

**Initial Statement of Reasons**  
Title 13, Division, 1, Chapter 1  
Article 3.7 – Autonomous Vehicles

The Department of Motor Vehicles (department) proposes to adopt sections 227.00, 227.02, 227.04, 227.06, 227.08, 227.10, 227.12, 227.14, 227.16, 227.18, 227.20, 227.22, 227.24, 227.26, 227.28, 227.30, 227.32, 227.34, 227.36, 227.38, 227.40, 227.42, 227.44, 227.46, 227.48, 227.50 and 227.52 of Article 3.7, Title 13, California Code of Regulations, relating to autonomous vehicles.

Senate Bill 1298 (Chapter 570; Statutes 2012) enacted California Vehicle Code section 38750 requiring the Department of Motor Vehicles to adopt regulations by January 1, 2015, setting forth requirements for the submission of evidence of insurance, surety bond or self-insurance, application approval process, and testing and safety requirements. In an effort to ensure these regulations are promulgated as efficiently as possible, the department determined it necessary to implement the autonomous vehicle regulations in two separate regulatory actions. The first action implements financial responsibility requirements, the manufacturer application and permit process, reporting requirements and registration requirements.

After passage of SB 1298, the department quickly developed internal workgroups consisting of representatives from the department's Licensing Operations Division and Registration Operations Division, and external workgroups including representatives from various state and federal agencies. The department also conducted two public workshops to get a better understanding of who the affected public stakeholders would be.

On April 19, 2013, the department conducted a general workshop in Sacramento. Attendees included representatives from autonomous vehicle technology manufacturers and vehicle manufacturers, as well as attendees representing academia, engineering, and public advocacy groups. The conversation was general in nature and allowed the department to interact with interested parties face to face to gain better knowledge of the public's concerns surrounding the testing of autonomous technology and to explain that the department would be proposing two separate regulation packages. The first governing the testing of autonomous vehicles on public roads and the second governing the deployment of autonomous vehicles outside of testing.

On June 18, 2013, the department conducted a second workshop that was intended to address only the requirements provided in the first regulatory package. Specifically, the discussions were centered around the definitions, autonomous vehicle permit to test requirements, program requirements, establishing financial responsibility, accident reporting and registration requirements. At this workshop, the department received helpful comments that assisted the department in drafting the regulatory text.

Both workshops were webcast and links to those webcasts have been posted to the department's website at <http://www.dmv.ca.gov/vr/autonomous/prevavwrkshp.htm>.

**PROBLEMS THIS DEPARTMENT INTENDS TO ADDRESS AND BENEFITS ANTICIPATED FROM THE REGULATORY ACTION:**

To make specific the requirements that must be satisfied for issuance of a permit to test autonomous vehicles on the public roadways of the State of California. These regulations specify how autonomous vehicle manufacturers are to submit evidence of financial responsibility as required by Vehicle Code section 38750(b)(3) as well as the process for applying for a permit to test the vehicles and the qualifications and training for autonomous vehicle test drivers. These regulations will allow automobile manufacturers and automobile researchers to develop and test automated vehicle driving systems on public roadways in a way that provides the assurance of safety to the public in general.

**ALTERNATIVES CONSIDERED:**

The department initially considered approving autonomous vehicle testing through the issuance of registration documentation specifically identifying vehicles as being equipped with autonomous technology. If, under this model, a manufacturer failed to meet the testing requirements, the department would cancel the registration of the autonomous vehicles registered to that manufacturer.

After review of this model, the department determined it to be more beneficial and economical to establish a permit program that would allow the department to cancel the testing permit of a manufacturer that fails to comply with the testing requirements. This option allows the department to take one disciplinary action against the testing permit rather than multiple actions against each vehicle.

**COMPARABLE FEDERAL AND STATE REGULATIONS:**

The National Highway Traffic Safety Administration (NHTSA) establishes motor vehicle safety standards on the federal level. On May 30, 2013, NHTSA issued a “Preliminary Statement of Policy Concerning Automated Vehicles” to “help states implement this technology safely so that its full benefits can be realized.” The NHTSA policy statement indicates that the U.S Department of Transportation is researching the introduction of automated cars onto public roadways and advises states to leave safety standards up to federal regulators; however, to date, NHTSA has not adopted any regulations governing the testing or operation of automated, or self-driving, vehicles on public roads, streets, and highways. Additionally, the department conducted a review of other agencies and found that no other state agency currently has regulations governing autonomous vehicles, therefore, there are no comparable federal or state regulations concerning the operation of autonomous vehicles on public roads.

**§ 227.00. Purpose.**

Subdivision (a) is adopted to state the regulations in Article 3.7 were originally added by Statutes of 2012, Chapter 570 (SB 1298) governing the operation of autonomous vehicles on public roads in California.

Subdivision (b) is adopted to prohibit the operation of autonomous vehicles on public roads in the self-driving mode if the operation is not in compliance with Vehicle Code section 38750 or the regulations adopted by the department.

Subdivision (c) is adopted to clearly specify the effective date of the regulations shall become effective 120 days after the date of adoption by the department.

**§227.02. Definitions.**

Subdivisions (a) through (g) are adopted for clarity and are necessary to ensure the affected public is aware of the terminology used in these regulations as well as the autonomous vehicle program in general.

Subdivision (a) is adopted to define “autonomous mode” as the operation of a vehicle with the autonomous technology engaged.

Subdivision (b) defines “autonomous” vehicle as a vehicle equipped with technology that can operate the vehicle without the active control of a human driver and excludes vehicles that are capable of operating with two or more driver assistance systems but require a human driver.

Subdivision (c) defines “autonomous vehicle test driver” as the person possessing the proper class of driver’s license for the type of vehicle being operated that is seated in the driver’s seat of the vehicle and is capable of driving the vehicle whether or not the autonomous technology is engaged.

Subdivision (d) defines “conventional mode” as operation of the vehicle when the autonomous technology is disengaged.

Subdivision (e) defines “designee” as a person identified by an autonomous vehicle manufacturer to the department as someone authorized to operate the manufacturer’s autonomous vehicles.

Subdivision (f) defines a “manufacturer” as an entity that produces from raw material or new basic components a vehicle that includes autonomous technology or a person who adds autonomous technology to an existing vehicle.

Subdivision (g) defines “public road” to include highways, offstreet parking facilities, and streets as those terms are defined in the Vehicle Code section 590.

