

**AERONAUTICS AMENDMENTS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to aeronautics.

**Highlighted Provisions:**

This bill:

- ▶ transfers certain functions related to aeronautics from the State Tax Commission to the Department of Transportation;
- ▶ grants rulemaking authority to the Department of Transportation;
- ▶ permits the Department of Transportation to assess the value of certain aircraft;
- ▶ requires an aircraft without a valid airworthiness certificate to apply for a certificate of registration;
- ▶ prohibits certain airports from domiciling an unregistered aircraft;
- ▶ requires certain airports to maintain evidence of current aircraft registration for each aircraft domiciled at the airport;
- ▶ authorizes the Utah Division of Aeronautics to impose a fine for a violation of certain provisions of this bill; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **59-2-404**, as last amended by Laws of Utah 2008, Chapter 206

31 **72-10-109**, as last amended by Laws of Utah 2017, Chapter 364

32 **72-10-110**, as last amended by Laws of Utah 2016, Chapters 224 and 333

33 **72-10-112**, as last amended by Laws of Utah 2016, Chapter 333



35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section **59-2-404** is amended to read:

37 **59-2-404. Uniform fee on aircraft -- Collection of fee by Department of**  
38 **Transportation -- Distribution of fee.**

39 (1) In accordance with Utah Constitution Article XIII, Section 2, Subsection (6),  
40 beginning on January 1, 2009, an aircraft, required to be registered with the state is:

- 41 (a) exempt from the tax imposed by Section **59-2-103**; and
- 42 (b) in lieu of the tax imposed by Section **59-2-103**, subject to a uniform statewide fee
- 43 of \$25.

44 (2) (a) The Department of Transportation shall collect the uniform fee [shall be  
45 collected by the commission with the registration fee and distributed] and provide the uniform  
46 fee to the commission for distribution to the county in which the aircraft is based.

47 (b) A based aircraft is an aircraft which is hangared, tied down, or [~~parked at the~~  
48 ~~airport~~] domiciled in the state for a plurality of the year.

49 (3) (a) The uniform fees received by a county under Subsection (2) shall be distributed  
50 to each taxing entity within the county in the same proportion in which revenues collected from  
51 the ad valorem property tax are distributed.

52 (b) Each taxing entity described in Subsection (3)(a) that receives revenues from the  
53 uniform fee imposed by this section shall distribute the revenues in the same proportion in  
54 which revenues collected from the ad valorem property tax are distributed.

55 (4) [~~The commission shall promulgate~~] In accordance with Title 63G, Chapter 3, Utah  
56 Administrative Rulemaking Act, the Department of Transportation may make rules to  
57 implement this section.

58 Section 2. Section **72-10-109** is amended to read:

59 **72-10-109. Certificate of registration of aircraft required -- Exceptions.**

60 (1) (a) A person may not operate, pilot, or navigate, or cause or authorize to be  
61 operated, piloted, or navigated within this state any civil aircraft [~~located~~] domiciled in this  
62 state unless the aircraft has a current certificate of registration issued by [~~this state through the~~  
63 ~~county in which the aircraft is located~~] the department.

64 (b) [~~This~~] The restriction described in Subsection (1)(a) does not apply to aircraft  
65 licensed by a foreign country with which the United States has a reciprocal agreement covering  
66 the operations of the registered aircraft or to a non-passenger-carrying flight solely for  
67 inspection or test purposes authorized by the Federal Aviation Administration to be made  
68 without the certificate of registration.

69 (2) Aircraft centrally assessed by the State Tax Commission are exempt from the state  
70 registration requirement under Subsection (1).

71 (3) Unmanned aircraft as defined in Section [72-14-102](#) are exempt from the state  
72 registration requirement under Subsection (1).

