

Approved 2/5/87

Minutes of the House Committee on Taxation. The meeting was called to order by Keith Roe, Vice-Chairman, at 9:00 a.m. on February 4, in room 519-S of the Capitol of the State of Kansas.

All members of the Committee were present except: Adam, Crowell
Vancrum, Smith
(excused)

Committee Staff Present: Tom Severn, Legislative Research
Chris Courtright, Legislative Research
Don Hayward, Revisor of Statutes
Millie Foose, Committee Secretary

Representative Snowbarger discussed House Bills 2088, 2168, and 2169. He explained that HB-2088 and HB-2169 are almost identical, with only minor differences in the three bills regarding registration fees, etc. Representatives Shore and Ramirez also spoke in support of these bills and answered questions from committee members. (Attachment 1)

There was considerable discussion as to how antique planes should be registered -- whether they should be registered through the counties like cars, through the Department of Aviation, or the Department of Vehicles. Harley Duncan was asked how the value could be determined, and he said his only suggestion would be to go to an appraiser.

Mr. R. W. Shane, antique owner and restorer, requested that the personal property taxes on antique and classic aircraft be reduced. (These are privately owned single engine aircraft of any size built prior to 1957.) The valuations vary a great deal from county to county and even within the same county. (Attachment 2)

Mr. Lloyd J. Aubert, Jr. sent inquiries to 170 owners in surrounding states and found that no state taxes private aircraft as heavily as Kansas does. (Attachment 3) He reported that the 1986 tax on his 1955 Cessna was \$490.93, which he considers exorbitant. He said that a road vehicle 30 years old is taxed at a minimum, but this is not true with airplanes.

Mr. George Boyd, Director of KDOT Division of Aviation, discussed House Bills 2088 and 2089. He suggested that the simple mechanics of vehicle registration are best left as a function of the Department of Revenue. Mr. Harley Duncan said this would be no problem for the Department of Revenue if the Department of Aviation or Department of Vehicles does not want it. Mr. Boyd then answered questions from committee members. (Attachment 4)

The minutes of the February 3 meeting were approved.

There being no further business to come before the Committee, the meeting was adjourned.


Keith Roe, Vice Chairman

Eugene L. Shore

TAXATION COMMITTEE: Testimony for February 4, 1987

Proponent for HB 2168 and HB 2169.

Kansas has long been recognized as the leader in production of general aviation aircraft. Not only are the industry giants such as Cessna, Beech, and Learjet located in Wichita, but a great deal of aviation history has occurred in other Kansas cities. Liberal, Newton, McPherson, Winfield, Coffeyville, and Salina also share aviation history. Aviation names such as Stermann, Bede, Ercoupe, Rowden, Funk, Stinson, Waco, as well as Beech, Cessna, Boeing, and Learjet are aviation pioneers with roots in Kansas.

Current Kansas tax policy discourages the restoration and preservation of Kansas aviation history by assessing a tax on the possible sale value of aircraft which is restored for display and recreational purposes. This tax policy is contrary to the practice we follow with antique autos. In visiting with the Department of Revenue I find a restored 1954 Corvette with a possible sale value of fifteen to twenty-five thousand dollars pays a tax of \$12 plus current registration, or a total of \$25 per year. In contrast a restored 1955 Cessna 170-B in Shawnee County with a sale value of ten to fifteen thousand dollars pays an annual tax of \$490.

Surrounding states recognize the historical value of restored aircraft by assessing a lower tax or registration fee. Fees for the same 170-B are:

Colorado	\$ 35	Oklahoma	\$ 8
Nebraska	\$170	California	\$185
Missouri	\$155	Texas	\$100

Exhibit A attached to my testimony is a chart furnished to me by Lloyd J. Albert Jr., of Topeka, Kansas which shows the contrast in annual fees for eighteen different states. Of the eighteen states, Kansas is the highest by more than double the amount in any other state.

House Bill 2169 provides that aircraft thirty years old, or older, be exempted from the tax roll. House Bill 2168 provides for registration with the Department of Revenue - the same Department who registers antique autos. A registration fee of \$50 per year would be collected with \$35 to be returned to the county where the aircraft is located and \$15 deposited in the state general fund. Another House Bill introduced this session provides the aircraft be registered with the Department of Aviation and a fee of \$25 be collected and deposited in the state general fund.

Page 2

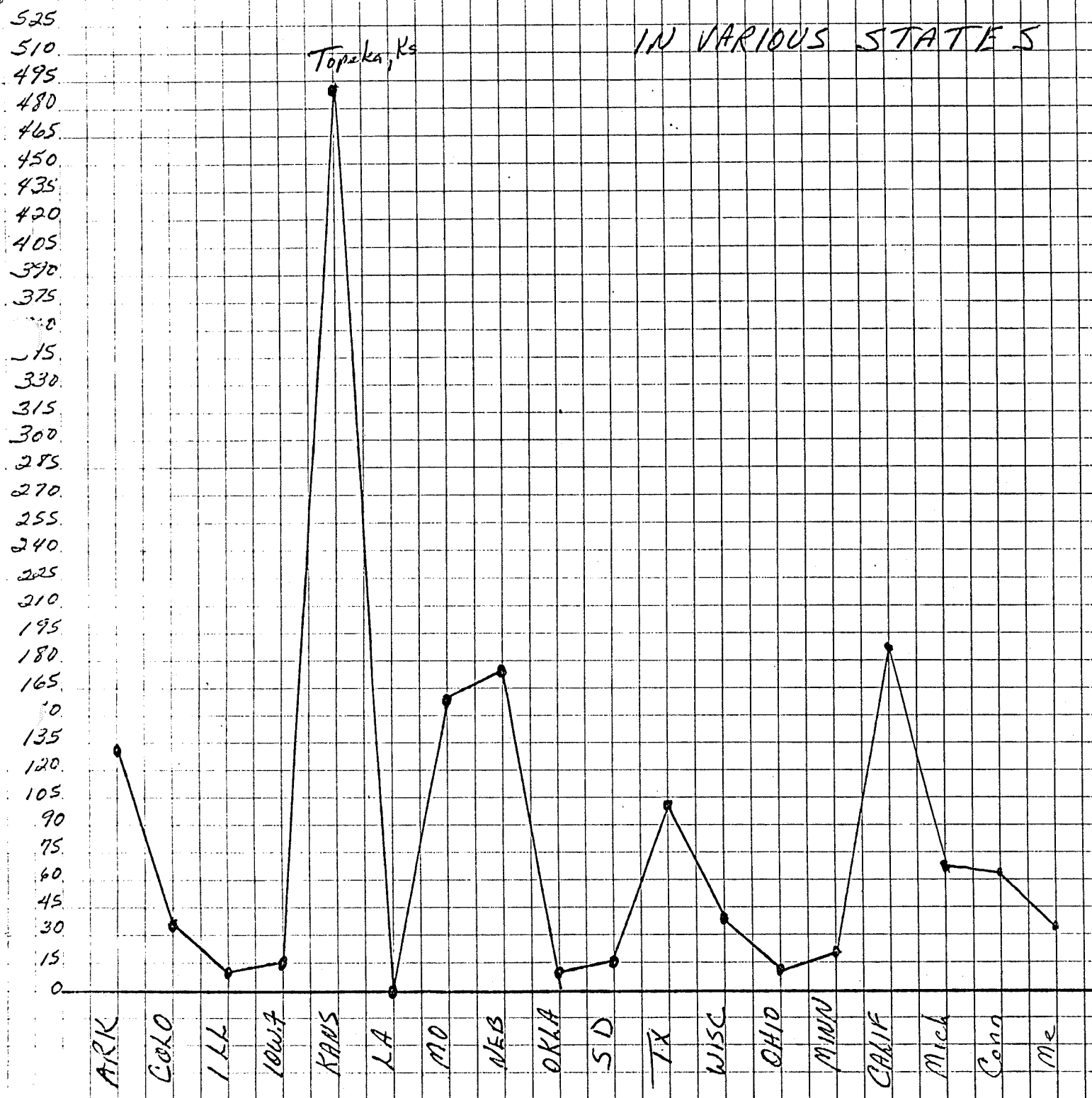
Testimony for 2/4/87

Eugene L. Shore

In visiting with the Director of Aviation in KDOT I find the Department of Aviation does not register aircraft so I believe it appropriate to register with the Department of Revenue. The registration fee of \$50 per year is about average for surrounding states. There are currently about 500 aircraft which fall in the antique aircraft category of 30 years or older and used for display and recreational purposes.

I believe passage of House Bills 2168 and 2169 would be fair legislation which would recognize the historic value of Kansas' past and hope for its aviation future.

