

SENATE BILL NO. 670
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Transportation
on _____)
(Patron Prior to Substitute—Senator Salim)

A BILL to amend and reenact §§ 46.2-2000, 46.2-2011.5, and 46.2-2053 of the Code of Virginia and Chapter 498 of the Acts of Assembly of 2025 and 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, and by adding in Article 15 of Chapter 20 of Title 46.2 sections numbered 46.2-2099.54 and 46.2-2099.55, relating to commercial use of fully autonomous vehicles.

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-2000, 46.2-2011.5, and 46.2-2053 of the Code of Virginia are amended and reenacted and 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, and by adding in Article 15 of Chapter 20 of Title 46.2 sections numbered 46.2-2099.54 and 46.2-2099.55 as follows:

CHAPTER 14.2.

COMMERCIAL USE OF FULLY AUTONOMOUS VEHICLES.

§ 46.2-1419. Definitions.

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

"Automated driving system" 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 or its successor standards.

"Human driver" means a natural person in the vehicle with a valid driver's license for the class of vehicle being operated who 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.

"Remote operator" means a natural person who (i) monitors and is capable of controlling an autonomous vehicle and (ii) is not physically located in such vehicle.

"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 April 29, 2021, as revised, or its successor standards.

§ 46.2-1420. Scope.

Unless expressly stated to the contrary, the provisions of this chapter shall only apply to fully autonomous vehicles operated to transport property or passengers in furtherance of a commercial enterprise.

Nothing in this chapter shall be construed to (i) prohibit a human driver from operating a fully autonomous vehicle equipped with controls that allow for the human driver to perform the DDT, (ii) 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, (iii) apply to fully autonomous vehicles operated for personal use, or (iv) apply to toy vehicles.

§ 46.2-1421. Use of fully autonomous vehicles to transport property or passengers permissible.

A. A person may operate on the highways in the Commonwealth a fully autonomous vehicle to transport property or passengers in furtherance of a commercial enterprise without a human driver if such person has been issued an autonomous operation certificate by the Department and the vehicle meets the following conditions:

1. The vehicle meets the requirements of this chapter;

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 achieve a minimal risk condition and, 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, unless an exemption has been granted by the Department;

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;

5. The manufacturer of such vehicle certifies that it has taken reasonable action to protect the automated driving system from cybersecurity threats, including unauthorized access or interference; and

6. If such vehicle is operated by a remote operator at any time, such remote operator shall (i) possess the proper class of license of the vehicle being operated remotely, (ii) be able to communicate with vehicle occupants in real time through a communication link, and (iii) be capable of performing the entire dynamic driving task or achieving a minimal risk condition.

B. No person shall operate a fully autonomous vehicle in the Commonwealth without a human driver unless such person first submits a law-enforcement interaction plan to the Department, the Department of Transportation, and the Department of State Police and such plan is approved by the Department. Such law-enforcement interaction plan shall describe (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, (iv) any additional information the manufacturer or

owner of the vehicle deems necessary regarding hazardous conditions or public safety risks associated with the operation of the fully autonomous vehicle, and (v) that the person shall forward to the Department and the Department of State Police an unredacted copy of any crash report that is required to be sent to the National Highway Traffic Safety Administration related to an incident in the Commonwealth, provided that any proprietary or confidential business information within such crash reports shall be exempt from disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). The Department, the Department of Transportation, and the Department of State Police may issue guidance and regulations related to law-enforcement interaction plans.

C. Any autonomous operation certificate holder who transports passengers using a fully autonomous vehicle shall have and use an accessible user interface such that individuals with disabilities are able to effectively receive information from, submit inputs to, understand information provided from, and communicate using such interface and its user features.

D. The autonomous operation certificate holder for any fully autonomous vehicle for which the declared gross weight of the vehicle and any towed unit is more than 62,000 pounds shall notify the Department at least 14 days prior to the first occurrence of the operation of such vehicle on the highways of the Commonwealth without a human driver.

