

1 AN ACT relating to autonomous vehicles.

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

3 ➔Section 1. KRS 186.763 is amended to read as follows:

- 4 (1) Subject to the limitations in subsection (2) of this section **and Section 2 of this Act,**
5 a person may operate a fully autonomous vehicle on the highways of this state
6 without a human driver provided that the automated driving system is engaged and
7 the vehicle meets the following conditions:
- 8 (a) If a failure of the automated driving system occurs that renders that system
9 unable to perform the entire dynamic driving task relevant to its intended
10 operational design domain, the fully autonomous vehicle will achieve a
11 minimal risk condition;
- 12 (b) The fully autonomous vehicle is capable of operating in compliance with the
13 applicable traffic and motor vehicle safety laws and regulations of this state
14 when reasonable to do so, unless an exemption has been granted by the
15 Transportation Cabinet; and
- 16 (c) When required by federal law, the vehicle bears the required manufacturer's
17 certification label indicating that at the time of its manufacture it has been
18 certified to be in compliance with all applicable federal motor vehicle safety
19 standards, including any exemptions granted by the National Highway Traffic
20 Safety Administration.
- 21 (2) **(a)** From July 15, 2024, until July 31, ~~2031~~~~[2026]~~, a fully autonomous vehicle for
22 which the declared gross weight of the vehicle and any towed unit is more
23 than sixty-two thousand (62,000) pounds shall have a human driver, with the
24 appropriate credentials to operate the vehicle, present in the vehicle to monitor
25 the performance of the vehicle and intervene if necessary.
- 26 **(b) A school district shall not operate a fully autonomous vehicle as a school**
27 **bus, as defined by KRS 156.153, or use any fully autonomous vehicle to**

1 *transport students for any reason.*

- 2 (3) Prior to operating a fully autonomous vehicle on the highways of this state without
3 a human driver, a person shall submit a law enforcement interaction plan to the
4 Transportation Cabinet and the Department of Kentucky State Police that describes:
- 5 (a) How to communicate with a fleet support specialist who is available during
6 the times the vehicle is in operation;
- 7 (b) How to safely remove the fully autonomous vehicle from the roadway and
8 steps to safely tow the vehicle;
- 9 (c) How to recognize whether the automated driving system is engaged on the
10 fully autonomous vehicle; and
- 11 (d) Any additional information the manufacturer or owner deems necessary
12 regarding hazardous conditions or public safety risks associated with the
13 operation of the fully autonomous vehicle.

14 ➔Section 2. KRS 186.779 is amended to read as follows:

- 15 (1) The provisions of KRS 186.760 to 186.779 are intended to be a comprehensive
16 scheme of legislation governing the operational and performance standards of fully
17 autonomous vehicles and automated driving systems. *Except as provided in*
18 *subsection (2) of this section, a*~~no~~ public agency shall *not* prohibit the operation
19 of fully autonomous vehicles or automated driving systems or impose any rule,
20 regulation, or ordinance in conflict with KRS 186.760 to 186.779 or that otherwise
21 differentiates the treatment of fully autonomous vehicles and automated driving
22 systems from non-autonomous vehicles.
- 23 (2) Nothing in subsection (1) of this section shall be interpreted or construed to prohibit
24 a city, county, charter county government, consolidated local government, or urban-
25 county government from exercising the powers and authorities provided by law to
26 govern the public streets and roadways within their respective jurisdictions, *and*
27 *these units of local government may establish conditions for the use of fully*

1 *autonomous vehicles and automated driving systems within their*
2 *jurisdictions* ~~[provided that any action does not impose additional requirements in~~
3 ~~conflict with KRS 186.760 to 186.779 or otherwise differentiate the treatment of~~
4 ~~fully autonomous vehicles and automated driving systems from nonautonomous~~
5 ~~vehicles].~~

6 ➔Section 3. KRS 186.766 is amended to read as follows:

7 (1) Before operating a fully autonomous vehicle that does not meet the definition of a
8 motor carrier under KRS 281.010 on a highway in this state without a human
9 driver, a person shall submit proof of financial responsibility satisfactory to the
10 Transportation Cabinet that the fully autonomous vehicle has single limits liability
11 coverage, by contract of insurance or by qualifying as a self-insurer, of not less than
12 *five million dollars (\$5,000,000)* ~~[one million dollars (\$1,000,000)]~~ that satisfies the
13 requirements of KRS 304.39-080.

14 (2) Before operating a fully autonomous vehicle that meets the definition of a motor
15 carrier under KRS 281.010 on a highway in this state without a human driver, a
16 person shall submit proof of financial responsibility satisfactory to the
17 Transportation Cabinet that the fully autonomous vehicle is covered by insurance or
18 proof of self-insurance that satisfies the requirements of KRS 281.655.

