



MEMORANDUM

To: Miles Weaver
From: Matt Solak
Date: May 2022
Re: MAAE Monthly Legislative Report

Airport Issues

Budget Bills Advance

The House and Senate have both passed their respective budget bills. Both House and Senate Republicans have promised to deliver significant tax relief in their budget plans, but this relief has not received sign off from the Governor.

Discussions between both Chambers and the Governor will now intensify since the Consensus Revenue Estimating Conference was held on May 20. The Treasury, House Fiscal Agency and Senate Fiscal Agency is projecting Michigan will end 2022 with a \$6 billion surplus.

Forecasts for Fiscal Year (FY) 2022 were even higher than expected during projections from January. The General Fund is expected to take in an additional \$1.7 billion. For the School Aid Fund, it's \$1.26 billion.

Tax Relief Negotiations

The Republican-led legislature has passed out \$2.5 billion in tax reductions, including an expansion of Michigan's Earned Income Tax Credit from 6% to 20% in the 2022 tax year and increasing personal tax exemptions by \$1,800. Governor Whitmer has not committed to any Republican tax relief instead proposing to give households a \$500 rebate check.

Senate Passes Gas Tax Holiday

At the end of May, the Senate passed a gas tax vacation bill package to temporarily suspend both Michigan's gas tax and the sales tax on motor fuel, hoping to sidestep projections of gasoline prices hitting \$6 per gallon this summer.

SB 1029 would pause the state tax of 27.2 cents per gallon on gasoline and diesel fuel until Sept. 15. The bill would utilize approximately \$192.6 million from the general fund to reimburse project money lost by county road commissions and it would cause around \$107.4 million to compensate for revenue lost among cities and villages.

SB 972 - SB 974 would also eliminate the sales tax and the use tax on motor fuel within the same timeline of this year.

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.

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

MAAE's Advocacy on PFAS

The MAAE is coordinating with House Transportation Chairman Jack O'Malley on a Committee Hearing to discuss PFAS at airports and to continue to push EGLE to adopt a more collaborative approach on the issue.

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 action items to EGLE in hopes of creating a more collaborative approach by the department.

The MAAE is tentatively scheduled for a public hearing to discuss this issue on June 21 in front of the House Transportation Committee.

PFAS—PFAS Action Act

The below language is from the PFAS Action Act. The MAAE 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 drafted 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.

PFAS—Equipment Cost Sharing

The MAAE is also actively engaging with Senator Gary Peter’s office on legislation to assist airports via cost sharing with PFAS/input-based testing equipment. The draft language changes are highlighted in yellow below.

Title: To temporarily increase the cost share authority for aqueous film forming foam input-based testing equipment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the **“Preventing PFAS Runoff at Airports Act”**.

SEC. 2. TEMPORARY INCREASED COST SHARE AUTHORITY FOR AQUEOUS FILM FORMING FOAM INPUT-BASED TESTING EQUIPMENT.

(a) In General.—Section 47109 of title 49, United States Code, is amended by adding at the end the following new subsection:

“(g) Special Rule for Covered Equipment.—

“(1) IN GENERAL.—The Government’s share of allowable project costs for covered equipment **and its installation** shall be 100 percent.

“(2) DEFINITION OF COVERED EQUIPMENT.—For purposes of this subsection, the term ‘covered equipment’ means aqueous film forming foam input-based testing equipment that **is is—**

“(A) referenced in CertAlert 21-01, Aqueous Film Forming Foam (AFFF) Testing at Certificated Part 139 Airports, dated June 1, 2021; and

“(B) eligible for Airport Improvement Program funding based on PGL 21-01, titled ‘Extension of Eligibility for stand-alone acquisition of input-based testing equipment and truck modification’, dated October 5, 2021 (or any other successor program guidance letter).

“(3) SUNSET.—The higher cost share authority established in this subsection shall terminate 180 days after the date on which the eligibility of covered equipment for Airport Improvement Program funding under the authority described in paragraph (2)(B) terminates or is discontinued by the Administrator, whichever is earlier.”.

(b) Outreach Efforts.—Not later than 90 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall conduct an outreach effort to make airports aware of the higher cost share authority established in section 47109(g) of title 49, United States Code, as added by subsection (a).

(c) Forward-looking Airports.—Not later than 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall provide a briefing to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives that reviews—

- (1) potential options for Congress to reimburse airports that—**
 - (A) are certificated under part 139 of title 14, Code of Federal Regulations; and**
 - (B) acquired covered equipment (as defined in section 47109(g) of title 49, United States Code) as added by subsection (a), without Federal funding;**
- (2) information relevant to estimating the potential cost of providing such reimbursement;**
- (3) the status of the Federal Aviation Administration’s outreach efforts as required under subsection (b); and**
- (4) any additional information the Administrator of the Federal Aviation Administration considers appropriate.**

Peer-to-peer Carsharing Legislation (HB 4915-HB 4917) Passes House Regulatory Reform Committee

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.