

FISCAL NOTE
Requested by Legislative Council
01/10/2017

Bill/Resolution No.: HB 1217

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$150,000	\$0	\$150,000
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1217 will update the aircraft registration fee section of North Dakota Century Code.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Page 2, lines 12-16 of HB 1217 would provide a fiscal impact to the North Dakota Aeronautics Commission special fund by removing a section of Century Code that currently allows a discount of up to 50% of the fee rate based upon the age of the aircraft.

Page 3, lines 3-4 of HB 1217 would have a very minimal fiscal impact in increasing the fee for the permanent registration of aircraft in the state. There are currently 15 aircraft in the state that have a permanent registration and new applications for this specific registration is very rare.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

HB 1217 is estimated to create an additional \$150,000 per biennium for the North Dakota Aeronautics Commission special fund. This additional revenue is created not by increasing the registration fees - but by removing a section of Century Code that currently allows a discount of up to 50% of the fee rate based upon the age of the aircraft. The special fund that the additional revenue would be deposited within is utilized to fund the operations of the ND Aeronautics Commission and to provide infrastructure grant funding to maintain and update the 89 public use airports in the state.

Currently, the executive budget for the Aeronautics Commission estimates aircraft registration revenue for the 2017-2019 biennium to be \$175,000.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

HB 1217 would not affect any expenditures of the North Dakota Aeronautics Commission.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

HB 1217 would not affect any current appropriations of the North Dakota Aeronautics Commission.

Name: Kyle Wanner

Agency: North Dakota Aeronautics Commission

Telephone: 701-328-9651

Date Prepared: 01/10/2017

2017 HOUSE TRANSPORTATION

HB 1217

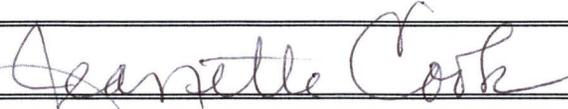
2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1217
1/19/2017
#27134

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A bill relating to aircraft registration.

Minutes:

Attachment # 1-3

Chairman Ruby opened the hearing on HB 1217.

Cynthia Schreiber-Beck, North Dakota Aeronautics Commission Chair, spoke to support HB 1217 and provided written testimony. See attachment #1.

3:05

Chairman Ruby: Is there a shortfall with the funding that you receive now? What is your need?

Cynthia Schreiber-Beck: We are always in a shortfall. Bismarck, for example, needs to replace a runway. Those costs run close to \$60 million dollars. Traditionally the federal government participates in a federal airport, but those funds are not guaranteed. There are a lot of infrastructure needs that are not being met. Thirty years ago the cost would have been much less, but today it's obviously increased.

Chairman Ruby: I understand the concept; it is a reduction over a period of time. Looking at transportation overall, this is consistent with passenger vehicles. Commercial trucks are by weight and it stays the same with age. Does this fall in line with the commercial rate for registrations? Was that the intent?

Cynthia Schreiber-Beck: The intent was to just remove the age aircraft situation.

Chairman Ruby: How many people do you expect this to affect?

Cynthia Schreiber-Beck: There are about 20,000 aircraft registered, and I expect that 90% are five years and older.

Representative Westlind: Why would you reduce the fee by 50% on June 30th? Is it just a cost savings for the owners? It seems like it would be a good fiscal move to charge it on the full year like cars, boats, and trucks.

Cynthia Schreiber-Beck: I think we are being fair to the aircraft owners. Especially those with luxury aircraft that pay \$3000 annually.

Chairman Ruby: I think that it is consistent with trucks. The time period runs January through December, but if you license them midterm they are prorated.

Representative Paur: Couldn't the idea of commercial vehicles going by weight, be applied to aircraft too?

Cynthia Schreiber-Beck: You are going back to what we used to do. It was done by weight and discounted by age. Now we are not discounting because of age. It is just a straight fee.

Representative Paur: I mean splitting the commercial and private.

Cynthia Schreiber-Beck: We don't discount on whether it is a commercial or a private aircraft.

Representative Paur: But we could?

Cynthia Schreiber-Beck: I would hate to have to ask that question to the owner. The aircraft might be used for multiple purposes. It would be difficult to figure out.

