
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 33 (Aguiar-Curry) - Autonomous vehicles

Version: June 30, 2025

Urgency: No

Hearing Date: July 14, 2025

Policy Vote: TRANS. 10 - 3

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 33 would prohibit the delivery of commercial goods directly to a residence or business for its use or retail sale by an autonomous vehicle (AV) operating without a human safety operator, and require the Department of Motor Vehicles (DMV) to impose administrative penalties for violations of this prohibition. The bill would also require DMV, upon appropriation by the Legislature, to submit a specified evaluation of AV technology and its impact on public safety and employment on the transportation sector to the Legislature by January 1, 2031, or five years after commencement of testing, whichever is later.

Fiscal Impact:

- DMV estimates minor costs to promulgate regulations and determine new disengagement reporting requirements, and ongoing costs of approximately \$1.23 million annually for five years (Motor Vehicle Account) for the following:
 - \$500,000 annually for consultant contracts with technical experts on AV technology to conduct an evaluation of the performance of AV technology and impact on public safety using data from AV manufacturers.
 - \$250,000 annually for a project management contract for oversight, coordination between relevant agencies, managing scope and timeline, and preparing the report.
 - \$475,000 annually for DMV staff work, including coordination and oversight of the consultant and project management contracts, management and oversight of the required elements of the report, coordinating with specified state agencies, and completing the analysis.
- Unknown penalty revenue gains related to administrative fines imposed by DMV for violating the bill's prohibition on delivering commercial goods to a residence or business with a driverless AV. These fine revenues are intended to partially offset DMV's administrative costs, but the department indicates that revenues from enforcement are not expected to be significant. See Staff Comments. (Motor Vehicle Account)
- The California Air Resources Board (CARB) estimates costs of approximately \$283,000 (for 1.0 full-time PY of staff time, and additional support workload) to consult with DMV regarding impacts to the Scoping Plan, and to provide research support to DMV. Staff notes that CARB reported these costs to be minor and absorbable on a prior bill with similar requirements, but indicates that it can no longer absorb workload within existing resources. (Motor Vehicle Account)

- The Labor and Workforce Development Agency (LWD Agency) and Department of Transportation (Caltrans) estimate minor and absorbable costs to consult with DMV in the preparation of the report. (various special funds)
- The California Highway Patrol (CHP) estimates minor and absorbable costs to collect and analyze data on traffic and safety impacts, and to assist in the preparation of the final report. CHP notes that data regarding AV crashes is currently tracked and reported to the DMV. (Motor Vehicle Account)

Background: Existing law defines “autonomous vehicle” as a vehicle equipped with technology that makes it capable of operation that meets the definition of Levels 3, 4, or 5 of the Society of Automotive Engineers (SAE) International's Taxonomy and Testing of Autonomous Vehicles Definitions for Terms Related to Driving Automation Systems for On-Road Motor Vehicles, standard J3016 (APR 2021). Existing law authorizes the operation of AVs on public roads for testing and deployment purposes under certain circumstances specified in DMV regulations, and prohibits operation of AVs on public roads without DMV approval.

Existing law requires DMV to adopt regulations by January 1, 2015 setting forth the requirements for the application to operate AVs on public roads for non-testing purposes. In 2014 the DMV established regulations to authorize the testing of AVs with gross vehicle weights of less than 10,001 pounds with safety drivers. In 2018 the DMV established regulations to authorize testing of light-duty AVs without safety drivers. Light-duty AV regulations were updated in 2019 to allow for the testing and deployment of AV motor trucks (delivery vehicles weighing less than 10,001 pounds) on public roads. In 2022 the DMV established regulations to authorize the deployment of light-duty AVs without safety drivers. The DMV indicates that 30 companies are currently authorized to test light-duty AVs with a safety driver, six companies are authorized to test without a safety driver, and three companies are authorized to commercially deploy driverless light-duty AVs.

