

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 737

Introduced by Assembly Member Fox

(Coauthors: Assembly Members Bonilla, Brown, Daly, Garcia, Harkey, Roger Hernández, Muratsuchi, Perea, Torres, Wagner, Wieckowski, and Williams)

(Coauthor: Senator Berryhill)

February 21, 2013

An act to add Article 7 (commencing with Section 12100.1) to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government Code, relating to unmanned aircraft systems, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 737, as amended, Fox. Governor's Office of Business and Economic Development: unmanned aircraft systems: test sites.

Existing federal law, the Federal Aviation Administration Modernization and Reform Act of 2012, provides for the integration of civil unmanned aircraft systems into the national airspace system by September 30, 2015. Existing federal law requires the Administrator of the Federal Aviation Administration (FAA) to develop and implement operational and certification requirements for the operation of public unmanned aircraft systems in the national airspace system by December 31, 2015. Existing federal law requires the administrator to establish a program, as prescribed, to integrate unmanned aircraft systems into the national airspace system at 6 test sites. Pursuant to this requirement, the administrator announced a request for proposals from state and local governments to establish these test sites.

Existing law establishes the Governor's Office of Business and Economic Development, under the control of a director who is responsible to the Governor, to serve as the Governor's lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among others, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic goals.

This bill would require the director to prepare a proposal to establish a test site in California and *would authorize the director to consult with an advisory commission and specified local governments specified state departments and private entities* in developing the proposal. This bill would require a local government that submits a proposal to the FAA to also send a copy of the proposal to specified state entities, thereby imposing a state-mandated local program. This bill would require the director to submit the proposal to the FAA if a local government does not submit a proposal to the FAA by a specified date. *The bill would create the Unmanned Aircraft Systems Test Site Account in the State Treasury to accept public and private contributions to the Governor's Office of Business and Economic Development for the purposes of the bill, and would continuously appropriate the moneys in the account to the office to fund the development and completion of the application and designation process for a test site in California, with any moneys remaining in the account after test sites are designated to be allocated by the office to the infrastructure and development of the test site in the event a test site is designated in California. The bill would provide that no moneys may be allocated after 2 years from the enactment of the bill.*

By requiring a local government to perform additional duties, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: ~~no~~-yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California has experienced deeper and more sustained job
4 losses in the aerospace manufacturing industry than *has* the rest
5 of the country ~~has in this industry~~ over the last two decades. From
6 1990 through 2012, payrolls in California's aerospace
7 manufacturing industry fell by 65.9 percent compared to a 34.6
8 percent decrease in the rest of the country and a 43.7 percent
9 decrease in the country as a whole.

10 (b) In 2010, employment in California's aerospace
11 manufacturing industries totaled 109,700 jobs. Over three-fifths
12 of these jobs were in the aerospace products and parts
13 manufacturing sector, and the remainder were in the search,
14 detection, guidance, aeronautical, and nautical systems and
15 instruments manufacturing sector. The aerospace manufacturing
16 industry paid wages totaling \$10.7 billion in 2010. Nearly three
17 out of every ten jobs in the American guided missiles and space
18 vehicles manufacturing industry were located in California in 2010.

19 (c) On February 14, 2012, President Obama signed into law the
20 Federal Aviation Modernization and Reform Act of 2012. The act
21 requires the Federal Aviation Administration to designate six sites
22 throughout the United States as unmanned aircraft systems test
23 sites in order to safely integrate unmanned aircraft systems into
24 the national airspace system.

25 (d) Unmanned aircraft systems represent one of the fastest
26 growing segments of the aerospace industry. Given the potential
27 for defense-related cutbacks currently under discussion at the
28 national level, it is in California's interest to pursue the location
29 of an unmanned aircraft systems test site in California.

30 (e) The expanded use of unmanned aircraft systems represents
31 a major step in aviation innovation and will present economic
32 opportunities for the communities that are selected for these test
33 sites and for the aerospace industry.

34 (f) A study conducted by the Association for Unmanned Vehicle
35 Systems International indicates that the industry has the potential

1 to create 100,000 jobs in the provision of unmanned aircraft in the
2 two largest markets for unmanned aircraft, namely agriculture and
3 public safety.

4 (g) California has a well-established and highly developed
5 aerospace industry that has a skilled and experienced workforce
6 and a tradition of entrepreneurship and innovation.

7 (h) California has a network of educational and research
8 institutions that has helped foster innovation in the aerospace
9 industry and develop a high technology sector.

10 (i) Aerospace manufacturing jobs are high-paying jobs providing
11 liveable wages that spur economic growth.

