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**HOUSE BILL NO. 1125**

Offered January 14, 2026

Prefiled January 14, 2026

*A BILL to amend the Code of Virginia by adding in Title 46.2 a chapter numbered 14.2, consisting of sections numbered 46.2-1419 through 46.2-1430, relating to automated driving systems; civil penalties; work group; report.*

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 Patron—Reid
 

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Committee Referral Pending

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Title 46.2 a chapter numbered 14.2, consisting of sections numbered 46.2-1419 through 46.2-1430, as follows:**

**CHAPTER 14.2.****AUTOMATED DRIVING SYSTEMS.****§ 46.2-1419. Definitions.**

*As used in this chapter, unless the context requires a different meaning:*

*"Automated driving system" or "ADS" means hardware and software that are collectively capable of performing the entire dynamic driving task on a sustained basis, regardless of whether it is limited to a specific operational design domain.*

*"DDT fallback" means the response by:*

*1. The person or human driver to either perform the DDT or achieve a minimal risk condition after the occurrence of a DDT performance relevant system failure, or upon operational design domain exit; or*

*2. An automated driving system to achieve minimal risk condition, given the same circumstances identified in subdivision 1.*

*"Dynamic driving task" or "DDT" means all of the real-time operational and tactical functions required to operate a vehicle in on-road traffic, including:*

*1. Lateral vehicle motion control via steering;*

*2. Longitudinal motion control via acceleration and deceleration;*

*3. Monitoring the driving environment via object and event detection, recognition, classification, and response preparation;*

*4. Object and event response execution;*

*5. Maneuver planning; and*

*6. Enhancing conspicuity via lighting, signaling, and gesturing.*

*"Dynamic driving task" or "DDT" does not include strategic functions such as trip scheduling and the selection of destinations and waypoints.*

*"Fully autonomous vehicle" means a motor vehicle equipped with an automated driving system designed to function without a human driver as a level 4 or 5 system under SAE J3016.*

*"Geofence" means the precise geographical boundary within which a fully autonomous vehicle or ADS may be operated.*

*"Human driver" means a natural person in the vehicle with a valid driver's license who manually controls all or part of the dynamic driving task.*

*"Minimal risk condition" means a condition to which a person, a human driver, or an automated driving system may bring a vehicle after performing the DDT fallback in order to reduce the risk of a crash when a given trip cannot or should not be completed.*

*"On-demand autonomous vehicle network" means a digital network that connects passengers to fully autonomous vehicles or ADS-equipped vehicles for compensation.*

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

*"Provider" means a person providing operational services for automated driving systems, fully autonomous vehicles, or operational design domains.*

*"Remote operations center" means a facility staffed by trained support specialists capable of monitoring, communicating with, or providing guidance to autonomous vehicles.*

*"Request to intervene" means a notification by an automated driving system to a human driver that the human driver should promptly begin or resume performance of part of or all of the dynamic driving task.*

*"SAE J3016" means the "Taxonomy and Definitions for Terms Related to Driving Automation Systems for On-Road Motor Vehicles" published by SAE International on June 15, 2018, as revised.*

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**§ 46.2-1420. Use of fully autonomous vehicles and automated driving systems permissible.**

A. A person may operate on the highways in the Commonwealth a fully autonomous vehicle or a motor vehicle equipped with an automated driving system capable of performing the entire dynamic driving task with the automated driving system engaged without a human driver if the vehicle meets the following conditions:

1. The vehicle meets the requirements of this chapter and has been issued an autonomous operation license by the Department;

2. If a failure of the automated driving system occurs that renders that system unable to perform the entire dynamic driving task relevant to its intended operational design domain, the vehicle will (i) achieve a minimal risk condition, including (a) a controlled stop; (b) activation of hazard lights on the vehicle; (c) notification to the remote operations center; and (d) if the vehicle detects an accident or other danger requiring emergency assistance, initiation of a call for emergency services, and (ii) if there is a human driver physically present in the vehicle, issue a request to intervene with the expectation that the human driver will respond appropriately to such request;

3. The vehicle is capable of operating in compliance with the applicable traffic and motor vehicle safety laws and regulations of the Commonwealth when reasonable to do so, unless an exemption has been granted by the Department; and

4. When required by federal law, the vehicle bears the required manufacturer's certification label indicating that at the time of its manufacture it has been certified to be in compliance with all applicable federal motor vehicle safety standards, including any exemptions granted by the National Highway Traffic Safety Administration.

