

1 AN ACT relating to autonomous vehicles.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in Sections 1 to 8 of this Act:*

6 *(1) "Automated driving system" means hardware and software that are collectively*
7 *capable of performing the entire dynamic driving task on a sustained basis,*
8 *regardless of whether it is limited to a specific operational design domain;*

9 *(2) "Dynamic driving task" or "DDT":*

10 *(a) Means all of the real-time operational and tactical functions required to*
11 *operate a vehicle in on-road traffic, including without limitation:*

12 *1. Lateral vehicle motion control via steering;*

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

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

16 *4. Object and event response execution;*

17 *5. Maneuver planning; and*

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

19 *(b) Does not include strategic functions such as trip scheduling and the*
20 *selection of destinations and waypoints;*

21 *(3) "DDT fallback" means:*

22 *(a) The response by the person or human driver to either perform the DDT or*
23 *achieve a minimal risk condition after occurrence of a DDT performance*
24 *relevant system failure, or upon operational design domain exit; or*

25 *(b) The response by an automated driving system to achieve minimal risk*
26 *condition, given the same circumstances identified in paragraph (a) of this*
27 *subsection;*

- 1 (4) "Fully autonomous vehicle" means a motor vehicle equipped with an automated
 2 driving system designed to function without a human driver as a level 4 or 5
 3 system under SAE J3016;
- 4 (5) "Human driver" means a natural person in the vehicle with a valid license to
 5 operate a motor vehicle who controls all or part of the dynamic driving task;
- 6 (6) "Minimal risk condition" means a condition to which a person, human driver, or
 7 an automated driving system may bring a vehicle after performing the DDT
 8 fallback in order to reduce the risk of a crash when a given trip cannot or should
 9 not be completed;
- 10 (7) "Operational design domain" or "ODD" means the operating conditions under
 11 which a given automated driving system is specifically designed to function,
 12 including but not limited to:
- 13 (a) Environmental, geographical, and time-of-day restrictions; and
 14 (b) The requisite presence or absence of certain traffic and roadway
 15 characteristics;
- 16 (8) "Public agency" has the same meaning as in KRS 61.870;
- 17 (9) "Request to intervene" means a notification by an automated driving system to a
 18 human driver that the human driver should promptly begin or resume
 19 performance of part or all of the dynamic driving task; and
- 20 (10) "SAE J3016" means the "Taxonomy and Definitions for Terms Related to
 21 Driving Automation Systems for On-Road Motor Vehicles" published by SAE
 22 International on June 15, 2018.

23 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 24 READ AS FOLLOWS:

- 25 (1) A person may operate a fully autonomous vehicle on the highways of this state
 26 using an automated driving system if the following conditions are met:
- 27 (a) If a failure of the automated driving system occurs that renders that system

- 1 unable to perform the entire dynamic driving task relevant to its intended
 2 operational design domain, the fully autonomous vehicle will achieve a
 3 minimal risk condition;
- 4 **(b) The fully autonomous vehicle is capable of operating in compliance with**
 5 the applicable traffic and motor vehicle safety laws and regulations of this
 6 state when reasonable to do so, unless an exemption has been granted by
 7 the Transportation Cabinet;
- 8 **(c) The fully autonomous vehicle shall have a human driver with the**
 9 appropriate credentials to operate the size and type of vehicle present in the
 10 autonomous vehicle to monitor the performance of the vehicle and
 11 intervene if necessary; and
- 12 **(d) When required by federal law, the vehicle bears the required**
 13 manufacturer's certification label indicating that at the time of its
 14 manufacture it has been certified to be in compliance with all applicable
 15 federal motor vehicle safety standards, including any exemptions granted by
 16 the National Highway Traffic Safety Administration.
- 17 **(2) Prior to operating a fully autonomous vehicle on the highways of this state using**
 18 an automated driving system, a person shall submit a law enforcement
 19 interaction plan to the Transportation Cabinet and the Department of Kentucky
 20 State Police that describes:
- 21 **(a) How to communicate with a fleet support specialist who is available during**
 22 the times the vehicle is in operation;
- 23 **(b) How to safely remove the fully autonomous vehicle from the roadway and**
 24 steps to safely tow the vehicle;
- 25 **(c) How to recognize whether the automated driving system is engaged on the**
 26 fully autonomous vehicle; and
- 27 **(d) Any additional information the manufacturer or owner deems necessary**

1 regarding hazardous conditions or public safety risks associated with the
 2 operation of the fully autonomous vehicle.

3 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 4 READ AS FOLLOWS:

5 (1) Before operating a fully autonomous vehicle that does not meet the definition of a
 6 motor carrier under Section 12 of this Act on a highway in this state using an
 7 automated driving system, a person shall submit proof of financial responsibility
 8 satisfactory to the Transportation Cabinet that the fully autonomous vehicle has
 9 single limits liability coverage, by contract of insurance or by qualifying as a self-
 10 insurer, of not less than one million dollars (\$1,000,000) that satisfies the
 11 requirements of KRS 304.39-080.

12 (2) Before operating a fully autonomous vehicle that meets the definition of a motor
 13 carrier under Section 12 of this Act on a highway in this state using an
 14 automated driving system, a person shall submit proof of financial responsibility
 15 satisfactory to the Transportation Cabinet that the fully autonomous vehicle is
 16 covered by insurance or proof of self-insurance that satisfies the requirements of
 17 Section 14 of this Act.

18 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 19 READ AS FOLLOWS:

20 A fully autonomous vehicle shall be properly titled and registered in accordance with
 21 KRS Chapters 186 and 186A. If a fully autonomous vehicle is titled and registered in
 22 this state, the vehicle shall be identified on the title and registration as a fully
 23 autonomous vehicle.

24 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 25 READ AS FOLLOWS:

26 (1) A human driver shall operate a motor vehicle equipped with an automated
 27 driving system capable of performing the entire dynamic driving task if the:

1 (a) Automated driving system issues a request to intervene whenever the
 2 automated driving system is not capable of performing the entire dynamic
 3 driving task with the expectation that the person will respond appropriately
 4 to such a request; and

5 (b) Vehicle is capable of being operated in compliance with KRS 189.285 to
 6 189.450, unless an exemption has been granted by the Transportation
 7 Cabinet.

8 (2) Nothing in this chapter or KRS Chapter 189 prohibits or restricts a human driver
 9 from operating a fully autonomous vehicle equipped with controls that allow for
 10 the human driver to control all or part of the dynamic driving task.

11 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 12 READ AS FOLLOWS:

13 A fully autonomous vehicle that meets the definition of a motor carrier under Section
 14 12 of this Act shall also be subject to KRS Chapter 281.