E. No operator of a fully autonomous vehicle subject to the provisions of this section shall conduct such operation on the property of or into any airport unless such operation is authorized by the airport owner and operator and is in compliance with the rules and regulations of that airport. The Department may take action against an autonomous operation certificate holder that violates any regulation of an airport owner and operator, including the suspension or revocation of such certificate.

§ 46.2-1422. Licensing, titling, and registration.

A. The Department shall issue autonomous operation certificates to persons for the operation of fully autonomous vehicles for the transportation of property or passengers in furtherance of a commercial enterprise in the Commonwealth. The Department shall only issue such autonomous operation certificates to persons operating fully autonomous vehicles that meet the requirements of this chapter.

B. A fully autonomous vehicle shall be properly titled and registered in accordance with the requirements of Chapter 6 (§ 46.2-600 et seq.). No title or registration shall be issued pursuant to this section unless the manufacturer of such vehicle submits to the Department a safety management plan for such fully autonomous vehicle and its automated driving system and the Department approves such safety management plan. If a fully autonomous vehicle is registered in the Commonwealth, the vehicle shall be identified on the

registration as a fully autonomous vehicle.

C. The requirements under this title relating to exhibiting a driver's license and registration card are satisfied if the autonomous operation certificate and vehicle registration card are in the fully autonomous vehicle and available for inspection by a law-enforcement officer.

D. 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. However, if a remote operator is actively controlling the vehicle, the remote operator is considered the driver or operator for the purpose of assessing compliance with applicable traffic or motor vehicle laws. The autonomous operation certificate holder shall be responsible for the safe operation of such fully autonomous vehicle.

§ 46.2-1423. Financial responsibility requirements.

A. A person operating a fully autonomous vehicle 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, and such coverage shall be primary.

B. A person operating 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, and such coverage shall be primary. 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.

§ 46.2-1424. 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

157 operation of fully autonomous vehicles with the automated driving system engaged on an on-demand
158 autonomous vehicle network and (ii) any provision of this title that would not apply to the operation of fully
159 autonomous vehicles with the automated driving system engaged on an on-demand autonomous vehicle
160 network shall not apply to such vehicles. The Department shall issue guidance on the application of
161 requirements for transportation network companies to an on-demand autonomous vehicle network pursuant
162 to this section. On-demand autonomous vehicle networks shall not be considered a common carrier as
163 defined in § 46.2-2000 and shall not be subject to the requirements of Article 6 (§ 46.2-2074 et seq.) or
164 Article 7 (§ 46.2-2096 et seq.) of Chapter 20.

165 **§ 46.2-1425. Operation of commercial motor vehicles.**

166 A fully autonomous vehicle that is also a commercial motor vehicle, as that term is defined in
167 § 46.2-341.4, may be operated with the automated driving system engaged, provided that such operation
168 complies with all requirements of this title related to the operation of commercial motor vehicles, except that
169 any provision that by its nature reasonably applies only to a human driver shall not apply to such a vehicle
170 operating with the automated driving system engaged. Any operation of a fully autonomous vehicle that is
171 also a commercial motor vehicle shall comply with any applicable federal and state requirements for the
172 operation of commercial motor vehicles.

173 **§ 46.2-1426. Vehicle equipment standards.**

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

178 **§ 46.2-1427. Duties following crashes.**

179 In the event of a crash involving a fully autonomous vehicle subject to the provisions of this chapter, the
180 fully autonomous vehicle shall remain at the scene of the crash when required to by state law. The person
181 operating the fully autonomous vehicle, or a person acting on behalf of the person operating the fully
182 autonomous vehicle, shall report any crash as required pursuant to Article 11 (§ 46.2-371 et seq.) of Chapter
183 3. The owner of and person operating the fully autonomous vehicle involved in such a crash, and his in-state
184 operating agent, if any, shall have access to and maintain for at least two years all records related to the
185 operation of such vehicle at the time of the crash, including whether the autonomous driving system or the
186 autonomous functions were in operation at the time of the crash. There is a rebuttable presumption that any
187 information required to be maintained pursuant to this section shall be subject to mandatory disclosure under

the rules of discovery. However, such disclosure requirement shall not be construed to limit the protections of the Uniform Trade Secrets Act (§ 59.1-336 et seq.).