ANNUAL TAXES ON A 1955 170B CESSNA IN VARIOUS STATES



1-5-87

TAXES PAID ON AIRCRAFT-
CESSNA-N-9465-A. THIS IS A
CESSNA 140-A MANUFACTURED IN
1949. 2-SEATS-GROSS WEIGHT
1500 POUNDS, -OWNED BY-

1978 - 47.24

1979 - 47.84

1980 - 51.96

1981 - 77.20

1982 - 277.82

1983 - 246.62

1984 - 250.74

1985 - 259.06

1986 - 326.86

1535.34

Cecil Neal

CECIL L. NEAL
112650.45TH TERR.
K.C. - KS. - 66106
913-831-1465

NOTE:
N-9465-A -
C-140-A -
RETAIL COST
NEW LESS
THAN \$4000⁰⁰

Presentation by Richard W. Shane
Retired A. T. & T. Engineer, Licensed Pilot,
Antique Owner and Restorer

This is a request to reduce the personal property taxes on antique and classic aircraft. These are privately owned single engine aircraft of any size built prior to 1957. We propose a low flat fee at the state level such as that on certain antique automobiles.

The present method of setting assessed valuations are confusing to the owners and seem downright capricious. A typical example; two identical aircraft, both located in the same county, but not at the same airfield, carry valuations differing by nearly \$1,000. The spread among counties has been similar.

We are told that valuations are based on "current market values." There is no "real market." Dealers will not touch an antique. You cannot "trade in" an antique on a later (or earlier) model. A very few antiques show up as personal want ads in local or national trade papers. Prices asked are never realized because nearly all of these planes are worn out and need total restoration.

A true aficionado is a person of average means who has a dream. He or she will buy a "basket case" plane for \$1,000 to \$3,000, spend a like amount on parts and hardware, then spend many hundred of hours of his own time with the approval of a licensed inspector to restore and maintain his show piece. Modern shops will not touch an antique and at the going rate of \$40 per hour no one could afford it. The airplane will then stay in the family until there is no one left to fly it and then stored in the barn until it again becomes a "basket case" or is donated to a museum.

Meanwhile, the antique plane and its pilot are a real public attraction at the summertime fly-in shows at small airports. We give free rides to those truly interested. We try to rally the interest of Kansas in our once great industry. We, too, are afflicted by the outrageous premiums for liability insurance that killed that small plane industry.

Therefore, we ask for reduction of our personal tax load which is one of the financial burdens that limit the number of participants in our activity.

R. W. Shane
9000 Horton
Overland Park, KS 66207
913-648-3139

TO: Taxation Committee
House of Representatives

FROM: Lloyd J. Aubert, Jr. (Joe)
1800 High
Topeka, Kansas 66604
(913) 354-1331

DATE: February 4, 1987

RE: CURRENT LEGISLATION CONCERNING TAXATION ON ANTIQUE AIRCRAFT

I own a 1955 Cessna 170B airplane. When I received my last personal property tax statement, I was shocked. The 1986 taxes on the '55 Cessna were \$490.93!

Inquiries to 170 owners in several surrounding states revealed that no state taxes private aircraft as heavily as Kansas does. Some states have personal property taxes, but they appear to be less than half of what mine are.

Many states have a minimal state registration fee of \$10 to \$15 in lieu of property taxes. Some states tax their aircraft on weight or a diminishing amount based on the purchase price of the aircraft. All of these amounts are very equitable and minimal. Wisconsin, Iowa and Oklahoma, being aviation minded states, have a special category and a flat registration fee for "antique aircraft." Colorado has two aircraft taxes. One is figured on the retail price, the other on gross weight of the plane. If I lived in Colorado my total tax bill would be in the neighborhood of \$40. Copies of the laws in these states are attached, as well as a graph showing the comparative taxes on a 1955 Cessna 170B in various states.

In Kansas mil levies vary from county to county, as do the city levies. Consequently, under the present system of aircraft taxing, tax bills vary -- the taxing rates being higher in the more populated counties; much higher, in fact, than the taxing rate on a comparable aircraft in any state I have contacted. Admittedly mine are probably as high or higher than any in the state on a Cessna 170B because of the mil levy in Topeka. Taxes on the many Aeroncas, T-Crafts, Ercoupes, etc. are probably in the \$100 to \$150 range.

The older aircraft are being unjustly taxed by virtue of their antique or classic status. Any other motorized piece of equipment depreciates as it becomes older. A road vehicle 30 years old is taxed at a minimum. Such is not the case with our airplanes. For the last 15 years or so their values have increased due to their diminishing numbers. A plane that sold for \$8600 new in 1955 is now said to have a current retail value of \$13,000, although 15 years ago the same plane had a value of \$5000. One man has had his 1949 Cessna 140A model since 1961. It sold new for \$4000. He gave \$3000 for it in 1961. Having been owned by an oil company, the plane had 8800 miles on it -- or the equivalent of almost a million miles. That same plane has now increased in so called book value to almost \$9000. Consequently, his taxes have risen from a modest \$47 in 1978 to \$326 in 1986 -- an 800% increase in eight years. *hours*

Under the present system of taxing aircraft, how does one arrive at a value on a Waco, Ryan, Fleet, Stinson, Inland, Monocoupe, Aeronca, Cessna, Piper, Beechcraft, Stearman, Luscombe, or any other type built before World War II? The market book Kansas uses does not list any planes built prior to 1946.

Wisconsin, home of the Experimental Aircraft Association and their Antique/Classic Division, and Iowa, home of the Antique Airplane Association of America, has deemed it fitting and proper to set aside a special flat tax rate for the "antiques." Oklahoma, having two large Antique Airplane Association chapters in Oklahoma City and Tulsa, has followed suit and established an antique category with the subsequent flat tax rate of \$10 per year. (See attached copies).

Kansans are proud of the rich aviation history made by Walter Beech, Clyde Cessna, Lloyd Stearman, Matty Laird and others. Yet Kansas remains the highest aircraft taxing state in the nation as it applies to private aircraft.

Most of the older planes are bought or sold from one person to another. Dealers are rarely involved. So how can you say what an airplane is worth? Many older planes are purchased in what we call "basket cases." They are simply a trailer load of parts and pieces. After someone spends years lovingly bringing an old plane back from the dead and restoring it to new condition, why must he then be taxed so heavily for his dedication?

If I keep my 1955 170B eight more years it will be 40 years old. At the present taxing rate, I will pay almost \$5000 taxes on it. What would the limit be?

The motto of the Antique Airplane Association is "Keep the Antiques Flying." The objective of the Antique/Classic Division of the EAA, which has over 8000 members nation wide, is to "encourage and aid the restoration and flying of antique and classic aircraft." Because of our method of taxing old planes, members of these organizations who live in Kansas certainly have a burden placed on them unknown in other states.

Inside the front cover of the Kansas Airport Directory are seven points on the policy statement on aviation requested of the Secretary of Transportation. One of these points is "Programs to promote aviation in Kansas." I would like to believe that a more realistic and equitable tax on our old planes would have some bearing on promoting aviation in Kansas. One man in Wichita wrote and told me that he had sold his plane because the taxes made it too expensive to own.

There are 5680 aircraft registered with the FAA as of October 1986. This includes all corporation planes (which are not taxed as we are), all government and individual planes. Of this number, 781 are 30 years old or older. Taking into consideration as many as 200-300 of these are nothing but a collection of parts used to supply others who are rebuilding or restoring their planes, only 500 or so are in flying condition, and some of these are business aircraft. Thus, state wide we are not talking about much of a loss of revenue. In Shawnee County where I live, there are 218 aircraft, according to FAA records. Twenty-eight of these are 30 years old or older, eight are dismantled -- at least no one has ever seen them, three or four are in a museum, and at least three are in various stages of being rebuilt. This leaves 13 or 14 in flying condition. The loss of revenue to Topeka and Shawnee County would be less than \$3000. Actually, with a state registration system and subsequent \$25 fee, the state would realize a gain. The state's share of my current \$490.93 tax bill is only \$4.19.

