

Legislative Analysis



REVISE AERONAUTICS CODE

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House Bills 4834 and 4835 as introduced

Sponsor: Rep. Jaime Green

Committee: Transportation and Infrastructure
Complete to 9-9-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4834 would amend the Aeronautics Code of the State of Michigan, which regulates aviation in the state, to make changes and updates, often technical, as described below.

Among other things, the act provides for the licensure, registration, and oversight of aircraft, airports, aviation schools, crew members, and related operations; authorizes forms of airport organization, including related authorities and police powers; and establishes aviation fuel taxes, registration fees, and licensing fees. The act establishes the State Aeronautics Commission with general supervisory authority over aeronautics in Michigan. The act also establishes a director of aeronautics, within the Michigan Department of Transportation (MDOT), as the executive officer of the commission with authority to administer the provisions of the act.

Inspection officers

The act allows the State Aeronautics Commission to prescribe the duties and conditions of employment of enforcement officers, and among other things provides for the following regarding these officers:

- They must be law enforcement officers in Michigan.
- They generally have the authority of police officers, and must be vested with the power and authority of deputy sheriffs, except that their authority is limited to investigating and enforcing the act, other laws related to airports in Michigan, and commission rules and orders.
- They can issue summons, make arrests, and initiate criminal proceedings against offenders.

The bill would remove all of the above provisions. Instead, the bill would allow the State Aeronautics Commission to prescribe the duties and conditions of employment of inspection officers to enforce, and investigate violations of, the act, other laws related to airports in Michigan, and commission rules and orders. An aeronautical facility licensed, permitted, or approved by the commission would be subject to inspection by an inspection officer at any time.

Uncrewed aircraft

The act now defines the term *aircraft*, when it is used throughout the act, to mean any contrivance used or designed for navigation of or flight in the air. The bill would stipulate that the term *aircraft* includes both crewed and uncrewed aircraft. (The bill does not define the terms *crewed aircraft*, *uncrewed aircraft*, and *uncrewed aircraft system*.)

The bill would add a provision requiring uncrewed aircraft to be operated in accordance with applicable federal regulations.

The bill would authorize the Office of Aeronautics within MDOT to develop and issue rules establishing licensing standards for **droneports** and **vertiports**. The standards would be limited to those necessary for the safe integration of uncrewed aircraft systems in the state and would have to include at least standards related to physical placement, communication, infrastructure minimums, obstruction clearance, visual markings, and security.

Droneport would mean a fixed or mobile location for housing, maintaining, fueling, and piloting commercial fleets of drones, and the safe flying of drones. (The bill does not define the term *drone*.)

Vertiport would mean an area of land, an area of water, or a structure used for the landing and takeoff of VTOL (vertical takeoff and landing) aircraft.

Commercial operations

The term **commercial activity or operations**, when used in the act, is currently defined to mean an activity or operation that offers aeronautic facilities or services to the public, such as any of the following:

- The sale of gasoline or oil.
- The soliciting or engaging in charter flying or flight instruction.
- The provision of shelter or the tie-down of an aircraft.
- The overhaul or repair of an aircraft or of engines.

The bill would add “the provision of skydiving services in any form” to the above list of examples of *commercial activity or operations*.

The act now prohibits commercial operations from being conducted on a **private landing area**. The bill would eliminate this provision.

Private landing area means any location, either on land or water, that is used for the takeoff or landing of aircraft and whose use is restricted to the owner or persons authorized by the owner (who have a right to use the private landing area regardless of any limitation or regulation to the contrary).

The bill also would provide that the term *private airport*, when used in the act, has the same definition as *private landing area*, above.

Currently, the act prohibits commercial operations from being performed on any land-based landing area that is not at a licensed aeronautical facility, except under a temporary field permit issued under the act. All commercial operations must be based out of a licensed aeronautical facility. The bill would remove all of these provisions.

Aircraft registration

With some exceptions, an aircraft that is based in the state must be registered annually with the commission, and a registration fee must be paid.

The bill would remove provisions that now refer to registration of the number assigned to the aircraft by the Federal Aviation Administration (FAA) and that prohibit issuance of a state registration certificate to an aircraft that does not have a valid and effective registration certificate issued by the FAA or a foreign government.

Although the bill would retain the provision described above requiring annual registration (and fee payment) for aircraft based in the state, it would also amend subsequent provisions to provide for a three-year registration period. Where the act now provides that registrations expire on January 1 of each year, and requires renewal notices to be sent by the preceding November 1, the bill would refer more generally to a three-year registration period and require registration fees to be paid every three years. (The bill would also add in law that they can be paid through an electronic credit card payment.)