**§227.04. Requirements for a Manufacturer’s Testing Permit.**

Section 227.04 specifies the requirements that a manufacturer must meet to conduct testing of autonomous vehicles on public roads.

Necessity: Subdivisions (a) through (e) are similar to the provisions of Vehicle Code section 38750, however, the department has determined the duplicative nature necessary to ensure all provisions related to the autonomous vehicle program are contained in one central location. As

these regulations are more detailed than the authorizing statute, the duplication is necessary for complete clarity.

Subdivision (a) is adopted to require that the testing of the vehicle be done by the manufacturer of the technology. This provision is authorized by Vehicle Code section 38750 requiring testing to be conducted by the technology manufacturer.

Subdivision (b) is adopted to specify the requirements of Vehicle Code section 38750(b)(1) which establishes who may drive test vehicles.

Subdivision (c) is also adopted to specify the requirements of Vehicle Code section 38750(b)(3) which requires a manufacturer to provide evidence of financial responsibility in the amount of five million dollars (\$5,000,000) to the department.

Subdivision (e) is adopted to require that a manufacturer have applied for and received a permit to test from the Department of Motor Vehicles. The issuance of a permit is the final documentation to prove that the department has verified all application requirements have been met.

**§227.06. Evidence of Financial Responsibility.**

Section 227.06 is adopted and necessary to specify that a manufacturer's obligation to provide evidence of financial responsibility for the purposes of testing autonomous vehicles is in addition to a driver or vehicle owner's responsibility to provide proof of financial responsibility as required by California law. This provision will ensure clarity for the potential applicants and will ensure consistency with Vehicle Code section 38750.

**§227.08. Instrument of Insurance.**

Section 227.08 is adopted to allow a manufacturer to submit an insurance policy that meets the requirements of Vehicle Code section 38750 (b)(3).

Necessity: Subdivisions (a) through (e) are adopted to establish the information required to appear on any instrument of insurance provided by a manufacturer. These provisions are consistent with most proofs of insurance currently provided by an admitted insurer to an insured entity or individual.

Subdivision (a) requires an insurance policy be issued by company admitted by the Insurance Commissioner to offer the specific line of insurance in California or by an eligible surplus lines insurance company, as authorized by the Insurance Code. Subdivision (b) requires an insurance policy specify the name, National Association of Insurance Commissioner's number, and address of the insurer. Subdivision (c) requires that the policy insure the autonomous vehicles of the manufacturer. Subdivision (d) requires that the policy specify a policy number and an effective and expiration date. Subdivision (e) requires the manufacturer to certify that the policy meets the requirements of Vehicle Code section 38750.

**§227.10. Surety Bond.**

Section 227.10 allows a manufacturer to meet the financial responsibility requirement by the submission of a surety bond.

Subdivision (a) requires that the bond be issued by company admitted to issue surety insurance by the Insurance Commissioner.

Subdivision (b) is adopted to require that the bond be for five million dollars (\$5,000,000). This provision is necessary to clearly establish the bond amount that is required in Vehicle Code section 38750(b)(3).

Subdivision (c) requires that bond be conditioned that the surety will be liable for any judgments arising from the operation of autonomous vehicles by the manufacturer.

Subdivision (d) states that the bond must be subject to the requirements of the Bond and Undertaking Law.

Subdivision (e) requires that the bond be continuous and run concurrently with the manufacturer's authority to test autonomous vehicles.

Subdivision (f) clarifies that that cash deposits in lieu of the bond will not be accepted.

Subdivision (g) requires that the bond be on the form incorporated by reference.

**§227.12. Proof of Financial Responsibility.**

Section 227.12 is adopted to ensure that each autonomous vehicle has proof of financial responsibility inside the vehicle.

Subdivision (a) requires a manufacturer to keep a copy of the proof of insurance in its vehicles at all times. Subdivision (b) requires a manufacturer to keep a copy of any surety bond in its vehicles at all times.

Necessity: The adoption of this section ensure an autonomous vehicle operator can provide proof of financial responsibility at all times, as would be required with any vehicle operating on the state's roadways.

**§227.14. Certificate of Self-Insurance**

Subdivision (a) allows a manufacturer to meet the financial responsibility requirements of Vehicle Code section 38750 (b)(3) by the submission of an Application for Certificate of Self-Insurance, form OL 319 (Rev. 9/2013).

**Autonomous Vehicle Tester (AVT) Program Application for Certificate of Self-Insurance, form OL 319**

The form OL 319 is designated by the department as the form required when an applicant is applying for a certificate of self-insurance, as authorized by Vehicle Code section

38750(c)(3). This form requires the applicant to disclose financial information that will allow the department to determine the applicant's ability to pay current and future judgments arising out of vehicle testing.

The first section of the form requests the applicant's identifying information including the type of ownership, name, address and telephone number. This information is necessary to allow the department to verify the applicant and the type of ownership they are operating under.

Section two requests information related to the authorized representative. Specifically, the form requests an indication of whether the representative is an owner/principal, a company employee or an agent, as well as an indication of the representative's name, title and address. This information will allow the department to ensure the records are updated to include a central contact for issues related to the certification process, as well as ensure that the representative is actually an authorized employee.

Section three contains eligibility acknowledgements that are completed through check mark boxes. The applicant is acknowledging that he or she owns more than 25 registered motor vehicles

Section four contains the Service of Process on Nonresident statement provided in Vehicle Code section 17451. This acknowledgement is necessary to ensure the applicant is aware of the service of process requirements on a nonresident who has a vehicle that is being operated within the state.

Section five requires the applicant to provide information related to the current liability coverage. This information is necessary for the department to determine what the current coverage is prior to being issued a certificate of self-insurance and prior to testing.

The applicant must indicate whether the liability status is currently self-insured, with an indication of when the self-insured liability expires. If the applicant has held an automobile or motor vehicle liability insurance policy within the last three years or is currently being held, an indication of the insurer, policy number, and coverage limits is required. Also required is an indication of information related to the reason for insurance policy termination. Lastly, a space is provided for the applicant to explain their coverage outside of the self-insured and insurance accounts. This information will allow the department to get a full description of the applicant's current liability status with all available coverage included.