Taxation Committee
February 4, 1987
Page Three

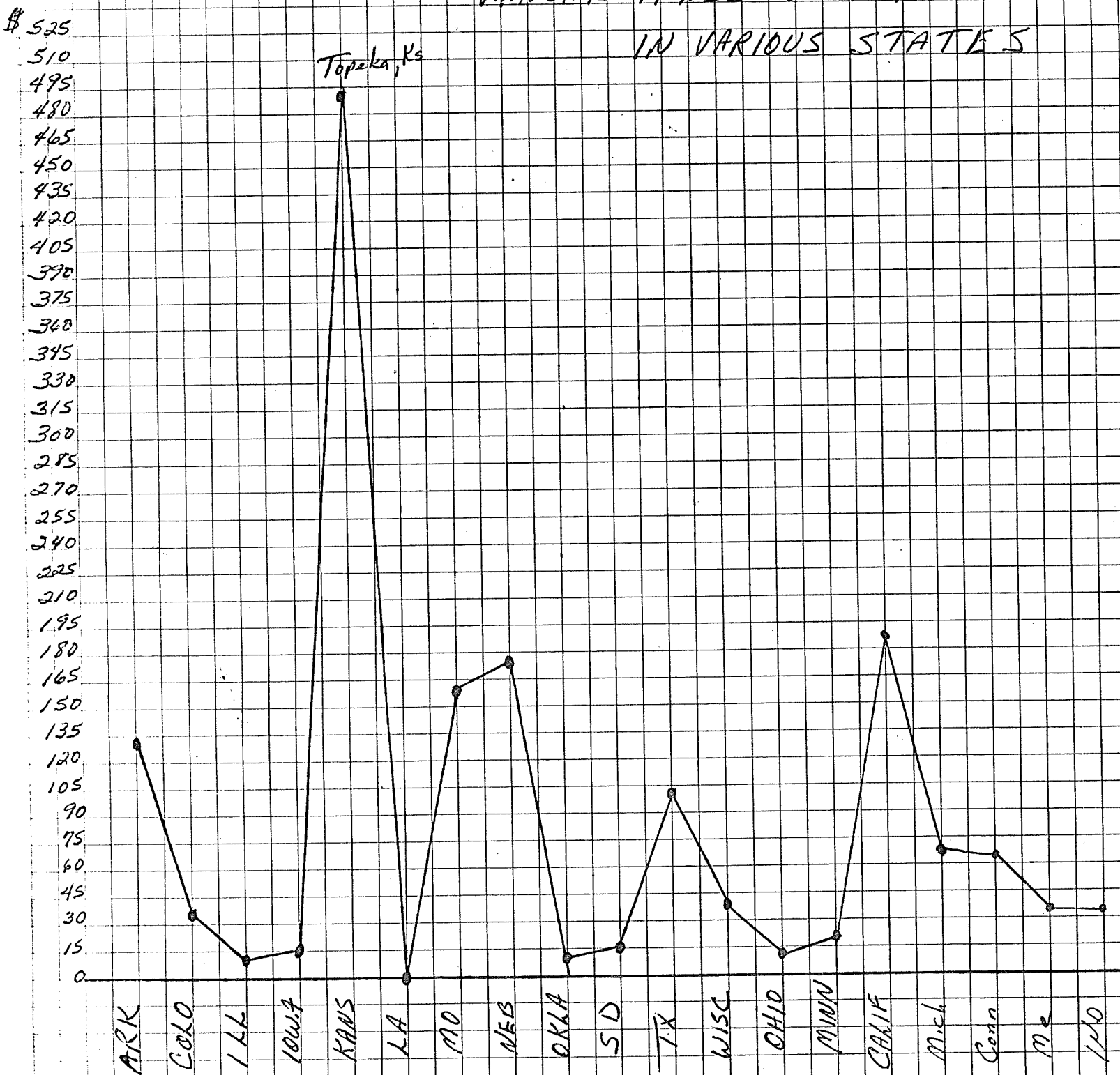
I do not have the resources to conduct a complete financial impact study, but as far as the financial impact, what impact did the state incur when the legislature exempted business aircraft? Am I to believe the various cities and counties' financial stability rests on the shoulders of antique airplane owners? Do you believe if we plane owners in Shawnee, Johnson, Sedgwick, Wyandotte and other counties were to sell our planes out of state that those counties would have to shut down? Possibly we should do a study on how these other states operate. If they do alright with a fair taxing rate on aircraft, why can't Kansas?

I do not like the idea of a state registration system. I would prefer that our old planes be depreciated out over a period of 15 to 20 years such as cars, trucks, boats, etc. and we pay our taxes accordingly. This seems to be the only way out of this unfair taxing situation.

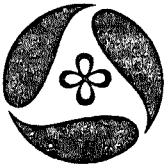
Many of us have complained to our county assessors and have been told to go see the legislature. That is what we have done and why we are here today. We ask your help in supporting the legislation being introduced concerning taxation on antique aircraft so that owners of antique and classic airplanes can be proud that Kansas is known as the "Air Capitol of the World" rather than having it said that Kansas is the "Aircraft Tax Capitol of the World."

Thank you.

ANNUAL TAXES ON A 1955 170B CESSNA IN VARIOUS STATES



<u>COUNTY</u>	<u>ANTIQUÉ AIRCRAFT</u>	<u>TOTAL AIRCRAFT</u>	<u>COUNTY</u>	<u>ANTIQUÉ AIRCRAFT</u>	<u>TOTAL AIRCRAFT</u>
Allen	8	21	Logan	3	29
Anderson	4	27	Lyon	5	32
Atchison	6	24	McPherson	10	47
Barber	6	59	Marion	3	27
Bourbon	8	24	Marshall	4	14
Brown	3	10	Meade	13	42
Butler	22	106	Miami	5	29
Chase	-	4	Mitchell	5	26
Chautauque	3	10	Montgomery	8	53
Cherokee	10	20	Morris	-	5
Cheyenne	3	20	Morton	-	17
Clark	3	24	Nemaha	1	4
Clay	4	21	Neosho	3	29
Cloud	8	20	Ness	2	18
Coffey	-	6	Norton	3	15
Comanche	5	9	Osage	3	24
Cowley	7	60	Osborne	1	9
Crawford	5	35	Ottawa	2	14
Decatur	5	26	Pawnee	4	35
Dickinson	4	31	Phillips	4	19
Doniphan	1	7	Pottawatomie	2	12
Douglas	12	73	Pratt	5	37
Edwards	2	16	Rawlins	3	19
Elk	-	5	Reno	9	89
Ellis	5	39	Republic	-	14
Ellsworth	6	12	Rice	7	35
Finney	12	88	Riley	17	98
Ford	8	51	Rooks	1	15
Franklin	10	74	Rush	2	14
Geary	16	41	Russell	2	26
Gove	1	18	Saline	16	94
Graham	1	17	Scott	3	34
Grant	7	50	Sedgwick	155	1851
Gray	6	52	Seward	10	83
Greely	2	21	Shawnee	28	218
Greenwood	2	20	Sheridan	1	11
Hamilton	9	33	Sherman	4	29
Harper	11	59	Smith	1	12
Harvey	9	62	Stafford	4	18
Haskell	1	21	Stanton	3	41
Hodgeman	-	3	Stevens	3	29
Jackson	2	7	Sumner	17	63
Jefferson	3	16	Thomas	13	40
Jewell	1	11	Trego	1	3
Johnson	64	560	Wabaunsee	2	9
Kearny	5	14	Wallace	7	27
Kingman	1	23	Washington	4	14
Kiowa	5	20	Wichita	2	26
Labette	2	24	Wilson	7	21
Lane	-	9	Woodson	-	4
Leavenworth	25	67	Wyandotte	23	90
Lincoln	1	5			
Linn	6	16			
			TOTAL	5680	781



Iowa Department of Transportation

State Capitol, Des Moines, Iowa 50319

515/281-4280

December 2, 1986

Lloyd J. Aubert Jr.
1800 High
Topeka, KS 66604

Dear Mr. Aubert:

Per your request for information on aircraft registration in Iowa, I am enclosing a copy of "Iowa Laws Pertaining to Aeronautics." Pages 4 through 8 contain our laws on aircraft registration.

Any aircraft thirty years old, or older, is registered as an antique. Registration fees for all other civil aircraft are based on the manufacturer's list price as described in 328.21.

If you have further questions on our aircraft registration procedures, please do not hesitate to call me.

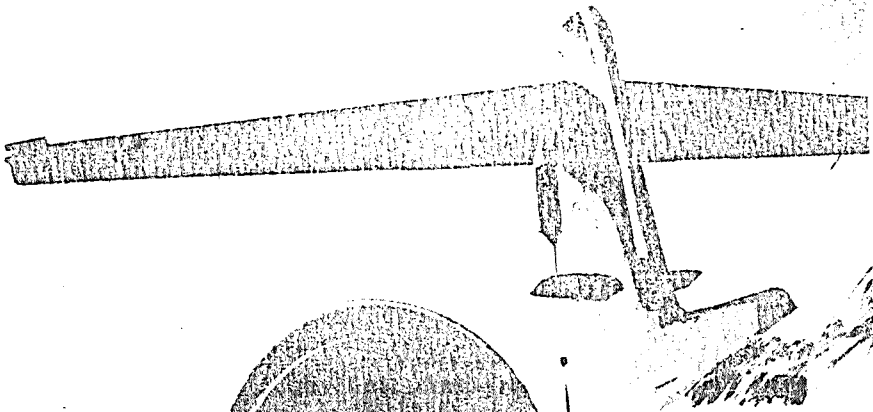
Sincerely,

A handwritten signature in cursive script that reads "Kathleen Robinson".

Kathleen Robinson
Program Administrator
Air and Transit Division

KR:tmw

Enclosure



Iowa Laws Pertaining to
Aeronautics



Iowa Department
of Transportation
Aeronautics Unit

§328.21, AERONAUTICS

1. Unless otherwise provided in this section, for the first registration, a sum equal to one and one-half percent of the manufacturer's list price of the aircraft.

