

**Representative James A. Dunnigan** proposes the following substitute bill:

**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 public liability insurance coverage;
- ▶ requires an owner of an aircraft to provide proof of public 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



26 ENACTS:

27 [72-10-111.5](#), Utah Code Annotated 1953



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

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

31 **31A-22-1300. Aircraft public liability insurance.**

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

33 Policies containing aircraft public liability insurance coverage for an aircraft required to

34 be registered under Section [72-10-109](#) shall include minimum coverage of:

35 (1) \$50,000 per person for bodily injury or death in any one accident;

36 (2) \$50,000 for property damage in any one accident; and

37 (3) \$100,000 in any one accident, whether for property damage, or bodily injury or

38 death.

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

40 **72-10-110. Aircraft registration information requirements -- Registration fee --**

41 **Administration -- Partial year registration.**

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

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

44 (i) the manufacturer or builder;

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

46 (iii) type[;];

47 (iv) year of manufacture, or if an experimental aircraft, the year the aircraft was

48 completed and certified for air worthiness by an inspector of the Federal Aviation

49 Administration; and

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

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

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

53 based.

54 (2) An applicant shall provide proof of aircraft public liability insurance coverage

55 required under Section [72-10-111.5](#) with:

56 (a) an initial application for aircraft registration; and

57 (b) an application for renewal of aircraft registration.

58 [~~(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 public liability insurance requirements -- Proof of public**  
124 **liability insurance.**

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

126           (a) maintain public 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 public liability insurance  
130 coverage for the aircraft.

131           (2) An owner of an aircraft may provide proof of aircraft public liability insurance by  
132 filing 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]~~ a permit authorizing an  
138 aircraft to land on or take off from designated county roads.

139           (b) ~~[Permits may be issued]~~ The county executive of any county may issue a permit to  
140 an aircraft operated:

141           (i) as an air ~~[ambulances]~~ ambulance;

142           (ii) as a pesticide ~~[applicators]~~ applicator; or

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

146           (2) ~~[Permits may also be issued by the county executive]~~ The county executive of any  
147 county may issue a permit under this section to other aircraft under rules made by the  
148 department.

149           (3) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

150 the department shall make rules for issuing a special license to:

- 151 (i) an aircraft permitted by a county executive to land on a county road; and
- 152 (ii) a pilot permitted to operate an aircraft licensed under this subsection from a county
- 153 road.

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

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

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

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

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

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

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