In California, testing and deployment of AVs that weigh 10,001 pounds or more is currently not permitted. DMV held workshops in January and July of 2023 to discuss topics intended to inform the development of future rulemakings for both light-duty and heavy-duty AVs, which included participation by AV manufacturers, technology companies, members of academia, and special interest and labor stakeholders. In addition, the department facilitated two first responder roundtable workshops in Northern and Southern California to gather feedback regarding interactions with AVs operating on public roads. On August 30, 2024, the department released draft regulations for informal stakeholder input. As a result of the workshops and input on the draft regulations, DMV released proposed regulations in April of this year that allows for the testing and public deployment of autonomous heavy duty commercial motor vehicles, enhances existing data reporting, creates a staged application process, and creates additional enforcement authority. Specifically, the proposed regulations would permit the use of AV's over 10,000 pounds with and without a human operator, so long as they are not delivering passengers or hazardous materials, but these heavy-duty AVs would be prohibited from operating on streets with speed limits of 25 mph or less, with some exceptions. The public comment period closed on June 9, 2025, and DMV held a public hearing on the proposed regulations on June 10th.

Proposed Law: AB 33 would prohibit the delivery of commercial goods by an AV operating on a highway without a human safety operator, and require DMV to submit a report to the Legislature evaluating the performance of AV technology and its impact on public safety and employment. Specifically, this bill would:

- Prohibit the delivery of commercial goods directly to a residence or to a business for its use or retail sale through the operation of an AV on a highway without a human safety operator. The safety operator must be trained in operating and shutting off the vehicle, and meet all federal and state qualifications for the type of vehicle being operated.
- Require DMV to impose an administrative fine of \$10,000 for a first violation, and \$25,000 for each subsequent violation of this prohibition. Penalty revenues must be deposited into the Motor Vehicle Account for use by DMV for its administrative purposes.
- Authorize DMV to suspend or revoke the permit of an AV manufacturer for repeated violations of this prohibition, subject to specified regulations and notice and hearing requirements,
- Require DMV, upon appropriation by the Legislature, to submit a report to the Legislature evaluating the performance of AV technology and its impact on public safety and employment in the transportation sector for AVs used to deliver commercial goods by January 1, 2031, or five years after commencement of testing, whichever is later. The report must include a summary of disengagements, crashes, and any other relevant information, as well as a recommendation of whether the Legislature should remove, modify, or maintain the requirement for an AV utilized to deliver commercial goods to operate with a human safety operator physically present in the vehicle.
- Require DMV to consult with the following entities while preparing the report, and require these entities to provide information needed to research the report:
 - CHP on traffic impacts, driver and passenger safety risks, and impacts on other motorists, bicyclists, and pedestrians.
 - LWD Agency on any job-related impacts, including worker displacement and shortcomings in retraining opportunities.
 - Caltrans on infrastructure impacts, deficiencies, and needs.
 - CARB on how AVs utilized to deliver commercial goods impact the 2022 Scoping Plan for Achieving Carbon Neutrality.
 - Independent experts on the performance of the technology, public safety impacts, and other relevant factors in considering deployment.
- State legislative intent to conduct an oversight hearing upon issuance of the report to assess the state of AV technology for vehicles utilized to deliver commercial goods.
- Prohibit DMV from issuing a deployment permit for use of an AV utilized to deliver commercial goods without a human safety operator earlier than one year after the specified oversight hearing, and only if a later enacted statute authorizes the issuance of a permit for that purpose.

Related Legislation: AB 2286 (Aguiar-Curry), which was vetoed by Governor Newsom last year, would have prohibited the operation of an AV with a gross vehicle weight of over 10,000 pounds on public roads for testing purposes, transporting goods, or transporting passengers without a human safety operator. The bill also required DMV to submit a specified evaluation of AV technology and its impacts on public safety and employment, as specified. The Governor's veto message noted that DMV's draft

regulations propose strict guidelines for heavy-duty AV operations, and also stated the following:

“Recognizing that our workforce is the foundation of our economic success, California leads the nation with some of the strongest worker protection laws. Our state also is renowned globally as a leader in technological innovation. We reject that one aim must yield to the other, and our success disproves this false binary. But advancing both priorities requires creativity, collaboration, and a willingness to work together to identify pragmatic solutions. Toward that end, my office offered multiple rounds of suggested amendments, which were unfortunately not accepted. While I cannot sign this legislation in its current form, my Administration stands ready to work with the legislature and stakeholders toward progress on this issue.”