15 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 16 READ AS FOLLOWS:

17 (1) Unless otherwise provided in this chapter, KRS Chapter 189, and KRS Chapter
 18 281, fully autonomous vehicles and automated driving systems are governed
 19 exclusively by the provisions of Sections 1 to 8 of this Act. The Transportation
 20 Cabinet is the sole and exclusive state agency that may implement Sections 1 to 8
 21 of this Act.

22 (2) No state agency shall prohibit the operation of fully autonomous vehicles or
 23 automated driving systems, or otherwise enact or keep in force rules or
 24 ordinances that would impose taxes, fees, or other requirements, including
 25 performance standards, that are specific to the operation of fully autonomous
 26 vehicles or automated driving systems.

27 (3) The Transportation Cabinet may promulgate administrative regulations in

1 accordance with KRS Chapter 13A to implement procedural provision of Sections
 2 1 to 8 of this Act, but shall not impose additional requirements on the operation
 3 of fully autonomous vehicles or automated driving systems that are inconsistent
 4 with Sections 1 to 8 of this Act.

5 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO
 6 READ AS FOLLOWS:

7 (1) The provisions of Sections 1 to 8 of this Act are intended to be a comprehensive
 8 scheme of legislation governing the operational and performance standards of
 9 fully autonomous vehicles and automated driving systems. No public agency
 10 shall prohibit the operation of fully autonomous vehicles or automated driving
 11 systems or impose any rule, regulation, or ordinance in conflict with Section 1 to
 12 8 of this Act or that otherwise differentiates the treatment of fully autonomous
 13 vehicles and automated driving systems from non-autonomous vehicles.

14 (2) Nothing in subsection (1) of this section shall be interpreted or construed to
 15 prohibit a city, county, charter county government, consolidated local
 16 government, or urban-county government from exercising the powers and
 17 authorities provided by law to govern the public streets and roadways within their
 18 respective jurisdictions, provided that any action does not impose additional
 19 requirements in conflict with Sections 1 to 8 of this Act or otherwise differentiate
 20 the treatment of fully autonomous vehicles and automated driving systems from
 21 nonautonomous vehicles.

22 ➔Section 9. KRS 186.410 is amended to read as follows:

23 (1) Except as provided in subsection (6) of this section, every person ~~not~~^[except those]
 24 exempted by KRS 186.420 and 186.430 shall, before operating a motor vehicle,
 25 motorcycle, or moped upon a highway, secure an operator's license as provided in
 26 this chapter.

27 (2) Except as provided in KRS 186.4121, all original, renewal, and duplicate personal

1 identification cards and licenses for the operation of motor vehicles, motorcycles, or
 2 mopeds shall be applied for with the Transportation Cabinet, or through alternative
 3 technology, and issued by the Transportation Cabinet. Subject to the provisions of
 4 KRS 186.4101, applications for renewal licenses and personal identification cards
 5 shall be made every eight (8) years within the birth month of the applicant. A
 6 license shall not be issued until the application has been certified by the cabinet and
 7 the applicant has, if required under KRS 186.635, successfully completed the
 8 examinations required under KRS 186.480.

9 (3) All personal identification cards shall be issued under the provisions of KRS
 10 186.4102, 186.4122, and 186.4123.

11 (4) A person under the age of eighteen (18) years who applies for an instruction permit
 12 shall, at any time between the age of sixteen (16) and before the person's eighteenth
 13 birthday, enroll in one (1) of the following driver training programs:

14 (a) A driver's education course administered by a school district;

15 (b) A driver training school licensed pursuant to KRS Chapter 332 which offers a
 16 course meeting or exceeding the minimum standards established by the
 17 Transportation Cabinet; or

18 (c) State traffic school. The person may seek to enroll in state traffic school
 19 before the person's eighteenth birthday. Persons enrolling in state traffic
 20 school pursuant to this paragraph shall not be required to pay a fee.

21 (5) Any applicant for any initial or renewal instruction permit, operator's license, or
 22 personal identification card under KRS 186.400 to 186.640 may apply for either:

23 (a) A voluntary travel ID document; or

24 (b) A standard document that does not meet standards for federal identification
 25 purposes.

26 **(6) When an automated driving system as defined in Section 1 of this Act is installed**
 27 **on a motor vehicle and is engaged, and the motor vehicle is operating as a fully**

1 autonomous vehicle as defined in Section 1 of this Act, the:

2 (a) Owner of the motor vehicle is considered the operator of the fully
 3 autonomous vehicle and shall comply with applicable traffic or motor
 4 vehicle laws, regardless of whether the owner is physically present in the
 5 vehicle while the vehicle is operating; and

6 (b) Automated driving system is considered to be licensed to operate the vehicle.

7 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 189 IS CREATED TO
 8 READ AS FOLLOWS:

9 (1) As used in this section, "fully autonomous vehicle" and "automated driving
 10 system" shall have the same meaning as in Section 1 of this Act.

11 (2) A fully autonomous vehicle, when operated by an automated driving system, shall
 12 not be subject to any of the provisions of KRS 189.020 to 189.205 that:

13 (a) Relate to or support motor vehicle operation by a human driver seated in the
 14 vehicle; and

15 (b) Are not relevant to an automated driving system.

16 ➔Section 11. KRS 189.635 is amended to read as follows:

17 (1) The Justice and Public Safety Cabinet, Department of Kentucky State Police, shall
 18 be responsible for maintaining a reporting system for all vehicle accidents which
 19 occur within the Commonwealth. Such accident reports shall be utilized for such
 20 purposes as will improve the traffic safety program in the Commonwealth involving
 21 the collection, processing, storing, and dissemination of such data and the
 22 establishment of procedures by administrative regulations to ensure that uniform
 23 definitions, classifications, and other federal requirements are in compliance.

24 (2) (a) Any person operating a vehicle on the highways of this state who is involved
 25 in an accident resulting in fatal or nonfatal personal injury to any person or
 26 damage to the vehicle rendering the vehicle inoperable shall be required to
 27 immediately notify a law enforcement officer having jurisdiction.

1 **(b)** In the event the operator fails to notify or is incapable of notifying a law
 2 enforcement officer having jurisdiction, ~~the~~^[such] responsibility **to make the**
 3 **notification under this subsection** shall rest with the owner of the vehicle or
 4 any occupant of the vehicle at the time of the accident.

5 **(c)** **If the accident involves a fully autonomous vehicle, as defined in Section 1**
 6 **of this Act, the responsibility to make the notification under this subsection**
 7 **shall rest with the owner of the fully autonomous vehicle or a person on**
 8 **behalf of the vehicle owner.**

9 **(d)** A law enforcement officer having jurisdiction shall investigate the accident
 10 and file a written report of the accident with his or her law enforcement
 11 agency.