Representative Nelson: Have you considered staggering the registration compared to having them all on the calendar year?

Cynthia Schreiber-Beck: The ease is probably having them done all at once. There are only 2000 aircraft. To keep it straight, it is easier to do it all on the calendar year.
12:39

Kyle C. Wanner, Executive Director, North Dakota Aeronautics Commission, spoke to support HB 1217 and provided written testimony. See attachment #2.
16:11

Representative Paur: How much of the \$23 million cost is the Aeronautics' Commission going to provide?

Kyle Wanner: That is determinant upon the Aeronautics' Commission to grant those funds. The airports around the state normally ask for 50% of the local share remaining on a project. On a \$23 million project you are given \$13 million, and there is \$10 million remaining. They would ask us for \$5 million. Our budget calls for \$7 million total for the biennium for all 89 airports. So, there is no way we can accommodate anywhere near that request. In this case we may just provide 5% of the total project, which we normally do. That would be \$2.2- 1.3 million for Phase 1. In reference to the Bismarck project there is also a Phase 2 and Phase 3. The total project is anticipated around \$70 million. You can see the shortfall that remains

just in that one project, not the other 89 airports. That shows a good example of the shortfall that we are continually in.

Chairman Ruby: Is your total budget this year \$7 million?

Kyle Wanner: \$7 million is currently in our appropriation bill for the **biennium**.

Chairman Ruby: How much is the grant cost and how much is administration?

Kyle Wanner: Our total budget is approximately \$10.5 million for operations, salaries, and our other programs and services. Most of our funding goes to airport infrastructure grants, which is our critical mission. We want to get most of the aviation user fees back out to the airports for infrastructure projects; that is our highest goal.

Chairman Ruby: On these registration fees how much do you usually raise per biennium?

Kyle Wanner: It generates approximately \$90,000 on an annual basis. It is not a lot but every bit helps. Every nickel that we provide from the state brings in \$0.90 from the federal government.

Chairman Ruby: Is the \$7 million your grant funds?

Kyle Wanner: That is correct.

Chairman Ruby: Between the \$10.5 million and the \$7 million, is that all administrative costs?

Kyle Wanner: Yes, the administrative costs, salaries, and operations. We also operate and maintain the Peace Garden Airport, the Garrison Recreational Airport, and we apply and receive federal grants from the federal government to do statewide studies continually for the aviation community. All of that is incorporated into the budget.

20:00

Kyle Wanner also provided written testimony to the committee by Jon Simmers, Chairman of NDAC. See attachment #3.

There was no further support for HB 1217.
There was no opposition on HB 1217.

The hearing was closed on HB 1217.

2017 HOUSE STANDING COMMITTEE MINUTES

Transportation Committee
Fort Totten Room, State Capitol

HB 1217 - 2
1/19/2017
#27136

- Subcommittee
 Conference Committee

Committee Clerk Signature

Janette Cook

Explanation or reason for introduction of bill/resolution:

A bill relating to aircraft registration.

Minutes:

Chairman Ruby brought HB 1217 back before the committee.

Representative Weisz: I think this is a clean bill. It is simple, and it makes sense.

Representative Weisz moved a DO PASS on HB 1217 and rereferred it to Appropriations.

Representative Owens seconded the motion.

Representative Dobervich: It has been 30 years since they have had a rate increase. I would definitely vote yes on this bill. It does seem clean and reasonable.

Representative Jones: All of the money that gets raised here goes to the Aeronautics Commission Special Fund. I assume that means that it goes to improve airports and those type of things. Do you know where the specific funds go?

Chairman Ruby: It goes toward infrastructure side. Their total budget has some grant money as well that they provide to airports. The administrative side is all in appropriations. I will get a copy of that if you'd like to see it.

A roll call motion was made for a DO PASS on HB 1217 and rereferred to appropriations.

Aye 13 Nay 0 Absent 1
The motion carried.

Representative Paur will carry HB 1217.

