

HOUSE BILL REPORT

SHB 2413

As Passed Legislature

Title: An act relating to aircraft registration simplification and fairness.

Brief Description: Concerning aircraft registration simplification and fairness.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Dent, Tarleton, Dye, Gregerson, Griffey, Hargrove, Klippert, Pike, Muri, Condotta and McBride).

Brief History:

Committee Activity:

Transportation: 1/20/16, 1/27/16 [DPS].

Floor Activity:

Passed House: 2/17/16, 98-0.

Passed Senate: 3/1/16, 45-1.

Passed Legislature.

Brief Summary of Substitute Bill

- Removes the existing tiered late penalties for a late aircraft registration and replaces the penalties with one penalty of \$100 if the aircraft registration is 60 days or more past due.
- Establishes time frames for aircraft owners to provide a municipality or port district proof of aircraft registration when leasing or purchasing tie-down or hangar space.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Bergquist, Gregerson, Hayes, Hickel, Kochmar, Morris, Ortiz-Self, Pike, Riccelli, Rodne, Rossetti, Sells, Shea, Stambaugh, Tarleton and Young.

Staff: Jerry Long (786-7306).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

The Washington State Department of Transportation (DOT) Aviation is responsible for registering aircraft in the State of Washington. Every aircraft must be registered with the DOT each calendar year in which the aircraft is operated or based within Washington. The registration is based on a calendar year and is collected during the month of January. The registration fee is \$15. An excise tax is also imposed on each aircraft; it is collected annually or on a staggered collection schedule. The excise tax is based on the type of aircraft and whether it is operated privately or by a commuter air carrier.

Failure to register an aircraft as required is subject to the following penalties: (1) if the registration is 60 to 119 days past due, the penalty is \$100; (2) if the registration is 120 days to 180 days past due, the penalty is \$200; and (3) if the registration is over 180 days past due, the penalty is \$400.

The revenue from the registration fees, excise tax, and penalties are deposited into the Aeronautics Account.

If the DOT is satisfied the requirements for the registration of the aircraft have been met, then a certificate of registration is issued.

There are aircraft that are exempt from registration: government aircraft; foreign aircraft; non-resident owned aircraft; and large private airplanes here for repair, alteration, reconstruction, or storage for more than a year.

A municipality or port district that owns, operates, or leases an airport with the intent to operate, must require from an aircraft owner proof of aircraft registration as a condition of leasing or selling tie-down or hangar space for an aircraft.

In 2014 there were 6,560 aircraft registered and 2,667 aircraft exempt.

In 2015 there were 6,551 aircraft registered and 2,459 aircraft exempt.

Summary of Substitute Bill:

The substitute bill removes the existing tiered penalty structure and replaces the penalties with one penalty that is \$100 if the aircraft registration is 60 days or more past due. The bill implements a schedule for providing proof of registration to a municipality or port district that owns, operates or leases an airport. The schedule is:

- for the purchase of tie-down or hangar space, the airport must allow 30 days from the date of the application for purchase to produce proof of the aircraft registration;
- for the lease of tie-down or hangar space that extends 30 days or more, the airport must allow the lessee 30 days to produce proof of the aircraft registration from the date of the application for lease of tie-down or hangar space; and
- for the lease of tie-down or hangar space that extends less than 30 days, the airport must allow the lessee to produce proof of aircraft registration at any point prior to the final day of the lease.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 2 and 3, relating to the penalty on late aircraft registrations and the registrations being required to rent or purchase tiedown or hangers, which take effect July 1, 2016, and section 4, relating to aircraft registrations required to rent or purchase tiedown or hangers, which takes effect July 1, 2021.

Staff Summary of Public Testimony:

(In support) Currently in order to lease or purchase tie-downs or hangar space, you must have a current registration for the aircraft. If you are moving from out of state or have just purchased an aircraft, the transfer of an aircraft can take time and will require a place to park the aircraft. A time period of 30 days would make it easier for a person to secure tie-down or hangar space and then register the aircraft. The airports represented today have 100 to 150 hangars to lease, but the market is tight and hangars and tie-downs are in demand. This bill allows for the airports to give better customer service.

The current penalties of \$100, \$200, and \$400 are excessive for a late charge on a \$15 annual aircraft registration fee. The \$100 penalty for a \$15 registration that is over 60 days late creates a more efficient process. The process, once implemented, will save staff time at the Aviation Division, and the staff can be redirected to other priorities. This will create more of an incentive instead of a punishment to pay the aircraft registration on time and, if the person is late, maybe pay it sooner.

A request is made that the spelling in the bill for an aircraft hangar is corrected from "hanger" to "hangar."

(Opposed) None.

Persons Testifying: Representative Dent, prime sponsor; Representative Tarleton; Tristan Atkins, Washington State Department of Transportation; Deb Wallace, Pierce County Airports; David Ketchum, Washington State Community Airports Association; John Dobson, Washington Pilots Association; Warren Hendrickson, Aircraft Owners and Pilots Association; and Mike Ennis, Association of Washington Business.

Persons Signed In To Testify But Not Testifying: None.