2. After said aircraft has been registered once the registration fee shall be seventy-five percent of the rate as fixed for the first registration; after two times fifty percent; and after three times twenty-five percent; provided, however, that no aircraft shall be registered for a registration fee of less than fifteen dollars.

3. Where there is no delinquency and the registration is made in August or succeeding months to and including May, the fee shall be computed on the basis of one-twelfth of the annual registration fee multiplied by the number of the unexpired months of the year and said amount shall be the fee collected. No fee shall be required for the month of June for a new aircraft, in good faith delivered in that month, providing said aircraft is registered at the time of purchase for the following year.

4. The registration fee for an aircraft operated in scheduled interstate airline operation, owned by an Iowa person and operated part-time within this state shall be a fee of thirty-five dollars. The application for registration shall be supported by such records as the department shall prescribe.

5. Should the department find and determine that no established manufacturer's list price exists for any such aircraft the department is hereby authorized and empowered to determine and fix the fair value of such aircraft which fair value shall be used in lieu of a manufacturer's list price in computing the registration fee for each such aircraft as otherwise provided by this section.

When the fee as so computed results in a fractional part of a dollar, it shall be computed to the nearest quarter of a dollar.

6. Any aircraft thirty years old, or older, which is used exclusively for noncommercial purposes shall be registered as an antique aircraft for a registration fee of fifteen dollars. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.21]

Referred to in §328.26

328.22 Used aircraft. When an aircraft other than new is registered in Iowa the age of the aircraft in years calculated to the nearest anniversary of the date of manufacture shall be construed as the number of times previously registered, and reduction of the registration fee computed accordingly. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.22]

Referred to in §328.26

328.23 Credit on registration fees. There shall be credited upon the registration fee due for the registration of any aircraft pursuant to the provisions of this chapter, except aircraft used for the application of herbicides and pesticides, any tax, registration fee, or license fee levied upon or charged for said aircraft and paid to any other state, and the registration fee due and to be collected pursuant to the provisions of this chapter, shall be reduced by the amount of said tax, registration fee or license fee, upon the presentation of the official receipt therefor with the application for registration. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.23]

328.24 Refunds of fees. If, during the year for which an aircraft, except nonresident aircraft used for the application of herbicides and pesticides, was registered and the required fee paid the aircraft is destroyed by fire or accident or junked, and its identity as an aircraft entirely eliminated, or it is removed and continuously used beyond the boundaries of the state, then the owner in whose name it was registered at the time of destruction, dismantling, or removal from the state shall return the certificate of registration to the department within ten days and make affidavit of such destruction, dismantling, or removal and make claim for the refund. The refund shall be paid from the state aviation fund.

The registration fee for the unexpired portion of the year shall be refunded pro rata to the nearest full calendar month. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.24]

328.25 Fees in lieu of taxes. The registration fees imposed by this chapter upon aircraft shall be in lieu of all taxes, general or local, except state sales or use tax, to which aircraft might otherwise be subject. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.25]

328.26 Application for registration. Every application for registration pursuant to sections 328.19 to 328.22 shall be made upon such forms, and shall contain such information, as the department may prescribe, and every application shall be accompanied by the full amount of the registration fee. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.26]

328.27 Issuance of certificates. The department shall forthwith cause to be issued, upon receipt of proper application and fee for registration, a certificate of registration which shall be numbered and recorded by the department, shall state the name and address of the person to whom it is issued, shall be entitled with the designation of the class of registrant covered thereby and shall contain such other information as the department may prescribe including, in the case of aircraft, a description thereof. Every certificate of registration or special certificate issued hereunder shall expire at midnight on the thirtieth day of June of each year. [C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §328.27]

328.28 Operation under special certificate. A manufacturer or dealer owning any aircraft otherwise required to be registered hereunder may operate the same for purposes of transporting, testing, demonstrating, or selling the same without registering each such aircraft, upon condition that any such aircraft display therein a special certificate issued to such owner as provided in this section and sections 328.29 to 328.33.

A transporter may operate any such aircraft solely for the purpose of delivery upon likewise displaying therein, a special certificate issued to him as provided in these sections.

The provisions of this section and sections 328.29 to 328.33 shall not apply to aircraft owned by manufacturer, transporter, or dealer, which are used for hire or principally for transportation of persons and property, aside from the transporting of the aircraft itself.

COLORADO GENERAL ASSEMBLY

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December 3, 1986

Lloyd J. Aubert, Jr.
1800 High Street
Topeka, Kansas 66604

Dear Mr. Aubert:

In response to your question regarding the taxation of private aircraft, section 41-2-106, Colorado Revised Statutes (see attached), imposes a specific ownership tax based on a percentage of the average retail price of an aircraft or on a percentage of its annual registration fee.

The county clerk and recorder of a county (or, if based in Denver, the manager of revenue of the City and County of Denver) in which the aircraft has its fixed base determines the aircraft ownership tax based on its years of service and the aircraft's average retail price (the latest aircraft bluebook price).

- First year. There is a tax of three percent of four percent of the current average retail price.
- Second year. There is a tax of three percent of three and one-half percent of its average retail price.
- Third year. There is a tax of three percent of three percent of the average retail price.
- Fourth year. A tax of three percent of two and one-half percent of the average retail price is collected.
- Fifth year. A tax of three percent of two percent of the average retail price is collected.
- Sixth year. A tax of three percent of one and one half percent of the average retail price is collected.
- Seventh and successive years. There is a tax of three percent of one percent of the average retail price, but a tax of not less three dollars.

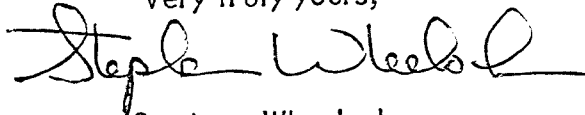
For aircraft that are not listed in the aircraft bluebook publication the specific ownership tax is based on a percentage of its registration fee. The registration fee is based upon the maximum certified takeoff weight of an aircraft from the FAA type certificate data sheet or supplement type certificate data sheet as follows: 1) for aircraft less than three thousand pounds the fee is five dollars per five hundred pounds; 2) for aircraft weighing between three thousand and six thousand pounds the fee is eight dollars per five hundred pounds; 3) for aircraft between six thousand and twelve thousand pounds the fee is twenty dollars per five hundred pounds; and 4) for aircraft that is twelve thousand pounds or more a fee of forty dollars per five hundred pounds must be paid.

The method for determining the specific ownership tax for aircraft that do not have published average retail prices is set forth below.

- For an aircraft's first year of service the tax is twenty-five percent of the annual registration fee.
- For the second year the tax is twenty percent of such fee.
- For the third year the tax is fifteen percent of such fee.
- For the fourth year and the successive years thereafter the tax is ten percent of such fee.

I hope this information is helpful to you. If you need additional information you should contact a local county clerk and recorder.

Very truly yours,



Stephen Wheelock
Sr. Research Assistant



U.S. Department
of Transportation
**Federal Aviation
Administration**

Flight Standards District Office
FAA Building, Room 103
1801 Airport Road
Wichita, Kansas 67209

NOVEMBER 18, 1986

Lloyd J. Aubert, Jr.
1800 High
Topeka, Kansas 66604

Dear Mr. Aubert;

This letter concerns your inquiry dated November 13, 1986 in regards to antique aircraft.

I have enclosed that portion of the regulation that speaks to antique aircraft, it is found in Federal Aviation Regulation 45 subpart 45.22 (3) (b).

If I can be of further help please feel free to contact our office.

Sincerely,

A handwritten signature in cursive script that reads "Noel J. Gary".

Noel J. Gary
Supervisor (Airworthiness)

Enclosure



50 Years of Air Traffic Control Excellence
A Standard for the World

fied in the Airworthiness Limitations section of a Manufacturer's Maintenance Manual or Instructions for Continued Airworthiness shall mark that component with a part number (or equivalent) and serial number (or equivalent).

[Amdt. 45-12, 45 FR 60183, Sept. 11, 1980]

§ 45.15 Replacement and modification parts.

(a) Except as provided in paragraph (b) of this section, each person who produces a replacement or modification part under a Parts Manufacturer Approval issued under § 21.303 of this chapter shall permanently and legibly mark the part with—

- (1) The letters "FAA-PMA";
- (2) The name, trademark, or symbol of the holder of the Parts Manufacturer Approval;
- (3) The part number; and
- (4) The name and model designation of each type certificated product on which the part is eligible for installation.

(b) If the Administrator finds that a part is too small or that it is otherwise impractical to mark a part with any of the information required by paragraph (a) of this section, a tag attached to the part or its container must include the information that could not be marked on the part. If the marking required by paragraph (a)(4) of this section is so extensive that to mark it on a tag is impractical, the tag attached to the part or the container may refer to a specific readily available manual or catalog for part eligibility information.

[Amdt. 45-8, 37 FR 10660, May 26, 1972, as amended by Amdt. 45-14, 47 FR 13315, Mar. 29, 1982]

Subpart C—Nationality and Registration Marks

§ 45.21 General.