§ 46.2-1428. Penalties and suspension or revocation of autonomous operation certificates; civil penalty.

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 operating under an autonomous operation certificate 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 autonomous operation certificate holder a notice of intent to (i) suspend or revoke the autonomous operation certificate 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 has a substantial risk of causing injury or death. The provisions of this subsection are in addition to, not in place of, the authority of a law-enforcement officer to remove a vehicle from the highway as authorized in § 46.2-1001.

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 certificate 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 certificate holder fails to provide the required certification within the specified period.

D. Before the expiration of the period specified in a notice of intent under subsection B, the autonomous operation certificate 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.

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

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

229 **§ 46.2-1429. Arbitration and other clauses prohibited.**

230 *No manufacturer, vehicle owner, autonomous operation certificate holder, remote operator, on-demand*
231 *autonomous vehicle network, or other person subject to the provisions of this chapter shall enter into,*
232 *enforce, or offer to enter into mandatory dispute arbitration agreements or forum selection clauses with any*
233 *passenger, human driver, or other individual riding in, hailing, or involved in a crash or collision with a fully*
234 *autonomous vehicle subject to the provisions of this chapter operated in the Commonwealth.*

235 **§ 46.2-1430. Local regulation prohibited.**

236 *Notwithstanding the provisions of § 15.2-2028, no locality may impose additional requirements on or*
237 *prohibit the operation of fully autonomous vehicles. Fully autonomous vehicles shall be subject to all local*
238 *ordinances and regulations applicable to a similar motor vehicle operated by a human driver.*

239 **§ 46.2-2000. Definitions.**

240 *Whenever used in this chapter unless expressly stated otherwise:*

241 *"Authorized insurer" means, in the case of an interstate motor carrier whose operations may or may not*
242 *include intrastate activity, an insurer authorized to transact business in any one state, or, in the case of a*
243 *solely intrastate motor carrier, an insurer authorized to transact business in the Commonwealth.*

244 *"Broker" means any person not included in the term "motor carrier" and not a bona fide employee or*
245 *agent of any such carrier, who, as principal or agent, sells or offers for sale any transportation subject to this*
246 *chapter except for transportation pursuant to Article 15 (§ 46.2-2099.45 et seq.), or negotiates for, or holds*
247 *himself out by solicitation, advertisement, or otherwise as one who sells, provides, furnishes, contracts, or*
248 *arranges for such transportation.*

249 *"Carrier by motor launch" means a common carrier, which carrier uses one or more motor launches*

operating on the waters within the Commonwealth to transport passengers.

"Certificate" means a certificate of public convenience and necessity or a certificate of fitness.

"Certificate of fitness" means a certificate issued by the Department to a contract passenger carrier, a sight-seeing carrier, a transportation network company, or a nonemergency medical transportation carrier.

"Certificate of public convenience and necessity" means a certificate issued by the Department of Motor Vehicles to certain common carriers, but nothing contained in this chapter shall be construed to mean that the Department can issue any such certificate authorizing intracity transportation.

"Common carrier" means any person who undertakes, whether directly or by a lease or any other arrangement, to transport passengers for the general public by motor vehicle for compensation over the highways of the Commonwealth, whether over regular or irregular routes, including such motor vehicle operations of carriers by rail or water under this chapter. "Common carrier" does not include nonemergency medical transportation carriers, transportation network companies, or TNC partners as defined in this section.

"Contract passenger carrier" means a motor carrier that transports groups of passengers under a single contract made with one person for an agreed charge for such transportation, regardless of the number of passengers transported, and for which transportation no individual or separate fares are solicited, charged, collected, or received by the carrier. "Contract passenger carrier" does not include a transportation network company or TNC partner as defined in this section.

"Department" means the Department of Motor Vehicles.

"Digital platform" means any online-enabled application, software, website, or system offered or utilized by a transportation network company that enables the prearrangement of rides with TNC partners.

