



MEMORANDUM

To: Gary Kellan and Chris Sieklucki

From: Matt Solak

Date: October 30, 2020

Re: MAAE Monthly Legislative Report

Overall State Issues

COVID-19

On October 3, the Michigan State Supreme Court ruled against Governor Whitmer in her effort to retain power under the 1945 Emergency Powers of Governor Act (EPGA). The narrow 4-3 majority ruled the Act violates the Constitution because it purports to indefinitely delegate legislative power to the executive branch. The decision sent major shock waves in Lansing. Over the course of the next week the Governor used different laws to have her orders reinstated, most notably the mask mandate, social gathering rules and some workplace rules. The mask mandate and social gathering rules were issued under the Public Health Code while the workplace safe rules were issued under MiOSHA authority. Some of the rules that have been issued by the various departments are already beginning to face legal challenges.

In mid-October the Legislature did return to address some issues that were invalidated by the Supreme Court ruling. These issues were considerably less controversial including the expansion in unemployment benefits, waiver of driver's licenses expiration rules, allowing public bodies to meet electronically, among a list of many others. One more controversial piece of legislation that passed was providing COVID-19 liability protections for businesses. This legislation likely only passed because of the Supreme Court invalidating the 1945 EPGA. Without the invalidation of the law it is unlikely the Governor would have agreed to this legislation which was a key priority for Republicans. The bill will protect business, including airports, against frivolous COVID related lawsuits.

KDA/Senate Republican Reception

MAAE President Gary Kellan and Immediate Past President Chris Sieklucki participated in a virtual reception with KDA clients and Senate Republican Legislators. The reception was a key opportunity to make key Republicans aware of challenges that are being faced by the airports and the aviation industry. Lawmakers attending the reception were:

Majority Leader Mike Shirkey (R-Jackson)
Appropriations Chairman Jim Stamas (R-Midland)
Transportation Appropriations Chairman Wayne Schmidt (R-Traverse City)
Health Policy Committee Chairman Curt VanderWall (R-Ludington)
Energy Policy Chairman Dan Lauwers (R-Brockway Township)

Airport Issues

Aviation Funding

On March 10th House Bills 5582 and 5583 were introduced to remove the sales and use tax on motor and aviation fuel. These bills were to confirm Speaker Lee Chatfield's position that all taxes paid at the pump should go to support infrastructure. The legislation contained a motor fuel replacement tax in House Bill 5585. A replacement tax was not introduced on aviation fuel until an agreement can be reached between MAAE, MBAA, Delta and the State Aeronautics Office. The Legislature is committed to a replacement tax that provides additional funding for Michigan's airports. MAAE's lobbyist continues to work with other industry partners to find an agreeable solution. The COVID-19 situation has resulted in the tabling of fuel tax changes and road funding. It is likely this issue will not move forward in 2020 and will have to be reexamined in 2021.

Additional Federal Support

MAAE leadership continues to monitor additional relief that may be coming from Washington, DC and any impact it may have on the aviation industry. Talks between House Democrats, Senate Republicans and the White House have stalled and no relief package will happen before the election. The lack of bipartisan agreement is obviously hurting the aviation industry in particular.

2020 November Election

The November election remains right around the corner and the general consensus is the election will be tight but that Democrats have a slight advantage heading into election day. Currently, Republicans hold a slim 58-52 majority. Democrats are targeting seats in Oakland and Kent Counties as well as certain seats that continue to trend less Republican like Portage and Traverse City. The Republicans are targeting seats in Macomb County, downriver Detroit and in the Bay

City area. The Michigan Senate is not up for election this year. Republican's hold a 22-16 majority in the State Senate.

On a federal level former Vice President Biden and current Senator Peters look to be favorites to win statewide in Michigan. Michigan's 3rd and 6th Congressional Districts are a lot closer than traditionally they have every been. Michigan's 3rd District is the Grand Rapids based district that is currently held by retiring Congressman Justin Amash. Michigan's 6th District is the Kalamazoo based and southwest Michigan district that is currently held by Congressman Fred Upton.