12 (3) Every law enforcement agency whose officers investigate a vehicle accident of
 13 which a report must be made as required in this chapter shall file a report of the
 14 accident with the Department of Kentucky State Police within ten (10) days after
 15 investigation of the accident upon forms supplied by the department.

16 (4) **(a)** Any person operating a vehicle on the highways of this state who is involved
 17 in an accident resulting in any property damage exceeding five hundred
 18 dollars (\$500) in which an investigation is not conducted by a law
 19 enforcement officer shall file a written report of the accident with the
 20 Department of Kentucky State Police within ten (10) days of occurrence of
 21 the accident upon forms provided by the department.

22 **(b)** **If the accident involves a fully autonomous vehicle, as defined in Section 1**
 23 **of this Act, the responsibility to file the report under this subsection shall**
 24 **rest with the owner of the fully autonomous vehicle or a person on behalf of**
 25 **the vehicle owner.**

26 (5) (a) All accident reports filed with the Department of Kentucky State Police in
 27 compliance with subsection (4) of this section shall not be considered open

1 records under KRS 61.870 to 61.884 and shall remain confidential, except that
2 the department may:

- 3 1. Disclose the identity of a person involved in an accident when his or her
4 identity is not otherwise known or when he or she denies his or her
5 presence at an accident; and
- 6 2. Make the reports available:
 - 7 a. To the persons named in paragraph (c) of this subsection; and
 - 8 b. In accordance with subsection (8) of this section.

9 (b) All other accident reports required by this section, and the information
10 contained in the reports, shall be confidential and exempt from public
11 disclosure under KRS 61.870 to 61.884, except when:

- 12 1. Produced pursuant to a properly executed subpoena or court order; or
- 13 2. Disclosed as provided in this section.

14 (c) Accident reports shall be made available to:

- 15 1. The parties to the accident;
- 16 2. The parents or guardians of a minor who is party to the accident;
- 17 3. Insurers or their written designee for insurance business purposes of any
18 party who is the subject of the report;
- 19 4. The attorneys of the parties to the accident;
- 20 5. Any party to litigation who files with the department a request for the
21 report and includes a copy of the first page of a District or Circuit Court
22 clerk-stamped complaint naming all parties; and
- 23 6. The Department of Workplace Standards in the Education and Labor
24 Cabinet if the accident report is pertinent to an occupational safety and
25 health investigation.

26 (6) (a) Except as provided for in paragraph (b) of this subsection, the department
27 shall not release accident reports for a commercial purpose.

- 1 (b) Notwithstanding any other provision of this section, the department may, as a
2 matter of public safety, contract with an outside entity and release unredacted
3 vehicle damage data extracted from accident reports to the entity if the data is
4 used solely for the purpose of providing the public a means of determining a
5 vehicle's accident history. The department may further contract with a third
6 party to provide electronic access to reports for persons and entities who are
7 entitled to the reports under subsection (5) of this section.
- 8 (7) The department shall promulgate administrative regulations in accordance with
9 KRS Chapter 13A to set out a fee schedule for accident reports made available
10 pursuant to subsections (5) and (8) of this section. These fees shall be in addition to
11 those charged to the public for records produced under KRS Chapter 61.
- 12 (8) (a) The report shall be made available to a news-gathering organization, solely
13 for the purpose of publishing or broadcasting the news. The news-gathering
14 organization shall not use or distribute the report, or knowingly allow its use
15 or distribution, for a commercial purpose other than the news-gathering
16 organization's publication or broadcasting of the information in the report.
- 17 (b) For the purposes of this subsection:
- 18 1. "News-gathering organization" includes:
- 19 a. A newspaper or periodical if it:
- 20 i. Is published at least fifty (50) of fifty-two (52) weeks during
21 a calendar year;
- 22 ii. Contains at least twenty-five percent (25%) news content in
23 each issue or no more than seventy-five percent (75%)
24 advertising content in any issue in the calendar year; and
- 25 iii. Contains news of general interest to its readers that can
26 include news stories, editorials, sports, weddings, births, and
27 death notices;

- 1 b. A television or radio station with a valid broadcast license issued
2 by the Federal Communications Commission;
- 3 c. A news organization that broadcasts over a multichannel video
4 programming service as defined in KRS 136.602;
- 5 d. A website~~[Web site]~~ published by or affiliated with any entity
6 described in subdivision a., b., or c. of this subparagraph;
- 7 e. An online-only newspaper or magazine that publishes news or
8 opinion of interest to a general audience and is not affiliated with
9 any entity described in subparagraph 2. of this paragraph; and
- 10 f. Any other entity that publishes news content by any means to the
11 general public or to members of a particular profession or
12 occupational group; and
- 13 2. "News-gathering organization" does not include any product or
14 publication with the primary purpose of distributing advertising or of
15 publishing names and other personal identifying information concerning
16 parties to motor vehicle accidents which may be used to solicit for
17 services covered under Subtitle 39 of KRS Chapter 304.
- 18 (c) A news-gathering organization shall not be held to have used or knowingly
19 allowed the use of the report for a commercial purpose merely because of its
20 publication or broadcast.
- 21 (d) A request under this subsection shall be completed using a form promulgated
22 by the department through administrative regulations in accordance with KRS
23 Chapter 13A. The form under this paragraph shall include:
- 24 1. The name and address of the requestor and the news-gathering
25 organization the requestor represents;
- 26 2. A statement that the requestor is a news-gathering organization under
27 this subsection and identifying the specific subdivision of paragraph

- 1 (b)1. of this subsection under which the requester qualifies;
- 2 3. A statement that the request is in compliance with the criteria contained
- 3 in this section; and
- 4 4. A declaration of the requestor as to the accuracy and truthfulness of the
- 5 information provided in the request.
- 6 (e) 1. The department shall redact all personal information from a report prior
- 7 to making it available to a news-gathering organization as defined under
- 8 paragraph (b)1.f. of this subsection.
- 9 2. Reports may be provided to news-gathering organizations as defined
- 10 under paragraph (b)1.a. to e. of this subsection without redaction.
- 11 3. For the purposes of this paragraph, "personal information" means:
- 12 a. The address, driver's license number, phone number, date of birth,
- 13 and any other contact information contained in the report for each
- 14 person listed on the report; and
- 15 b. The vehicle identification numbers (VINs) for each vehicle listed
- 16 on the report.
- 17 (9) The motor vehicle insurers of any train engineer or other train crew member
- 18 involved in an accident on a railroad while functioning in their professional
- 19 capacity shall be prohibited from obtaining a copy of any accident report filed on
- 20 the accident under this section without written consent from the individual the
- 21 company insures. Insurance companies issuing motor vehicle policies in the
- 22 Commonwealth shall be prohibited from raising a policyholder's rates solely
- 23 because the policyholder, in his or her professional capacity, is a train engineer or
- 24 other train crew member involved in an accident on a railroad.
- 25 (10) For reporting and statistical purposes, motor scooters and autocycles as defined in
- 26 KRS 186.010 shall be listed as a distinct category and shall not be considered to be
- 27 a motor vehicle or a motorcycle for reports issued under this section.

