



MEMORANDUM

To: Chris Sieklucki

From: Matt Solak

Date: March 31, 2020

Re: MAAE Monthly Legislative Report

Overall State Issues

COVID-19

As members are surly aware the COVID-19 outbreak has been all consuming since Michigan's first confirmed case on March 10th. The Legislature last met on March 17th to approve \$125 million in additional COVID-19 related spending. It is unclear when the Legislature will return to Lansing. There has been some discussion that the Legislature may return on April 7th to extend some of Governor Whitmer's Executive Orders. Under Michigan law, Executive Orders must be extended by the Legislature after 30 days. It is unclear if the Legislature will hold the Governor to this standard or they will allow the Executive Orders to stay in effect.

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 will surely complicate all tax issues as State Treasury is anticipating a large decline in all tax revenues.

Letter in Support of CARES Act

The MAAE sent a letter to Michigan's Congressional Delegation in support of the federal CARES Act. The MAAE letter emphasized proposals being pushed by the AAAE including:

1. Provide \$10 billion in general funding to airports for debt service payments, infrastructure projects, operations, recovery efforts and any lawful purpose. The funding needs to be fast and flexible.
2. Use existing AIP entitlement formulas (with no maximum cap and no PFC turn-back) to distribute money to commercial service airports quickly.
3. Distribute remaining funds based on passenger enplanements at each airport with a portion of the funds made available for discretionary grants to airports of all sizes.
4. Provide that this funding and previously appropriated FY20 funding to airports is issued at 100 percent federal share, which would allow airports to focus their resources for other critical operational needs.