Date: 1-19-17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1217

House Transportation Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Weisz Seconded By Owens

Representatives	Yes	No	Representatives	Yes	No
Chairman Dan Ruby	X		Rep. Gretchen Dobervich	X	
Vice Chair. Rick C. Becker	X		Rep. Marvin Nelson	A	
Rep. Bert Anderson	X				
Rep. Jim Grueneich	X				
Rep. Terry Jones	X				
Rep. Emily O'Brien	X				
Rep. Mark Owens	X				
Rep. Gary Paur	X				
Rep. Randy Schobinger	X				
Rep. Gary Sukut	X				
Rep. Robin Weisz	X				
Rep. Greg Westlind	X				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Paur

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217: Transportation Committee (Rep. D. Ruby, Chairman) recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1217 was rereferred to the **Appropriations Committee**.

2017 HOUSE APPROPRIATIONS

HB 1217

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1217
2/8/2017
28067

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

Relating to aircraft registration.

Minutes:

19:50 of recording 28067

Representative Ruby: HB 1217 is a bill that makes a change to the registration fees for the aeronautics commission for the air planes. I don't change the initial fee that is set by the weight of the air plane, what it does is removes the reduction that was in place where 10% was reduced each year for 5 years and then it stayed at the level from there on out. So basically a 5-year plane was getting a discount from a 1-year plane. Most of them are all over 5 years so they would be getting a bump up to their original rate. It raised 150 thousand each biennium and we asked what was the purpose of those funds? They are used for the infrastructure of the airport, they assist in some of the cost share and grants that they get. They're initial budget is 10.5 million dollars and about 7 million is in grants and that for about 89 airports.

We did give it a 13-0-1 Do Pass Representative Paur

22:15 Chairman Delzer: Do you know how much they have in their fund and how much do we expend each year?

Representative Ruby: I am not sure

Brady Larson Legislative Council: I will check on that

Representative Kempenich: On green sheets they are going up to 11.242 million. What've done in the past is we've put money into their account, I don't think we did general funds two years ago. Their special funds money is 9.84 million. 900 thousand as general fund.

Chairman Delzer: Does it show what that 900 thousand was used for? That's something we can look at when we get the bill, if this goes forward that is something that government ops will have to keep in mind, that there is another 150 thousand off these registration fees.

Questions by the committee?

2017 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB1217
2/13/2017
28284

- Subcommittee
 Conference Committee



Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 2-05-11 and 2-05-11.3 of the North Dakota Century Code, relating to aircraft registration.

Minutes:



Chairman Delzer: Opened the meeting for HB 1217. We will start with the aeronautics wanting more money the fiscal note is about \$150,000. It came out transportation with a 13-0 do pass. It creates a onetime registration fee.

Representative Kempenich: You have that list that goes out to the airports, this is part of that which is about 10 million dollars biannually. Is that part of this?

Chairman Delzer: What are you wishes committee members?

Representative Kempenich: Made a motion to Do Pass for HB 1217.

Representative Brandenburg: Second the motion.

Chairman Delzer: Roll Call was taken Yes 20 No 0 Absent 1 Motion Carries

Floor Assignment Rep. Paur

Date: 2/13/2017
Roll Call Vote #: 1

**2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1217**

House Appropriations Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Representative Kempenich Seconded By Representative Brandenburg

Representatives		Representatives		Yes	No
Chairman Delzer	X				
Representative Kempenich	X	Representative Streyle	X		
Representative: Boehning	X	Representative Vigesaa	X		
Representative: Brabandt	X				
Representative Brandenburg	X				
Representative Kading	X	Representative Boe	X		
Representative Kreidt	A	Representative Delmore	X		
Representative Martinson	X	Representative Holman	X		
Representative Meier	X				
Representative Monson	X				
Representative Nathe	X				
Representative J. Nelson	X				
Representative Pollert	X				
Representative Sanford	X				
Representative Schatz	X				
Representative Schmidt	X				

Total (Yes) 20 No 0

Absent 1

Floor Assignment Representative Paur

If the vote is on an amendment, briefly indicate intent:

Motion Carries

REPORT OF STANDING COMMITTEE

HB 1217: Appropriations Committee (Rep. Delzer, Chairman) recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1217 was placed on the Eleventh order on the calendar.