1 ➔ Section 12. KRS 281.010 is amended to read as follows:

2 As used in this chapter:

- 3 (1) "Automobile club" means a person that, for consideration, promises to assist its
4 members or subscribers in matters relating to the assumption of or reimbursement
5 of the expense or a portion thereof for towing of a motor vehicle; emergency road
6 service; matters relating to the operation, use, and maintenance of a motor vehicle;
7 and the supplying of services which includes, augments, or is incidental to theft or
8 reward services, discount services, arrest bond services, lock and key services, trip
9 interruption services, and legal fee reimbursement services in defense of traffic-
10 related offenses;
- 11 (2) "Automobile utility trailer" means any trailer or semitrailer designed for use with
12 and towed behind a passenger motor vehicle;
- 13 (3) "Automobile utility trailer certificate" means a certificate authorizing a person to
14 engage in the business of automobile utility trailer lessor;
- 15 (4) "Automobile utility trailer lessor" means any person operating under an automobile
16 utility trailer certificate who is engaged in the business of leasing or renting
17 automobile utility trailers, but shall not include the agents of such persons;
- 18 (5) "Broker" means a person selected by the cabinet through a request for proposal
19 process to coordinate human service transportation delivery within a specific
20 delivery area. A broker may also provide transportation services within the specific
21 delivery area for which the broker is under contract with the cabinet;
- 22 (6) "Bus" means a motor vehicle operating under a bus certificate transporting
23 passengers for hire between points over regular routes;
- 24 (7) "Bus certificate" means a certificate granting authority for the operation of one (1)
25 or more buses;
- 26 (8) "Cabinet" means the Kentucky Transportation Cabinet;
- 27 (9) "Certificate" means a certificate of compliance issued under this chapter to motor

- 1 carriers;
- 2 (10) "Charter bus" means a motor vehicle operating under a charter bus certificate
3 providing for-hire intrastate transportation of a group of persons who, pursuant to a
4 common purpose under a single contract at a fixed charge for the motor vehicle,
5 have acquired the exclusive use of the motor vehicle to travel together under an
6 itinerary either specified in advance or modified after having left the place of
7 origin;
- 8 (11) "Charter bus certificate" means a certificate granting authority for the operation of
9 one (1) or more charter buses;
- 10 (12) "Commissioner" means the commissioner of the Department of Vehicle Regulation;
- 11 (13) "CTAC" means the Coordinated Transportation Advisory Committee created in
12 KRS 281.870;
- 13 (14) "Department" means the Department of Vehicle Regulation;
- 14 (15) "Delivery area" means one (1) or more regions established by the cabinet in
15 administrative regulations promulgated under KRS Chapter 13A for the purpose of
16 providing human service transportation delivery in that region;
- 17 (16) "Disabled persons vehicle carrier" means a motor carrier for hire, transporting
18 passengers including the general public who require transportation in disabled
19 persons vehicles;
- 20 (17) "Disabled persons vehicle" means a motor vehicle operating under a disabled
21 persons vehicle certificate especially equipped for the transportation of passengers
22 with disabilities in accordance with 49 C.F.R. pt. 38, and is designed or constructed
23 with not more than fifteen (15) regular seats. It shall not mean an ambulance as
24 defined in KRS 311A.010. It shall not mean a motor vehicle equipped with a
25 stretcher;
- 26 (18) "Disabled persons vehicle certificate" means a certificate granting authority for the
27 operation of one (1) or more disabled persons vehicles transporting passengers for

1 hire;

2 (19) "Driveaway" means the transporting and delivering of motor vehicles, except
 3 semitrailers and trailers, whether destined to be used in either a private or for-hire
 4 capacity, under their own power or by means of a full mount method, saddle mount
 5 method, the tow bar method, or any combination of them over the highways of this
 6 state from any point of origin to any point of destination for hire. "Driveaway" does
 7 not include the transportation of such vehicles by the full mount method on trailers
 8 or semitrailers;

9 (20) "Driveaway certificate" means a certificate granting authority for the operation of
 10 one (1) or more motor carrier vehicles operating as a driveaway;

11 (21) "Driver" means the person physically operating the motor vehicle;

12 (22) "Flatbed/rollback service" means a form of towing service which involves moving
 13 vehicles by loading them onto a flatbed platform;

14 (23) **"Fully autonomous vehicle" has the same meaning as in Section 1 of this Act;**

15 **(24)** "Highway" means all public roads, highways, streets, and ways in this state,
 16 whether within a municipality or outside of a municipality;

17 ~~(25)~~~~(24)~~ "Household goods" has the same meaning as in 49 C.F.R. sec. 375.103;

18 ~~(26)~~~~(25)~~ "Household goods carrier" has the same meaning as "household goods motor
 19 carrier" in 49 C.F.R. sec. 375.103;

20 ~~(27)~~~~(26)~~ "Household goods certificate" means a certificate granting authority for the
 21 operation of one (1) or more household goods vehicles;

22 ~~(28)~~~~(27)~~ "Human service transportation delivery" means the provision of transportation
 23 services to any person that is an eligible recipient in one (1) of the following state
 24 programs:

25 (a) Nonemergency medical transportation under KRS Chapter 205;

26 (b) Mental health, intellectual disabilities, or comprehensive care under KRS
 27 Chapter 202A, 202B, 210, or 645;

