

SENATE BILL 685

R4

3lr1410
CF HB 806

By: **Senator Waldstreicher**

Introduced and read first time: February 6, 2023

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: March 6, 2023

CHAPTER _____

1 AN ACT concerning

2 **Vehicle Laws – Autonomous Vehicle Converters – Sale of Autonomous Vehicles**

3 FOR the purpose of authorizing an autonomous vehicle converter to sell, transfer, lease,
4 offer for sale, or resell a converted autonomous vehicle or a motor vehicle purchased
5 with the intent to convert the motor vehicle into a converted autonomous vehicle;
6 establishing that certain portions of this Act apply only to motor vehicles intended
7 for commercial or industrial use; prohibiting an autonomous vehicle converter from
8 holding certain occupational vehicle licenses issued under the Maryland Vehicle
9 Law; and generally relating to autonomous vehicle converters.

10 BY repealing and reenacting, without amendments,
11 Article – Transportation
12 Section 15–101(a)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2022 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Transportation
17 Section 15–101(c)(3) and 15–201
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2022 Supplement)

20 BY adding to
21 Article – Transportation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Section 15–901 through 15–903 to be under the new subtitle “Subtitle 9. Autonomous Vehicle Converters”
Annotated Code of Maryland
(2020 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Transportation

15–101.

(a) In this title the following words have the meanings indicated.

(c) (3) “Dealer” does not include:

(i) A public official who sells or disposes of vehicles in the performance of his official duties;

(ii) An insurance company, finance company, bank, or other lending institution licensed or otherwise authorized to do business in this State that, to save it from loss, sells or disposes of vehicles under a contractual right and in the regular course of its business;

(iii) A licensed auctioneer acting on behalf of a seller, secured party or owner and where title does not pass to the auctioneer and the auction is not for the purpose of avoiding the provisions of this title;

(iv) A receiver, trustee, personal representative, or other person appointed by or acting under the authority of any court;

(v) Either a manufacturer or distributor who sells or distributes vehicles to licensed dealers or a person employed by a manufacturer or distributor to promote the sale of the vehicles of the manufacturer or distributor, if that manufacturer, distributor, or person does not sell vehicles to retail buyers;

(vi) A person who sells or disposes of vehicles acquired and used for personal or business use and not for the purpose of avoiding the provisions of this title, if that person is not engaged in buying, selling, or exchanging vehicles as a business;

(vii) An automotive dismantler and recycler who during the normal course of business acquires a salvage vehicle and transfers the vehicle on a salvage certificate. However, if the automotive dismantler and recycler rebuilds and sells more than 5 vehicles during a 12-month period to a person other than another automotive dismantler and recycler or licensed dealer, the automotive dismantler and recycler must be licensed as a dealer under § 15–302 of this title;

(viii) A person engaged in the leasing of motor vehicles under leases not intended as security; [or]

(ix) A religious, charitable, or volunteer organization exempt from taxation under § 501(c) of the Internal Revenue Code, the Department of Human Services, or a local department of social services transferring a vehicle under § 13–810 of this article;
OR

(X) AN AUTONOMOUS VEHICLE CONVERTER AS DEFINED IN § 15–901 OF THIS TITLE.

15–201.

(a) In this subtitle the following words have the meanings indicated.

(b) **(1)** “Distributor” means a distributor who is authorized by the manufacturer or the manufacturer’s authorized importer to enter into franchise agreements with dealers of:

[(1)] (I) New motor vehicles constructed or assembled outside of the United States; or

[(2)] (II) New two–stage vehicles completed outside of the United States by a second–stage manufacturer.

(2) “DISTRIBUTOR” DOES NOT INCLUDE AN AUTONOMOUS VEHICLE CONVERTER AS DEFINED IN § 15–901 OF THIS TITLE.

(c) **(1)** “Factory branch” means a branch office of a manufacturer from which the manufacturer:

[(1)] (I) Sells or promotes the sale to dealers in this State of a particular brand or make of new motor vehicles, or new completed two–stage vehicles;

[(2)] (II) Directs and supervises its representatives in this State; or

[(3)] (III) Supervises or contacts its dealers or prospective dealers in this State.

(2) “FACTORY BRANCH” DOES NOT INCLUDE AN AUTONOMOUS VEHICLE CONVERTER AS DEFINED IN § 15–901 OF THIS TITLE.

(d) “License” means a manufacturer’s, distributor’s, or factory branch’s license issued by the Administration under this subtitle.