"Employee hauler" means a motor carrier operating for compensation and exclusively transporting only bona fide employees directly to and from the factories, plants, office or other places of like nature where the employees are employed and accustomed to work.

"Excursion train" means any steam-powered train that carries passengers for which the primary purpose of the operation of such train is the passengers' experience and enjoyment of this means of transportation, and does not, in the course of operation, carry (i) freight other than the personal luggage of the passengers or crew or supplies and equipment necessary to serve the needs of the passengers and crew, (ii) passengers who are commuting to work, or (iii) passengers who are traveling to their final destination solely for business or commercial purposes.

279 "Financial responsibility" means the ability to respond in damages for liability thereafter incurred arising
280 out of the ownership, maintenance, use, or operation of a motor vehicle, in the amounts provided for in this
281 chapter.

282 "Highway" means every public highway or place of whatever nature open to the use of the public for
283 purposes of vehicular travel in the Commonwealth, including the streets and alleys in towns and cities.

284 "Identification marker" means a decal or other visible identification issued by the Department to show one
285 or more of the following: (i) that the operator of the vehicle has registered with the Department for the
286 payment of the road tax imposed under Chapter 27 (§ 58.1-2700 et seq.) of Title 58.1; (ii) proof of the
287 possession of a certificate or permit issued pursuant to this chapter; or (iii) proof of compliance with the
288 insurance requirements of this chapter.

289 "Interstate" means transportation of passengers between states.

290 "Intrastate" means transportation of passengers solely within a state.

291 "License" means a license issued by the Department to a broker or a TNC broker.

292 "Minibus" means any motor vehicle having a seating capacity of not less than seven nor more than 31
293 passengers, including the driver, and used in the transportation of passengers.

294 "Motor carrier" means any person who undertakes, whether directly or by lease, to transport passengers
295 for compensation over the highways of the Commonwealth.

296 "Motor launch" means a motor vessel that meets the requirements of the U.S. Coast Guard for the carriage
297 of passengers for compensation, with a capacity of six or more passengers, but not in excess of 50 passengers.

298 "Motor launch" does not include sight-seeing vessels, special or charter party vessels within the provisions of
299 this chapter. A carrier by motor launch shall not be regarded as a steamship company.

300 "Nonemergency medical transportation carrier" means a motor carrier that exclusively provides
301 nonemergency medical transportation and provides such transportation only (i) through the Department of
302 Medical Assistance Services; (ii) through a broker operating under a contract with the Department of Medical
303 Assistance Services; or (iii) as a Medicaid Managed Care Organization or through a contractor of a Medicaid
304 Managed Care Organization contracted with the Department of Medical Assistance Services to provide such
305 transportation.

306 "Nonprofit/tax-exempt passenger carrier" means a bona fide nonprofit corporation organized or existing
307 under Chapter 10 (§ 13.1-801 et seq.) of Title 13.1, or a tax-exempt organization as defined in §§ 501(c)(3)
308 and 501(c)(4) of the Internal Revenue Code, as amended, who undertakes, whether directly or by lease, to

control and operate minibuses exclusively in the transportation, for compensation, of members of such organization if it is a membership corporation, or of elderly, disabled, or economically disadvantaged members of the community if it is not a membership corporation.

"On-demand autonomous vehicle network company" means a person who undertakes transportation of passengers for compensation using an on-demand autonomous vehicle network, as defined in § 46.2-1419.

"Operation" or "operations" includes the operation of all motor vehicles, whether loaded or empty, whether for compensation or not, and whether owned by or leased to the motor carrier who operates them or causes them to be operated.

"Operation of a TNC partner vehicle" means (i) any time a TNC partner is logged into a digital platform and is available to pick up passengers; (ii) any time a passenger is in the TNC partner vehicle; and (iii) any time the TNC partner has accepted a prearranged ride request through the digital platform and is en route to a passenger.

"Operator" means the employer or person actually driving a motor vehicle or combination of vehicles.