Section six requires the applicant to indicate the accident history involving their vehicles including, the total number of claims resulting from accidents, total monetary amount of these claims, total number of claims paid, total amount paid to satisfy these claims, total number of claims still pending or in litigation, and the total amount of these pending claims. The applicant is to disclose all incidents in each of the three preceding fiscal years. This information will allow the department to determine the currently liability that

may drop an applicant below the statutorily required amount of financial responsibility needed for testing.

Section seven requires the applicant to disclose its claim reserve history with an indication of the reserves maintained for pending claims and an indication of savings accounts and the related balances in those accounts. This information will also allow the department to determine whether the company has reserves that will allow it to pay pending claims while ensuring adequate financial responsibility related to testing.

Section eight requires the applicant to provide the status of current judgments including whether there are judgments arising from accidents involving vehicles in which judgments are not paid and whether there are unpaid claims or lawsuits for damages arising from accidents involving the applicant's vehicles.

Section nine requires the applicant to disclose the number of vehicles operated by the applicant or his or her DBA in California and operated in other states.

Section ten requires the applicant to attach three prior years of annual financial statements certified by an independent certified public accountant. This provision is necessary for the department to determine continued financial stability of the applicant's business.

Section eleven requires the applicant to certify (or declare) under penalty of perjury that the information provided in the application is true and correct. This certification is consistent with the provisions of Code of Civil Procedure section 2015.5(b) and is consistent with all other departmental forms containing certifications.

Subdivision (b) requires a manufacturer to submit audited financial statements from the preceding three years, or if the manufacturer has not existed for three years - the period of time in which the manufacturer has been in existence, and supporting documentation demonstrating a manufacturer's net worth from an independent certified public accountant.

Necessity: This provision is necessary to assure the department that the applicant has sufficient funds that may be recovered, if necessary.

Subdivision (c) states that the department shall not allow a manufacturer with a net worth less than \$5,000,000 to operate under a certificate of self-insurance.

Necessity: This prohibition will ensure all manufacturers maintain financial responsibility compliance with the requirements of Vehicle Code section 38750.

Subdivision (d) requires the department to review the application and notify the manufacturer of any deficiencies, allow an opportunity to cure deficiencies, and issue a certificate if all the requirements for issuance have been met.

Necessity: This provision is necessary to notify the applicant that, upon review of the application, the department will issue a determination as to whether the application is complete or incomplete. The department will work cooperatively to ensure the applicant has an opportunity to provide documentation to create a complete application and allow the department to issue a testing permit.

Subdivision (e) requires a manufacturer to submit additional evidence of an ability to respond to damage claims if the department receives information that the manufacturer no longer meets the requirements for the issuance of a certificate of self-insurance.

Necessity: This provision is necessary to ensure the manufacturer continues to meet the financial responsibility requirements of Vehicle Code section 38750(b)(3).

Subdivision (f) specifies the grounds for cancelling a certificate. Subdivisions (f)(1) through (f)(3) are identified as reasons for a certificate of cancellation because each item would create a situation in which the department is not able to verify that the manufacturer is equipped with the appropriate amount financial responsibility.

Subdivision (g) provides an opportunity for a hearing if a certificate is suspended, revoked, or terminated.

#### **§227.16. Identification of Autonomous Vehicles.**

Subdivision (a) requires the identification of each autonomous vehicle to be tested on public roads by make, model, model year, vehicle identification number, and license plate and state of license plate issuance. Subdivision (b) requires that the document identifying the vehicles to be signed under penalty of perjury by a person authorized by the manufacturer.

Necessity: This section is necessary to allow the department to monitor the number of vehicles being tested on public roads.

#### **§227.18. Requirements for Autonomous Vehicle Test Drivers.**

Section 227.18 specifies that during testing on public roads an autonomous vehicle must be operated by an autonomous vehicle test driver meeting the requirements of the section.

Subdivision (a) requires the test driver be either in physical control of the vehicle or capable of taking over control of the vehicle. Subdivision (b) requires that the test driver be an employee, contractor or designee of the manufacturer.

Necessity: Subdivisions (a) and (b) are consistent with the requirements of Vehicle Code section 38750 and are provided in regulations for added clarity and to ensure that all provisions related to the autonomous vehicle testing program are contained in one centralized and comprehensive location.

Subdivision (c) requires the driver to obey all state and local traffic laws whether or not the autonomous technology is engaged.

Necessity: This provision is consistent with all requirements of the Vehicle code requiring any driver to obey all traffic laws.

Subdivision (d) requires the driver to know the limitations of the vehicle's technology and to be capable of safely operating the vehicle under all conditions in which the vehicle is being tested.

Necessity: This provision is necessary to ensure the safety of the vehicle tester and the state's motorists.

**§227.20. Autonomous Vehicle Test Driver Qualifications.**

Section 227.20 prohibits a manufacturer from permitting anyone to be a test driver unless they meet the requirements of this section.

Subdivision (a) requires autonomous vehicle manufacturers to identify all drivers to the department and requires that all drivers must be issued an Autonomous Vehicle Testing (AVT) Program Test Vehicle Operator Permit, form OL 314 (NEW 9/2013).

Necessity: This provision is necessary for the department to be able to verify that the driver meets the qualifications provided in these regulations.

**Autonomous Vehicle Testing (AVT) Program Test Vehicle Operator Permit, form OL 314 (NEW 9/2013)**

This vehicle operator permit will be issued to an autonomous vehicle test operator and is required to be retained in the vehicle while the vehicle is being tested.

The front of the form identifies the operator information, including his or her name, address and driver license number. This information will ensure that, if requested by law enforcement, the operator will have appropriate documentation to show that he or she is approved by the department to test autonomous vehicles by an approved manufacturer.

The front of the form also contains space for the manufacturer information, including the name AVT number, and address. This information will also allow law enforcement to identify the manufacturer as being authorized to test autonomous vehicles on public roadways.

The back of the form provides four separate acknowledgements all authorized by the Vehicle Code. By signing the certification provided at the bottom of the form, the operator is acknowledging the following:

- The operator of an autonomous vehicle will possess the proper class of license for the type of vehicle being operated.

This requirement is provided in Vehicle Code section 38750(b).

- The autonomous vehicle will be operated on roads in this state solely by employees, contractors or other persons designated by the manufacturer of the autonomous technology.

This requirement is provided in Vehicle Code section 38750(b)(1).

- The driver shall be seated in the driver's seat, monitoring the safe operation of the autonomous vehicle, and capable of taking over immediate manual control of the autonomous vehicle in the event of an autonomous technology failure or other emergency.