(a) Except as provided in § 45.22, no person may operate a U.S.-registered aircraft unless that aircraft displays nationality and registration marks in accordance with the requirements of this section and §§ 45.23 through 45.33.

(b) Unless otherwise authorized by the Administrator, no person may place on any aircraft a design, mark, or symbol that modifies or confuses the nationality and registration marks.

(c) Aircraft nationality and registration marks must—

- (1) Except as provided in paragraph (d) of this section, be painted on the aircraft or affixed by any other means insuring a similar degree of permanence;
- (2) Have no ornamentation;
- (3) Contrast in color with the background; and
- (4) Be legible.

(d) The aircraft nationality and registration marks may be affixed to an aircraft with readily removable material if—

- (1) It is intended for immediate delivery to a foreign purchaser;
- (2) It is bearing a temporary registration number; or
- (3) It is marked temporarily to meet the requirements of § 45.22(c)(1).

(Sec. 1202, 72 Stat. 749, 49 U.S.C. 1522)

[Doc. No. 8093, Amdt. 45-5, 33 FR 450, Jan 12, 1968]

§ 45.22 Exhibition, antique, and other aircraft: Special rules.

(a) When display of aircraft nationality and registration marks in accordance with §§ 45.21 and 45.23 through 45.33 would be inconsistent with exhibition of that aircraft, a U.S.-registered aircraft may be operated without displaying those marks anywhere on the aircraft if:

- (1) It is operated for the purpose of exhibition, including a motion picture or television production, or an airshow;
- (2) Except for practice and test flights necessary for exhibition purposes, it is operated only at the location of the exhibition, between the exhibition locations, and between those locations and the base of operations of the aircraft; and
- (3) For each flight in the United States:
 - (i) It is operated with the prior approval of the General Aviation District Office, in the case of a flight within the designated airport control zone of the takeoff airport, or within 5 miles

of that airport if it has no designated control zone; or

(ii) It is operated under a flight plan filed under § 91.83 of this chapter describing the marks it displays, in the case of any other flight.

(b) A small U.S.-registered aircraft built at least 30 years ago or a U.S.-registered aircraft for which an experimental certificate has been issued under § 21.191(d) or 21.191(g) for operation as an exhibition aircraft or as an amateur-built aircraft and which has the same external configuration as an aircraft built at least 30 years ago may be operated without displaying marks in accordance with §§ 45.21 and 45.23 through 45.33 if:

(1) It displays in accordance with § 45.21(c) marks at least 2 inches high on each side of the fuselage or vertical tail surface consisting of the Roman capital letter "N" followed by:

- (i) The U.S. registration number of the aircraft; or
- (ii) The symbol appropriate to the airworthiness certificate of the aircraft ("C", standard; "R", restricted; "L", limited; or "X", experimental) followed by the U.S. registration number of the aircraft; and

(2) It displays no other mark that begins with the letter "N" anywhere on the aircraft, unless it is the same mark that is displayed under paragraph (b)(1) of this section.

(c) No person may operate an aircraft under paragraph (a) or (b) of this section—

- (1) In an ADIZ or DEWIZ described in Part 99 of this chapter unless it temporarily bears marks in accordance with §§ 45.21 and 45.23 through 45.33;
- (2) In a foreign country unless that country consents to that operation; or
- (3) In any operation conducted under Part 121, 127, 133, 135, or 137 of this chapter.

(d) If, due to the configuration of an aircraft, it is impossible for a person to mark it in accordance with §§ 45.21 and 45.23 through 45.33, he may apply to the Administrator for a different marking procedure.

(Sec. 1202, 72 Stat. 749, 49 U.S.C. 1522)
[Doc. No. 8093, Amdt. 45-5, 33 FR 450, Jan. 12, 1968, as amended by Amdt. 45-13, 46 FR 48603, Oct. 1, 1981]



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unit of the Civil Air Patrol;

5. Aircraft licensed by a foreign country with which the United States has a reciprocal agreement covering the operation of such licensed aircraft; and

6. Aircraft not currently licensed or holding a current airworthiness certificate by the Federal Aviation Administration.

Added by Laws 1976, c. 258, § 3.

1 Section 254 of this title.

Notes of Decisions

1. Construction and application

The provisions of this Act are prospective only and, therefore, aircraft purchased after the effective

date of the act are subject to the registration fees and taxes provided in § 255 of this act on a prorated basis. Op.Atty.Gen. No. 76-372 (Dec 6, 1976).

§ 254. Application for registration

A. Except as otherwise provided in this act, every owner or person in charge of an aircraft which shall be operated on or from any airport of any type in this state shall for each such aircraft cause to be filed by mail or otherwise with the Oklahoma Tax Commission a certified application for registration of same, on a form to be furnished for that purpose, containing:

1. A description of each aircraft to be registered including the name of the manufacturer, aircraft registration number, type and gross weight; and

2. The name and address of the owner of such aircraft and the county where aircraft is based. The legal basis for determining the county where said aircraft is based shall be the location and/or address on the Federal Aviation Administration Certificate of Registration for said aircraft.

B. Registration requirements shall not apply to aircraft based or operated in the state for less than thirty (30) days.

C. 1. All dealers in the sale of aircraft shall be exempt from registration requirements upon purchase of an "exemption license" from the Oklahoma Tax Commission, cost of which shall be Two Hundred Fifty Dollars (\$250.00). This exemption shall not apply to dealers' personal aircraft.

2. Dealers' "sales aircraft" shall be exempt from payment of ad valorem tax and registration fees and taxes as provided in Section 256 of this title upon certification to the Oklahoma Tax Commission that each particular aircraft is used for delivery and demonstration purposes only.

D. All manufacturers of aircraft shall be exempt from registration requirements upon purchase of an "exemption license" from the Oklahoma Tax Commission, cost of which shall be Two Hundred Fifty Dollars (\$250.00).

E. Registrants not having purchased registration certificates in January will be penalized at the rate of twenty cents (\$0.20) per day in February and doubled on the first day of March.

Added by Laws 1976, c. 258, § 4. Amended by Laws 1985, c. 341, § 4, eff. Jan. 1, 1986.

Notes of Decisions

1. Construction and application

Under this section providing that registrants not having purchased aircraft registration certificates in January "will be penalized at the rate of twenty cents (\$0.20) per day in February and doubled on the first day of March," the registration fee for aircraft doubled on the first day in March, rather than the penalty increasing to 40¢ per day on that date. Cimarron Industries, Inc. v. Oklahoma Tax Commission, Okl., 621 P.2d 539 (1980).

Where title 68, § 226 provided that it should be construed to provide a remedy where taxes complained of were unlawful burden on interstate commerce or violative of acts of Congress or the United States Constitution, or in cases where jurisdiction was vested in any of the courts of the United States, and none of those criteria were raised or present in case concerning penalties due for late registration of aircraft, the judicial remedy was not available and taxpayer should have been compelled to exhaust administrative remedies otherwise provided. Id.

A. Upon receipt of an application for the registration of an aircraft, as herein provided, the Oklahoma Tax Commission shall file such application and register such aircraft with the name and address of the owner, manufacturer or dealer, as the case may be, together with facts stated in such application, in a book or index to be kept for the purpose, under the distinctive number assigned to such aircraft, which book or index shall be open for the inspection of the public during business hours.

B. Upon the filing of such application and the payment of the fee herein provided for, the Oklahoma Tax Commission shall assign to that aircraft the distinctive license number used by the federal government to identify that aircraft, and issue and deliver to the owner certificates of registration number to be posted in a conspicuous place at the discretion of the owner of such aircraft. Such certificates shall display the outline of the State of Oklahoma imprinted thereupon. Such certificates shall be subject to inspection by the Oklahoma Tax Commission.

C. In the event of loss, mutilation or destruction of a certificate of registration, the owner of a registered aircraft may obtain from the Oklahoma Tax Commission a duplicate thereof upon filing with the Oklahoma Tax Commission an affidavit showing the facts and upon the payment of a service charge of One Dollar (\$1.00) for each duplicate.

D. Such registration shall be renewed annually, as in the registration of automobiles, and in the same manner and upon payment of the same fee as provided for the original aircraft registration.

E. The sale of registration certificates for aircraft shall be by the Oklahoma Tax Commission and its agents. Provided, that monies to be paid for processing or services for the sale of registration certificates shall be deducted from the fees provided by the scheduled rates.

F. Registration of aircraft may be transferred upon payment of a fee of Ten Dollars (\$10.00).

Added by Laws 1976, c. 258, § 5. Amended by Laws 1985, c. 341, § 5, eff. Jan. 1, 1986.

Notes of Decisions

1. Construction and application

Under § 254 of this title providing that registrants not having purchased aircraft registration certificates in January "will be penalized at the rate of twenty cents (\$0.20) per day in February and doubled on the first day of March," the registration fee for aircraft doubled on the first day in March, rather than the penalty increasing

to 40¢ per day on that date. Cimarron Industries, Inc. v. Oklahoma Tax Commission, Okl., 621 P.2d 539 (1980).