"Permit" means a permit issued by the Department to carriers operating as employee haulers or nonprofit/tax-exempt passenger carriers or to operators of taxicabs or other vehicles performing taxicab service under this chapter.

"Person" means any individual, firm, copartnership, corporation, company, association, or joint-stock association, and includes any trustee, receiver, assignee, or personal representative thereof.

"Personal vehicle" means a motor vehicle that is not used to transport passengers for compensation except as a TNC partner vehicle.

"Prearranged ride" means passenger transportation for compensation in a TNC partner vehicle arranged through a digital platform. "Prearranged ride" includes the period of time that begins when a TNC partner accepts a ride requested through a digital platform, continues while the TNC partner transports a passenger in a TNC partner vehicle, and ends when the passenger exits the TNC partner vehicle.

"Restricted common carrier" means any person who undertakes, whether directly or by a lease or other arrangement, to transport passengers for compensation, whereby such transportation service has been restricted. "Restricted common carrier" does not include a transportation network company or TNC partner as defined in this section.

"Route," when used in connection with or with respect to a certificate of public convenience and

338 necessity, means the road or highway, or segment thereof, operated over by the holder of a certificate of
339 public convenience and necessity or proposed to be operated over by an applicant therefor, whether such road
340 or highway is designated by one or more highway numbers.

341 "Services" and "transportation" include the service of, and all transportation by, all vehicles operated by,
342 for, or in the interest of any motor carrier irrespective of ownership or contract, expressed or implied, together
343 with all facilities and property operated or controlled by any such carrier or carriers and used in the
344 transportation of passengers or the performance of any service in connection therewith.

345 "Sight-seeing carrier" means a restricted common carrier authorized to transport passengers under the
346 provisions of this chapter, whereby the primary purpose of the operation is the passengers' experience and
347 enjoyment or the promotion of tourism.

348 "Sight-seeing carrier by boat" means a restricted common carrier, which restricted common carrier uses a
349 boat or boats operating on waters within the Commonwealth to transport passengers, and whereby the
350 primary purpose of the operation is the passengers' experience and enjoyment or the promotion of tourism.
351 Sight-seeing carriers by boat shall not be regarded as steamship companies.

352 "Single state insurance receipt" means any receipt issued pursuant to 49 C.F.R. Part 367 evidencing that
353 the carrier has the required insurance and paid the requisite fees to the Commonwealth and other qualified
354 jurisdictions.

355 "Special or charter party carrier by boat" means a restricted common carrier which transports groups of
356 persons under a single contract made with one person for an agreed charge for such movement regardless of
357 the number of persons transported. Special or charter party carriers by boat shall not be regarded as steamship
358 companies.

359 "Taxicab or other motor vehicle performing a taxicab service" means any motor vehicle having a seating
360 capacity of not more than six passengers, excluding the driver, not operating on a regular route or between
361 fixed terminals used in the transportation of passengers for hire or for compensation, and not a common
362 carrier, restricted common carrier, transportation network company, TNC partner, or nonemergency medical
363 transportation carrier as defined in this chapter.

364 "TNC broker" means any person who (i) is not a transportation network company or TNC partner and (ii)
365 is not a bona fide employee or agent of a transportation network company or TNC partner, and who contracts
366 or enters into an agreement or arrangement, with a transportation network company and who, in accordance

with such contract, agreement or arrangement, arranges any transportation subject to Article 15 (§ 46.2-2099.45 et seq.) or negotiates for or holds himself out by solicitation, advertisement, or otherwise as one who arranges for such transportation but does not control the manner in which such transportation is provided.

"TNC broker insurance" means a motor vehicle liability insurance policy that specifically covers liabilities arising while the TNC partner is en route to a passenger pursuant to arrangements made by a TNC broker.

"TNC insurance" means a motor vehicle liability insurance policy that specifically covers liabilities arising from a TNC partner's operation of a TNC partner vehicle.

"TNC partner" means a person authorized by a transportation network company to use a TNC partner vehicle to provide prearranged rides on an intrastate basis in the Commonwealth.