2017 SENATE TRANSPORTATION

HB 1217

2017 SENATE STANDING COMMITTEE MINUTES

Transportation Committee
Lewis and Clark Room, State Capitol

HB 1217
3/9/2017
28984

- Subcommittee
 Conference Committee

Committee Clerk Signature

Mary Munder

Explanation or reason for introduction of bill/resolution:

Relating to aircraft registration.

Minutes:

Attachments #1-2

Chairman Laffen: Called the hearing on HB 1217 to order. Welcome Cynthia Schreiber-Beck.

Cynthia Schreiber-Beck, Chair of the ND Aeronautics Commission: See attachment #1. (:36)

Chairman Laffen: This doesn't increase fees and it gets rid of a discount so I am confused as to what it is going to do. I own an airplane and I want to know what my fees are now and what are they going to be afterwards?

Cynthia: It is all based on the weight of the aircraft. 5000 lb. aircraft would be about \$150.00 for the whole year. All they did was take away the discount for aged aircraft.

Chairman Laffen: It says in the last section that the fee for a permanent registration went up. What does that mean?

Cynthia: That means aircraft such as war birds, vintage aircraft, etc., those aircraft would be allowed a one-time registration fee.

Chairman Laffen: So it is a one-time fee, never pay again, and that's why it is raising the rate a little.

Cynthia: Yes.

Senator Casper: I buy a plane in Nov of 2014 and pay the full registration and then I pay 20 times 10% of the fee?

Cynthia: Are you looking at the old structure? Answer Yes.

Cynthia: If you purchased it in Nov of 2014 you will pay the years' registration fee in the old school. But now if you purchase it after June 30 you would pay half the registration fee with the new structure.

Senator Casper: How many members are on the Aeronautics Commission? How are you appointed?

Cynthia: I'm on the board and they are pooled by the government and generally run by the aviation counsel and that represents all factors of aviation.

Chairman Laffen: Questions? None. Thank you. Further testimony in favor of HB 1217?

Kyle Wanner, Director of the Aeronautics Commission: (9:10) See attachment #2

Senator Casper: Are we going to be putting ourselves in a situation where the newer larger aircraft would be paying much larger fees? It looks like with this we are not really going there.

Kyle: Yes, you are correct. This bill is taking place of that bad bill and the old one was killed. We just wanted to change the fee. Most of our revenue comes from fuel sales and excise tax revenue and not registration fees. We did not touch the fee structure at all, but without the discount it will generate more revenue.

Chairman Laffen: So older planes will be the ones where the fees are going up.

Kyle: That's correct.

Senator Casper: I think this bill is better. We will see the fees going up on the older planes. Will the aerospace program at UND be affected by this?

Kyle: Actually looking at this bill we are adding language for aviation schools from being charged too much so they will benefit by this bill.

Senator Nelson: We live near an airport and there are a lot of planes there. What is the average size plane that would be flying in and out of there?

Kyle: There are so many different sizes that it would be hard to answer that. They run from small to extra-large in sizes. Prices vary on the weight of each one.

Chairman Laffen: Questions? Further testimony in favor? Opposition? Neutral? We will close the hearing on HB 1217

Senator Casper: I move for a Do Pass on HB 1217.

Senator Campbell: Seconded.

Chairman Laffen: Any discussion?

Senator Casper: I do think this is a good bill.

Roll Call taken: Yeas-5, Nays-0, Absent-1 Motion passed

Senator Casper will carry the bill.

Date: 3-9-17
Roll Call Vote #: 1

2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. "Enter Bill/Resolution No." HB 1217

Senate Transportation Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Casper Seconded By Campbell

Senators	Yes	No	Senators	Yes	No
Chairman Lonnie J. Laffen	✓		Senator Carolyn Nelson	✓	
Senator Tom Campbell	✓				
Senator David Rust					
Senator David Clemens	✓				
Vice Chairman Jonathan Casper	✓				

Total (Yes) 5 No 0

Absent 1

Floor Assignment Casper

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1217: Transportation Committee (Sen. Laffen, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1217 was placed on the Fourteenth order on the calendar.