B. Prior to operating a fully autonomous vehicle in the Commonwealth without a human driver, a person shall submit a law-enforcement interaction plan to the Department of Transportation and the Department of State Police that describes (i) how to communicate with a fleet support specialist who is available during the times the vehicle is in operation, (ii) how to safely remove the fully autonomous vehicle from the highway and steps to safely tow the vehicle, (iii) how to recognize whether the automated driving system is engaged on the fully autonomous vehicle, and (iv) any additional information the manufacturer or owner deems necessary regarding hazardous conditions or public safety risks associated with the operation of the fully autonomous vehicle.

C. In any case of an accident, the automated driving system and the human driver or passenger, as applicable, shall comply with the accident report requirements of Article 11 (§ 46.2-371 et seq.) of Chapter 3.

**§ 46.2-1421. Licensing, titling, and registration.**

A. The Department shall develop and issue autonomous operation licenses for fully autonomous vehicles and automated driving systems operated in the Commonwealth. The Department shall only issue such autonomous operation licenses to fully autonomous vehicles and automated driving systems that meet the requirements of this chapter, and may suspend or revoke such license of fully autonomous vehicles and automated driving systems that do not meet such requirements. Such autonomous operation licenses shall remain valid unless suspended or revoked. Additionally, the Department may suspend or revoke such a license in cases in which serious injury or death involving the operation of a fully autonomous vehicle or automated driving system occurs and the Department determines that the operation of such fully autonomous vehicle or automated driving system is unsafe.

B. A fully autonomous vehicle shall be properly titled and registered in accordance with the requirements of Chapter 6 (§ 46.2-600 et seq.). If a fully autonomous vehicle is registered in the Commonwealth, the vehicle shall be identified on the registration as a fully autonomous vehicle. The requirements under this title relating to exhibiting a driver's license and registration card are satisfied if the autonomous operation license and vehicle registration card are in the fully autonomous vehicle and available for inspection by a law-enforcement officer.

C. When an automated driving system installed on a motor vehicle is engaged, the automated driving system is considered the driver or operator for the purpose of assessing compliance with applicable traffic or motor vehicle laws and shall be required to satisfy all physical acts required by a driver or operator of the vehicle.

**§ 46.2-1422. Insurance and financial responsibility requirements.**

A. Fully autonomous vehicles shall maintain proof of financial responsibility in the same form and at the same minimum limits required under § 46.2-472 and shall also satisfy uninsured motorist benefits as required by § 38.2-2206.

B. An autonomous vehicle with its automated driving system engaged shall maintain proof of financial responsibility in an amount not less than \$1 million combined single limit per occurrence for third-party liability. Proof of financial responsibility under this subsection shall also apply to uninsured motorist benefits as required by § 38.2-2206 when those requirements are not satisfied by insurance or self-insurance under subsection A. Insurers providing insurance policies and self-insurance under subsection A and this subsection may contract and coordinate with each other to determine which will satisfy personal injury protection and uninsured motorist benefit requirements. The satisfaction of financial responsibility under this

subsection shall be deemed to satisfy financial responsibility under subsection A.

C. Financial responsibility under subsection B may be satisfied by (i) an insurance policy issued by an insurer licensed in the Commonwealth or (ii) a policy issued by an eligible nonadmitted insurer authorized under Chapter 48 (§ 38.2-4805.1 et seq.) of Title 38.2.

D. No higher limits of insurance or additional coverages other than the financial responsibility minimum requirement set forth in subsection B shall be required solely due to a vehicle's use of an automated driving system.

