

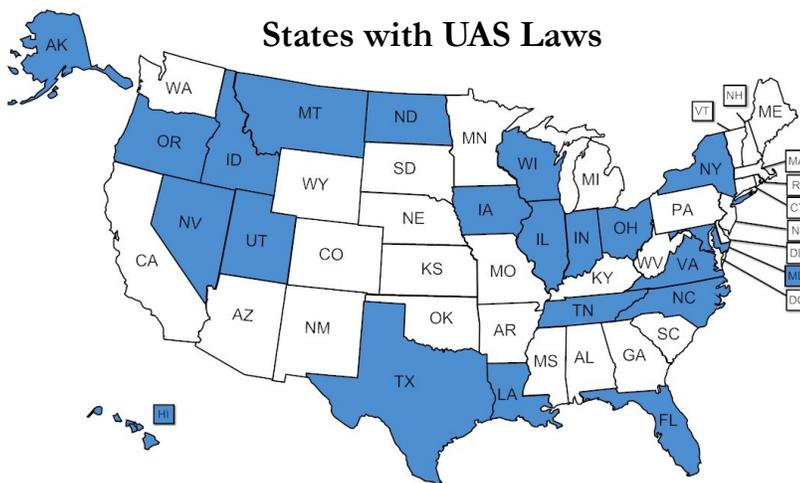


Unmanned Aircraft Systems: State and Industry Perspectives

-State Legislation Addressing Unmanned Aircraft-

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In February 2012, Congress passed the Federal Aviation Administration (“FAA”) Modernization and Reform Act requiring the FAA to develop rules that enable unmanned aircraft systems (“UAS”) to be safely integrated into civilian airspace by September 2015. Since then, state legislative attention on UAS has heightened as 49 states have considered, and 21 have enacted, laws that address UAS. The two major issues focused on in these measures have been the economic opportunity UAS present and the privacy issues they raise.



Laws Addressing Economic Development

As part of the process for integrating UAS into American airspace, the FAA established six test sites to research and develop operational standards.

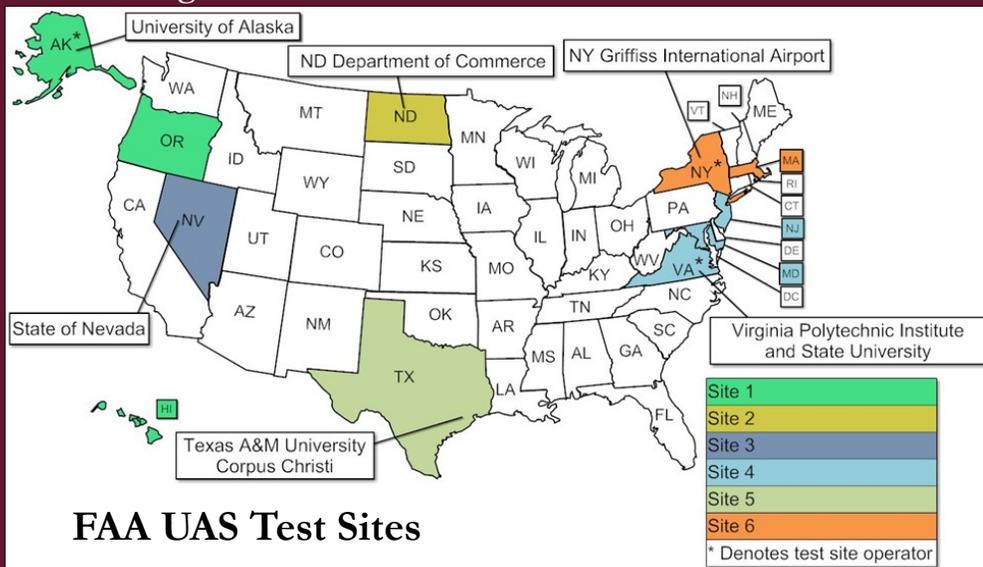
Twenty-six states vied to become a test site with the hope that being selected would

make them an economic center for the growing UAS industry, which will create more than 100,000 jobs and generate \$82 billion through 2025, according to the Association for Unmanned Aircraft Systems International (AUVSI).

On Dec. 30, 2013 the FAA announced their six selected test sites, comprised of 11 states, which will operate through February 2017.

During the test site application process, at least 11 states passed resolutions urging the FAA to select their state. Six states—Alaska, New York, Nevada, North Dakota, Maryland and Virginia—also appropriated money to help fund the operation of their test sites.

In addition, Maryland lawmakers appropriated an additional \$2,477,526 to the state Office of Business Development to develop an incubator program for businesses associated with the UAS industry.



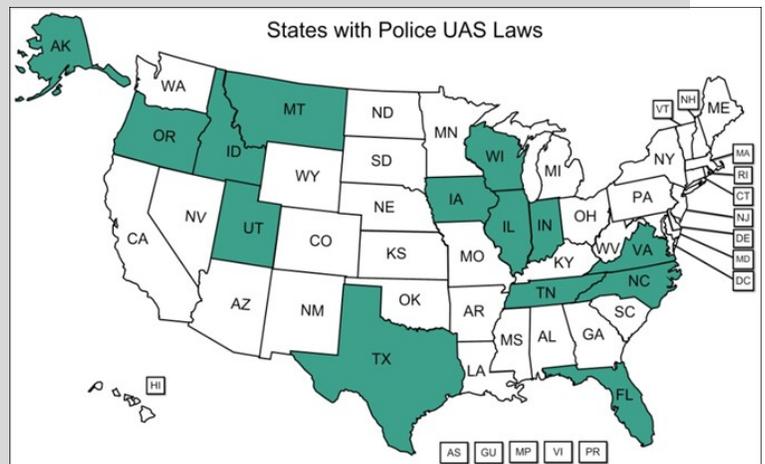
Commercial UAS Regulation

In 2014, North Carolina became the first state to enact a law (SB 744) that creates regulations for the commercial use of UAS. The new law requires any person who operates a UAS commercially to be licensed by the state Division of Aviation. It also sets minimum standards for licensure, which include being at least 18 years of age, possessing a valid driver's license, passing a knowledge and skills test for operating UAS and meeting any additional requirements set by federal law.

Operating a UAS commercially without a license is now a class 1 misdemeanor. The law also charges the Division of Aviation with developing the licensure program, which must include: fee structures, a license application process, criteria for the suspension or revocation of a license, requirements for the collection, use, and retention of data by licensees and requirements for marking UAS for identification purposes.

Police Use of UAS

Fourteen states have enacted laws that address police use of UAS. Thirteen of those states enable police to use UAS pursuant to a warrant while Virginia prohibits their use by law enforcement agencies until July 1, 2015. Iowa's law uniquely prohibits UAS from being used to enforce traffic violations. Laws addressing police use of UAS also create data retention policies, create operational standards and set reporting requirements.



Private Use of UAS

Seven states—Indiana, Louisiana, North Carolina, Oregon, Tennessee, Texas and Wisconsin—have created new crimes for certain uses of unmanned aircraft systems. Crimes now prohibit attaching a weapon to a UAS, interfering with the flight of a manned aircraft, using UAS to take photos of a person or their property without permission, distributing those images, using UAS to conduct surveillance and harassing hunters or fisherman with UAS among others.

For more information on UAS legislation, please visit NCSL.org or contact Rich Williams at rich.williams@ncsl.org