

AVIATION LIABILITY INSURANCE AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Cheryl K. Acton

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to aircraft liability insurance requirements and the registration of aircraft.

Highlighted Provisions:

This bill:

- ▶ establishes requirements for aircraft liability insurance coverage;
- ▶ requires an owner of an aircraft to provide proof of liability insurance when registering or renewing the registration of an aircraft; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-1300, as last amended by Laws of Utah 1998, Chapter 270

72-10-110, as last amended by Laws of Utah 2018, Chapter 436

72-10-117, as last amended by Laws of Utah 2019, Chapter 431

ENACTS:

72-10-111.5, Utah Code Annotated 1953



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

Section 1. Section **31A-22-1300** is amended to read:

31A-22-1300. Aircraft liability insurance.

[Subsections ~~72-10-117~~(5) and (6) apply to aircraft liability insurance.]

Policies containing aircraft liability insurance coverage for an aircraft required to be registered under Section ~~72-10-109~~ shall include minimum coverage of:

(1) \$50,000 per person for bodily injury or death in any one accident;

(2) \$50,000 for property damage in any one accident; and

(3) \$100,000 in any one accident, whether for property damage, or bodily injury or death.

Section 2. Section **72-10-110** is amended to read:

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

(1) All applications for aircraft registration shall contain:

(a) a description of the aircraft, including:

(i) the manufacturer or builder;

(ii) the Federal Aviation Administration aircraft registration number[;];

(iii) type[;];

(iv) year of manufacture, or if an experimental aircraft, the year the aircraft was completed and certified for air worthiness by an inspector of the Federal Aviation Administration; and

~~[(iii)]~~ (v) gross weight;

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

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

(2) An applicant shall provide proof of aircraft liability insurance coverage required under Section ~~72-10-111.5~~ with:

(a) an initial application for aircraft registration; and

(b) an application for renewal of aircraft registration.

~~[(2)]~~ (3) (a) Except as provided in Subsection [(3)], at the time application is made for

59 ~~registration or renewal of registration of an aircraft under this chapter,~~ (4), an applicant shall
60 pay an annual registration fee of 0.4% of the average wholesale value of the aircraft [shall be
61 paid] when filing an application for registration or renewal of registration of an aircraft under
62 this chapter.

63 (b) For purposes of calculating the average wholesale value of an aircraft under
64 Subsection ~~[(2)] (3)(a)~~ or ~~[(3)] (4)(d)~~, the department shall use the average wholesale value as
65 stated in the Aircraft Bluebook Price Digest.

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

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

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

73 ~~[(3)] (4)~~ (a) An annual registration fee of \$100 is imposed on an aircraft that is used:

74 (i) exclusively by an entity that is exempt from federal income taxation under Section
75 501(c)(3), Internal Revenue Code, and exempt from property taxation under Title 59, Chapter
76 2, Property Tax Act; and

77 (ii) for the emergency transportation of medical patients for at least 95% of its flight
78 time.

79 (b) An annual registration fee is imposed on an aircraft 60 years or older equal to the
80 lesser of:

81 (i) \$100; or

82 (ii) the annual registration fee provided for under Subsection ~~[(2)] (3)(a)~~.

83 (c) (i) Except as provided in Subsection ~~[(3)] (4)(c)(iii)~~, an owner of an aircraft shall
84 apply for a certificate of registration described in Section 72-10-109, if the aircraft:

85 (A) is in the manufacture, construction, fabrication, assembly, or repair process;

86 (B) is not complete; and

87 (C) does not have a valid airworthiness certificate.

88 (ii) An aircraft described in Subsection ~~[(3)] (4)(c)(i)~~ is exempt from the annual
89 registration fee described in Subsection ~~[(2)] (3)(a)~~.

90 (iii) The registration requirement described in Subsection [~~3~~] (4)(c)(i) does not apply
91 to an aircraft that, in accordance with Section 59-12-104, is exempt from the taxes imposed
92 under Title 59, Chapter 12, Sales and Use Tax Act.

93 (d) An annual registration fee of .25% of the average wholesale value of the aircraft is
94 imposed on an aircraft if the aircraft is:

- 95 (i) used by an air charter service for air charter; and
- 96 (ii) owned by a person other than the air charter service.

97 (e) The annual registration fee required in this section is due on December 31 of each
98 year.