The provisions of this act are prospective only and, therefore, aircraft purchased after the effective date of the act are subject to the registration fees and taxes provided in § 255 of this act on a prorated basis. Op.Atty.Gen. No. 76-372 (Dec. 6, 1976).

§ 256. Registration fees—Schedule and rates

A. Registration fees and taxes on aircraft shall be paid to and collected by the Oklahoma Tax Commission and its agents in the same manner as registration fees and taxes are paid and collected on automobiles.

The registration and reregistration of aircraft shall be subject to the following schedule and rates:

1. Single-engine piston aircraft shall be taxed according to the following Schedule "A":

SCHEDULE "A"	
WEIGHT IN POUNDS	FEE
Less than 1,750	\$ 20.00
1,751 through 2,500	\$ 35.00
2,501 through 3,500	\$ 55.00
3,501 through 4,500	\$ 75.00
4,501 through 5,500	\$ 95.00
5,501 through 6,500	\$ 115.00
6,501 through 8,500	\$ 135.00

WEIGHT IN POUNDS	FEE
8,501 through 10,000	\$ 185.00
10,001 through 13,000	\$ 230.00
13,001 through 17,000	\$ 265.00
17,001 through 20,000	\$ 300.00
20,001 through 25,000	\$ 375.00
25,001 through 30,000	\$ 500.00
30,001 through 40,000	\$ 625.00
40,001 through 50,000	\$ 750.00
50,001 through 75,000	\$1,000.00
75,001 through 100,000	\$1,250.00
100,001 and over	\$1,500.00

30 yrs old as per FAA

- Rotary-wing aircraft shall be taxed at two times the Schedule "A" fee, based on the same weight classifications.
- Multiengine piston aircraft shall be taxed at three times the Schedule "A" fee based on the same weight classifications.
- Turbo-prop aircraft shall be taxed at six times the Schedule "A" fee, based on the same weight classifications.
- Turbo-jet aircraft shall be taxed at ten times the Schedule "A" fee, based on the same weight classifications.
- Antique aircraft as defined by the Federal Aviation Administration, sailplane, balloons, and home-built aircraft shall be subject to a flat-rate fee of Ten Dollars (\$10.00).
- The fees of this subsection, except those in paragraph 6 of this subsection, shall be reduced at a rate of ten percent (10%) each year following the date of manufacture until the fee is equal to fifty percent (50%) of the original fee, which shall then be the fee for each year thereafter.
- Every aircraft owner shall have the right to appeal the assessment of the fee as provided for in this subsection, and the Oklahoma Tax Commission shall appraise the aircraft and its avionics as personal property at the fair market value thereof and shall apply a twelve-percent assessment rate which shall be levied at the appropriate county millage rate.

B. Aircraft purchased after January 1 of each year and subject to registration as provided for in this section shall be registered and taxed on a prorated basis. Registration fees and taxes shall be in lieu of all aircraft ad valorem taxes. All such monies collected shall be paid to the Oklahoma Tax Commission and disbursed as follows:

- Three percent (3%) of all such funds shall be paid to the State Treasurer for deposit to the credit of the General Revenue Fund of the State Treasury; and
- Ninety-seven percent (97%) of said registration fees and taxes except as provided for in paragraph 3 of this subsection shall be apportioned to the counties in the following manner:

The Oklahoma Tax Commission shall determine for each county the proportion thereof which equals ninety-seven percent (97%) of such registration fees and taxes collected on aircraft in each county, and the amount so determined for each county shall be transmitted monthly to the county treasurer of said county and allocated to functions within the county in the same manner and proportion as is revenue from ad valorem taxes within said county; and

- Beginning on and after July 1, 1984, through December 31, 1984, the disbursement of funds to each county as provided for in paragraph 2 of this subsection shall be reduced by one and one-half percent (1½%) of said fees and taxes. Said one and one-half percent (1½%) of said fees and taxes shall be deposited by the Tax Commission into an agency special account to be created by the Special Agency Account Board. On and after January 1, 1985, said one and one-half percent (1½%) of said fees and taxes shall be disbursed to the counties as provided for in paragraph 2 of this subsection.

Added by Laws 1976, c. 258, § 6. Amended by Laws 1984, c. 221, § 1.

Approved June 9, 1986. Emergency.
Section 60 of Laws 1986, c. 223 provides for an operative date.
Section 4 of Laws 1984, c. 221 provides for an operative date.

tive date of the act are subject to the registration fees and taxes provided in § 255 of this act on a prorated basis. Op.Atty.Gen. No. 76-372 (Dec. 6, 1976).

Notes of Decisions

- Construction and application
The provisions of this act are prospective only and, therefore, aircraft purchased after the effective date of the act are subject to the registration fees and taxes provided in § 255 of this act on a prorated basis.

§ 256.1. Lien filing fee—Agency special account.

A. The Oklahoma Tax Commission is hereby authorized to require the owner of each aircraft to pay a filing fee for the purpose of filing necessary liens with the Federal Aviation Administration when any registration fees required to be paid by said owner pursuant to the provisions of Section 256 of Title 3 of the Oklahoma Statutes, or taxes levied pursuant to the provisions of Title 68 of the Oklahoma Statutes shall become delinquent. Said fee shall not exceed the actual cost of filing said liens with the Federal Aviation Administration and shall be collected in the same manner as said liens are collected.

B. The Special Agency Account Board is hereby directed to create an agency special account in which shall be deposited all monies derived pursuant to the provisions of paragraph 3 of subsection B of Section 256 of Title 3 of the Oklahoma Statutes and all monies derived pursuant to the provisions of this section. All monies accruing to the credit of said account may be budgeted and expended by the Oklahoma Tax Commission for the purpose of paying for filing all necessary liens with the Federal Aviation Administration.

The amount of any balance of said agency special account in excess of Four Thousand Dollars (\$4,000.00) at the close of each fiscal year shall revert to the General Revenue Fund of this state to be paid out pursuant to direct appropriation by the Legislature.

Added by Laws 1984, c. 221, § 2, operative July 1, 1984.

Library References
Aviation 10.

C.J.S. Aeronautics and Aerospace §§ 31 to 41, 52 to 55.

§ 257. Rules and regulations

Authority is hereby given to the Oklahoma Tax Commission and the Department of Public Safety to promulgate rules and regulations for the purpose of regulating and enforcing this act.

Added by Laws 1976, c. 258, § 7.

CHAPTER 114 AERONAUTICS

- 114.001 Definitions.
- 114.002 Definitions.
- 114.01 State airport system.
- 114.02 Sky sovereignty.
- 114.03 Landowner's rights skyward.
- 114.04 Flying and landing, limitations.
- 114.05 Damages by aircraft.
- 114.06 Inter-aircraft liability.
- 114.07 Criminal jurisdiction.
- 114.08 Contracts made in flight.
- 114.09 Reckless flying; penalty.
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- 114.12 Condemnation of lands for airports.
- 114.13 Purchase of land for airports.
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- 114.33 Initiation of airport project; sponsorship; land acquisition.
- 114.34 State and sponsor's share of cost.
- 114.35 Federal aid; state and local funds.
- 114.37 Advance land acquisition loan program.

114.001 Definitions. In this chapter:

(1) "Department" means the department of transportation.

(3) "Secretary" means the secretary of transportation.

History: 1977 c. 29.

114.002 Definitions. As used in this chapter, unless the context otherwise requires:

(1) "Aeronautics" means the science and art of flight and including but not limited to transportation by aircraft; the operation, construction, repair or maintenance of aircraft, aircraft power plants and accessories, including the repair, packing and maintenance of parachutes; the design, establishment, construction, extension, operation, improvement, repair or maintenance of airports or other air navigation facilities; and instruction in flying or ground subjects pertaining thereto.

(2) "Aeronautics instructor" means any individual who for hire or reward engages in giving instruction or offering to give instruction in flying or ground subjects pertaining to aeronautics; but excludes any instructor in a public school, university or institution of higher learning duly accredited and approved for carrying on collegiate work, who instructs in flying or ground subjects pertaining to aeronautics, only in the performance of his duties at such school, university or institution.

(3) "Aircraft" means any contrivance invented, used or designed for navigation of or flight in the air.

(4) "Aircraft dealer" means any person who has an established place of business on an airport located in this state which is open to the public and listed in the airport directory in the federal airman's information manual, and who is engaged in:

(a) The manufacture of aircraft.

(b) The distribution or sale of new aircraft under authority of a franchise, license, letter of authority, agreement or other arrangement from the manufacturer or the authorized agent of the manufacturer.

(c) The sale of used aircraft to ultimate purchasers through ordinary trade channels.

