

SENATE BILL REPORT

SB 5392

As Reported By Senate Committee On:
Highways & Transportation, February 25, 2003

Title: An act relating to increasing fees for pilots and aircraft.

Brief Description: Increasing fees for pilots and aircraft.

Sponsors: Senators Haugen, Horn, Jacobsen and Swecker.

Brief History:

Committee Activity: Highways & Transportation: 2/13/03, 2/25/03 [DPS].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5392 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Swecker, Vice Chair; Finkbeiner, Haugen, Jacobsen; Kastama, Oke and Prentice.

Minority Report: Do not pass.

Signed by Senator Benton, Vice Chair.

Staff: Dean Carlson (786-7305)

Background: The aeronautics account provides funds for the administration of the Aviation Division of the Department of Transportation, 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.

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

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

The aircraft excise tax varies from \$20 to \$125 depending on the type of plane. Ninety percent of this fee goes into the general fund and 10 percent goes 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 Department of Transportation 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 tiedown or hangar space.

Summary of Substitute Bill: Pilot, and airmen and airwomen registration fees are set at \$15.

Aircraft registration fees are set at \$15.

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.

The Department of Transportation 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. Language which allows proof of intent to register an aircraft is removed.

Substitute Bill Compared to Original Bill: The substitute removes the provision that increased the aircraft excise tax.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2003.

Testimony For: We can all agree airports are important. We have to figure out a way to keep pace and how we are going to meet the \$10 million a year need. We need to provide the new director the resources he needs to maintain the airports. I like the increase in the fuel tax.

Testimony Against: There is not a good reason to raise the pilot fees. We are disappointed that general aviation is the source of funding. The many exemptions should be looked at first. Air ambulances should be exempt from the fuel tax. We would like to see a committee over the summer to develop industry-wide support. The commercial exemptions should be removed or reduced. The lack of enforcement in this state on the current taxes is a big problem and needs to be improved.

Testified: Al Banholzer, Washington Pilots Association (con); Kathy Pace, Aircraft Northwest (con); Mike Ferguson, AOPA (con); H. Smith, citizen (con); Pat Jones, Washington Public Ports Association (pro); Jim Combs, Galvin Flying Center (con); Bruce

Angel, citizen (pro); John Sibold, WSDOT Aviation (pro); Chris Cheney, citizen (comments); Jim Metzger, Camas/Washougal Aviation Association (comments).