**§ 46.2-1423. Geofence requirements.**

Prior to the activation of any automated driving system, a provider shall submit to the Department for approval a map of the proposed geofence, accompanied by a description of the operational design domain. Any such approval of a geofence shall be valid for one year and may be renewed in the same manner.

No automated driving system may be operated outside of the geographical boundaries of the approved geofence corresponding to such automated driving system.

If a provider wishes to expand the geographical boundary of such geofence, he shall submit to the Department an application for expansion that shall include (i) safety performance data from the existing geofence, including crashes, near misses, minimum risk condition activations, miles driven while automated driving systems are activated, and disengagements; (ii) a risk assessment of the proposed expansion area; (iii) evidence of mapping, simulations, and closed-course testing; and (iv) law-enforcement and EMS coordination plans.

In a determination for any such expansion, the Department may grant such expansion, deny such expansion, or partially, conditionally, or in a phased manner, grant such expansion.

**§ 46.2-1424. Statewide safety requirements.**

The Department shall establish minimum safety thresholds for outcomes and requirements regarding the operation of automated driving systems. Such minimum safety thresholds and requirements shall include (i) maximum crash rates per million miles, (ii) required minimum risk condition success rates, (iii) minimum requirements for system reliability, and (iv) criteria for addressing repeated system failure. Any ADS that does not meet such standards is subject to suspension or revocation pursuant to § 46.2-1421.

**§ 46.2-1425. Required reports.**

A. A provider shall annually report on (i) compliance with requirements for level 4 or 5 systems under SAE J3016 and federal motor vehicle safety standards, (ii) its cybersecurity protocols, (iii) redundancies in sensing and fail-safe systems, and (iv) any updated operational design domains and geofences.

B. A provider shall submit to the Department a quarterly report. Such report shall include the aggregate numbers of (i) total miles driven while an automated driving system was in use; (ii) all accidents or crashes, sorted by level of severity; (iii) near-miss events; (iv) minimal risk condition activations; (v) disengagements; and (vi) software updates materially affecting operational design domains.

C. The Department shall compile and publish such information reported pursuant to subsection B on a public dashboard on the Department's website.

**§ 46.2-1426. On-demand autonomous vehicle network.**

An on-demand autonomous vehicle network shall be permitted to operate in the same manner as, and subject to the same requirements of Chapter 20 (§ 46.2-2000 et seq.) that apply to transportation network companies, except that (i) any provision that reasonably applies only to a human driver shall not apply to the operation of fully autonomous vehicles with the automated driving system engaged on an on-demand autonomous vehicle network and (ii) any provision of this title that would not apply to the operation of fully autonomous vehicles with the automated driving system engaged on an on-demand autonomous vehicle network shall not apply to such vehicles. The Department shall issue guidance on the application of requirements for transportation network companies to an on-demand autonomous vehicle network pursuant to this section. On-demand autonomous vehicle networks shall not be considered a common carrier as defined in § 46.2-2000 and shall not be subject to the requirements of Article 6 (§ 46.2-2074 et seq.) or Article 7 (§ 46.2-2096 et seq.) of Chapter 20.

**§ 46.2-1427. Operation of commercial vehicles.**

A fully autonomous vehicle that is also a commercial motor vehicle, as that term is defined in § 46.2-341.4, may be operated with the automated driving system engaged, provided that such operation complies with all requirements of this title related to the operation of commercial motor vehicles, except that any provision that by its nature reasonably applies only to a human driver shall not apply to such a vehicle operating with the automated driving system engaged. Any operation of a fully autonomous vehicle that is also a commercial motor vehicle shall comply with any applicable federal requirements for the operation of commercial vehicles.

**§ 46.2-1428. Vehicle equipment standards.**

A fully autonomous vehicle that is designed to be operated exclusively by the automated driving system for all trips shall not be subject to the provisions of this title, or any regulations promulgated pursuant to such provisions, that both (i) relate to the operation of a motor vehicle by a human driver seated in such vehicle and (ii) do not, by their nature, apply to an automated driving system.

