

HOUSE BILL REPORT

SB 6056

As Passed House - Amended:

April 27, 2003

Title: An act relating to fees, taxes, and penalties for pilots and aircraft.

Brief Description: Adjusting fees, taxes, and penalties for pilots and aircraft.

Sponsors: By Senators Haugen and Horn.

Brief History:

Committee Activity:

Transportation: 4/26/03 [DPA].

Floor Activity:

Passed House - Amended: 4/27/03, 67-31.

**Brief Summary of Bill
(As Amended by House)**

- Increases aircraft registration fees to \$15.
- Increases pilot, airman, and airwomen registration fees to \$15.
- Increases aircraft fuel tax to 10 cents per gallon.
- Requires notification in change of ownership of a registered aircraft must be completed within 30 days.
- Requires proof of aircraft registration or providing the forms to register must happen before buying or leasing tie down or hanger space.
- Failure to register an aircraft is subject to civil penalties.
- Failure to register as a pilot, airman or airwoman is subject to a civil penalty.
- Excepts emergency medical air transport entities from aviation fuel tax.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 19 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, Vice Chair; Jarrett, Assistant Ranking Member; Clibborn, Cooper, Dickerson, Edwards, Flannigan, Hankins, Hatfield,

Hudgins, Lovick, Morris, Romero, Shabro, Sullivan, Wallace and Wood.

Minority Report: Do not pass. Signed by 10 members: Representatives Ericksen, Ranking Minority Member; Anderson, Armstrong, Bailey, Campbell, Kristiansen, Mielke, Nixon, Schindler and Woods.

Staff: Jerry Long (786-7306).

Background:

The aeronautics account provides funds for the administration of the Aviation Division of the Department of Transportation (DOT), support of state and local airports, and maintenance of state-owned airports. Funds going into the aeronautics account come from the aircraft fuel tax, aircraft excise tax, aircraft registration fee, a transfer from motor vehicle fuel tax and from federal grants.

The aircraft search and rescue safety and education account provides funds for the search and rescue of lost and downed aircraft, aviation safety and education, and volunteer recognition and support. The account is funded by pilot, and airmen and airwomen registration fees.

Annual pilot and airmen and airwomen registration fees may be set at an amount of up to \$10, but are currently set at \$8. The amount is set by the DOT. The funds from these fees are deposited into the aircraft search and rescue safety and education account.

Annual aircraft registration fees are currently set at \$8. Funds from the aircraft registration fee are deposited into the aeronautics account.

Under current law, the aircraft fuel tax rate is set by a calculation of 3 percent of the weighted average retail sales price of aircraft fuel. The current rate is 7 cents per gallon.

The DOT is to be notified within one week of a change in ownership of a registered aircraft or the registration may be cancelled.

Municipalities or port districts which own, operate or lease an airport shall require from an aircraft owner proof of aircraft registration or proof of intent to register an aircraft as a condition of leasing or selling tie down or hangar space.

Summary of Amended Bill:

Annual pilot and airmen and airwomen registration fees are set at \$15.

Annual aircraft registration fees are set at \$15. The additional \$7 will be deposited in the Aeronautics Account for airport maintenance for July 1, 2003 through June 30, 2005.

The aircraft fuel tax is set at a fixed rate of 10 cents per gallon and the provision for the fuel tax rate calculation based on fuel prices is repealed.

Failure to register an aircraft is subject to the following civil penalties:

- If the aircraft registration is 60 days to 119 days past due, the civil penalty is \$100.
- If the aircraft registration is 120 days past due to 180 days past due, the civil penalty is \$200.
- If the aircraft registration is over 180 days past due, the civil penalty is \$400.

Emergency medical air transport entities are exempt from aviation fuel tax.

The DOT must be notified of a change in ownership of a registered aircraft within 30 days.

An aircraft owner must show proof of aircraft registration to buy or lease hangar space from a municipality or port district.

Failure to register as a pilot, airman or airwoman as required by law is subject to a civil penalty of four times the fees that are due after the registration is 60 days past due.

Appropriation: None.

Fiscal Note: Requested.

Effective Date of Amended Bill: The bill takes effect July 1, 2003.

Testimony For: State owned and managed airports have \$10 million in runway repairs that are needed. The aviation fuel tax is considered a user fee and is paid by the persons using the facilities. The emergency medical air transport entities are non-profit and the conflict in language regarding the leasing or selling of tie down or hanger space to a aircraft owner needs to be corrected. The revenue is considered flexible, but the revenue goes to dedicated accounts for the support and maintenance of state and local airports.

Testimony Against: None.

Testified: Senator Horn; and John Sibold, Department of Transportation Aviation.

(In support with amendments) Susie Tracy, Airlift Northwest and Washington Airport Managers Association.