



## MEMORANDUM

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**To:** Cheryl Bush  
**From:** Matt Solak  
**Date:** April 2024  
**Re:** MAAE Monthly Legislative Report

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### **House Returns to Full Strength**

Newly-elected Reps. Mai Xiong (D-Warren) and Peter Herzberg (D-Westland) have taken their seats in the Michigan House and Democrats have retaken a 56-54 majority. While being at full strength gives Democrats the chance to pass some policy priorities the session timeline remains tight with the laser focus on the budget. Most policies issues will likely be pushed to the fall.

### **MAAE Priorities Included in House Transportation Budget**

Governor Whitmer recently proposed a \$80.7 billion budget for Fiscal Year (FY) 2025, which comes in 1.2 percent lower than the record-setting \$81.66 billion FY 2024 budget and was called a “return to normal” by State Budget Director Jen Flood.

The House Transportation Budget included an additional \$2 million for Air Service Development and \$4 million for local airport projects. Additionally the budget included a proposal that increase the aircraft registration fees to **10 cents a pound** of either maximum gross weight or maximum takeoff weight, whichever is greater. This proposal is to help stabilize funding for the Office of Aeronautics.

The Governor’s Executive Budget and the Senate Transportation Budget did not include additional funding for MAAE’s requests. The MAAE will be advocating for adoption of the House version of the budget regarding airport funding.

### **SB 22 Airport Firearm Changes**

On December 29, Governor Whitmer signed SB 22 creating Public Act 219 of 2023.

The legislation was introduced in response to Jim Linderman, Emmet County Prosecutor, expressing the need to update the statute reference because he is unable to prosecute individuals who are found to be carrying firearms in airport sterile areas, airport sterile areas being the parts of airports beyond the pre-boarding security screening area.

### **Changes to the Aeronautics Code**

The MAAE has been working with the Aeronautics Department on technical changes that are needed in the State Aeronautics Code. MAAE will continue to work with State Aeronautics on the development of this legislation.

### **HB 4618**

Legislation was introduced at the end of May that would allow regional airport authorities to be included in the definition of a “local unit of government” in the Publicly Funded Health Insurance Contribution Act for the purpose of allowing their boards to exempt themselves from contribution limits to an employee’s medical benefits plan.

On June 13, 2024 the House Committee on Economic Development and Small Business held a hearing on the legislation. The bill finally received a vote by the House on April 24 and passed 83-24. It has been referred to the Senate Committee on Finance, Insurance and Consumer Protection.

### **Sales and Use Tax Exemptions**

In May, two Republican lawmakers introduced HB 4610 and HB 4611 that would exempt sales and use tax on the purchase of certain aviation equipment. This legislation is similar to legislation that has been introduced in previous sessions.

Last fall, a Democratic member introduced HB 4898 and HB 4899 introduced a similar sales and use tax exemption legislation. No hearing has been scheduled on any of the bills but MAAE will monitor.

### **SB 447**

At the end of June, Senator Sam Singh (D-East Lansing) introduced legislation providing an income tax rebate for the development and use of sustainable aviation fuel (SAF). The bill would allow businesses to claim a credit against their income tax liability in an amount equal to \$1.00 per gallon of sustainable aviation fuel purchased in this state during the tax year by a business for use as fuel for flights departing in Michigan.

A hearing was held on this legislation right before the legislature left for spring break. Delta Airlines testified in support of the bill. A few other business trade associations indicated support for the bill. The MAAE is monitoring this legislation.

### **Peer-to-peer Carsharing Legislation**

Last session, there was action on bipartisan legislation to regulate peer-to-peer carsharing service companies in Michigan. Enterprise Holdings and the MAAE testified in support of the legislation while Turo testified opposed to the legislation.

There was no legislative activity on this issue in 2023. The MAAE continues to monitor the issue.