**§ 46.2-1429. Penalties.**

A. 1. A person or entity that violates this chapter, or a regulation promulgated pursuant to this chapter, in addition to any other penalties provided by law, shall be subject to a civil penalty of not more than \$1,000 per offense.

2. Each day of a violation of this chapter, or a regulation promulgated pursuant to this chapter, shall constitute a separate offense, and the penalties set forth in this subsection shall be applicable to each separate offense.

B. If the Department determines that a fully autonomous vehicle or automated driving system operating under an autonomous operation license is not in safe operational condition and the operation of such vehicle on the highways of the Commonwealth endangers the public, the Department shall provide to the vehicle owner a notice of intent to (i) suspend or revoke the autonomous operation license or (ii) impose restrictions on the operation of such vehicle. For purposes of this subsection, the operation of an autonomous vehicle endangers the public when the operation of such vehicle has resulted in or is likely to result in serious injury or death.

C. A notice of intent under subsection B shall (i) include a summary of the Department's determination and evidence supporting the determination, (ii) provide the autonomous operation license 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 in clause (ii) of subsection D, and (iii) specify which enforcement actions described by subsection B the Department will take if the autonomous operation license holder fails to provide the required certification within the specified period.

D. Before the expiration of the period specified in a notice of intent, the autonomous operation license holder shall (i) ensure the issues identified by the Department in the notice are corrected and (ii) provide to the Department a certification acknowledging that the issues identified by the Department in the notice have been corrected and explaining how the issues have been corrected, including identifying operational measures implemented.

E. The Department may extend the period specified in a notice of intent pursuant to subsection D on a written request for an extension that the Department determines is reasonable.

F. If the autonomous operation license holder fails to comply with subsection D, the Department shall (i) issue a decision, as specified in the notice of intent, that (a) suspends or revokes the autonomous operation license for the vehicle or (b) imposes restrictions on the operation of the vehicle and (ii) notify the autonomous operation license holder of such decision.

G. An autonomous operation license holder who is notified pursuant to subsection F shall be considered aggrieved and entitled to an administrative appeal. If an appeal is filed, it shall be scheduled not later than 60 days after the date of the Department's final determination under this section. If a hearing is not scheduled during the period required by this subsection, the autonomous operation license issued under this chapter shall be automatically reinstated or the restriction imposed automatically removed, as applicable.

**§ 46.2-1430. Application and limitations of chapter.**

Nothing in this chapter shall be construed to (i) prohibit a human driver from operating a fully autonomous vehicle that controls all or part of the DDT, (ii) prohibit a fully autonomous vehicle from operating without a human driver except as provided in subsection B of § 46.2-1420, (iii) prohibit a human driver from operating a vehicle with an automated driving system that is not a fully autonomous vehicle with such system engaged or disengaged, or (iv) apply to toy vehicles.

Notwithstanding the provisions of § 15.2-2028, no locality may impose additional requirements on or prohibit the operation of automated driving systems or fully autonomous vehicles.

Transportation network companies and TNC partners operating pursuant to Article 15 (§ 46.2-2099.45 et seq.) of Chapter 20 may operate fully autonomous vehicles or motor vehicles equipped with automated driving systems, provided that such operation complies with the provisions of this chapter.

2. That the Department of Motor Vehicles shall convene a work group to make recommendations regarding the regulation of fully autonomous vehicles and automated driving systems and the requirements created pursuant to the provisions of this act. The members of such work group shall include representatives of the Department of Transportation and Department of State Police and stakeholders representing the insurance industry, trial lawyers associations, disability advocacy groups, localities, and the autonomous vehicle industry. The work group shall submit a report of its findings and recommendations to the Chairs of the House and Senate Committees on Transportation no later than November 1, 2026.

3. That the provisions of this act may result in a net increase in periods of imprisonment or commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for periods of imprisonment in state adult correctional facilities; therefore, Chapter 725 of the Acts of Assembly of 2025 requires the Virginia Criminal Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for periods of

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