This requirement is authorized in Vehicle Code section 38750(b)(2).

- Prior to the start of testing in this state, the manufacturer performing the testing has obtained an instrument of insurance, surety bond or proof of self-insurance in the amount of five million dollars, and has provided evidence to the department.

This requirement is provided in Vehicle Code section 38750(b)(3).

The form closes with a certification that is to be signed by the operator whereby he or she certifies (or declares) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This certification language is consistent with all other departmental forms that require a certification and is also consistent with the requirements of Code of Civil Procedure section 2015.5(b).

Lastly, a space is provided where the department representative will indicate the issuing department office and his or her signature and printed name, confirming the approved operator status.

Due to the sensitive nature of this permit, the department is not posting the form to its website, however, an interested party may request copies of the form by contacting the department representative identified in the Notice of Proposed Regulatory Action.

Subdivision (b) requires manufacturers to certify that drivers meet certain criteria that are equivalent to the definition of a California "good driver" for insurance purposes and certify that drivers have completed the manufacturer's test driver training program.

Necessity: This section is necessary to ensure that test drivers meet longstanding criteria to be considered a good driver under California law.

#### **§227.22. Autonomous Vehicle Test Driver Training Program.**

Section 227.22 is adopted to require a manufacturer to maintain a test driver training program and to submit a training course outline and a description of the training program to the department. With many of the department's programs where a training program is established, the department is often tasked with creating the training program requirements in regulations, however, with respect to AV technology, the department believes that the manufacturers have

superior knowledge of their vehicles and/or technology and should ultimately establish training components specific to their technology. The NHTSA Policy Statement recommends that the department should obtain the training courses.

**§227.24. Manufacturer’s Testing Permit.**

Subdivision (a) is adopted to require a manufacturer to apply to the department for a Manufacturer’s Testing Permit and prohibits testing when a manufacturer does not have a valid permit issued by the department.

Necessity: This provision is necessary to ensure all permit requirements have been met prior to the tester operating an AV on California roads.

Subdivision (b) is adopted to prohibit a manufacturer from testing vehicles on public roads under conditions that they have not previously tested the vehicles in a controlled environment and determined that it is safe to test the vehicle on public roads under those conditions.

Necessity: The department is tasked with ensuring that autonomous vehicles are tested in a manner that puts the safety of the public first. If an autonomous vehicle has not been proven to maneuver safely under various conditions, then the vehicle should not attempt that maneuver on public roadways. Once a manufacturer successfully tests a vehicle in a controlled environment, the department would be satisfied that the vehicle can maneuver safely on public roadways.

**§227.26. Manufacturer’s Testing Permit Application.**

Subdivision (a) is adopted to require a manufacturer that will be testing autonomous vehicles on public roads to submit an Autonomous Vehicle Test Program (AVT) Application, form OL 311.

Necessity: Submission of an application will allow the department to update its records related to the autonomous vehicle testing program, including, the identification of drivers, vehicles and proof that financial responsibility requirements have been met.

**Autonomous Vehicle Tester Program (AVT) Application for Manufacturer’s Testing Permit, form OL 311 (NEW 9/2013)**

This document is the application a manufacturer must complete prior to testing. The department will review and verify all components of the form and, once satisfied that all requirements have been met, will issue a permit authorizing testing and authorizing operators and vehicles to test on public roadways.

The Application for Manufacturer’s Testing Permit, hereinafter referred to as application, is a four page document divided into five sections. Each section is necessary for the department to

The applicant is requested to identify the application type also indicating the applicable fee for each transaction.

Original application = \$150 fee

Renewal application = \$150 fee  
Modification to an existing application = \$70 fee  
Adding additional permits (drivers and/or vehicles) = \$50 fee

The costing for each fee has been prepared and is available for interested public parties by contacting the department representative identified in the Notice of Proposed Regulatory Action.

The applicant is also requested to identify what additional modification or permit action is being requested. All options are applicable to a modification, however, the driver/operator and vehicle option are also applicable to the additional permit option. All fields must be completed for the department to ensure the transaction is completed properly to ensure department records are current and accurate.

Instructions are included providing an address for an applicant to remit the application to.

#### Section 1 – Autonomous Vehicle Tester Information

This section requests a manufacturer to provide business information such as EPN number, name, address, Secretary of State Entity Number and telephone number. This section also requests information related to the address at which the company's training, testing, and employment records are kept. This is necessary for the department to validate the manufacturer's status and verify the location of information related to the testing and training of autonomous vehicle testers and other manufacturer employees.

#### Section 2 – Vehicles Equipped for Testing

Section 2 provides space for an applicant to identify each vehicle that will be utilized in the testing process. Each manufacturer may designate up to ten vehicles on an original application. Designating vehicles over the ten identified on the original application requires submission of an application marking the 'Additional Permits' option on page one of the application.

The manufacturer must identify the license plate number, state of plate issuance, vehicle identification number, year, make and model of the vehicle that is designated for testing. A check is also required to indicate whether the vehicle is an auto or commercial. Any commercial indication is bound by regulations section 227.52, which excludes specified trailers, motorcycles, motor vehicles with interstate operating authority, and vehicles with a gross weight of 10,001 pounds or above. For public safety, it is critical that the department maintain current and accurate records on those vehicles participating in autonomous technology testing. If the department determines a manufacturer is allowing vehicles to operate in an unsafe manner or in a manner contrary to the Vehicle Code or other applicable regulations, the department needs a means to take quick action against the permit and the associated vehicles. By having a record of the vehicles a manufacturer designates for testing, the department will be able to quickly suspend or cancel a permit and the associated vehicles.

#### Section 3 – Autonomous Vehicle Driver/Operator

Section 3 provides space for an applicant to identify the name, driver license number, state of driver license issuance, training completion information and employer pull notice enrollment information, of a person that is designated as an autonomous vehicle testing operator. Each manufacturer applicant may designate up to twenty operators on an original application. Designating operators over the twenty identified on the original application requires submission of an application marking the ‘Additional Permits’ option on page one of the application.

This information will allow the department to verify that the operator is a licensed driver and has completed the required manufacturer training and is enrolled in the employee pull notice program.

#### Section 4 – Applicant Acknowledgment

Section 4 provides specific certifications that are required by the Vehicle Code section 38750(c) to be provided on the application.

