

# MICHIGAN AERONAUTICS COMMISSION

## Director's Report

January 27, 2016

Mike Trout, A.A.E.

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# LEGISLATIVE UPDATE

Package of bills signed into law Dec. 23, 2015, assigned Public Acts 258, 259, 260, 261, 262 and 263 of 2015, with immediate effect.

- *Amends Aero Code & Sales and Use Tax Acts*
  - *Redirects GF – Amount “Equal To” 2% Sales/Use Tax*
    - *\$10-12 Million Total*
  - *Creates the Qualified Airport Fund - 65% (\$7-8 million)*
  - *Aero Fund - 35% (\$3-4 million)*
  - *Maintains 3¢ excise tax with 1.5¢ rebate*
  - *Ensures compliance w/FAA’s Revenue Use Policy*
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# OTHER LEGISLATION

SB 326 – Designates the B-24 Liberator as the official state airplane. Passed by the Senate 10/21/15; referred to Committee on Government Operations.

HB 4032 – Regulates transportation network companies (i.e., Uber). Impact airports' ability to control access and manage ground transportation on property. Introduced 1/15/15; referred to Committee on Communications and Technology.

HB 4244 – Amends the Natural Resources and Environmental Protection Act, and eliminates liability for landowners for accidents that are a result of aviation activities. Passed by the House 4/21/15; referred to Senate Committee on Judiciary.

HB 4727 – Amends the Tall Structure Act to require meteorological evaluation towers (METs) be marked in accordance with federal standards. Passed by the House 10/28/15; referred to Senate Transportation Committee. **Hearing scheduled for January 29, 2016.**

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# OTHER LEGISLATION

HB 5026 – Authorizes/regulates the use of unmanned aerial vehicles; provides power and duties of certain state agencies, depts. and local units of gov.; prohibits disclosure of information collected; provides penalties and sanctions. Introduced 10/27/15; referred to Committee on Government Operations.

HB 4857/4875 & SB 563 – Bans sale or release of Sky Lanterns. Introduced 9/9/15, 9/17/15, 10/14/15; referred to the House and Senate Regulatory Reform Committees.

SB 700 – Amends the Aero Code as to clarify existing language and adds a chapter to restrict the operation of unmanned aerial vehicles (UAVs) (commonly known as drones) from flying over federal, state, and local property unless a law or ordinance allows for it. Also would set restrictions on flying over public property w/o permission of the property owner. Introduced 1/13/16; referred to Committee on Transportation.

SB 699 – Tie-barred to SB 700. Adds to Michigan Compiled Laws, Chapter 554 (Real and Personal Property) to clarify property owner rights. Limit access to first 300 feet of airspace over private property as owned by an individual, partnership or corporation. This would ban UAVs from flying into this airspace w/o permission from the property owner. Introduced 1/13/16; referred to Committee on Transportation.

# ON A NATIONAL LEVEL . . .

- UAS Registration
    - [www.faa.gov/uas/registration/](http://www.faa.gov/uas/registration/)
  - Pilot's Bill of Rights 2
  - FAA's Final Policy on Revenue Use
  - Reauthorization Extension March 31, 2016
  - State Block Grant Program Draft Advisory Circular
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# AVIATION FUNDING

| <u>Revenue</u>  | <u>FY16</u> | <u>FY17</u> | <u>FY18</u>  | <u>Expenses</u>    | <u>FY16</u> | <u>FY17</u>  | <u>FY18</u>  |
|-----------------|-------------|-------------|--------------|--------------------|-------------|--------------|--------------|
| Excise Fuel Tax | 5.5         | 5.5         | 5.5          | Ops & Admin        | 7.0         | 7.5          | 7.5          |
| Lic. & Permits  | 0.35        | 0.35        | 0.35         | IDGs/IT            | 0.6         | 0.6          | 0.6          |
| Interest        | 0.04        | 0.10        | 0.155        | Bus. Support       | 0.7         | 0.7          | 0.7          |
| Services        | 0.7         | 0.7         | 0.7          | <b>AIP F/S/L</b>   | <b>3.0</b>  | <b>3.0</b>   | <b>3.0</b>   |
| Parking Tax     | 6.0         | 6.0         | 6.0          | <b>AIP S/L</b>     | <b>0.5</b>  | <b>3.5</b>   | <b>1.0</b>   |
| Miscellaneous   | 0.2         | 0.2         | 0.2          | Debt Service       | 5.0         | 4.6          | 4.6          |
| GF/TEDF         | 2.0         | 0.0         | 0.0          | <b>Air service</b> | <b>0.0</b>  | <b>0.25</b>  | <b>0.25</b>  |
| 2% Sales Tax*   | <u>0.0</u>  | <u>4.75</u> | <u>4.75</u>  | <u>Education</u>   | <u>0.0</u>  | <u>0.0</u>   | <u>0.0</u>   |
|                 | <b>14.8</b> | <b>17.6</b> | <b>17.65</b> |                    | <b>16.8</b> | <b>20.15</b> | <b>17.65</b> |
| Carry Over      | 2.0         | 2.6         | 0.0          |                    |             |              |              |
| <b>TOTAL</b>    | <b>16.8</b> | <b>20.2</b> | <b>17.65</b> |                    |             |              |              |

\*35% of total

Notes:

