



MEMORANDUM

To: Steve Smigelski

From: Matt Solak

Date: August 2023

Re: MAAE Monthly Legislative Report

Fall Session Begins and Governor Lays out Agenda

The legislature has just wrapped summer recess and is scheduled to return for a few short session days after the Labor Day Holiday. Prior to their return, the Governor laid out a list of her priorities.

Whitmer said the fall 2023 agenda will prioritize the following:

- Protecting reproductive health
- Lowering the cost of healthcare
- Lowering the cost of prescription drugs
- Enacting a 100 percent clean energy standard
- Improving energy efficiency
- Establishing paid family and medical leave
- Streamlining permitting to build advanced manufacturing facilities
- Improving election security

Legislature Passes Budget

On June 28, the House and Senate passed the largest budget in state history. The budget spends \$81.66 billion for the fiscal year starting Oct. 1 and was combined with an additional \$6 billion in spending for the current fiscal year.

The MAAE targeted the following funding priorities to support airports in Michigan. These priorities will supplement continued work on a long-term viable funding solution. The MAAE is **excited to report that all targeted items were included** in the final budget that is being sent to the Governor for signature. MAAE is now working to ensure proper implementation of these appropriations to ensure that the best meet the goals of the MAAE.

Revitalization of the Michigan Air Service Development Program

\$5 million for Michigan's Air Service Development Program to stimulate economic activity and air service connectivity in Michigan in light of recent elimination of air service across Michigan.

Local Airport Revitalization Program

\$2.0 million for funding for MDOT Aeronautics to provide airport development assistance to general aviation airports. This would be a one-time general fund contribution of \$2 million to provide capital development assistance to general aviation airports for projects including obstruction removal, pavement rehabilitation, fuel facility construction and terminal improvements.

Retrofitting Aircraft Rescue and Fire Fighting Equipment

\$2 million to establish a grant program within EGLE to assist in cleaning Aircraft Rescue and Fire Fighting Equipment and disposing of PFAS contaminated equipment used at airports to expedite the transition to fluorine-free foam for all Michigan Airports.

SB 22 Airport Firearm Changes

The Senate Transportation and Infrastructure Committee held a hearing on Senate Bill 22 which updates the federal statute referenced in the state's airport sterile area statute.

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.

Kevin Klein testified in support of the legislation on behalf of the MAAE. On May 25, the Committee passed the bill unanimously.

On June 6, the bill passed the full Senate by a vote of 34-4. It has been referred to the House Committee on Transportation, Mobility and Infrastructure and will likely be taken up in the fall.

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. Last session, the legislation, which was introduced by Representative Yaroch required the department to regulate activities of certain organizations operating at private use airports.

State Aeronautics had some concerns about certain changes being proposed by Rep. Yaroch but has put together a new draft of the legislation that would alleviate those problems. 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, the House Committee on Economic Development and Small Business held a hearing on the legislation. Since budgets were being finalized the committee did not meet again before the legislature went on summer break. The MAAE will be advocating for a vote on this bill when the legislature returns.

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.

Just recently, 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 moving into the fall.

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. 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.

This has been no legislative activity on this issue in 2023. The MAAE continues to monitor the issue.