1. The autonomous vehicle is being operated on roads in this state solely by employees, contractors, or other persons designated by the manufacturer of the autonomous technology. This provision is required by Vehicle Code section 38750(b)(1).
2. The driver will be seated in the driver’s seat, monitoring the safe operation of the autonomous vehicle and is capable of taking over immediate manual control of the autonomous vehicle in the event of an autonomous technology failure or other emergency. This provision is required by Vehicle Code section 38750(b)(2).
3. An autonomous vehicle shall not be operated on public roads until the manufacturer submits an application to the department and has been approved by the department. This provision is required by Vehicle Code section 38750(c).
4. The autonomous vehicle has a mechanism to engage and disengage the autonomous technology that is easily accessible to the operator. This provision is required by Vehicle Code section 38750(c)(1)(A).
5. The autonomous vehicle has a visual indicator inside the cabin to indicate when the autonomous technology is engaged. This provision is required by Vehicle Code section 38750(c)(1)(B).
6. The autonomous vehicle has a system to safely operate the operator if an autonomous technology failure is detected while the autonomous technology is engaged, and when an alert is given, the system shall require the operator to take control of the autonomous vehicle or if the operator does not or is unable to take control of the autonomous vehicle, the autonomous vehicle shall be capable of coming to a stop. This provision is required by Vehicle Code section 38750(c)(1)(C).

7. The autonomous vehicle shall allow the operator to take control in multiple manners, including, without limitation, through the use of the brake, the accelerator pedal, or the steering wheel, and it shall alert the operator that the autonomous technology has been disengaged. This provision is required by Vehicle Code section 38750(c)(1)(D).
8. The autonomous vehicle's autonomous technology meets Federal Motor Vehicle Safety Standards for the vehicle's model year and all other applicable safety standards and performance requirements set forth in state and federal law and the regulations promulgated pursuant to those laws. This provision is required by Vehicle Code section 38750(c)(1)(E) and (F).
9. The autonomous vehicle has a separate mechanism, in addition to, and separate from, any other mechanism required by law to capture and store the autonomous technology sensor data for at least 30 seconds before a collision occurs between the autonomous vehicle and another vehicle, object, or natural person while the vehicle is operating in autonomous mode. The autonomous technology sensor data shall be captured and stored in a read-only format by the mechanism so that the data is retained until extracted from the mechanism by an external device capable of downloading and storing the data. The data shall be preserved for three years after the date of the collision. This provision is required by Vehicle Code section 38750(c)(1)(G).
10. The driver will be seated in the driver's seat and has been identified in this application, and provided training as outlined in the training materials submitted with this application. This provision is required, in part, by Vehicle Code section 38750(b)(1) which requires a driver to be seated in the driver's seat, by Section 227.22 of these regulations requiring a training program to be in place and by Section 227.18(b)(2), requiring a test operator to have completed the manufacturer's autonomous vehicle test driver training program.
11. The applicant for an autonomous vehicle testing program permit shall maintain records confirmation all driver/operator(s) driver license record is in compliance with the good driver criteria and shall immediately remove such drivers from the testing program upon notification that the driver no longer qualifies for participation in the program. This provision is authorized under Vehicle Code section 38750(d), requiring the department to promulgations to ensure, among other requirements, the safe operation of autonomous vehicles on the public roads, and is further clarified by Section 227.20(b)(1), identifying the criteria of a 'good driver' and by Section 227.32, requiring driver enrollment in the department's Employer Pull Notice Program.
12. The operation of autonomous vehicles on public roads will be in compliance with all provisions of the Vehicle Code and local regulations applicable to the operation of motor vehicles. This provision is authorized by the general authority of Vehicle Code section 38750, and other Vehicle Code and regulatory sections governing the safe operation of vehicles upon the state's roadways.

## Section 5 – Certification

Section 5 contains the certification that is to be signed by the program director or authorized representative of the applicant that certifies (or declares) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This certification language is consistent with all other departmental forms that require a certification and is also consistent with the requirements of Code of Civil Procedure section 2015.5(b).

Subdivision (a)(1) is adopted to identify the original application fee that is to be submitted at the same time the OL 311 is submitted to the department. The department has determined a fee of \$150 will cover the costs of verifying application documentation and other activities associated with issuance of a permit. This fee will permit the operation of up to ten autonomous vehicles and up to 20 autonomous vehicle test drivers.

Subdivision (a)(2) is adopted to identify the fee to add an additional drivers and vehicles. The addition of drivers and vehicles creates an additional workload on the department so a fee of \$50 is determined to be sufficient to cover those associated costs.

Subdivision (b) is adopted to identify the process a manufacturer must follow when modifying the AVT program application form, OL 311. The modification must be submitted using a new form OL 311 and payment of a modification fee. Because the permit modification will create an additional workload, the department has determined that a modification fee of \$70 will be sufficient to cover those associated costs.

Necessity: The department is authorized by Vehicle Code section 38750(h) to assess a fee upon the manufacturer that submits an application to operate autonomous vehicles in an amount necessary to recover all costs reasonably incurred by the department. The fees identified in subdivisions (a) and (b) are necessary to ensure the autonomous vehicle program remains functional.

### **§227.28. Review of Application.**

Subdivision (a) is adopted to require the department to review an AVT Application for Manufacturers Testing Permit within 10 days of receipt of the application and determine whether the application is complete or deficient.

Once the department has verified that all application requirements have been met, the department will issue an Autonomous Vehicle Testing (AVT) Program Manufacturer Permit, form OL 315.

Necessity: During the department's June 18 public workshop, AV manufacturers expressed concern that, in order to run effectively, the department must provide the applicant with feedback on its application relatively quickly. Additionally, the department was specifically asked to commit to a review time frame in regulation. Establishing a departmental review period in regulations will assist AVT applicants ensure their testing program runs without unnecessary delay.

## **Autonomous Vehicle Testing (AVT) Program Manufacturer Permit, form OL 315 (NEW 9/2013)**

The AVT Program Manufacturer Permit is the document issued upon submission of an application and review and approval of the department. The OL 315 is required to be retained in the vehicle while testing and serves as verification, to a peace officer, for instance, of the manufacturer's authorization to test autonomous vehicles on public roads.

The first requirement on this form is where the applicant will indicate whether the test vehicle is an auto or commercial and provide the manufacturer contact information such as the name, address, and AVT number. This information is necessary to ensure that the department has accurate records.

