle network available to the public.

Requires the Department of Revenue (DOR) to administer SAVE Act registration. Requires SAVE Act participants to report incident records and provide periodic summaries related to the safety of the participating fleet to the DOR, the Transportation and Safety Committee of the Senate, and the Transportation Committee of the House of Representatives.

Creates a Class A misdemeanor for operating a vehicle without a human located in the driver's seat.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$1,500/FY17-18/Department of Revenue
\$3,000/FY18-19/Department of Revenue
\$4,500/FY19-20/Department of Revenue
\$6,000/FY20-21/Department of Revenue
\$7,500/FY21-22 and Subsequent Years/Department
of Revenue

Increase State Expenditures - \$1,500/FY17-18/Department of Revenue
\$3,000/FY18-19/Department of Revenue
\$4,500/FY19-20/Department of Revenue
\$6,000/FY20-21/Department of Revenue
\$7,500/FY21-22 and Subsequent Years/
Department of Revenue

\$134,800/FY19-20/General Fund
\$76,300/FY20-21 and Subsequent Years/General Fund

SB 151 – HB 381

SUMMARY OF AMENDMENTS (005727, 007006, 007054): Amendment 005727 deletes all language after the enacting clause. Creates the *Automated Vehicles Act* (AVA). Establishes registration, restraint, operational, and accident requirements for autonomous vehicles to operate on public roads and highways in Tennessee.

Allows ADS-operated vehicles to operate on the streets and highways in Tennessee. Requires ADS-operated vehicles to be registered in accordance with the laws set forth in Tennessee Code Annotated, title 55, chapter 4. Establishes instrument of insurance requirements on ADS-operated vehicles.

Creates a Class A misdemeanor for operating a vehicle without a human located in the driver's seat unless the provisions of the legislation are met.

Amendment 007006 amends the bill as amended by amendment 005727 to (1) require an ADS-operated vehicle to have an instrument of insurance, surety bond, or proof of self-insurance in the amount of at least \$5,000,000, (2) create a July 1, 2022 sunset provision on the \$5,000,000 insurance provision, and (3) requires the Commissioner of the Department of Safety (DOS) and the Commissioner of the Department of Commerce and Insurance (DCI) to submit a report on ADS-operated vehicle insurance requirements to the Transportation and Safety Committee of the Senate and the Transportation Committee of the House of Representatives.

Amendment 007054 amends the bill as amended by amendments 005727 and 007006 to require all ADS-operated vehicle audio, video, and sensor data to be stored by the owner for a minimum of three years after a collision.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Increase State Expenditures – \$138,800/FY19-20
\$76,300/FY20-21 and Subsequent Years**

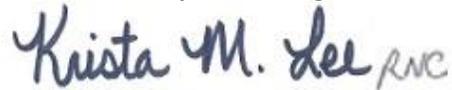
Assumptions for the bill as amended:

- Due to an uncertainty in the timing of automated vehicle technology advancements and its popularity with the public, it is unclear as to the extent an ADS will be made available and the extent to which automated vehicles will be prevalent on the roads and highways of this state. It is reasonably assumed that autonomous vehicles and an ADS will operated by the general public at a rate that gradually increases over time.
- It is reasonably estimated that the Department of Revenue can allow ADS-operated vehicles to be identified upon registration within existing resources.
- It is reasonably assumed that all vehicles will be operated with a human in the driver's seat. As a result, there will not be a sufficient number of Class A misdemeanor prosecutions for state or local government to experience any significant increase in revenue or expenditures.

- Based on information provided by the DOS, one additional Tennessee Highway Patrol (THP) Sergeant will be required to fully comply with the provisions of the bill as amended. The THP Sergeant will require a working knowledge of commercial motor vehicle federal regulations, crash investigations, and traffic and motor vehicle laws in both autonomous and traditional vehicles. The additional position will also develop autonomous vehicle policies used throughout the state.
- The recurring increase in state expenditures for one THP Sergeant is estimated as \$76,262 (\$55,181 salary + \$16,081 benefits + \$5,000 AV training).
- The one-time increase in state expenditures for one THP Sergeant is estimated as \$62,500 (\$500 firearm + \$62,000 vehicle).
- However, due to an uncertainty in the timing of automated vehicle technology advancements and its popularity with the public, it is unclear as to when the additional position would be required by the DOS. It is not estimated the additional position will be required immediately or in the upcoming budget year. However it is reasonably estimated that the demand will be sufficiently met and the position will be required approximately three years out, or by FY19-20. Funding for such position will require appropriations from the General Fund.
- The increase in state expenditures from the General Fund in FY19-20 is estimated to be \$138,762 (\$76,262 + \$62,500); and the recurring increase in state expenditures from the General Fund beginning in FY20-21 is estimated to be \$76,262.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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