99 [~~4~~] (5) (a) The department shall provide a registration card to an owner of an aircraft
100 if:

- 101 (i) the owner complies with the registration requirements of this section; and
 - 102 (ii) the owner of the aircraft states that the aircraft has a valid airworthiness certificate.
- 103 (b) An owner of an aircraft shall carry the registration card in the registered aircraft.

104 [~~5~~] (6) The registration fees assessed under this chapter shall be collected by the
105 department to be distributed as provided in Subsection [~~6~~] (7).

106 [~~6~~] (7) After deducting the costs of administering all aircraft registrations under this
107 chapter, the department shall deposit all remaining aircraft registration fees in the Aeronautics
108 Restricted Account created by Section 72-2-126.

109 [~~7~~] (8) Aircraft which are initially registered under this chapter for less than a full
110 calendar year shall be charged a registration fee which is reduced in proportion to the fraction
111 of the calendar year during which the aircraft is registered in this state.

112 [~~8~~] (9) (a) For purposes of this section, an aircraft based at the owner's airport means
113 an aircraft that is hangared, tied down, or parked at an owner's airport for a plurality of the year.

114 (b) Semi-annually, an owner or operator of an airport open to public use, or of an
115 airport that receives grant funding from the state, shall provide a list of all aircraft based at the
116 owner's airport to the department.

117 [~~9~~] (10) The department shall maintain a statewide database of all aircraft based
118 within the state.

119 [~~10~~] (11) The department may suspend or revoke a registration if the department
120 determines that the required fee has not been paid and the fee is not paid upon reasonable

121 notice and demand.

122 Section 3. Section **72-10-111.5** is enacted to read:

123 **72-10-111.5. Aircraft liability insurance requirements -- Proof of liability**
124 **insurance.**

125 (1) An owner required to register an aircraft under Section 72-10-109 shall:

126 (a) maintain liability insurance coverage for the aircraft that conforms to the
127 requirements described in Section 31A-22-1300; and

128 (b) along with the required application for aircraft registration under Section
129 72-10-110, file with the department proof of the owner's valid liability insurance coverage for
130 the aircraft.

131 (2) An owner of an aircraft may provide proof of aircraft liability insurance by filing
132 with the department a certificate of insurance issued by an insurer licensed in Utah that
133 demonstrates there is a valid insurance policy covering the aircraft.

134 Section 4. Section **72-10-117** is amended to read:

135 **72-10-117. Aircraft landing permits -- Eligible aircraft -- Special licenses -- Rules**
136 **-- Proof of insurance -- Bonds.**

137 (1) (a) The county executive of any county may issue permits authorizing aircraft to
138 land on or take off from designated county roads.

139 (b) Permits may be issued to aircraft operated:

140 (i) as air ambulances;

141 (ii) as pesticide applicators; or

142 (iii) by or under contract with public utilities and used in connection with inspection,
143 maintenance, installation, operation, construction, or repair of property owned or operated by
144 the public utility.

145 (2) Permits may also be issued by the county executive to other aircraft under rules
146 made by the department.

147 (3) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
148 the department shall make rules for issuing a special license to:

149 (i) an aircraft permitted by a county executive to land on a county road; and

150 (ii) a pilot permitted to operate an aircraft licensed under this subsection from a county
151 road.

152 (b) The rules made under this subsection shall include provisions for the safety of the
153 flying and motoring public.

154 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
155 department shall make rules for the landing and taking off of aircraft to which permits have
156 been issued, which may include annual reports of activities of the aircraft.

157 (5) Prior to obtaining a permit or license to any aircraft, the applicant shall file with the
158 county executive and the department [~~a certificate of insurance executed by an insurance~~
159 ~~company or association authorized to transact business in this state upon a form prescribed by~~
160 ~~the department that there is in full force and effect a policy of insurance covering the aircraft~~
161 ~~for liability against:] proof of liability insurance coverage that meets the requirements
162 described in Section [31A-22-1300](#).~~

163 [~~(a) personal injury or death for any one person in an amount of \$50,000 or more;~~]

164 [~~(b) any one accident in an amount of \$100,000 or more; and]~~

165 [~~(c) property damage in an amount of \$50,000 or more.]~~

166 (6) In addition to the insurance required under this section, either the county executive
167 or the department may require the posting of a bond to indemnify the county or department
168 against liability resulting from issuing the permit or license.