AB 316 (Aguiar-Curry), which was vetoed by Governor Newsom in 2023, was nearly identical to AB 2286 from last year. The veto message, in part, stated the following:

“Assembly Bill 316 is unnecessary for the regulation and oversight of heavy-duty autonomous vehicle technology in California, as existing law provides sufficient authority to create the appropriate regulatory framework.” ...and... “Considering the longstanding commitment of my Administration to addressing the present and future challenges for work and workers in California, and the existing regulatory framework that presently and sufficiently governs this particular technology, this bill is not needed at this time.”

Staff Comments: DMV indicates that it would incur costs of approximately \$1.23 million annually for five years for contracts with technical experts, contracts for project management oversight, and for DMV staff work. Staff assumes that DMV would incur one-time costs to enter into a contract with independent experts to assess AV technology, public safety impacts, and other relevant factors, as well as conducting data analysis, and that DMV would incur some level of ongoing staffing costs to coordinate with manufacturers on collision and disengagement reports, consult with specified entities, compile information, and draft the report, upon appropriation of funds by the Legislature. DMV indicates that its assessment of contracting costs is based upon existing consulting contracts related to AV deployment. Ultimately, however, any requests for additional resources would be evaluated through the budget process and subject to approval by the Legislature.

The Motor Vehicle Account (MVA) is the primary funding source for the California Highway Patrol and DMV. The Legislative Analyst’s Office (LAO) published a report last year as part of its analysis of the Governor’s proposed 2024-25 Budget entitled “Insolvency Risks for Environmental and Transportation Special Funds” that includes an evaluation of the MVA. The report notes that between 2018-19 and 2023-24, MVA revenues have increased by \$714 million while expenditures have increased by about \$1 billion, and since 2021-22, annual expenditures have exceeded yearly revenues, resulting in a structural imbalance.

The MVA is expected to fully exhaust its reserves in 2025-26, with expenditures expected to exceed available resources by roughly \$140 million. Staff notes that the 2025-26 Budget addresses the issue on a one-time basis by transferring \$85 million from the Air Pollution Control Fund and \$81 million from the Greenhouse Gas Reduction Fund to the MVA to support CARB’s Mobile Source Program, which has received MVA support in the past. Absent further actions to address the MVA fund condition, approving any new proposals that would increase MVA expenditures would exacerbate

the current structural imbalance of the fund. The Budget Summary published for the May Revision of the 2025-26 Budget notes that “Given the ongoing fiscal constraints in the MVA, the Administration will continue to prioritize fiscal discipline. This means limiting new workload or initiatives, including those with delayed implementation dates that would create additional cost pressures over time. By focusing on core operational priorities, the DMV can serve Californians while staying within available MVA resources.”

Staff notes that the bill was recently amended to revise the enforcement provisions by deleting a provision that made a violation of the prohibition on delivering commercial goods to a residence or business with a driverless AV punishable with a civil fine of up to \$25,000 and instead requiring DMV to impose an administrative fine for violations. The bill requires the administrative fine revenues to be deposited into the MVA “for use by the department in administering this chapter.” Staff notes, however, that the Vehicle Code provisions added by the bill are not included within a “chapter” of the Vehicle Code, but are instead included as stand-alone sections of statute within Division 16.6, pertaining to autonomous vehicles. As such, it is unclear whether any administrative fine revenues are to be used to partially offset DMV’s administrative costs associated with the entire Division of the Vehicle Code related to autonomous vehicles, or limited to the administration of the specific provisions added by the bill. Staff recommends that the bill be amended to clarify the author’s intent. Furthermore, it is unclear how DMV would be notified that a violation of the prohibition in the bill has occurred so that an administrative fine can be imposed by the department. Staff notes one potential solution can be found in DMV’s proposed regulations that are currently pending approval. Specifically, the proposed regulations include requirements for the issuance of a “Notice of Autonomous Vehicle Noncompliance” when a peace officer observes an alleged violation of the Vehicle Code or a local traffic ordinance adopted pursuant to the Vehicle Code. Should this regulation be finalized, DMV could be notified of a violation of the bill’s prohibition through issuance of such a “Notice of Noncompliance” by law enforcement.

This bill would prohibit the delivery of commercial goods directly to a residence or business through the operation of an autonomous vehicle without a human safety operator. Staff notes that current DMV regulations allow for the testing and deployment of light-duty AVs (weighing under 10,001 pounds) for both passenger service and delivery of goods. As such, this bill would invalidate current AV delivery service models, or at least require AV companies to modify business practices to require a human operator in each AV delivery vehicle, which may be impractical.

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