

# SENATE BILL REPORT

## SB 5989

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As Reported By Senate Committee On:  
Transportation, March 8, 1999

**Title:** An act relating to aircraft registration fees and taxes.

**Brief Description:** Adjusting aircraft registration fees and tax distribution.

**Sponsors:** Senators Haugen, Morton and Rasmussen.

**Brief History:**

**Committee Activity:** Transportation: 3/3/99, 3/8/99 [DPS].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5989 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Costa, Jacobsen, Morton, Oke, Patterson, Sellar, Sheahan, T. Sheldon, Shin and Swecker.

**Staff:** Reema Shawa (786-7301)

**Background:** Currently in the State of Washington, there are approximately 5,700 registered aircraft. Under current distribution laws, 90 percent of the excise tax collected for aircraft registration is deposited in the General Fund and 10 percent is deposited into the Aeronautics Account of the Transportation Fund. There is also an additional \$4 fee attached to every aircraft registration which is dedicated to the Aeronautics Account. Despite the imbalance of current revenue distributions, the aircraft registration program is entirely administered by the Department of Transportation's Aviation Division.

**Summary of Substitute Bill:** The current \$4 aircraft registration fee is increased to \$8. Airplanes housed at airports owned or operated by governmental entities from two or more states, and whose owners are nonresidents of this state, are exempt from paying Washington's aircraft registration excise tax if they can show proof that they have paid all taxes, license fees, and registration fees required by the state in which they reside.

**Substitute Bill Compared to Original Bill:** The original bill removed the \$4 registration fee and directed the State Treasurer to deposit 100 percent of aircraft registration excise tax revenue into the Aeronautics Account.

The substitute bill raises the registration fee from \$4 to \$8, and leaves the current distribution of aircraft registration excise tax revenue in place. It adds provisions which exempt nonresidents from paying the excise tax associated with aircraft registration, if they house their plane at an airport owned or operated by governmental entities from two or more states.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill will provide aviation with much needed revenue to operate its registration program and improve its current services. This bill will ensure that nonresidents will not have to register their planes twice and pay taxes on their registration twice. This exemption will protect the livelihood of those airports owned by multiple government entities from two or more states, as now none of their customers will have to pay double to park their planes at these airports.

**Testimony Against:** None.

**Testified:** PRO: Senator Sheahan; Tom Jensen, Washington Air Search and Rescue; H. Allen Smith, Washington Pilots Association; Bill Brubaker, Aviation Division, Department of Transportation.