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Senate Bill 795 (Substitute S-2 as passed by the Senate)
Senate Bill 796 (as passed by the Senate)
Sponsor: Senator Curtis Hertel, Jr, (S.B. 795)
Senator Aric Nesbitt (S.B. 796)
Committee: Transportation and Infrastructure

Date Completed: 8-22-22

RATIONALE

Among other emerging mobility concepts, advanced air mobility anticipates using newly developed modes of transportation to transport goods and people. This new mobility industry envisions the use of electric vertical takeoff and landing aircraft in currently under-utilized aerial transportation routes (see **BACKGROUND**). As an aviation transportation system, there are many unique challenges to this mode of transportation, such as the legal access to airspace under Federal and state laws. Some people believe that the success of this nascent industry in Michigan depends on proactive policies and regulations. Accordingly, it has been suggested that policies be enacted to assist in the study and implementation of advanced air mobility in the State.

CONTENT

Senate Bill 795 (S-2) would amend the Aeronautics Code to do the following:

- **Create the "Advanced Air Mobility Study Committee" and prescribe its membership and duties, including the review of current laws in the State that could affect the advanced air mobility industry.**
- **Dissolve the Committee two years after the bill's effective date.**
- **Prohibit a county, city, village, or township from enacting an ordinance, policy, or rule that related to the ownership or operation of an advanced air mobility aircraft or advanced air mobility and from engaging in the regulation or ownership of an advanced air mobility aircraft or advanced air mobility.**

Senate Bill 796 would amend the Aeronautics Code to prohibit a county, city, village, or township from enacting or adopting an ordinance, policy, or rule that related to the ownership or operation of an advanced air mobility aircraft or advanced air mobility and from engaging in the regulation or ownership of an advanced air mobility aircraft or advanced air mobility.

Senate Bill 795 (S-2) is discussed in greater detail below

Committee

The bill would create the Advanced Air Mobility Study Committee. "Advanced air mobility" would mean a system that transports people and property by the air between points in the United States using aircraft, including aircraft and electrical vertical takeoff and landing aircraft, in both controlled and uncontrolled airspace.

Committee Membership

The Committee would consist of the following members:

- The Director of the Department of Labor and Economic Opportunity, or his or her designee.
- The Director of the Department of Military and Veterans Affairs, or his or her designee.
- The Director of the Michigan Department of Transportation, or his or her designee.
- The Director of the Department of State Police, or his or her designee.
- Three members appointed by the Senate Majority Leader.
- Three members appointed by the Speaker of the House of Representatives.

In addition, the Committee's membership would include the following members appointed by the Governor:

- One member representing the Michigan Municipal League.
- Two members who were from different cities, each with a population greater than 150,000.
- One member from a city, township, or village with a population of less than 100,000.
- One member from a township with a population of 70,000 or more.
- One member from a township with a population of less than 70,000.
- One member representing the Michigan Townships Association.
- One member representing the Michigan Association of Counties.
- One member representing a metropolitan planning organization.
- One member representing a university in the State.
- One member representing a community college in the State.
- Three members representing the advanced air mobility industry.
- One member representing an organization in the State that helps individuals with disabilities.
- Two members representing the business community.
- One member representing an organization in the State that represented underserved transportation areas.
- One member representing an airport located in a county with a population of more than 1.5 million or more.
- One member representing an airport located in a county with a population of less than 1.5 million.
- One member representing county sheriffs.
- One law enforcement official of a city, township, or village.

The bill specifies that an individual with the authority to appoint a member of the Committee would have to appoint that member within 30 days after the bill's effective date. An appointed member would serve at the pleasure of the individual who appointed that member. The Senate Majority Leader and the Speaker of the House of Representatives would have to designate two of the members of the Committee that they appointed (one member each) to serve as co-chairpersons of the Committee.

The bill specifies that a member of the Committee would not be entitled to compensation for service on the Committee but could be reimbursed for actual and necessary expenses incurred in serving.

Committee Meetings

The bill would require the co-chairperson designated by the Senate Majority Leader to call the first meeting of the Committee. The Committee would have to meet at least quarterly, or more frequently at the call of a co-chairperson or at the request of 17 or more members. A majority of the members of the Committee would constitute a quorum for transacting business, and a vote of 17 or more Members serving would be required for any action of the Committee. The Committee would be subject to the Open Meetings Act and the Freedom of Information Act.

