

AMENDED IN ASSEMBLY APRIL 3, 2013

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 737**

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**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

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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 the Governor's Military Council and other 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. This bill would require the director to coordinate with any local government that submits a proposal.~~

~~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: ~~yes~~-no. Fiscal committee: yes.  
State-mandated local program: ~~yes~~-no.

*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 over the last two decades. From 1990 through 2012,  
6 payrolls in California's aerospace manufacturing industry fell by  
7 65.9 percent compared to a 34.6-percent decrease in the rest of the  
8 country and a 43.7-percent decrease in the country as a whole.

9 (b) In 2010, employment in California's aerospace  
10 manufacturing industries totaled 109,700 jobs. Over three-fifths  
11 of these jobs were in the aerospace products and parts  
12 manufacturing sector, and the remainder were in the search,  
13 detection, guidance, aeronautical, and nautical systems and  
14 instruments manufacturing sector. The aerospace manufacturing  
15 industry paid wages totaling \$10.7 billion in 2010. Nearly 3 out  
16 of every 10 jobs in the American guided missiles and space  
17 vehicles manufacturing industry were located in California in 2010.

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

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

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

1 (f) A study conducted by the Association for Unmanned Vehicle  
2 Systems International indicates that the industry has the potential  
3 to create 100,000 jobs in the provision of unmanned aircraft in the  
4 two largest markets for unmanned aircraft, namely agriculture and  
5 public safety.

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

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

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

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

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

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Article 7. Unmanned Aircraft Systems Test Sites

26 12100.1. (a) The director shall prepare a proposal to establish  
27 an unmanned aircraft systems test site in California according to  
28 the directions contained in the Federal Aviation Administration's  
29 Screening Information Request DTFAC-13-R-00002. The director  
30 shall complete the preparation of this proposal *and submit this*  
31 *proposal* no later than ~~April 26~~, *May 6*, 2013.

32 (b) In preparing ~~a~~ *and developing the* proposal, the director may  
33 consult with the ~~following departments and private entities~~  
34 *Governor's Military Council and other relevant entities, including,*  
35 *but not limited to:*

- 36 (1) The Office of Planning and Research.
- 37 (2) The Military Department.
- 38 (3) The Department of Veterans Affairs.
- 39 (4) The Employment Development Department.
- 40 (5) The Department of Transportation.

- 1 (6) Representatives of the aerospace industry.
- 2 (7) The California Unmanned Aircraft Systems Portal
- 3 Consortium.
- 4 (8) *The Southern California Unmanned Systems Alliance.*
- 5 (9) *Any other California applicant.*
- 6 (10) *Representatives of local government.*
- 7 (11) *Education and training entities.*

8 12100.3. ~~A—The director shall coordinate with any local~~  
9 government that submits a proposal to establish a test site to the  
10 Federal Aviation Administration ~~shall also send a copy of the~~  
11 ~~proposal to the director, the Governor, the Assembly Select~~  
12 ~~Committee on Aerospace, and the Senate Committee on Energy,~~  
13 ~~Utilities and Communications.~~

14 ~~12100.4. If a local government does not submit a proposal to~~  
15 ~~the Federal Aviation Administration by April 26, 2013, the director~~  
16 ~~shall submit the proposal developed pursuant to Section 12100.1~~  
17 ~~to the Federal Aviation Administration on or before May 6, 2013.~~

18 ~~12100.5. The Unmanned Aircraft Systems Test Site Account~~  
19 ~~is hereby created in the State Treasury. The purpose of the account~~  
20 ~~is to accept public and private contributions to the Governor's~~  
21 ~~Office of Business and Economic Development for the purposes~~  
22 ~~of this article. The moneys in the account are continuously~~  
23 ~~appropriated to the office to fund the development and completion~~  
24 ~~of the application and designation process for a test site in~~  
25 ~~California. Any moneys remaining in the account after test sites~~  
26 ~~are designated may be allocated by the office to the infrastructure~~  
27 ~~and development of the test site in the event a test site is designated~~  
28 ~~in California. However, no moneys may be allocated from the~~  
29 ~~account for any purpose after a period of two years from the date~~  
30 ~~that the bill enacting this section in the 2013–14 Regular Session~~  
31 ~~of the Legislature was enacted.~~

32 ~~SEC. 3. If the Commission on State Mandates determines that~~  
33 ~~this act contains costs mandated by the state, reimbursement to~~  
34 ~~local agencies and school districts for those costs shall be made~~  
35 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
36 ~~4 of Title 2 of the Government Code.~~

37 ~~SEC. 4.~~

38 ~~SEC. 3. This act is an urgency statute necessary for the~~  
39 ~~immediate preservation of the public peace, health, or safety within~~

1 the meaning of Article IV of the Constitution and shall go into  
2 immediate effect. The facts constituting the necessity are:  
3 In order to develop a coordinated proposal to establish an  
4 unmanned aircraft systems test site in California before the deadline  
5 set by the Federal Aviation Administration, it is necessary that this  
6 act take effect immediately.

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