- 1 (c) Work programs for public assistance recipients under KRS Chapter 205;
- 2 (d) Adult services under KRS Chapter 205, 209, 216, or 273;
- 3 (e) Vocational rehabilitation under KRS Chapter 151B or 157; or
- 4 (f) Blind industries or rehabilitation under KRS Chapter 151B or 163;
- 5 ~~(29)~~~~(28)~~ "Interstate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
- 6 ~~(30)~~~~(29)~~ "Intrastate commerce" has the same meaning as in 49 C.F.R. sec. 390.5;
- 7 ~~(31)~~~~(30)~~ "Limousine" means a motor vehicle operating under a limousine certificate
- 8 that is designed or constructed with not more than fifteen (15) regular seats;
- 9 ~~(32)~~~~(31)~~ "Limousine certificate" means a certificate granting authority for the
- 10 operation of one (1) or more limousines transporting passengers for hire;
- 11 ~~(33)~~~~(32)~~ "Mobile application" means an application or a computer program designed to
- 12 run on a smartphone, tablet computer, or other mobile device that is used by a TNC
- 13 to connect drivers with potential passengers;
- 14 ~~(34)~~~~(33)~~ "Motor carrier" means any person in either a private or for-hire capacity who
- 15 owns, controls, operates, manages, or leases, except persons leasing to authorized
- 16 motor carriers, any motor vehicle for the transportation of passengers or property
- 17 upon any highway, and any person who engages in the business of automobile
- 18 utility trailer lessor, vehicle towing, driveaway, or U-Drive-It;
- 19 ~~(35)~~~~(34)~~ "Motor carrier vehicle" means a motor vehicle, **including a fully autonomous**
- 20 **vehicle**, used by a motor carrier to transport passengers or property;
- 21 ~~(36)~~~~(35)~~ "Motor carrier vehicle license" means a license issued by the department for a
- 22 motor carrier vehicle authorized to operate under a certificate;
- 23 ~~(37)~~~~(36)~~ "Motor carrier license plate" means a license plate issued by the department to
- 24 a motor carrier authorized to operate under a certificate other than a household
- 25 goods, property, TNC, peer-to-peer car sharing, or U-Drive-It certificate;
- 26 ~~(38)~~~~(37)~~ "Motor vehicle" means any motor-propelled vehicle used for the
- 27 transportation of passengers or property on a public highway, including any such

1 vehicle operated as a unit in combination with other vehicles;

2 ~~(39)~~~~(38)~~ "Passenger" means an individual or group of people;

3 ~~(40)~~~~(39)~~ "Peer-to-peer car sharing":

4 (a) Means the authorized use of a motor vehicle by an individual other than the
5 vehicle's owner through a peer-to-peer car sharing program; and

6 (b) Does not:

7 1. Include the operation of a U-Drive-It certificate as defined in this
8 section; or

9 2. Involve the sale or provision of rental vehicle insurance as defined in
10 KRS 304.9-020;

11 ~~(41)~~~~(40)~~ "Peer-to-peer car sharing certificate" means a certificate granting the authority
12 for the operation of a peer-to-peer car sharing program;

13 ~~(42)~~~~(41)~~ "Peer-to-peer car sharing company" means a person that operates a peer-to-
14 peer car sharing program;

15 ~~(43)~~~~(42)~~ "Peer-to-peer car sharing program":

16 (a) Means a business platform that connects shared vehicle owners with shared
17 vehicle drivers to enable the sharing of motor vehicles for financial
18 consideration; and

19 (b) Does not include a:

20 1. U-Drive-It;

21 2. Motor vehicle renting company as defined in KRS 281.687;

22 3. Rental vehicle agent as defined in KRS 304.9-020; or

23 4. Service provider that is solely providing hardware or software as a
24 service to a person or entity that is not effectuating payment of financial
25 consideration for use of a shared vehicle;

26 ~~(44)~~~~(43)~~ "Permit" means a temporary permit of compliance issued under this chapter
27 for a specified period not to exceed ten (10) days, and for a specific vehicle, to any

1 motor carrier, including one who is a nonresident of the Commonwealth, who
 2 operates a motor vehicle and is not entitled to an exemption from the payment of
 3 fees imposed under KRS 186.050 because of the terms of a reciprocal agreement
 4 between the Commonwealth and the state in which the vehicle is licensed;

5 ~~(45)~~~~((44))~~ "Person" means any individual, firm, partnership, corporation, company,
 6 association, or joint stock association, and includes any trustee, assignee, or
 7 personal representative thereof;

8 ~~(46)~~~~((45))~~ "Platoon" means a group of two (2) individual commercial motor vehicles
 9 traveling in a unified manner at electronically coordinated speeds at following
 10 distances that are closer than would ordinarily be allowed under KRS
 11 189.340(9)(b);

12 ~~(47)~~~~((46))~~ "Prearranged ride" means the period of time that begins when a transportation
 13 network company driver accepts a requested ride through a digital network or
 14 mobile application, continues while the driver transports the rider in a personal
 15 vehicle, and ends when the transportation network company services end;

16 ~~(48)~~~~((47))~~ "Pre-trip acceptance liability policy" means the transportation network
 17 company liability insurance coverage for incidents involving the driver for a period
 18 of time when a driver is logged into a transportation network company's digital
 19 network or mobile application but is not engaged in a prearranged ride;

20 ~~(49)~~~~((48))~~ "Property" means general or specific commodities, including hazardous and
 21 nonhazardous materials;

22 ~~(50)~~~~((49))~~ "Property certificate" means a certificate granting authority for the
 23 transportation of property, other than household goods, not exempt under KRS
 24 281.605;

25 ~~(51)~~~~((50))~~ "Recovery":

26 (a) Means a form of towing service which involves moving vehicles by the use of
 27 a wheel-lift device, such as a lift, crane, hoist, winch, cradle, jack, automobile

1 ambulance, tow dolly, or any other similar device as requested by a state or
2 local law enforcement agency; and

3 (b) Includes:

- 4 1. Relocating a vehicle or cargo from a place where towing is not possible
5 to a place where towing is possible; and
- 6 2. The cleanup of debris or cargo, and returning an area to pre-event
7 condition;

8 ~~(52)~~~~(51)~~ "Regular route" means the scheduled transportation of passengers between
9 designated points over designated routes under time schedules that provide a
10 regularity of services;

11 ~~(53)~~~~(52)~~ "Regular seat" means a seat ordinarily and customarily used by one (1)
12 passenger and, in determining such seating capacity, the manufacturer's rating may
13 be considered;

14 ~~(54)~~~~(53)~~ "Shared vehicle":

15 (a) Means a motor vehicle that is available for car sharing through a peer-to-peer
16 car sharing program; and

17 (b) Does not include a motor vehicle leased or rented by a person operating under
18 a U-Drive-It certificate;

19 ~~(55)~~~~(54)~~ "Shared vehicle driver" means an individual who has been authorized to drive
20 the shared vehicle by the shared vehicle owner under a car sharing program
21 agreement;

22 ~~(56)~~~~(55)~~ "Shared vehicle owner":

23 (a) Means the registered owner, or a person designated by the registered owner,
24 of a motor vehicle made available for sharing to shared vehicle drivers,
25 through a peer-to-peer car sharing program; and