73 Section 3. Section **72-10-110** is amended to read:

74 **72-10-110. Aircraft registration information requirements -- Registration fee --**  
75 **Administration -- Partial year registration.**

76 (1) All applications for aircraft registration shall contain:

77 (a) a description of the aircraft, including:

78 (i) the manufacturer or builder;

79 (ii) the aircraft registration number, type, year of manufacture, or if an experimental  
80 aircraft, the year the aircraft was completed and certified for air worthiness by an inspector of  
81 the Federal Aviation Administration; and

82 (iii) gross weight;

83 (b) the name and address of the owner of the aircraft; and

84 (c) where the aircraft is located, or the address where the aircraft is usually used or  
85 based.

86 (2) (a) Except as provided in Subsection (3), at the time application is made for  
87 registration or renewal of registration of an aircraft under this chapter, an annual registration  
88 fee of 0.4% of the average wholesale value of the aircraft shall be paid.

89 (b) For purposes of calculating the average wholesale value of [~~the~~] an aircraft under

90 Subsection (2)(a) ~~[or (3)(d)]~~, the ~~[State Tax Commission]~~ department shall use the average  
91 wholesale value as stated in the Aircraft Bluebook Price Digest.

92 (c) For an aircraft not listed in the Aircraft Bluebook Price Digest, the department shall  
93 calculate the average wholesale value of the aircraft using common industry standards.

94 (d) (i) An owner of an aircraft may challenge the department's calculation of the  
95 average wholesale value of the aircraft.

96 (ii) The department shall make rules in accordance with Title 63G, Chapter 3, Utah  
97 Administrative Rulemaking Act, to establish a process for challenging the department's  
98 calculation under Subsection (2)(d)(i).

99 (3) (a) An annual registration fee of \$100 is imposed on ~~[the following aircraft]~~ an  
100 aircraft that is used:

101 ~~[(i) an aircraft not listed in the Aircraft Bluebook Price Digest;]~~

102 ~~[(ii) an experimental aircraft; or]~~

103 ~~[(iii) an aircraft that is used:]~~

104 ~~[(A)]~~ (i) exclusively by an entity that is exempt from federal income taxation under  
105 Section 501(c)(3), Internal Revenue Code, and exempt from property taxation under Title 59,  
106 Chapter 2, Property Tax Act; and

107 ~~[(B)]~~ (ii) for the emergency transportation of medical patients for at least 95% of its  
108 flight time.

109 (b) An annual registration fee is imposed on an aircraft ~~[50]~~ 75 years or older equal to  
110 the lesser of:

111 (i) \$100; or

112 (ii) the annual registration fee provided for under Subsection (2)(a).

113 (c) An aircraft that is in the manufacture, construction, fabrication, or assembly  
114 process, is not complete, and does not have a valid airworthiness certificate ~~[for a period of six~~  
115 ~~months or more]:~~

116 (i) ~~[may not]~~ shall apply for a certificate of registration required under Section  
117 72-10-109; and

118 (ii) is exempt from ~~[an]~~ the annual registration fee ~~[until the aircraft has a valid~~  
119 ~~airworthiness certificate]~~ described in Subsection (2)(a).

120 ~~[(d) An annual registration fee of .25% of the average wholesale value of the aircraft is~~

121 imposed on an aircraft if the aircraft is:]

122 [~~(i) used by an air charter service for air charter; and~~]

123 [~~(ii) owned by a person other than the air charter service.~~]

124 [~~(e)~~] (d) The annual registration fee required in this section is due on December 31 of  
125 each year.

126 (4) (a) The [~~State Tax Commission~~] department shall provide a registration card to an  
127 owner of an aircraft if:

128 (i) the owner complies with the registration requirements of this section; and

129 (ii) the owner of the aircraft states that the aircraft has a valid airworthiness certificate.

130 (b) An owner of an aircraft shall carry the registration card in the registered aircraft.

131 (5) The registration fees assessed under this chapter shall be collected by the [~~State Tax~~  
132 ~~Commission~~] department to be distributed as provided in Subsection (6).