"TNC partner vehicle" means a personal vehicle authorized by a transportation network company and used by a TNC partner to provide prearranged rides on an intrastate basis in the Commonwealth.

"Trade dress" means a logo, insignia, or emblem attached to or visible from the exterior of a TNC partner vehicle that identifies a transportation network company or digital platform with which the TNC partner vehicle is affiliated.

"Transportation network company" means a person who provides prearranged rides using a digital platform that connects passengers with TNC partners.

§ 46.2-2011.5. Filing and application fees.

A. Unless otherwise provided, every applicant, other than a transportation network company or an on-demand autonomous vehicle network company, for an original license, permit, or certificate issued under this chapter and transfer of a license or certificate under the provisions of this chapter shall, upon the filing of an application, deposit with the Department, as a filing fee, a sum in the amount of \$50.

B. An applicant for a certificate under § 46.2-2099.45 shall elect and remit to the Department one of the following fees:

1. An annual fee of \$100,000 to accompany an application for an original certificate or a fee of \$60,000 to accompany an application for renewal thereof; or

2. A fee of \$20 per report to accompany payment for each driving history research report the applicant obtains from the Department pursuant to subdivision B 2 of § 46.2-2099.49, which fee shall be in addition to any other fees that are authorized for such reports.

397 A transportation network company may change its election under this subsection when applying for
398 renewal of its certificate.

399 If the Department does not approve an application for an original certificate, the Department shall refund
400 to the applicant \$90,000 of the application fee paid under subdivision 1.

401 C. The Department shall collect a fee of \$3 for the issuance of a duplicate license, permit, or certificate
402 issued under this chapter.

403 **§ 46.2-2053. Surety bonds, insurance, letter of credit, or securities required prior to issuance of**
404 **registration; amounts.**

405 A. No certificate, permit, identification marker, registration card, or license plate shall be issued by the
406 Department to any vehicle operated by a motor carrier until the motor carrier certifies to the Department that
407 the vehicle is covered by:

408 1. An insurance policy or bond;

409 2. A certificate of insurance in lieu of the insurance policy or bond, certifying that such policy or bond
410 covers the liability of such motor carrier in accordance with the provisions of this article, is issued by an
411 authorized insurer, or in the case of bonds, is in an amount approved by the Department. The bonds may be
412 issued by the Commonwealth of Virginia, the United States of America, or any municipality in the
413 Commonwealth. Such bonds shall be deposited with the State Treasurer and the surety shall not be reduced
414 except in accordance with an order of the Department;

415 3. An unconditional letter of credit, issued by a bank doing business in Virginia, for an amount approved
416 by the Department. The letter of credit shall be in effect so long as the motor carrier operates motor vehicles
417 in the Commonwealth; or

418 4. In the case of a lessor who acts as a registrant for purposes of consolidating lessees' vehicle registration
419 applications, a statement that the registrant has, before leasing a vehicle, obtained from the lessee an
420 insurance policy, bond, or certificate of insurance in lieu of the insurance policy or bond and can make
421 available said proof of insurance coverage upon demand.

422 Vehicles operated by carriers who have filed proof of financial responsibility in accordance with the
423 single state registration system authorized by 49 U.S.C. § 14504 or the Unified Carrier Registration System
424 authorized by 49 U.S.C. § 14504a are deemed to have fulfilled the requirements of this article for insurance
425 purposes, provided there is on board the vehicle a copy of an insurance receipt issued pursuant to the federal

regulations promulgated pursuant to 49 U.S.C. § 14504 or 14504a. The Department is further authorized to issue single state registration system or unified carrier registration system receipts to any qualified carrier as well as to collect and disperse the fees for and to qualified jurisdictions.