26 (b) Does not include a:

- 27 1. Person operating a U-Drive-It certificate;

- 1 2. Motor vehicle renting company as defined in KRS 281.687; or
- 2 3. Rental vehicle agent as defined in KRS 304.9-020;
- 3 ~~(57)~~~~(56)~~ "Storage facility" means any lot, facility, or other property used to store motor
- 4 vehicles that have been removed from another location by a tow truck;
- 5 ~~(58)~~~~(57)~~ "Street hail" means a request for service made by a potential passenger using
- 6 hand gestures or verbal statement;
- 7 ~~(59)~~~~(58)~~ "Subcontractor" means a person who has signed a contract with a broker to
- 8 provide human service transportation delivery within a specific delivery area and
- 9 who meets human service transportation delivery requirements, including proper
- 10 operating authority;
- 11 ~~(60)~~~~(59)~~ "Tariff" means the listing of compensation received by a motor carrier for
- 12 household goods that includes the manner in which and the amount of fares an
- 13 authorized motor carrier may charge;
- 14 ~~(61)~~~~(60)~~ "Taxicab" means a motor vehicle operating under a taxicab certificate that is
- 15 designed or constructed with not more than eight (8) regular seats and may be
- 16 equipped with a taximeter;
- 17 ~~(62)~~~~(61)~~ "Taxicab certificate" means a certificate granting authority for the operation
- 18 of one (1) or more taxicabs transporting passengers for hire;
- 19 ~~(63)~~~~(62)~~ "Taximeter" means an instrument or device approved by the department that
- 20 automatically calculates and plainly indicates the charge to a passenger for hire who
- 21 is being charged on the basis of mileage;
- 22 ~~(64)~~~~(63)~~ "Tow truck" means a motor vehicle equipped to provide any form of towing
- 23 service, including recovery service or flatbed/rollback service;
- 24 ~~(65)~~~~(64)~~ "Tow truck operator" means an individual who operates a tow truck as an
- 25 employee or agent of a towing company;
- 26 ~~(66)~~~~(65)~~ "Towing" means:
- 27 (a) Emergency towing, which is the towing of a motor vehicle, with or without

1 the owner's consent, because of:

- 2 1. A motor vehicle accident on a public highway;
- 3 2. An incident related to an emergency; or
- 4 3. An incident that necessitates the removal of the motor vehicle from a
- 5 location for public safety reasons;

6 (b) Private property towing, which is the towing of a motor vehicle, without the

7 owner's consent, from private property:

- 8 1. On which the motor vehicle was illegally parked; or
- 9 2. Because of an exigent circumstance necessitating its removal to another
- 10 location; and

11 (c) Seizure towing, which is the towing of a motor vehicle for law enforcement

12 purposes involving the:

- 13 1. Maintenance of the chain of custody of evidence;
- 14 2. Forfeiture of assets; or
- 15 3. Delinquency of highway fuel tax, weight distance tax, or any other taxes
- 16 and fees administered by the Transportation Cabinet;

17 ~~(67)~~ "Towing company":

18 (a) Means a service or business operating as a motor carrier that:

- 19 1. Tows or otherwise moves motor vehicles by means of a tow truck; or
- 20 2. Owns or operates a storage lot;

21 (b) Includes a tow truck operator acting on behalf of a towing company when

22 appropriate in the context; and

23 (c) Does not include an automobile club, car dealership, insurance company,

24 repossession company, lienholders and entities hired by lienholders for the

25 purpose of repossession, local government, or any other entity that contracts

26 with a towing company;

27 ~~(68)~~ "Transportation network company" or "TNC" means a person or entity that

1 connects passengers through its digital network or mobile application to its drivers
2 for the provision of transportation network company services;

3 ~~(69)~~~~((68))~~ "Transportation network company certificate" or "TNC certificate" means a
4 certificate granting the authority for the operation of one (1) or more transportation
5 network company vehicles transporting passengers for hire;

6 ~~(70)~~~~((69))~~ "Transportation network company driver" or "TNC driver" means an
7 individual who operates a motor vehicle that is owned or leased by the individual,
8 or a motor vehicle for which the driver is an insured driver and has the permission
9 of the owner or lessee of the motor vehicle, and used to provide transportation
10 network company services;

11 ~~(71)~~~~((70))~~ "Transportation network company service" or "TNC service" means a
12 prearranged passenger transportation service offered or provided through the use of
13 a transportation network company mobile application or digital network to connect
14 potential passengers with transportation network company drivers;

15 ~~(72)~~~~((71))~~ "Transportation network company vehicle" or "TNC vehicle" means a
16 privately owned or leased motor vehicle, ***including a fully autonomous vehicle,***
17 designed or constructed with not more than eight (8) regular seats, operating under
18 a transportation network company certificate;

19 ~~(73)~~~~((72))~~ "U-Drive-It" means any person operating under a U-Drive-It certificate who
20 leases or rents a motor vehicle for consideration to be used for the transportation of
21 persons or property, but for which no driver is furnished, and the use of which
22 motor vehicle is not for the transportation of persons or property for hire by the
23 lessee or rentee; and

24 ~~(74)~~~~((73))~~ "U-Drive-It certificate" means a certificate granting authority for the operation
25 of one (1) or more U-Drive-Its.

26 → Section 13. KRS 281.630 is amended to read as follows:

27 (1) A person shall not act as a motor carrier without first obtaining a certificate from

1 the department.

2 (2) A certificate for the intrastate transportation of passengers or property, including
 3 household goods, shall be issued to any qualified applicant authorizing operation
 4 covered by the application, if it is found that the applicant conforms to the
 5 provisions of this chapter and the requirements of the administrative regulations
 6 promulgated in accordance with this section.

7 (3) (a) The department shall issue the following certificates:

- 8 1. Taxicab certificate;
- 9 2. Limousine certificate;
- 10 3. Disabled persons vehicle certificate;
- 11 4. Transportation network company certificate;
- 12 5. Household goods certificate;
- 13 6. Charter bus certificate;
- 14 7. Bus certificate;
- 15 8. U-Drive-It certificate;
- 16 9. Property certificate;
- 17 10. Driveaway certificate;
- 18 11. Peer-to-peer car sharing certificate; ~~and~~
- 19 12. Automobile utility trailer certificate.

20 (b) Application for a certificate shall be made in such form as the department may
 21 require. The department shall receive an application fee of two hundred fifty
 22 dollars (\$250) for all applications, except that the department shall receive an
 23 application fee of twenty-five dollars (\$25) for a property certificate.