Figures are rounded

Future years are estimated

# AIRPORT CAPITAL IMPROVEMENT PLAN

| FAA Airport Improvement Program                   |        | F            | S           | L            | Total           |
|---|--------|--------------|-------------|--------------|-----------------|
| Primary Entitlements (17)                         | 90/5/5 | 30.0         | 1.5         | 1.5          | 33.0            |
| Metro (1)   | 75/25  | 30.0         | 0.0         | 7.5          | 37.5            |
| Federal Discretionary                             |        |              |             |              |                 |
| Primaries (17)                                    | 90/5/5 | 5.0          | 0.25        | 0.25         | 5.50            |
| GA (5)  | 90/5/5 | 5.0          | 0.25        | 0.25         | 5.50            |
| Metro (1)   | 75/25  | 10.0         | 0.0         | 2.50         | 12.5            |
| <b>Block Grant</b>                                |        |              |             |              |                 |
| GA NPE (150k) (70)                                | 90/5/5 | 10.0         | 0.5         | 0.5          | 11.0            |
| State Apportionment (1)                           | 90/5/5 | 10.0         | 0.5         | 0.5          | 11.0            |
|   |        | <i>100.0</i> | <i>3.0</i>  | <i>13.0</i>  | <i>116.0</i>    |
| <b>\$40+ Million Capital Investment Shortfall</b> |        |              |             |              |                 |
| Primary Discretionary                             | 90/5/5 | 10.0         | 0.5         | 0.5          | 11.0            |
| GA Discretionary                                  | 90/5/5 | 10.0         | 0.5         | 0.5          | 11.0            |
| Metro Discretionary                               | 75/25  | 15.0         | 0.0         | 3.75         | 18.75           |
| <i>State/Local</i>                                |        |              |             |              |                 |
| Small GA  | 90/10  | 0.0          | 1.0         | 0.10         | 1.10            |
| Large GA  | 90/10  | 0.0          | 1.5         | 0.15         | 1.65            |
|   |        | <i>35.0</i>  | <i>3.5</i>  | <i>5.0</i>   | <i>43.5</i>     |
| <b>Air Service Program</b>                        |        |              |             |              |                 |
| ARFF Training/Capital Improvements/Marketing      |        |              | 0.25        | 0.25         | 0.50            |
| <b>Total Program</b>                              |        | <b>135.0</b> | <b>6.75</b> | <b>18.25</b> | <b>\$160.00</b> |

*Note: This information is presented for illustrative purposes only. Numbers in millions.*

# FIVE-YEAR TRANSPORTATION PROGRAM

STC approved the final 2016-20 Five-Year Transportation Program. Over the next five years:

- Highway Program is estimated to receive \$6.8B
  - Includes state funding increase from \$161M in 2017 to \$341M in 2020
  - FAST Act revenue expected to add \$30M in 2016 to \$100M in 2020
- Transit is estimated to receive \$2B
  - Does not include new FAST Act revenue
  - Focus to continue maintaining existing services
  - Does not take in account new proposed bus rapid transit projects
- Aviation is estimated to receive \$430M, includes:
  - \$375M in federal funds
  - \$30M in state funds
  - \$25M in local funds

The Five-Year Program will be submitted to the Legislature by March 1, and will be posted on MDOT's website at [www.michigan.gov/mdot](http://www.michigan.gov/mdot).

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# NOTABLE STATS

|                          |                    |
|--------------------------|--------------------|
| Annual Aviation Fuel Tax | 2014 = \$5,056,196 |
| (Treasury's Estimate)    | 2015 = \$6,878,486 |
|                          | 2016 = \$5,500,000 |

|                              |                    |
|------------------------------|--------------------|
| Fuel Tax Revenue FYTD        | 2015 = \$1,242,988 |
| (Thru Dec. – 5.06% increase) | 2016 = \$1,305,923 |

|                                   |                  |
|-----------------------------------|------------------|
| Tall Structure Permits            | 2014 = 1,380/296 |
| (Jan.– Dec. Towers/Wind Turbines) | 2015 = 2,568/460 |

|                             |                |
|-----------------------------|----------------|
| State Aircraft Flight Hours | 2014 = 1,158.3 |
| (2.89% decrease)            | 2015 = 1,124.8 |

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# STAFF UPDATES

Betsy Steudle – 15 Years of Service

Randy Coller – 30 Years of Service

Mark Grennell – 30 Years of Service

Michelle Duncan – New Aircraft Registrar

Hilary Vanderstow – New Airspace Analyst

Mary Kay Trierweiler & Randy Coller

Simply Super Service Award

**Congratulations!**

# RETIREMENTS

**Rick Hammond**

25 Years

**Rick Carlson**

30 Years

**Congratulations!**

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# COMING SOON . . .

- Fiscal Year 2015 Michigan Aeronautics Commission Report
  - Airport Conference – Feb. 17-18, East Lansing
  - NASAO Washington Briefing – Feb. 24-26, Wash. D.C.
  - MAC/STC Joint Meeting – March 24, Lansing
  - MAC Meeting – May 25, Selfridge Air Nat'l. Guard Base, Mt. Clemens
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# THANK YOU

QUESTIONS?

"Aviation is proof that, given the will, we have the capacity to achieve the impossible."

Eddie Rickenbacker