The bill specifies that the Committee would be dissolved two years after the bill's effective date.

Committee Duties

The Committee would have to do all the following:

- Review current laws in the State that could affect the advanced air mobility industry and discuss necessary revisions.
- Identify potential laws in the State that would create jurisdictional consistency for advanced air mobility operations throughout the State.
- Foster public acceptance and awareness by creating an outreach campaign to educate the general public and lawmakers about advanced air mobility technology and its benefits.
- Collaborate with local governments to identify the best ways to integrate advanced air mobility into transportation plans.
- Within two years after the bill's effective date, submit a report regarding the Committee's activities that included recommendations for administrative or legislative action to the Governor, the Secretary of State, the Senate Majority Leader, and the Speaker of the House of Representatives.

Prohibitions

The bill would prohibit, except as authorized by law, a county, city, village or township from enacting or adopting an ordinance, policy, or rule that related to the ownership or operation of an advanced air mobility aircraft or advanced air mobility. The county, city, village, or township also could not engage in the regulation or ownership of an advanced air mobility aircraft or advanced air mobility. Any ordinance, policy, or rule that violated these prohibitions, whether enacted or adopted by the county, city, village, or township before or after the bill's effective date, would be void.

Proposed MCL 259.207 (S.B. 795)
Proposed MCL 259.206a (S.B. 796)

BACKGROUND

Advanced air mobility likely will involve certain innovative aircraft with low-carbon footprints: 1) electric vertical takeoff and landing aircraft focused on services such as on-demand air-taxis, airport passenger transfers, and rooftop-to-rooftop cross-town trips; 2) electrical conventional take-off and landing aircraft focused on short-range trips, small cargo deliveries, and passenger transfers; and 3) small unmanned aircraft systems for small package delivery and pick-up and other small transfers.¹ The Federal Aviation Administration (FAA) predicts that advanced air mobility initially will use existing helicopter infrastructure while working to identify infrastructure design needs for the aircraft described above. Advanced air mobility is in its nascent planning and regulatory stages, but the FAA and other interested parties are working with the National Aeronautics and Space Administration (NASA) in its Advanced Air Mobility National Campaign, which focuses on promoting the public's awareness of advanced air mobility and providing prospective advanced air mobility manufacturers with insights into the industry's current and future regulatory and operational framework.

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

According to Deloitte, a consulting firm, the advanced air mobility industry has significant, near-future potential in the United States. The firm underwent a study of the advanced air mobility

¹ "What is Advanced Air Mobility?", www.baesystems.com/en-us/definition/what-is-advanced-air-mobility. Retrieved 8-19-22.

industry in 2021 and found that a significant portion of the organizations working in the industry have passed the research and development phase and are now focusing on advanced development of their aircraft.² The advanced air mobility sector is growing, and it could have many benefits to the State's transportation system. It could decrease congestion on roadways, allow greater access to public transit, and reduce carbon emissions. It also has the potential to integrate seamlessly with current and future components of the transportation system.

According to testimony before the Senate Committee on Transportation and Infrastructure, some advanced air mobility organizations plan to begin operation of their transportation systems by 2028. However, aerial transportation likely would require significant public input, community coordination, and a legal framework before it began. The aircraft could need specific takeoff and landing infrastructure in communities along its route, the airspace the aircraft uses could need regulation to guarantee safe navigation, and communities could need the industry to comply with noise ordinances and zoning laws, among many other aspects of the industry's regulation. Many of these needs for the development of the industry depend on local, state, and Federal regulation. The bills would bring together many stakeholders involved in the implementation and regulation of the advanced air mobility industry and prepare the State now for the benefits of aviation transportation.

Legislative Analyst: Tyler P. VanHuysse

FISCAL IMPACT

Senate Bill 795 (S-2)

The Department of Transportation would incur costs for staff or support provided to the committee. The members would serve without compensation; however, they could be reimbursed for necessary travel and expenses consistent with current law, rules, and procedures. Typical annual costs to support these bodies (whether created legislatively or administratively) can range between \$10,000 and \$200,000, depending on travel expenses and staff demands. These expenses likely would be absorbed by the Department.

Senate Bill 796

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Michael Siracuse

² "Advanced Air Mobility: Can the United States Afford to Lose the Race?", Deloitte.com. Retrieved 8-19-2022.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.