The second portion of the form contains various acknowledgments to which the manufacturer will be certifying. All provisions are consistent with other autonomous vehicle program forms which are specified in the Vehicle Code.

To be issued this permit, a manufacturer must certify that it will maintain an instrument of insurance, surety bond, or proof of self-insurance in the amount of five million dollars. This provision is required by Vehicle Code section 38750(c)(3).

The manufacturer must certify that the autonomous technology meets all of the following requirements:

The autonomous vehicle has a mechanism to engage and disengage the autonomous technology that is easily accessible to the operator. This provision is required by Vehicle Code section 38750(c)(1)(A).

The autonomous vehicle has a visual indicator inside the cabin to indicate when the autonomous technology is engaged. This provision is required by Vehicle Code section 38750(c)(1)(B).

The autonomous vehicle has a system to safely alert the operator if an autonomous technology failure is detected while the autonomous technology is engaged, and when an alert is given, the system shall require the operator to take control of the autonomous vehicle or if the operator does not or is unable to take control of the autonomous vehicle, the autonomous vehicle shall be capable of coming to a complete stop. This provision is required by Vehicle Code section 38750(c)(1)(C).

The autonomous vehicle allows the operator to take control in multiple manners, including, without limitation, through the use of the brake, the accelerator pedal, or the steering wheel, and it alerts the operator that the autonomous technology has been disengaged. This provision is required by Vehicle Code section 38750(c)(1)(D).

The autonomous vehicle's autonomous technology meets Federal Motor Vehicle Safety Standards for the vehicle's model year and all other applicable safety standards and

performance requirements set forth in state and federal law and the regulations promulgated pursuant to those laws. This provision is required in Vehicle Code section 38750(c)(1)(E).

The last section contains the certification that is to be signed by the manufacturer and certifies (or declares) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This certification language is consistent with all other departmental forms that require a certification and is also consistent with the requirements of Code of Civil Procedure section 2015.5(b).

Subdivision (b) is adopted to require the department to notify manufacturers of any deficiencies in the application and allow a reasonable time to correct the deficiency. Once the application is resubmitted, the department will have an additional 10 days, as provided in subdivision (a), to provide feedback on the application. An application will be denied if the deficiencies are not corrected.

Necessity: The department is committed to ensuring the autonomous vehicle industry operates as effective as possible. To that end, the department will make every effort to ensure the applications are reviewed as thoroughly and as quickly as possible and work with the applicant to facilitate this process.

#### **§227.30. Term of Permit.**

Subdivision (a) is adopted to provide that Manufacturer Testing Permits are valid for one year and can be renewed by the manufacturer to whom the permit was issued.

Necessity: This provision is necessary as it allows for manufacturers to be aware that the permit will expire one year after issuance.

Subdivision (b) is adopted to specify that a manufacturer must apply for a renewal and pay the \$150 renewal fee 60 days prior to the expiration of the permit.

Necessity: The process for a permit renewal is virtually identical to the process for an application for original permit. The applicant is required to submit an OL 311 and pay the associated fee. Because the departmental processing requirements are identical to those of the original permit, the fee for renewal is \$150. This provision also authorizes a manufacturer to submit a renewal up to 60 days prior to the expiration of the current permit. This provision will allow the manufacturer to avoid down time due to waiting for a new permit to be issued.

#### **§227.32. Enrollment in Employer Pull Notice Program.**

Subdivision (a) is adopted to require manufacturers to enroll in the department's pull notice program prior to applying for a Manufacturer's Testing Permit. When an employer enrolls its employees who are required to drive as part of their job duties in the pull notice program whenever the department updates traffic violations to the enrolled driver's record, the employer is mailed a copy of the employee's updated driving record.

Necessity: This provision is necessary to implement Vehicle Code section 1808.1 which requires an employer of a person who drives a vehicle to enroll that person in the Employer Pull Notice Program.

Subdivision (b) states that a manufacturer will be denied a testing permit until they submit verification of enrollment in the pull notice program.

Necessity: This provision is necessary to ensure drivers and manufacturers are compliant with the requirements of Vehicle Code section 1808.1.

#### **§227.34. Prohibitions on Operation on Public Roads.**

Section 227.34 identifies circumstances under which an autonomous vehicle cannot be operated on public roads. These circumstances are established out of the need to protect public safety.

Subdivision (a) is adopted to prohibit operation by a person who has not been identified to the department as an employee, contractor, or designee of the manufacturer.

Necessity: This provision is identified for clarity. Vehicle Code section 38750(b)(1) requires the driver to be a manufacturer employee, contractor or designee authorized by the manufacturer to operate its autonomous vehicle.

Subdivision (b) is adopted to prohibit operation by a person who does not hold the class of license for the type of vehicle being tested.

Necessity: This provision is also necessary for clarity by prohibiting a person not appropriately licensed from operating an autonomous vehicle on public roadways.

Subdivision (c) is adopted to prohibit operation by a person who does not meet the autonomous vehicle driver qualifications specified in Section 227.20 of this Article.

Subdivision (d) is adopted to prohibit autonomous vehicle operation when there is not an operator sitting in the driver's seat able to take control of the vehicle. This provision is necessary for purposes of public safety. In the event of a failure or malfunction, a driver must be in the driver position ready to take control in order to avoid a potential collision.

Subdivision (e) is adopted to prohibit vehicle operation when the manufacturer does not have proof of financial responsibility. This provision is necessary to ensure vehicles being tested have proof of financial responsibility not only for circumstances where proof is requested by a peace officer, but to cover costs in case of a collision or other event.

Subdivision (f) is adopted to prohibit operation when the manufacturer does not have a valid testing permit.

Necessity: This prohibition is necessary because no manufacturer is authorized to test on California roadways without the appropriate testing permit. Issuance of a testing permit is the

result of the department's verification efforts ensuring the manufacturer is in compliance with application requirements.

**§227.36. Refusal, Suspension, Revocation of Testing Permit.**

Section 227.36 lists the basis upon which the department may refuse to issue, renew, suspend, or revoke a testing permit.

Subdivision (a) allows the department to refuse to issue, renew, suspend, or revoke a permit when a manufacturer violates any requirement of Vehicle Code 38750 or these regulations.

Subdivision (b) allows the department to refuse to issue, renew, suspend, or revoke a permit when the manufacturer or its employees commits any act while testing vehicles which the department determines presented an unreasonable risk to the public.