(5) "Airman" means any individual who engages, as the person in command, or as pilot, mechanic or member of the crew, in the navigation of aircraft while under way, and any individual who is directly in charge of the inspection, maintenance, overhauling or repair of aircraft engines, propellers or appliances, and any individual who serves in the capacity of aircraft dispatcher, or air-traffic control-tower operator; but does not include any individual employed outside the United States, or any individual employed by a manufacturer of aircraft, aircraft engines, propellers or appliances to perform duties as inspector or mechanic in connection therewith, or any individual per-

forming inspection with

(6) "Air n... other th... United Stat... designed for... ing any struc... markers, co... strumentalit... aid, or con... nience to th... landing of ;... operation of ;... any combine

(7) "Airp... water which... landing and... tenant areas... for airport t... or rights-of-v... ings and fac

(8) "Airp... object of nat... obstructs the... aircraft in la... is otherwise... ing off.

(9) "Air s... ctor who... as giving or r... or ground s... and any per... holds out as... tion in flying... aeronautics... reward; but... university, or... accredited a... legate work

(10) "Aircraft the m... fabricated a... undertook t!... education or

(11) "Ant... more than 3... date of manu... recreational

(12) "Dea... as business ir... demonstratic

(13) "Esta... permanent... books and r... aircraft deal... written lease... aircraft deal... that location

forming inspection or mechanical duties in connection with aircraft owned or operated by him.

(6) "Air navigation facility" means any facility, other than one owned or operated by the United States, used in, available for use in, or designed for use in aid of air navigation, including any structures, mechanisms, lights, beacons, markers, communicating systems, or other instrumentalities, or devices used or useful as an aid, or constituting an advantage or convenience to the safe taking-off, navigation, and landing of aircraft, or the safe and efficient operation or maintenance of an airport, and any combination of any or all of such facilities.

(7) "Airport" means any area of land or water which is used, or intended for use, for the landing and take-off of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

(8) "Airport hazard" means any structure, object of natural growth, or use of land which obstructs the airspace required for the flight of aircraft in landing or taking off at an airport or is otherwise hazardous to such landing or taking off.

(9) "Air school" means any aeronautics instructor who advertises, represents or holds out as giving or offering to give instruction in flying or ground subjects pertaining to aeronautics; and any person who advertises, represents or holds out as giving or offering to give instruction in flying or ground subjects pertaining to aeronautics whether for or without hire or reward; but excludes any public school, or university, or institution of higher learning duly accredited and approved for carrying on collegiate work.

(10) "Amateur built aircraft" means an aircraft the major portion of which has been fabricated and assembled by a person who undertook the construction project solely for education or recreation.

(11) "Antique aircraft" means an aircraft more than 35 years old as determined by the date of manufacture and which is used solely for recreational or display purposes.

(12) "Dealer aircraft" means an aircraft held as business inventory for sale and used only for demonstration purposes.

(13) "Established place of business" means a permanent office facility where dealership books and records are maintained which the aircraft dealer either owns or occupies under a written lease with the airport owner giving the aircraft dealer the privilege of selling aircraft at that location.

(14) "Gross weight" means the gross or maximum takeoff weight for an aircraft make and model as designated by the manufacturer.

(15) "Municipality" means any county, city, town or village of this state.

(16) "Museum aircraft" means an aircraft designated under s. 114.20 (4) and which is owned or held by a museum owned or operated by an organization qualified as a tax exempt organization under section 501 of the internal revenue code.

(17) "Operation of aircraft" or "operate aircraft" means the use, navigation or piloting of aircraft in the airspace over this state or upon any airport within this state.

(18) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association or body politic; and includes any trustee, receiver, assignee or other similar representative thereof.

(18m) "Public-use airport" means any of the following as provided in 49 USC 2202:

(a) Any public airport.

(b) Any privately owned reliever airport.

(c) Any privately owned airport used for public purposes and determined by the secretary of the U.S. department of transportation to enplane annually 2,500 or more passengers and receive scheduled passenger service of aircraft.

(19) "State airway" means a route in the navigable airspace over and above the lands or waters of this state, designated by the department as a route suitable for air navigation.

(20) "Unairworthy aircraft" means an aircraft that is in a severely damaged condition or in a state of major deterioration as determined under s. 114.20 (5).

History: 1971 c. 164 s. 84; 1977 c. 29 s. 1654 (5); 1981 c. 20; 1983 a. 159.

114.01 State airport system. The department is directed to cooperate with and assist any federal aeronautical agency in the preparation and annual revision of the national airport plan and to lay out a comprehensive state system of airports adequate to provide for the aeronautical needs of the people of all parts of the state. Such state system shall include every airport on the national system and such additional airports as may be deemed necessary. In selecting the general location of the airports on the system and determining their capacity, due regard shall be given to aeronautical necessity as evidenced by the population of the locality to be served, its commerce and industry and such other factors as the department deems pertinent. In selecting the specific sites, due regard shall be given to general suitability for service and economy of development as evidenced by convenience of access, adequacy of available

ment covering the operations of such licensed aircraft, or to a nonpassenger-carrying flight solely for inspection or test purposes authorized by the United States to be made without such license.

114.19 Display of licenses. The certificate of the license or permit respectively required of a pilot or a student shall be kept in the personal possession of the licensee or permittee when he is operating an aircraft within this state. The certificate of the license required for an aircraft shall be carried in the aircraft at all times and shall be conspicuously posted therein in clear view of passengers. Such certificate of pilot's license, student's permit or aircraft license shall be presented for inspection upon the demand of any passenger, any peace officer of this state, any authorized official, or any official, manager or person in charge of any airport in this state upon which it shall land, or upon the reasonable request of any other person. In any criminal prosecution under any of the provisions of this chapter, a defendant who relies upon a license or permit of any kind shall have the burden of proving that he is properly licensed or is the possessor of a proper license or permit. The fact of nonissuance of such license or permit may be evidenced by a certificate signed by the official having power of issuance, or his deputy, under seal of office, stating that he has made diligent search in the records of his office and that from the records it appears that no such license or permit was issued.

114.195 Ultralight identification. (1) In this section, "ultralight aircraft" means an aircraft which meets all of the following requirements:

- (a) Is used or intended to be used for manned operation in the air by a single occupant.
- (b) Is used or intended to be used for recreation or sport purposes only.
- (c) Does not have any U.S. or foreign airworthiness certificate.
- (d) If unpowered weighs less than 155 pounds or if powered weighs less than 254 pounds empty weight excluding floats and safety devices which are intended for use in catastrophic situation, has a fuel capacity not exceeding 5 gallons, is not capable of more than 55 knots calibrated air speed at full power in level flight and has a power-off stall-speed which does not exceed 24 knots calibrated air speed.

(2) No person may operate an ultralight aircraft within this state unless the aircraft displays an identification number assigned by an organization, approved by the department, which issues identification numbers for ultralight aircraft. The department shall maintain

a list of organizations which qualify under this subsection. Any industry registration program approved by the federal aviation administration shall be approved by the department.

(3) Any person violating sub. (2) shall be required to forfeit not more than \$500.

History: 1983 a. 151.

114.20 Aircraft registration. (1) ANNUAL REGISTRATION REQUIRED. (a) Except as provided under sub. (2), all aircraft based in this state shall be registered by the owner of the aircraft with the department on or before November 1, 1981, and annually thereafter on or before November 1. Annual registration fees shall be determined in accordance with sub. (9) or (10).

(b) Aircraft determined by the department to be based in this state shall be subject to the annual registration fees under sub. (9). Aircraft which are determined to be not based in this state shall be exempt from the annual registration fees.

(c) An aircraft is presumed to be based in this state if it is kept in the state for a period of 30 consecutive days or for a cumulative period of 60 days in any calendar year. An aircraft is not based in this state if it is brought into the state solely for the purpose of repair, maintenance or restoration.

(2) EXCEPTIONS TO ANNUAL REGISTRATION REQUIREMENTS. The annual registration requirements under sub. (1) do not apply to aircraft based in this state that are:

- (a) Aircraft included within s. 76.02 (5a);
- (b) Antique aircraft registered under sub. (6);
- (c) Dealer aircraft subject to sub. (7);
- (d) Museum aircraft designated under sub.

(4);

(e) Unairworthy aircraft designated under sub. (5);

(f) Amateur built aircraft registered under sub. (8); or

(g) Ultralight aircraft as defined in s. 114.195 (1).

(3) FEES IN LIEU OF PROPERTY TAXES. Fees paid on aircraft under this section are in lieu of general property taxes.

(4) MUSEUM AIRCRAFT. Any museum desiring to designate aircraft as museum aircraft shall, on or before November 1 of each year, submit to the department an inventory of all aircraft held by the museum for display or other museum purposes. The inventory shall identify the owner of the aircraft and whether it is being held by the museum under loan or other arrangements. The aircraft designated as museum aircraft are exempt from registration under this section during the time they are owned or held by the museum for display or other museum purposes and are not flown for

any purpose except to and from displays. The museum shall promptly notify the department of any additions or deletions to the annual inventory of designated museum aircraft.