12 (j) The development of a coordinated proposal for California
13 to establish an unmanned aircraft systems test site can be
14 accomplished only by bringing together advocates, policymakers,
15 industry, local governments, and the public to address concerns,
16 obtain information, research issues, and evaluate alternative
17 proposals.

18 SEC. 2. Article 7 (commencing with Section 12100.1) is added
19 to Chapter 1.6 of Part 2 of Division 3 of Title 2 of the Government
20 Code, to read:

21

22 Article 7. Unmanned Aircraft Systems Test Sites

23

24 12100.1. (a) The director shall prepare a proposal to establish
25 an unmanned aircraft systems test site in California according to
26 the directions contained in the Federal Aviation Administration’s
27 Screening Information Request DTFAC-13-R-00002. The director
28 shall complete the preparation of this proposal no later than April
29 15 26, 2013.

30 (b) In preparing a proposal, the director ~~shall~~ *may* consult with
31 ~~the advisory commission established in Section 12100.2 and with~~
32 ~~local governments that have demonstrated an interest in~~
33 ~~establishing a test site.~~ *following departments and private entities:*

- 34 (1) *The Office of Planning and Research.*
- 35 (2) *The Military Department.*
- 36 (3) *The Department of Veterans Affairs.*
- 37 (4) *The Employment Development Department.*
- 38 (5) *The Department of Transportation.*
- 39 (6) *Representatives of the aerospace industry.*

1 (7) *The California Unmanned Aircraft Systems Portal*
2 *Consortium.*

3 ~~12100.2. (a) The Advisory Commission on Unmanned Aircraft~~
4 ~~Systems is hereby established to advise the director on a proposal~~
5 ~~to establish a test site in California.~~

6 ~~(b) The commission shall consist of nine members who shall~~
7 ~~be appointed as follows:~~

8 ~~(1) The Office of Planning and Research shall appoint one~~
9 ~~member from its agency.~~

10 ~~(2) The Military Department shall appoint one member from~~
11 ~~its agency.~~

12 ~~(3) The Department of Veterans Affairs shall appoint one~~
13 ~~member from its agency.~~

14 ~~(4) The Employment Development Department shall appoint~~
15 ~~one member from its agency.~~

16 ~~(5) The Department of Transportation shall appoint one member~~
17 ~~from its agency.~~

18 ~~(6) The director shall appoint four representatives from the~~
19 ~~aerospace industry as follows:~~

20 ~~(A) One member who is employed by an aerospace company~~
21 ~~in a capacity relating to supply chain management.~~

22 ~~(B) One member from an aerospace company that conducts its~~
23 ~~business internationally.~~

24 ~~(C) One member from an aerospace company that has its~~
25 ~~headquarters in California.~~

26 ~~(D) One member from the California Unmanned Aircraft~~
27 ~~Systems Portal Consortium.~~

28 12100.3. A local government that submits a proposal to
29 establish a test site to the Federal Aviation Administration shall
30 also send a copy of the proposal to the director, the Governor, the
31 Assembly Select Committee on Aerospace, and the Senate
32 Committee on Energy, Utilities and Communications.

33 12100.4. If a local government does not submit a proposal to
34 the Federal Aviation Administration by April 15, 2013, the
35 director shall submit the proposal developed pursuant to Section
36 12100.1 to the Federal Aviation Administration on or before May
37 6, 2013.

38 *12100.5. The Unmanned Aircraft Systems Test Site Account is*
39 *hereby created in the State Treasury. The purpose of the account*
40 *is to accept public and private contributions to the Governor's*

1 *Office of Business and Economic Development for the purposes*
2 *of this article. The moneys in the account are continuously*
3 *appropriated to the office to fund the development and completion*
4 *of the application and designation process for a test site in*
5 *California. Any moneys remaining in the account after test sites*
6 *are designated may be allocated by the office to the infrastructure*
7 *and development of the test site in the event a test site is designated*
8 *in California. However, no moneys may be allocated from the*
9 *account for any purpose after a period of two years from the date*
10 *that the bill enacting this section in the 2013–14 Regular Session*
11 *of the Legislature was enacted.*

12 SEC. 3. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.

17 SEC. 4. This act is an urgency statute necessary for the
18 immediate preservation of the public peace, health, or safety within
19 the meaning of Article IV of the Constitution and shall go into
20 immediate effect. The facts constituting the necessity are:

21 In order to develop a coordinated proposal to establish an
22 unmanned aircraft systems test site in California before the deadline
23 set by the Federal Aviation Administration, it is necessary that this
24 act take effect immediately.