133 (6) After deducting the costs of administering all aircraft registrations under this  
134 chapter, the [~~State Tax Commission~~] department shall deposit all remaining aircraft registration  
135 fees in the Aeronautics Restricted Account created by Section [72-2-126](#).

136 (7) Aircraft which are initially registered under this chapter for less than a full calendar  
137 year shall be charged a registration fee which is reduced in proportion to the fraction of the  
138 calendar year during which the aircraft is registered in this state.

139 (8) (a) For purposes of this section, an aircraft based at the owner's airport means an  
140 aircraft that is hangared, tied down, or parked at an owner's airport for a plurality of the year.

141 (b) Semi-annually, an owner or operator of an airport open to public use, or of an  
142 airport that receives grant funding from the state, shall provide a list of all aircraft based at the  
143 owner's airport to the [~~Utah Division of Aeronautics~~] department.

144 (c) An airport described in Subsection (8)(b) may not hangar, tie down, or otherwise  
145 domicile an aircraft unless the aircraft owner or operator has a current aircraft registration for  
146 the aircraft.

147 (d) An airport described in Subsection (8)(b) shall maintain evidence of current aircraft  
148 registration for each aircraft that is hangared, tied down, or otherwise domiciled at the airport.

149 (e) In accordance with Title 63G, Chapter 4, Administrative Procedures Act, the Utah  
150 Division of Aeronautics may impose a fine of up to \$250 against an airport described in  
151 Subsection (8)(b) that fails to comply with Subsection (8)(c) or (d).

152 (9) ~~[(a) The Utah Division of Aeronautics]~~ The department shall maintain a statewide  
153 database of all aircraft based within the state.

154 ~~[(b) On or before October 1 of each year, the Utah Division of Aeronautics shall~~  
155 ~~provide the State Tax Commission with the data the State Tax Commission requires from the~~  
156 ~~database described in Subsection (9)(a).]~~

157 ~~[(c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,~~  
158 ~~the commission may by rule define the contents of the database described in Subsection (9)(a).]~~

159 ~~[(d) The State Tax Commission shall annually provide the Utah Division of~~  
160 ~~Aeronautics a list of all aircraft registered in this state.]~~

161 (10) The ~~[State Tax Commission]~~ department may suspend or revoke a registration if  
162 ~~[it]~~ the department determines that the required fee has not been paid and the fee is not paid  
163 upon reasonable notice and demand.

164 Section 4. Section **72-10-112** is amended to read:

165 **72-10-112. Failure to register -- Penalty -- Compliance audits and inspections --**  
166 **Rulemaking.**

167 (1) Failure to register any aircraft required to be registered with the state ~~[in the county~~  
168 ~~in which the aircraft is located]~~ subjects the owners of the aircraft to the same penalties  
169 provided for motor vehicles under Sections [41-1a-1101](#), [41-1a-1301](#), and [41-1a-1307](#).

170 (2) (a) The ~~[division]~~ department shall conduct compliance audits and inspections as  
171 needed to enforce state laws related to the registration of aircraft.

172 (b) The ~~[division]~~ department shall coordinate with airport operators to determine and  
173 verify accurate reporting of aircraft that are based within the state for the purpose of  
174 administering and enforcing state aircraft registration laws.

175 (3) (a) In addition to the penalties described in Subsection (1), the ~~[division]~~  
176 department may impose a fine of 10% of the registration fee for the first month and 5% of the  
177 registration fee for each subsequent month an aircraft is operated in violation of Section  
178 [72-10-109](#).

179 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
180 ~~[division]~~ department shall makes rules establishing procedures for the enforcement of state  
181 aircraft registration laws and the administration of penalties described in this section.

182 (c) The ~~[division]~~ department shall comply with the procedures and requirements of

183 Title 63G, Chapter 4, Administrative Procedures Act, in all adjudicative proceedings conducted  
184 for the enforcement of penalties under this section.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**