Necessity: Subdivisions (a) and (b) are necessary to ensure the department has the ability to take quick action against a manufacturer that is allowing vehicles to be operated in an unsafe manner or in violation of the autonomous vehicle testing requirements of this article and Vehicle Code section 38750. This section will ensure the safety of the state's highways and roadways are intact.

**§227.38. Demand for Hearing after Refusal or Non-Renewal.**

Subdivision (a) allows a manufacturer to make a written demand for a hearing before the director of the Department of Motor Vehicles within 60 days of a notice of a refusal to issue a permit.

Subdivision (b) requires that the hearing be conducted pursuant to the provisions of the Administrative Procedures Act.

Necessity: Subdivisions (a) and (b) are necessary to inform the manufacturers that there are administrative remedies when a testing permit is refused or not renewed by the department. The hearing process is also consistent with other hearing processes conducted for the department's occupational licensing programs. This section provides an appeal process in the event that the department refuses to issue a testing permit.

**§227.40. Suspension of Autonomous Vehicle Testing Permit.**

Subdivision (a)(1) is adopted to identify failure to maintain financial responsibility as a circumstance under which the department may suspend a testing permit. This provision is necessary because, not only does Vehicle Code section 38750 require financial responsibility to be established prior to testing, but this requirement is one of the key public safety aspects raised with SB 1298.

Subdivision (a)(2) is adopted to identify AV operation by unauthorized persons as a circumstance under which the department may suspend a testing permit. This provision is necessary because it is consistent with the requirements of Vehicle Code section 38750 but the department must ensure that only those individuals that have passed the manufacturer training course, and met all other conditions of the permit requirements are operating the autonomous

vehicle. This will ensure that, if there is an equipment failure or other unplanned event, the vehicle operator will be prepared to take immediate action to control the vehicle.

Subdivision (a)(3) is adopted to allow the department to suspend a testing permit when it is determined that a vehicle has been operated without a driver or operator sitting in the driver seat and capable of taking over immediate control of the vehicle. This is another component of Vehicle Code section 38750 and is additionally necessary for public safety.

Subdivision (b) is adopted to provide that the department will provide a 15-day written notice prior to suspending a testing permit, but may also immediately suspend a permit if it is determined that the manufacturer is engaging in a practice that poses a safety risk to other drivers. This provision is necessary to clearly identify the circumstances under which a manufacturer will receive notice of suspension.

**§227.42. Reinstatement of Testing Permit.**

Section 227.42 is adopted to require a manufacture to cease testing when the permit is suspended and may resume testing when the department lifts the suspension after verifying that the manufacturer has corrected the deficiency.

Necessity: This provision is necessary to ensure public safety is intact while the department verifies that the manufacturer has taken appropriate steps to correct a deficiency.

**§227.44. Reporting Accidents.**

A manufacturer must report all accidents involving the operation of autonomous vehicles on public roads to the department within 10 days on the Report of Traffic Accident Involving an Autonomous Vehicle, form OL 316.

Necessity: Vehicle Code section 38750 requires accidents be reported to the department, however, this provision is necessary as it provides the 10 day rule and also adopts the form on which the accident is to be reported to the department.

**Report of Traffic Accident Involving an Autonomous Vehicle, form OL 316 (NEW 9/2013)**

The form OL 316 is the form that will be completed when an autonomous vehicle is involved in an accident. This form will serve as another mechanism by which the department will ensure the safe operation of autonomous vehicles on public roads.

**§227.46. Reporting Disengagement of Autonomous Mode.**

Subdivision (a) is adopted to require a manufacturer to retain data relating to instances where the autonomous technology was required to be disengaged during testing because of some imminent threat to safety.

Necessity: This provision allows the department to obtain data related to the safe operation of various autonomous technology and provides a basis for future analysis of driver license testing

requirements that may be necessary when autonomous vehicles become available for sale to the public.

Subdivision (b) is adopted to require a manufacturer to prepare an annual report of these incidents to be submitted to the Department by January 1, of each year.

Necessity: This subdivision is necessary to establish a due date for the annual report to allow the department time to review the results and submit those results to the legislature, as required by Vehicle Code section 38750.

**§227.48. Vehicle Registration and Certificates of Title.**

Subdivision (a) is adopted to prohibit the use of an autonomous vehicle unless that vehicle is one that has been identified as a testing vehicle.

Necessity: This provision is necessary to ensure the only autonomous vehicles on the roadway are those that have been identified by a manufacturer as a test vehicle.

Subdivision (b) is adopted to require that all autonomous vehicles be registered pursuant to the provisions of the Vehicle Code and that any application for registration of an autonomous vehicle include:

Subdivision (b)(1) is adopted to require a testing applicant to submit a certificate of ownership or certificate of origination.

Necessity: This information is key in obtaining the necessary vehicle identification information that will ensure the department's records are current and accurate.

Subdivision (b)(2) is adopted to require the applicant to submit a written description of the autonomous features and capabilities of those features that have been integrated in to the vehicle.

Necessity: This information is necessary for the department to track the specific technology attributes being tested by that specific vehicle.

Subdivision (b)(3) is adopted to require a testing applicant to submit a brake and light adjustment certificate.

Necessity: This provision is necessary to ensure that the autonomous technology has not made required safety equipment inoperative.

Subdivision (b)(4) is adopted to require a testing applicant to submit an emissions certification.

Necessity: This requirement is standard in most vehicle registration transactions and is necessary to ensure that the autonomous technology does not interfere with the vehicles emission systems.

Subdivision (c) and (c)(1) through (c)(3) are adopted to provide requirements for transfer of ownership of an autonomous vehicle.

Necessity: Necessity for all these provisions are consistent with the necessity provided in Subdivisions (b)(2) through (b)(4) of this section.

Subdivision (d) is adopted to provide that a registration card issued to a vehicle equipped with autonomous technology will have an indicator on the registration card. Additionally, the department will provide an identifier on the certificate of ownership of the vehicle equipped with autonomous technology, as well as on the Autonomous Vehicle Testing (AVT) Program Test Vehicle Permit, form OL 313 (NEW 9/2013).