(e) (1) “Manufacturer” means:

[(1)] (I) A manufacturer of new motor vehicles constructed or assembled in the United States;

[(2)] (II) A second-stage manufacturer of new two-stage vehicles completed in the United States; and

[(3)] (III) In the case of trucks, a person engaged in the business of manufacturing truck component parts.

(2) “MANUFACTURER” DOES NOT INCLUDE AN AUTONOMOUS VEHICLE CONVERTER AS DEFINED IN § 15–901 OF THIS TITLE.

(f) “Second-stage manufacturer” has the meaning stated in § 13–113.2 of this article.

SUBTITLE 9. AUTONOMOUS VEHICLE CONVERTERS.

15–901.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “AUTOMATED DRIVING STANDARDS” MEANS THE SIX LEVELS OF DRIVING AUTOMATION ESTABLISHED UNDER THE SAE INTERNATIONAL J3016 STANDARD.

(C) “AUTOMATED DRIVING SYSTEM” MEANS THE HARDWARE AND SOFTWARE THAT ARE COLLECTIVELY CAPABLE OF PERFORMING PART OR ALL OF THE DYNAMIC DRIVING TASK ON A SUSTAINED BASIS, REGARDLESS OF WHETHER THE DRIVING TASK IS LIMITED TO A SPECIFIC OPERATIONAL DESIGN DOMAIN.

(D) “AUTONOMOUS VEHICLE CONVERTER” MEANS A PERSON THAT:

(1) ALTERS OR MODIFIES A NEW OR USED MOTOR VEHICLE BY ADDITION, SUBSTITUTION, OR REMOVAL OF COMPONENTS, OTHER THAN READILY ATTACHABLE COMPONENTS, IN COMPLIANCE WITH ALL APPLICABLE MOTOR VEHICLE SAFETY REQUIREMENTS ESTABLISHED UNDER FEDERAL LAW; AND

(2) ASSEMBLES, INSTALLS, AND AFFIXES AN AUTOMATED DRIVING SYSTEM TO A NEW OR USED MOTOR VEHICLE IN SUCH A MANNER THAT CONVERTS THE VEHICLE INTO A CONVERTED AUTONOMOUS VEHICLE.

(E) “CONVERTED AUTONOMOUS VEHICLE” MEANS A MOTOR VEHICLE THAT:

(1) IS EQUIPPED WITH AN AFTERMARKET AUTOMATED DRIVING SYSTEM CAPABLE OF OPERATING IN ACCORDANCE WITH SOME OR ALL OF THE AUTOMATED DRIVING STANDARDS;

(2) MEETS OR EXCEEDS WEIGHT OR CAPACITY THRESHOLDS ESTABLISHED UNDER FEDERAL LAW; AND

(3) IS CAPABLE OF OPERATING IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW.

(F) “OPERATIONAL DESIGN DOMAIN” MEANS OPERATING CONDITIONS UNDER WHICH A GIVEN AUTOMATED DRIVING SYSTEM IS SPECIFICALLY DESIGNED TO FUNCTION, INCLUDING CONDITIONS SUBJECT TO:

(1) ENVIRONMENTAL RESTRICTIONS;

(2) GEOGRAPHIC RESTRICTIONS;

(3) TIME-OF-DAY RESTRICTIONS; OR

(4) THE REQUIRED PRESENCE OR ABSENCE OF CERTAIN TRAFFIC OR ROADWAY CHARACTERISTICS.

15-902.

THIS SUBTITLE APPLIES ONLY TO MOTOR VEHICLES INTENDED FOR COMMERCIAL OR INDUSTRIAL USE.

15-903.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, AN AUTONOMOUS VEHICLE CONVERTER MAY SELL, TRANSFER, LEASE, OFFER FOR SALE, OR RESELL:

(1) A CONVERTED AUTONOMOUS VEHICLE; OR

(2) A MOTOR VEHICLE PURCHASED BY AN AUTONOMOUS VEHICLE CONVERTER WITH THE INTENT TO CONVERT THE MOTOR VEHICLE INTO A CONVERTED AUTONOMOUS VEHICLE.

1 **(B) AN AUTONOMOUS VEHICLE CONVERTER MAY NOT BE LICENSED UNDER**
2 **THIS TITLE AS A MANUFACTURER, DISTRIBUTOR, OR FACTORY BRANCH OR AS A**
3 **DEALER.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.