



MEMORANDUM

To: Miles Weaver
From: Matt Solak
Date: July and August 2022
Re: MAAE Monthly Legislative Report

Legislative Summer Recess

The last two months has been quiet on the legislative front with current officeholders and candidates focused on the 2022 mid-term elections. All statewide elected officials are up for re-election as well as the entire Legislature who are running in newly drawn districts which adds to the political consternation in Lansing. Currently, Republicans hold a 22-16 advantage in the state Senate and a Republicans hold a 57-52 advantage in the House while all statewide offices are held by Democrats. These balances will be decided this November with both chambers up for grabs as to which party will have majority control.

And while the Legislature has been on recess over the summer, Lansing activity will ramp up late September as both lawmakers and the Governor are looking for political wins before the election. The Republican legislature has passed a massive \$2.5 Billion tax cut as well as a state fuel tax six month pause, only to be vetoed by the Governor. The Governor has called for one-time direct payments to Michigan residents and a suspension of the sales tax on school supplies. Both proposals have been met with a cold response by Republicans. This leaves a tough negotiation battle before the November election with both Republicans and Democrats wanting “wins” to sell to their voters.

Legislature Passes FY2023 Budget

After a marathon legislative session on June 30, the legislature passed a record-breaking \$76 billion state budget. The budget was Michigan’s largest due to leftover emergency federal dollars and better-than-expected tax revenues.

Around \$7 billion (\$3.8 General Fund, \$3.2 billion School Aid) remains for the fiscal year and will be part of supplemental budget requests in the fall and tax policy changes that are being

advocated by Legislative Republicans.

Airport Budget Items

Airport Improvement Program (AIP): The budget includes \$158.6 million for program of federal capital assistance to eligible local public airports in the state. Recognizes \$135.0 million in federal AIP funds, an increase of \$29.0 million from current year reflecting higher program funding targets under IJA. Also recognizes increases in local matching funds and State Aeronautics Fund revenue.

IJA Airport Infrastructure Grants: The budget includes \$95.0 million federal spending authority for a new program, established under IJA, of federal aid to public airports.

The Qualified Airport Fund (QAF) support was increased by \$650,000 reflecting revenue estimates. QAF revenue is appropriated to the Detroit Metropolitan Wayne County Airport.

One-Time Aviation Weather Equipment. The budget includes \$3.9 million to replace aging state weather station equipment.

Aviation Services – Private Funding for Study: The budget includes \$350,000 of private funds to support a feasibility study related to the deployment of small unmanned aerial systems for just-in-time delivery, medical transport, or other small-scale uses.

With the completion of the budget, the legislature will head to summer recess through July and August. They are scheduled to return in September before leaving again in October to focus on the 2022 election.

HB 6361 Changes to the Aeronautics Code

On August 17, Representative Jeff Yaroch introduced legislation making certain changes to the State Aeronautics Code. The primary purpose of the legislation is to require the Aeronautics Department to regulate activities of certain organizations operating at private use airports.

The suggested changes stem from Representative Yaroch having issues with a non-profit skydiving club operation on a private airstrip in his district. He has received numerous constituent complaints and has been looking for ways to regulate operations.

MAAE is reviewing the newly introduced legislation.

HB 6123 Airport Firearm Changes

The MAAE was approached by Representative Damoose regarding his introduction of HB 6123. The legislation intends to update the federal statute referenced in the state's airport sterile area statute.

The Representative introduced the legislation 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.

MAAE is reviewing the recently introduced legislation.

Potential Tax Policy Changes and SAF Funding Changes

The MAAE has begun working with key lawmakers to discuss potential tax policy changes to help support funding for the State Aeronautic Fund. As members are aware, SAF funding has not adequately kept up with the needs of airports in Michigan.

On June 14, HB 6172 was introduced by State Representative Scott VanSingel and SB 1071 was introduced by Senator Wayne Schmidt. Both of these bills would earmark an amount equal to the collections of the sales tax imposed at a rate of 4% to the state aeronautics fund.

The MAAE will keep members apprised of developments on this effort.

MAAE's Advocacy on PFAS

On June 21, the MAAE testified in front of the House Transportation Chairman to discuss PFAS at airports and to continue to push EGLE to adopt a more collaborative approach on the issue. Members of the Committee were very receptive to the impossible position airports currently face.

As a reminder, earlier this year, the MAAE met with EGLE Director Liesl Eichler Clark to discuss the department's approach to PFAS at airports. The MAAE outlined actions items to EGLE in hopes of creating a more collaborative approach by the department.

PFAS—PFAS Action Act

The below language is from the PFAS Action Act. The AAAE is spearheading the exemption language on behalf of airports. The MAAE has begun the process of looking at similar exemption language at the state level. The federal language does not provide liability protection for non-Part 139 certificated airports. The MAAE is looking at routes to protect all member airports.

The MAAE has draft legislation back from the Legislative Services Bureau—which writes all potential bills in Michigan. The MAAE is making edits to ensure the legislation will protect all airports from potential liability. Once the language has been finalized the MAAE will seek a legislative bill sponsor for introduction.

Peer-to-peer Carsharing Legislation (HB 4915-HB 4917)

On March 22, the House Regulatory Reform Committee held a hearing 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.

The legislation passed out of the Committee favorably by a vote of 11-0-4 and will now head to the full House of Representatives for consideration.

The legislation would require a peer-to-peer car sharing program or shared vehicle owner to enter into an agreement with an airport before a shared vehicle could engage in certain activities at an airport. The MAAE worked previously on a similar issue when Lyft and Uber wanted to operate on airport property without complying with any type of ground transportation agreement or any payment of fees.

The bill has not received consideration by the full House of Representatives, but the MAAE will continue to push for a vote on this important legislation.