Necessity: An autonomous vehicle marking on the registration will serve multiple purposes, including, allowing departmental records to reflect the automated nature of the vehicle and to serve as an identifier to law enforcement that the vehicle is equipped with autonomous technology,

### **Autonomous Vehicle Testing (AVT) Program Test Vehicle Permit, form OL 313**

This form is issued upon review and approval of an application for testing and is to be retained in the vehicle during testing and will serve as proof that the vehicle is authorized to test on public roadways.

Section one requires vehicle information including whether the vehicle is an automobile or commercial vehicle, vehicle identification number, license plate, make and model of the vehicle. Section two requires manufacturer information to be disclosed including the manufacturer's name, address, and AVT number. The information contained in sections one and two will allow law enforcement, for example, to verify the vehicle and manufacturer information and ensure that the vehicle is approved to test on public roadways.

Section three contains acknowledgements that are provided in the Vehicle Code and are necessary in the form to ensure the vehicle driver and manufacturer are aware of the laws governing the operation of autonomous vehicles on public roadways.

1. The autonomous vehicle is being operated on roads in this state solely by employees, contractors, or other persons designated by the manufacturer of the autonomous technology. This provision is authorized by Vehicle Code section 38750(b)(1).
2. The autonomous vehicle has a mechanism to engage and disengage the autonomous technology that is easily accessible to the operator. This provision is authorized by Vehicle Code section 38750(c)(1)(A).
3. The autonomous vehicle has a visual indicator inside the cabin to indicate when the autonomous technology is engaged. This provision is required by Vehicle Code section 38750(c)(1)(B).

4. The autonomous vehicle has a system to safely operate the operator if an autonomous technology failure is detected while the autonomous technology is engaged, and when an alert is given, the system shall require the operator to take control of the autonomous vehicle or if the operator does not or is unable to take control of the autonomous vehicle, the autonomous vehicle shall be capable of coming to a stop. This provision is required by Vehicle Code section 38750(c)(1)(C).

5. The autonomous vehicle shall allow the operator to take control in multiple manners, including, without limitation, through the use of the brake, the accelerator pedal, or the steering wheel, and it shall alert the operator that the autonomous technology has been disengaged. This provision is required by Vehicle Code section 38750(c)(1)(D).

6. The autonomous vehicle's autonomous technology meets Federal Motor Vehicle Safety Standards for the vehicle's model year and all other applicable safety standards and performance requirements set forth in state and federal law and the regulations promulgated pursuant to those laws. This provision is required by Vehicle Code section 38750(c)(1)(E) and (F).

7. The autonomous vehicle has a separate mechanism, in addition to, and separate from, any other mechanism required by law to capture and store the autonomous technology sensor data for at least 30 seconds before a collision occurs between the autonomous vehicle and another vehicle, object, or natural person while the vehicle is operating in autonomous mode. The autonomous technology sensor data shall be captured and stored in a read-only format by the mechanism so that the data is retained until extracted from the mechanism by an external device capable of downloading and storing the data. The data shall be preserved for three years after the date of the collision. This provision is required by Vehicle Code section 38750(c)(1)(G).

Section 5 contains the certification that is to be signed by the program director or authorized representative of the applicant that certifies (or declares) under penalty of perjury under the laws of the State of California that the foregoing is true and correct. This certification language is consistent with all other departmental forms that require a certification and is also consistent with the requirements of Code of Civil Procedure section 2015.5(b).

**§227.50. Transfers of Interest or Title.**

Autonomous test vehicles and all major component parts for such vehicles cannot be sold or transferred except as permitted in this section. This provision is necessary to ensure an unauthorized individual is not operating an autonomous vehicle, thereby posing a risk to him or herself or to public safety.

Subdivision (a) is adopted to permit transfers to other autonomous vehicle manufacturers holding a valid permit to test.

Necessity: This provision is necessary to provide the first circumstance under which an autonomous vehicle may be transferred. The manufacturer to which the vehicle is transferred must hold a valid testing permit and will still be required to complete all the application requirements as provided by these regulations.

Subdivision (b) allows transfers to auto dismantlers.

Necessity: This provision is necessary to provide the second circumstance under which an autonomous vehicle may be transferred. To ensure public safety, however, the manufacturer must obtain a Nonrepairable Vehicle Certificate that will ensure the vehicle is neither sold nor retitled.

Subdivision (c) is adopted to allow the transfer of an autonomous vehicle to an academic institution or museum for research or display.

Necessity: This provision is necessary to authorize the vehicle to be transferred to an academic institution for research or display.

#### **§227.52. Vehicles Excluded from Testing.**

Lists the types of vehicles that will not be approved for testing on public roads.

Subdivision (a) is adopted to prohibit the testing of:

- Trailers, as specified in subdivision (a)(1),
- Motorcycles, as specified in subdivision (a)(2),
- Interstate vehicles, as specified in subdivision (a)(3), and
- Vehicles with a gross weight rating of 10,001 or more pounds, as specified in subdivision (a)(4).

Necessity: Due to the size of these vehicles, the department believes that public safety would currently be best served by limiting testing to passenger vehicles.

Subdivision (b) is adopted to prohibit the testing of commercial vehicles.

Necessity: This provision is necessary for the protection of public safety.

## **DEPARTMENTAL DETERMINATIONS**

- Technical, Theoretical and/or Empirical Studies, Reports or Documents:  
The department relied on the following documents in preparing this proposed regulatory action:
  - Economic Impact Assessment
  - National Highway Traffic Safety Administration – Preliminary Statement of Policy Concerning Automated Vehicles
- Reasonable Alternatives That Would Lessen Any Adverse Impact on Small Business: No alternatives were considered or presented that would lessen any adverse impact on small business.
- Evidence Supporting Determination of No Significant Adverse Economic Impact on Business: This regulation will impact automobile manufacturers and companies developing systems that allow automated operation of motor vehicles without the active physical control of a driver. The department has no evidence that the regulation will have an adverse impact on business and anticipates that these regulations will have a positive economic impact on California businesses as more automobile manufacturers and researchers enter the state to develop and test automated automobile technology that may be incorporated into all automobiles in the future.

## **ECONOMIC AND FISCAL IMPACT DETERMINATIONS**

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: Other than the costs associated with securing the evidence of financial responsibility as required by Vehicle Code section 38750, the costs of applying for a permit to test vehicles as specified in the regulations, and the costs for training drivers to safely operate the test vehicles, the department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- Effect on Housing Costs: None.
- Local Agency/School District Mandates: The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- Small Business Impact: This proposed action may impact small business.