24 (c) Before the department may issue a certificate, an applicant shall:

- 25 1. Pay the application fee established under paragraph (b) of this
 26 subsection;
- 27 2. For entities other than TNCs and peer-to-peer car sharing companies,

- 1 file a motor carrier vehicle license application for each motor carrier
 2 vehicle as required by KRS 281.631. The applicant shall file at least one
 3 (1) motor carrier vehicle license application before being eligible for a
 4 certificate;
- 5 3. For TNCs, file a TNC authority application with the department
 6 pursuant to administrative regulations promulgated by the department;
 - 7 4. For peer-to-peer car sharing companies, file a peer-to-peer car sharing
 8 certificate application with the department pursuant to administrative
 9 regulations promulgated by the department;
 - 10 5. File with the department one (1) or more approved indemnifying bonds
 11 or insurance policies as required by KRS 281.655;
 - 12 6. For taxicab, limousine, disabled persons vehicle, TNC, household
 13 goods, charter bus, and bus certificates, obtain and retain for a period of
 14 at least three (3) years, a nationwide criminal background check, in
 15 compliance with KRS 281.6301, of each owner, official, employee,
 16 independent contractor, or agent operating a passenger vehicle or
 17 household goods vehicle or entering a private residence or storage
 18 facility for the purpose of providing or facilitating the transportation of
 19 household goods;
 - 20 7. For household goods certificates, file with the department a current
 21 tariff; and
 - 22 8. For a bus certificate, file with the department authorization from a city
 23 as required by KRS 281.635.
- 24 (4) (a) Every certificate shall be renewed annually. Application for renewal shall be
 25 in such form as the department may require.
- 26 (b) A certificate not renewed within one (1) calendar year after the date for its
 27 renewal shall become null and void.

- 1 (c) The department shall not renew any certificate if it has been revoked or, if
2 suspended, during the period of any suspension. A certificate shall not be
3 considered revoked or suspended when an appeal of the revocation or
4 suspension is pending in a court of competent jurisdiction.
- 5 (d) For the renewal of an intrastate certificate, the department shall receive a fee
6 of two hundred fifty dollars (\$250), except for an application for renewal of a
7 property certificate, for which the department shall receive a fee of twenty-
8 five dollars (\$25).
- 9 (e) Before the department may renew a certificate, the certificate holder shall:
- 10 1. Pay the renewal fee established under paragraph (d) of this subsection;
 - 11 2. For the entities other than TNCs and peer-to-peer car sharing
12 companies, file a motor carrier vehicle license application or renewal for
13 each motor carrier vehicle as required by KRS 281.631. The certificate
14 holder shall file at least one (1) motor carrier vehicle license application
15 or renewal before being eligible for renewal;
 - 16 3. For TNCs, file a TNC authority application with the department
17 pursuant to administrative regulations promulgated by the department;
 - 18 4. For peer-to-peer car sharing companies, file a peer-to-peer car sharing
19 certificate application with the department pursuant to administrative
20 regulations promulgated by the department;
 - 21 5. File with the department one (1) or more approved indemnifying bonds
22 or insurance policies as required by KRS 281.655;
 - 23 6. Every three (3) years, for taxicab, limousine, disabled persons vehicle,
24 TNC, household goods, charter bus, and bus certificates, obtain and
25 retain for a period of at least three (3) years, a nationwide criminal
26 background check in compliance with KRS 281.6301, of each owner,
27 official, employee, independent contractor, or agent operating a

1 passenger vehicle or entering a private residence or storage facility for
 2 the purpose of providing or facilitating the transportation of household
 3 goods. However, within the three (3) year period:

4 a. If a new owner, official, employee, independent contractor, or
 5 agent joins the certificate holder and performs the aforementioned
 6 duties; or

7 b. If the certificate holder has knowledge that a current owner,
 8 official, employee, independent contractor, or agent who performs
 9 the aforementioned duties has been convicted of or pled guilty to
 10 any of the offenses listed in KRS 281.6301(2);

11 then the certificate holder shall obtain and retain for a period of at least
 12 three (3) years, a nationwide criminal background check for that owner,
 13 official, employee, independent contractor, or agent; and

14 7. For household goods certificates, have on file with the department a
 15 current tariff.

16 (5) (a) A motor carrier operating under a household goods certificate shall, at all
 17 times the certificate is in effect, maintain on file with the department a current
 18 tariff.

19 (b) Except for a household goods certificate holder that has had only an out-of-
 20 state address on file with the department prior to January 1, 2015, all
 21 certificate holders shall maintain on file with the department an address within
 22 the Commonwealth. The certificate holder shall keep open for public
 23 inspection at that address such information as the department may require.

24 (c) The certificate holder shall not charge, demand, collect, or receive a greater,
 25 less, or different compensation for the transportation of household goods or
 26 for any service in connection therewith, than the tariff filed with the
 27 department and in effect at the time would require. A certificate holder shall

1 not make or give any unreasonable preference or advantage to any person, or
2 subject any person to any unreasonable discrimination.

3 (6) A certificate shall not be transferred unless the transfer involves either the change
4 of the legal name of the existing certificate holder or the incorporation of a sole
5 proprietor certificate holder.

6 (7) A certificate authorizing a person to act as an automobile utility trailer lessor shall
7 also authorize the agents of the person to act on his or her behalf during the period
8 of their agency.

9 (8) A motor carrier vehicle shall not be operated after the expiration of the certificate
10 under which it is operated.

11 (9) A person shall not knowingly employ the services of a motor carrier not authorized
12 to perform such services.

13 (10) If the department, after a hearing held upon its own motion or upon complaint, finds
14 any existing rate unjustly discriminatory, or finds the services rendered or facilities
15 employed by any motor carrier to be unsafe, inadequate, inconvenient, or in
16 violation of law or of the administrative regulations of the department, it may by
17 final order do any or all of the following:

18 (a) Require the certificate holder to follow any rate or time schedule in effect at
19 the time of service;

20 (b) Require the certificate holder to issue a refund to the complainant;

21 (c) Require the certificate holder to pay the fine set out in KRS 281.990 to the
22 department; and

23 (d) Determine the reasonable, safe, adequate, and convenient service to be
24 thereafter furnished.

25 (11) Hearings conducted under authority of this section shall be conducted in the same
26 manner as provided in KRS 281.640.

27 (12) (a) Subject to the limitation of paragraph (b) of this subsection, the department

1 shall have the power to promulgate administrative regulations as it may deem
2 necessary to carry out the provisions of this section.