Currently, a registration fee must be paid at the rate of one cent per pound of the greater of the maximum gross weight or maximum takeoff weight it is certified for by the FAA. The bill would provide for the three-year registration to be at the rate of three cents per pound.

The bill also would remove a provision that now provides for an annual registration fee to be cut in half for an aircraft being registered for the first time after July 1.

An aircraft owner that fails to register or pay the registration fee is subject to a penalty of \$50, plus \$5 for each month the fee and penalty remain unpaid, for a period of up to one year. The bill would extend this to a period of up to three years to reflect the longer registration period.

Dealer's licenses

Similarly to the above, the act requires a person engaged in the business of buying, selling, brokering, or dealing in aircraft required to be registered under the act to be licensed by the commission. Currently, the license fee is \$25 per year, and licenses expire on January 1 of each year. The bill would provide that licenses expire after one or three years, and the license fee for the three-year period would be \$75. The bill would eliminate a 50% proration for licenses applied for after July 1.

Airport license fee

The bill would require the license fee associated with an airport to be used to support the safety inspection of that facility. If multiple inspections are necessary to license a facility with deficiencies, reinspection fees would have to apply.

State Aeronautics Fund

The act establishes the State Aeronautics Fund and requires that all money received from aviation fuel taxes, as well as the portion of sales and use taxes earmarked under the General Sales Tax Act and the Use Tax Act, to be deposited into the fund. In addition, money received from various license fees, as well as from the operation of state-operated airports, landing fields, and other aeronautic facilities must be paid into the state treasury and credited to the State Aeronautics Fund.

The bill would additionally require money received from the operation of state-owned or state-maintained weather observation stations, from "transportation reimbursements," and from any other aeronautical services to be paid into the state treasury and credited to the fund.

Currently, all money in and credited to the State Aeronautics Fund is appropriated for carrying out the act and to meet the expenses of the Office of Aeronautics within MDOT. The act currently requires the approval and release by the State Administrative Board of amounts authorized to be paid, upon appropriation, to persons as directed by the Office of Aeronautics. The bill would remove the State Administrative Board requirement.

In addition, the act now requires that State Aeronautics Fund money that is appropriated or later made available be expended on an aviation project only if it is carried out under the supervision and direction of the Office of Aeronautics. The bill would further require that the project be carried out with the approval of the State Aeronautics Commission.

Other changes to defined terms

The term ***public use facility***, when used in the act, means an airport, landing field, or other aeronautical facility that is available for use by the general public without prior approval of the owner or operator. The bill would provide that both publicly owned and privately owned airports, landing fields, and aeronautical facilities are included in that definition.

Currently, the definition of ***state primary surface*** provides that, for an unpaved runway or a planned paved runway, the state primary surface ends at each end of the runway (as opposed to extending 200 feet beyond each end, as for a paved runway). The bill would remove the reference to planned paved runways from these provisions.

The bill would add automated weather systems to the definition of ***airport facilities*** that applies to the chapter of the act that regulates the airports and facilities of public airport authorities.

Other amendments

Currently, the director of the Office of Aeronautics within MDOT is appointed by the State Aeronautics Commission to serve an indefinite term, at the pleasure of the commission, for compensation determined by the commission. The bill would instead provide for MDOT to appoint, and determine the compensation of, the director. The bill does not specify either the length of the director's term or that the term is indefinite.

The act currently requires the commission to notify the State Administrative Board of any obstruction determined to be a hazard near a state-owned airport, landing field, or other aeronautical facility, and authorizes the State Administrative Board to institute proceedings to abate the hazard. Under the bill, MDOT would assume the role the State Administrative Board now has in these provisions.

Finally, the bill would repeal section 36 of the act, which is an obsolete provision that in part prescribed the scope of jurisdiction of the Michigan Department of Aeronautics that was created in 1945.

MCL 259.2 et seq.

House Bill 4835 would amend the Michigan Commission on Law Enforcement Standards Act to update a reference to Aeronautics Code provisions to reflect the change under House Bill 4834 from enforcement officers to inspection officers.

MCL 28.602

Neither bill can take effect unless both bills are enacted.

FISCAL IMPACT:

The bill does not appear to have a direct and material fiscal impact on state or local units of government.

Legislative Analyst: E. Best
Fiscal Analyst: William E. Hamilton

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.