

March 2, 2023

The Honorable William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis MD 21401

RE: Letter of Information – Senate Bill 685 – Vehicle Laws – Autonomous Vehicle Converters – Sale of Autonomous Vehicles

Dear Chair Smith and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 685 but offers the following information for the Committee’s consideration.

Senate Bill 685 authorizes an autonomous vehicle converter to purchase motor vehicles directly from a manufacturer, outfit them with autonomous vehicle technology, and then lease or sell to commercial or industrial buyers in other states. Senate Bill 685 further exempts such companies from obtaining dealership licenses required under State law.

The MDOT Motor Vehicle Administration (MVA) would like to note for the Committee that it has engaged in conversations with the bill sponsor. The MVA has no objections to permitting a Maryland business from utilizing a business model that purchases new vehicles to have third-party hardware and software added before reselling the upgraded vehicle to out of state commercial and industrial buyers.

For the Committee’s awareness, the MVA is not aware of any national companies that are utilizing this business model and so notes that such regulation proposed by Senate Bill 685 is limited to very specific circumstances. The current manufacturer and dealer laws in Maryland – and across the country – were not crafted to anticipate this type of business model and as the automotive industry evolves into areas that will impact both general public consumers, commercial and industrial consumers, and public safety, there may be a need for additional statutory and regulatory oversight in the future.

The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 685.

Respectfully submitted,

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