3 **(b) Any administrative regulation that reasonably applies only to a human**
4 **driver shall not apply to a fully autonomous vehicle licensed under this**
5 **section that is being operated by an automated driving system as defined in**
6 **Section 1 of this Act.**

7 → Section 14. KRS 281.655 is amended to read as follows:

8 (1) Before any certificate will be issued or renewed, the applicant or holder of the
9 certificate shall file or shall have on file with the department one (1) or more
10 approved indemnifying bonds or insurance policies issued by some surety company
11 or insurance carrier authorized to transact business within the Commonwealth of
12 Kentucky. The term of each bond or policy shall be continuous and shall remain in
13 full force until canceled under proper notice. Each bond or policy shall have
14 attached thereto the state insurance endorsement. All bonds or policies required
15 under this section shall be issued in the name of the holder of the certificate. In lieu
16 of the bonds or policies, the department, under appropriate regulations, may require
17 the filing of one (1) or more approved certificates of insurance, the terms of which
18 shall be continuous and shall remain in force and effect until canceled under proper
19 notice.

20 (2) The bonds or policies required of a U-Drive-It or automobile utility trailer lessor
21 shall provide public liability and property damage coverage when operated either
22 by the lessee or lessor thereof or agents, servants, or employees of either.

23 (3) All bonds or policies shall provide blanket coverage for all equipment operated
24 pursuant to the certificate or permit.

25 (4) The types and minimum amounts of insurance to be carried on each vehicle shall be
26 as follows:

27 MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS,

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INCLUDING U-DRIVE-ITS

Capacity		Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
7 regular seats	\$100,000.00	\$300,000.00	\$50,000.00	
8 or more regular seats	\$100,000.00	\$600,000.00	\$50,000.00	

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY,
INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY

TRAILERS

Gross Weight		Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
18,000 lbs. or less	\$100,000.00	\$300,000.00	\$50,000.00	
More than 18,000 lbs.	\$100,000.00	\$600,000.00	\$50,000.00	

(5) Any person, firm, or corporation operating or causing to be operated any vehicle for the transportation of petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds shall have the following types and minimum amount of insurance carried on each vehicle:

	Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
	\$100,000.00	\$300,000.00	\$50,000.00

- 1 (6) Any person, firm, or corporation operating or causing to be operated any vehicle for
2 the transportation of hazardous material as defined in KRS 174.405, except
3 petroleum or petroleum products in bulk in amounts less than ten thousand (10,000)
4 pounds, shall have on each vehicle single limits liability insurance coverage of not
5 less than one million dollars (\$1,000,000) for all damages whether arising out of
6 bodily injury or damage to property as a result of any one (1) accident or
7 occurrence.
- 8 (7) Before any household goods certificate shall be issued or renewed, the applicant or
9 certificate holder shall file or have on file with the department an approved
10 insurance policy or bond compensating shippers or consignees for loss or damage to
11 property belonging to shippers or consignees and coming into possession of the
12 carrier in connection with its transportation service in the amounts required by 49
13 C.F.R. sec. 387.303(c) for interstate household goods motor carriers. The policy or
14 bond shall have attached thereto the Kentucky cargo policy endorsement and shall
15 be issued by some insurance or surety company authorized to transact business
16 within the Commonwealth of Kentucky. The term of the bond or policy shall be
17 continuous and shall remain in full force until canceled under proper notice. In lieu
18 of the bond or policy, the department, under appropriate regulations, may require
19 the filing of an approved certificate of insurance, the term of which shall be
20 continuous and shall remain in force and effect until canceled under proper notice.
- 21 (8) No insurance company or insurance carrier issuing any policy filed with the
22 department, and no surety or obligor on any bond or contract filed with the
23 department, shall be relieved from liability under the policy, bond, or contract until
24 after the expiration of thirty (30) days' notice to the department of an intention to
25 cancel the policy, bond, or contract. A prior cancellation may be allowed in cases
26 where one (1) policy, bond, or contract is substituted for another policy, bond, or
27 contract if the substituted policy, bond, or contract is of force and effect at a time

1 prior to the expiration of thirty (30) days' notice to the department of an intention to
2 cancel the policy, bond, or contract for which the additional policy, bond, or
3 contract is being substituted. The acceptance of any notice of an intention to cancel
4 any policy, bond, or contract or the cancellation of any policy, bond, or contract by
5 the department, unless under the circumstances set forth, shall not relieve the
6 insurance company, insurance carrier, surety, or obligor of any liability that accrued
7 prior to the effective date of the cancellation.

8 (9) Upon the cancellation of any bond or insurance policy required by this section, all
9 operating rights granted by the certificate for which the bond or policy was filed,
10 shall immediately cease, and the department may immediately require the cessation
11 of all operations conducted under authority of the certificate, and may require the
12 immediate surrender of all certificates, licenses, and other evidence of a right to act
13 as a motor carrier.

14 (10) The department may exempt in whole or in part from the requirements of this
15 section any person who applies for the exemption and shows to the satisfaction of
16 the department that, by reason of the financial ability of the person applying, there
17 is due assurance of the payment of all damages for which he or she may become
18 liable as a result of the operation of any vehicle owned by him or her or operated
19 under authority of his or her certificate.

20 (11) The provisions of this section notwithstanding, the Secretary of Transportation may
21 adopt, incorporate by reference, or set forth in its entirety the provisions of Title 49,
22 United States Code of Federal Regulations, Part 387, relating to the levels of
23 financial responsibility for motor carriers, in effect as of June 24, 2015, or as
24 amended after that date, with respect to any motor carrier operating in Kentucky.

25 (12) The cabinet shall promulgate administrative regulations to set standards for pre-trip
26 acceptance liability policies and prearranged ride liability insurance policies for
27 transportation network company vehicles. The minimum amount of insurance for

1 pre-trip acceptance liability policies shall be fifty thousand dollars (\$50,000) for
2 death and personal injury to one (1) person, one hundred thousand dollars
3 (\$100,000) for death and personal injury resulting from one (1) incident, and
4 twenty-five thousand dollars (\$25,000) for property damage. The minimum amount
5 of insurance for prearranged ride liability policies shall be the same as for motor
6 vehicles for the transportation of persons under subsection (4) of this section. Pre-
7 trip acceptance liability policies and prearranged ride liability policies may be
8 issued by an eligible surplus lines insurer.

9 **(13) Notwithstanding any other provision of this section, any fully autonomous vehicle**
10 **operating under a certificate issued under this chapter shall have on file with the**
11 **department indemnifying bonds or insurance policies in the minimum amounts**
12 **of:**

13 **(a) One million dollars (\$1,000,000) of total liability for death of or injury to**
14 **persons resulting from any one (1) accident; and**

15 **(b) One million dollars (\$1,000,000) for property damage.**