19 ➔Section 4. KRS 281.655 is amended to read as follows:

20 (1) Before any certificate will be issued or renewed, the applicant or holder of the
21 certificate shall file or shall have on file with the department one (1) or more
22 approved indemnifying bonds or insurance policies issued by some surety company
23 or insurance carrier authorized to transact business within the Commonwealth of
24 Kentucky. The term of each bond or policy shall be continuous and shall remain in
25 full force until canceled under proper notice. Each bond or policy shall have
26 attached thereto the state insurance endorsement. All bonds or policies required
27 under this section shall be issued in the name of the holder of the certificate. In lieu

1 of the bonds or policies, the department, under appropriate regulations, may require
2 the filing of one (1) or more approved certificates of insurance, the terms of which
3 shall be continuous and shall remain in force and effect until canceled under proper
4 notice.

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

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

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

12 MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS,
13 INCLUDING U-DRIVE-ITS

14	Capacity	Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
15	7 regular seats	\$100,000.00	\$300,000.00	\$50,000.00
16	8 or more regular seats	\$100,000.00	\$600,000.00	\$50,000.00

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

22 TRAILERS

23	Gross Weight	Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
24	18,000 lbs. or less	\$100,000.00	\$300,000.00	\$50,000.00

1 More than 18,000 lbs. \$100,000.00 \$600,000.00 \$50,000.00

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

6	Death of	Total Liability	
7	or Injury	for Death	
8	to Any One	of or Injury to	Property
9	Person	Persons	Damage
10	\$100,000.00	\$300,000.00	\$50,000.00

11 (6) Any person, firm, or corporation operating or causing to be operated any vehicle for
12 the transportation of hazardous material as defined in KRS 174.405, except
13 petroleum or petroleum products in bulk in amounts less than ten thousand (10,000)
14 pounds, shall have on each vehicle single limits liability insurance coverage of not
15 less than one million dollars (\$1,000,000) for all damages whether arising out of
16 bodily injury or damage to property as a result of any one (1) accident or
17 occurrence.

18 (7) Before any household goods certificate shall be issued or renewed, the applicant or
19 certificate holder shall file or have on file with the department an approved
20 insurance policy or bond compensating shippers or consignees for loss or damage to
21 property belonging to shippers or consignees and coming into possession of the
22 carrier in connection with its transportation service in the amounts required by 49
23 C.F.R. sec. 387.303(c) for interstate household goods motor carriers. The policy or
24 bond shall have attached thereto the Kentucky cargo policy endorsement and shall
25 be issued by some insurance or surety company authorized to transact business
26 within the Commonwealth of Kentucky. The term of the bond or policy shall be
27 continuous and shall remain in full force until canceled under proper notice. In lieu

1 of the bond or policy, the department, under appropriate regulations, may require
2 the filing of an approved certificate of insurance, the term of which shall be
3 continuous and shall remain in force and effect until canceled under proper notice.

4 (8) No insurance company or insurance carrier issuing any policy filed with the
5 department, and no surety or obligor on any bond or contract filed with the
6 department, shall be relieved from liability under the policy, bond, or contract until
7 after the expiration of thirty (30) days' notice to the department of an intention to
8 cancel the policy, bond, or contract. A prior cancellation may be allowed in cases
9 where one (1) policy, bond, or contract is substituted for another policy, bond, or
10 contract if the substituted policy, bond, or contract is of force and effect at a time
11 prior to the expiration of thirty (30) days' notice to the department of an intention to
12 cancel the policy, bond, or contract for which the additional policy, bond, or
13 contract is being substituted. The acceptance of any notice of an intention to cancel
14 any policy, bond, or contract or the cancellation of any policy, bond, or contract by
15 the department, unless under the circumstances set forth, shall not relieve the
16 insurance company, insurance carrier, surety, or obligor of any liability that accrued
17 prior to the effective date of the cancellation.

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

24 (10) The department may exempt in whole or in part from the requirements of this
25 section any person who applies for the exemption and shows to the satisfaction of
26 the department that, by reason of the financial ability of the person applying, there
27 is due assurance of the payment of all damages for which he or she may become

1 liable as a result of the operation of any vehicle owned by him or her or operated
2 under authority of his or her certificate.

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

8 (12) The cabinet shall promulgate administrative regulations to set standards for pre-trip
9 acceptance liability policies and prearranged ride liability insurance policies for
10 transportation network company vehicles. The minimum amount of insurance for
11 pre-trip acceptance liability policies shall be fifty thousand dollars (\$50,000) for
12 death and personal injury to one (1) person, one hundred thousand dollars
13 (\$100,000) for death and personal injury resulting from one (1) incident, and
14 twenty-five thousand dollars (\$25,000) for property damage. The minimum amount
15 of insurance for prearranged ride liability policies shall be the same as for motor
16 vehicles for the transportation of persons under subsection (4) of this section. Pre-
17 trip acceptance liability policies and prearranged ride liability policies may be
18 issued by an eligible surplus lines insurer.

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

- 22 (a) **Five million dollars (\$5,000,000)**~~one million dollars (\$1,000,000)~~ of total
23 liability for death of or injury to persons resulting from any one (1) accident;
24 and
25 (b) **Five million dollars (\$5,000,000)**~~one million dollars (\$1,000,000)~~ for
26 property damage.