(5) **UNAIRWORTHY AIRCRAFT.** Any person desiring to have an aircraft designated as an unairworthy aircraft may apply to the department in the manner the department prescribes. No application may be acted upon unless all information requested is supplied. Upon receipt of an application and a registration fee of \$5 and after determining from the facts submitted and investigation that the aircraft qualifies as an unairworthy aircraft, the department shall issue an unairworthy aircraft certificate. The certificate shall expire upon transfer of ownership or restoration. An aircraft is presumed restored if it is capable of operation. The annual registration fee is due on the date of restoration. Operation of the aircraft is conclusive evidence of restoration. An additional administrative fee of \$5 shall be charged on all applications filed later than 30 days after the date of restoration.

(6) **ANTIQUE AIRCRAFT.** Any antique aircraft may be registered upon receipt of the proper application and payment of a \$50 registration fee. The registration remains effective without payment of an additional fee while the aircraft is owned by the registrant

(7) **DEALER AIRCRAFT.** (a) Aircraft shall be exempt from registration under sub. (1) for a period of one year from the date of exemption or until sold, whichever occurs first. Such exemptions will be granted only to aircraft dealers as defined in s. 114.002 (4) upon proper application and receipt of a \$5 administrative fee for each such aircraft.

(b) At the time of sale or expiration of the exemption period, the aircraft dealer shall submit to the department the application and registration fee as required in sub. (9), (10) or (12). Failure to do so will, at the discretion of the department, forfeit the privilege of future exemptions in addition to other penalties and remedies provided herein.

(8) **AMATEUR BUILT AIRCRAFT.** Any amateur built aircraft may be registered upon receipt of the proper application and payment of a \$50 registration fee. The registration remains effective without payment of an additional fee while the aircraft is owned by the registrant.

(9) **ANNUAL REGISTRATION FEES.** Except as provided in sub. (10), the owner of an aircraft subject to the annual registration requirements under sub. (1) shall pay an annual registration fee established in accordance with the following gross weight schedule:

[Maximum gross weight in pounds]	[Annual fee]
(a) Not more than 2,000	\$ 30
(b) Not more than 2,500	39
(c) Not more than 3,000	50
(d) Not more than 3,500	70
(e) Not more than 4,000	95
(f) Not more than 5,000	135
(g) Not more than 6,000	190
(h) Not more than 7,000	240
(i) Not more than 8,000	300
(j) Not more than 9,000	375
(k) Not more than 10,000	525
(l) Not more than 11,000	690
(m) Not more than 12,500	940
(n) Not more than 15,000	1,125
(o) Not more than 20,000	1,310
(p) Not more than 25,000	1,500
(q) Not more than 30,000	1,690
(r) Not more than 35,000	1,875
(s) Not more than 40,000	2,190
(t) Not more than 100,000	2,500
(u) More than 100,000	3,125

(10) **MUNICIPAL AND CIVIL AIR PATROL AIRCRAFT.** Aircraft owned and operated exclusively in the public service by this state, by any county or municipality or by the civil air patrol shall be registered on or before November 1, 1981, and annually thereafter on or before November 1, by the department upon receipt of the proper application accompanied by payment of \$5 for each aircraft.

(11) **ISSUANCE OF CERTIFICATE OF REGISTRATION; DISPLAY OF CERTIFICATE; REFUNDS.** Upon payment of a registration fee or transfer of registration fee, the department shall issue evidence of registration which shall be displayed at all times in the manner prescribed by the department. A refund may be made for aircraft registration fees paid in error as determined by the department. Refunds under this section shall be paid out of the appropriation under s. 20.395 (5) (aq).

(12) **INITIAL ANNUAL REGISTRATION.** For new aircraft, aircraft not previously registered in this state or unregistered aircraft for which annual registration is required under sub. (9), the fee for the initial year of registration shall be computed from the date of purchase, restoration, completed construction or entry of the aircraft into this state on the basis of one-twelfth of the registration fee specified in sub. (9) multiplied by the remaining number of months in the current registration year which are not fully expired. Application for registration shall be filed within 30 days from the date of purchase, restoration, completed construction or entry of the aircraft into this state and if filed after that date an additional administrative fee of \$5 shall



WITTMAN AIRFIELD
OSHKOSH, WI 54903-2591
414-426-4800

December 4, 1986

Mr. Lloyd J. Aubert, Jr.
1800 High
Topeka, KS. 66604

Dear Mr. Aubert:

Thank you for your letter of November 13 and please pardon the delay in answering as it was necessary that this be forwarded to me here in Florida.

I agree with you that \$490.93 tax called personal property taxes on your aircraft is ridiculous. Frankly, I have never heard of anything like this before.


For your information, in Minnesota we have theoretically no personal property taxes. However when we did have them, they did not apply to personal airplanes. At the present time we have a state registration program which requires an annual license or sticker but in the case of most antique classic aircraft, it is very reasonable at \$10 per year.

I am not aware of the other states programs in connection with personal property and/or aircraft taxes. However I will do the best I can the next time I am in Oshkosh to get you some information.

In the meantime, I would like to refer you to Mr. Kelly Viets, Vice President of the Antique/Classic Division at R. R. 2, Box 128, Lyndon, Kansas 66451, who I am sure can help you organize for your battle with the state legislature.

Please keep me posted on the outcome, and I wish you the best of luck.

Sincerely yours,


R. J. Lickteig

RJL/c

cc: Mr. Kelly Viets



KANSAS DEPARTMENT OF TRANSPORTATION

DOCKING STATE OFFICE BUILDING—TOPEKA, KANSAS 66612—1568



KANSAS AVIATION CONFERENCE 10, 11, 12 APRIL 1987

February 3, 1987

Memorandum to: The Honorable Ed Rolfs, Chairman
House Committee on Taxation

From: George Boyd, Director
KDOT Division of Aviation

Regarding: House Bills Nos. 2088 and 2089

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you this morning to comment on House Bills Nos. 2088 and 2089.

As the Director of Aviation, Kansas Department of Transportation, I would like to present the following remarks and recommendations concerning the referenced bills. The Kansas Legislature has determined that there is a place in our heritage for antique vehicles. I refer you to K.S.A. 8-166 et al. The aviation community has the same concerns regarding aircraft that fall into the antique category. It is noted in House Bill No. 2088 that antique aircraft will be exempt from all property or ad valorem taxes levied under the State of Kansas. We agree with this requirement so long as the State receives appropriate sales tax income when an antique aircraft is sold in the commercial market for the purpose of profit.

The owners of antique aircraft have a unique role in our society, especially as it pertains to aviation in Kansas. These owners have made a considerable investment in time and labor during restoration, especially if they bring their aircraft to airworthy standards and are in compliance with FAA regulations. In addition, their aircraft help preserve Kansas aviation history and promote aviation in Kansas.

We believe the registration of antique aircraft and vehicles should be equitable and efficiently managed at the least cost to the taxpayers. We can certainly see the association of antique aircraft with the Division of Aviation; however, we would like to point out that registration of aircraft is not now a function of the Aviation Division. Our suggestion is that the simple mechanics of vehicle registration are best left as a function of the Department of Revenue. The Department of Revenue is the most efficient organization to handle antique vehicle/aircraft registrations and the mechanism is in place and functioning.



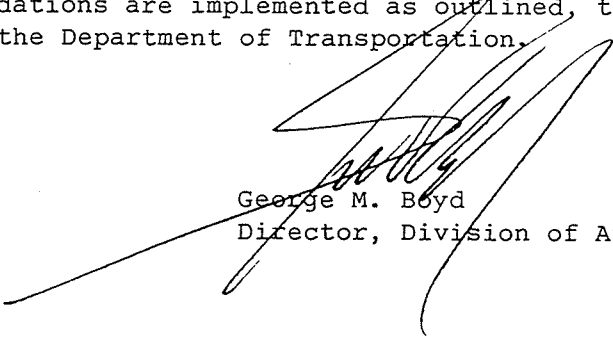
NASAO

AAHSTO

It would be cost effective to modify existing antique vehicle registration forms and have the antique aircraft owners register their aircraft using the existing procedures. According to the proposed Bills, the Department of Transportation would be required to add additional personnel and establish a function which would be redundant in our State government. Since we are discussing approximately 500 aircraft, it would seem that it would be too expensive to have the Aviation Division register antique aircraft. To assist you with the solution of this problem, the following recommendations are submitted; it is recommended that:

- a. that registration of antique aircraft be made a function of the Vehicle Registration Division, Department of Revenue;
- b. that antique aircraft, which are restored and sold for profit, be subject to State sales tax in accordance with the actual selling price at the time of the sale;
- c. that presentation of an FAA registration certificate be considered proof of ownership for purposes of Kansas antique aircraft registration; and
- d. that the House Bills Nos. 2088 and 2089 be revised to include the changes indicated.

If the recommendations are implemented as outlined, there will be no fiscal impact on the Department of Transportation.



George M. Boyd
Director, Division of Aviation

GMB:jkr

cc: Mr. Horace B. Edwards,
Secretary - KDOT