B. All motor carriers shall keep in force at all times insurance, a bond or bonds, in an amount required by this section. Except for taxicabs *and on-demand autonomous vehicle network companies*, the minimum financial responsibility requirements for motor carriers operating intrastate shall be based on the number of passengers a vehicle is designed or manufactured to transport, including the driver, and shall be as follows: one to six passengers -- \$350,000; seven to 15 passengers -- \$1,500,000; 16 or more passengers -- \$5,000,000. All motor carriers operating exclusively taxicabs or other motor vehicles performing a taxicab service shall maintain liability insurance of at least \$125,000. *All on-demand autonomous vehicle network companies shall maintain liability insurance of at least \$1 million and shall provide uninsured motorist coverage and underinsured motorist coverage as required by § 38.2-2206.*

C. The minimum insurance for motor carriers operating in interstate commerce shall equal the minimum required by federal law, rule, or regulation. Any motor carrier that meets the minimum federal financial responsibility requirements and also operates in intrastate commerce may submit, in lieu of a separate filing for its intrastate operation, proof of the minimum federal limits, provided that both interstate and intrastate operations are insured.

§ 46.2-2099.54. *On-demand autonomous vehicle network companies.*

A. *Unless otherwise provided in this chapter, an on-demand autonomous vehicle network company shall be subject to the same requirements that apply to transportation network companies, except that 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.*

B. *An on-demand autonomous vehicle network company shall submit, with its application for an autonomous operation certificate from the Department, a map of the proposed geofence, accompanied by a description of the operational design domain, both of which must have been approved by the Department of Transportation and by each locality maintaining its own roads that lies within the proposed geofence. The geofence and operational design domain shall be valid for the term of the autonomous operation certificate and shall be renewed annually with the certificate. An on-demand autonomous vehicle network company shall not operate outside of the geographical boundaries of the approved geofence or the conditions specified in the operational design domain. The on-demand autonomous vehicle network company shall also submit (i) safety performance data from previous deployments over the past three years, including crashes, near misses,*

457 minimum risk condition activations, miles driven while automated driving systems are activated, and
458 disengagements; (ii) a risk assessment of the proposed geofence area; (iii) evidence of mapping, simulations,
459 and closed-course testing demonstrating that the company's autonomous vehicles will operate safely within
460 the proposed geofence area and in compliance with all applicable traffic laws, operational requirements, and
461 Department-approved operational conditions; and (iv) EMS coordination plans.

462 C. An on-demand autonomous vehicle network company may amend the geographical boundary of any
463 geofence or any condition of the operational design domain by submitting an application to the Department
464 that shall include the items required pursuant to subsection B. The company shall also include safety
465 performance data from the existing geofence, including crashes, near misses, minimum risk condition
466 activations, miles driven while automated driving systems are activated, and disengagements. Any
467 amendment approved by the Department shall remain in effect for the term of the autonomous operation
468 certificate and shall be renewed annually with the certificate.

469 D. The requirements of this title relating to exhibiting a driver's license and registration card are satisfied
470 if the vehicle registration card is in the fully autonomous vehicle and available for inspection by a law-
471 enforcement officer.

472 The automated driving system and the human driver, as applicable, shall comply with the crash report
473 requirements of Article 11 (§ 46.2-371 et seq.) of Chapter 3.

474 E. The following shall be considered the driver or operator for the purpose of assessing compliance with
475 applicable traffic or motor vehicle laws and determining liability: (i) the human driver, if one is present in
476 the vehicle at the time an incident occurs; or (ii) the on-demand autonomous vehicle company, in all other
477 cases.

478 F. An on-demand autonomous vehicle network company may grant preference in hiring and promotion to
479 a former TNC partner. Granting preference under this subsection does not violate any local or state equal
480 employment opportunity law.

481 **§ 46.2-2099.55. Reporting requirements for on-demand autonomous vehicle companies.**

482 A. An on-demand autonomous vehicle company shall submit a quarterly report to the Department that
483 includes, both for operations in the Commonwealth and for operations throughout the United States, data
484 about (i) total miles by functional class driven by vehicles in its fleet while an automated driving system, as
485 defined in § 46.2-1419, was in use; (ii) all accidents or crashes, sorted by level of severity, where the
486 automated driving system was engaged at any time during the period from 30 seconds immediately prior to
487 the commencement of the crash through the conclusion of the crash; (iii) near-miss events where the

automated driving system was engaged at any time during the period from 30 seconds immediately prior to the commencement of the crash through the conclusion of the crash; (iv) minimal risk condition activations; (v) disengagements; (vi) events involving the remote operation center providing guidance or performing any part of the dynamic driving task; and (vii) software updates materially affecting operational design domains. The Department shall establish a template for reporting such data. All data reported pursuant to this section shall be sufficiently disaggregated so as to support analysis of relationships between road characteristics, weather, and time of accidents, near-miss events, minimal risk condition activations, and disengagements, as well as compliance with operational design domain, as defined in § 46.2-1419.

B. An on-demand autonomous vehicle company shall submit an annual report to the Department that includes (i) the compliance of the vehicles of such company 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, (iv) the company's current operational design domains and geofences, (v) any infrastructure information acquired by the company including high-definition maps that would help the Department of Transportation improve safety and operations, and (vi) the status of any hiring and promotion preferences authorized pursuant to subsection F of § 46.2-2099.54 and the results of any such preferences.

C. The Department shall publish the reports it receives pursuant to subsection B on its public website.

2. That Chapter 498 of the Acts of Assembly of 2025 is amended and reenacted as follows:

§ 1. That the Secretary of Transportation, in consultation with the Secretary of Public Safety and Homeland Security, shall convene a work group to identify operational, technical, and legal issues presented by the operation of autonomous driving systems in the Commonwealth ~~for the purpose of developing draft legislation addressing governance of such systems in the Commonwealth and develop technical guidance, evaluate best practices, and review proposed regulations related to the safe implementation of such systems.~~ The work group shall consist of representatives from the Department of Transportation, the Department of State Police, ~~and~~ the Department of Motor Vehicles, the autonomous vehicle industry, labor interest groups, interested localities, the insurance industry, the disability community, and the Virginia Trial Lawyers Association; five members of the House of Delegates, selected by the Chair of the House Committee on Transportation; three members of the Senate, selected by the Chair of the Senate Committee on Transportation; and any other stakeholders deemed necessary by the Secretary of Transportation. In identifying the issues presented by the operation of autonomous driving systems in the Commonwealth, the work group shall ~~examine and take into consideration developments in the regulation of autonomous driving systems at the federal level and in other states, as well as recommendations by the American Association of~~

519 ~~Motor Vehicle Administrators and the American Association of State Highway and Transportation Officials~~
520 ~~relating to such systems~~ (i) engage in continued research and evaluation of connected and automated systems
521 technology necessary to ensure safe testing, deployment, and continued innovation of autonomous driving
522 systems in the Commonwealth; (ii) evaluate accidents, based on summaries prepared by the Department of
523 Motor Vehicles, where an autonomous driving system is determined to be at fault; (iii) evaluate workforce
524 impacts, based on summaries prepared by the Department of Motor Vehicles in consultation with the
525 Department of Labor and Industry; and (iv) consider potential uses of tax revenues generated by on-demand
526 autonomous vehicle network companies, including as dedicated funding to the Transportation Trust Fund
527 established pursuant to § 33.2-1524.1 of the Code of Virginia. The Department of Transportation,
528 Department of State Police, and Department of Motor Vehicles shall provide necessary staff support and
529 resources to facilitate the work group's activities. The work group shall ~~complete its meetings no later than~~
530 ~~September 1, 2026,~~ meet quarterly and shall issue a report of its findings relating to the identified operational,
531 technical, and legal issues to the General Assembly ~~no later than November 1, 2026~~ annually by September 1.
532 Such ~~report~~ reports shall include an executive summary and any draft legislation recommended by the work
533 group. Such ~~report~~ reports shall be submitted for publication as a House or Senate document as provided in
534 the procedures of the Division of Legislative Automated Systems for the processing of legislative documents
535 and reports and shall be posted on the General Assembly's website.

536 **3. That the Department of Motor Vehicles shall promulgate regulations consistent with the provisions**
537 **of this act.**

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