2017 TESTIMONY

HB 1217

HB 1217
1-19-17
#1

**Testimony of Cynthia Schreiber-Beck
ND Aeronautics Commission Chair
House Bill 1217
House Transportation Committee
January 19, 2017**

Chairman Dan Ruby and Members of the Transportation Committee

I am Cynthia Schreiber-Beck, Chair of the ND Aeronautics Commission and am testifying in support of House Bill 1217 which makes a minor change to the annual registration fee of aircraft registered in the state of North Dakota.

Aircraft Registration / House Bill 1217:

- The bill in its current form was reviewed by the Aeronautics Commission and they voted to unanimously support its passage.
- The bill does not raise fees, but instead eliminates a discount that is predicated on the age of the aircraft.
- The language and fee structure of aircraft registrations has not been updated since 1987 – 30 years.
- After taking into consideration of the effects of inflation over 30 years, the removal of the discount still allows for very competitive fees compared with other states.
 - Examples: Minnesota’s lowest aircraft registration fee is currently \$100 and highest is \$75,000 and Montana’s lowest aircraft registration fee is \$25 and highest is \$3,000. The proposed rates are also comparable to South Dakota’s current aircraft registration fee structure.
- The newly proposed language simplifies the fee structure to make the process easier for aircraft owners as it would eliminate the need to factor in the age of the aircraft and the set fee would be solely based on the gross weight of the aircraft.
- Current law states that all aircraft based in North Dakota after 30 days must pay the full year fee for aircraft. For example, this means that currently a resident that purchases an aircraft in November 2014 must pay the full 2014 aircraft registration. Two months later, this individual would need to pay the full year registration for the 2015 calendar year. The proposed language states that an individual would only need to pay a half year fee if the aircraft becomes based in North Dakota after June 30th which would benefit aircraft owners transitioning into North Dakota.

All additional revenue gained from removing this discount would help support the Aeronautics Commission’s programs, specifically the airport infrastructure grant program where there are considerable infrastructure needs throughout the state.

As a note: Non airworthy aircraft are not required to pay the fee until the aircraft is made airworthy.

Thank you for your favorable consideration of House Bill 1217. I will respond to any questions you may have.

HB1217
1-19-17
#2

TESTIMONY OF

KYLE C. WANNER

EXECUTIVE DIRECTOR, NORTH DAKOTA AERONAUTICS COMMISSION

BEFORE THE

HOUSE TRANSPORTATION COMMITTEE

JANUARY 19th, 2017

HOUSE BILL 1217

Chairman Ruby and members of the committee, my name is Kyle Wanner and I am the Director of the Aeronautics Commission and will be providing testimony today in support of House Bill 1217.

The Aeronautics Commission is comprised of a Governor appointed board of 5 members who appoint a director who in turn hires a staff to operate the agency. The agency was created by the Legislature in 1947 to support the aviation community in North Dakota and one of its regulatory functions pertains to the registering of aircraft that are based and operating within the state.

The proposed bill in its current form is unanimously supported by the Aeronautics Commission. I also took this bill in its current form and visited with the North Dakota Aviation Council of which they also unanimously supported its passage. The Aviation Council is a very active non-profit organization which represents all of the different aviation interests within our state.

HB 1217 is estimated to create an additional \$150,000 per biennium for the North Dakota Aeronautics Commission special fund. This additional revenue is created not by increasing the registration fees - but by removing a section of Century Code that currently allows a discount of up to 50% of the fee rate based upon the age of the aircraft. The special fund that the additional revenue would be deposited within is utilized to fund the operations of the ND Aeronautics Commission and to provide infrastructure grant funding to maintain and update the 89 public use airports in the state.

The newly proposed language also simplifies the fee structure as it would eliminate the need to factor in the age of the aircraft and the set fee would be solely based on the gross weight of the aircraft.

Current law states also that all aircraft based in North Dakota after 30 days must pay the full year fee for aircraft. For example, this means that currently a resident that purchases an aircraft in November 2014 must pay the full 2014 aircraft registration. Two months later, this individual would need to pay the full year registration for the 2015 calendar year. The proposed language states that an individual would only need to pay a half year fee if the aircraft becomes based in North Dakota after June 30th which would benefit aircraft owners transitioning into North Dakota. This is also seen as a very positive change from our agency's perspective.

The Aeronautics Commission appreciates your support and consideration of HB 1217

HB 1217
1-19-17
#3



January 18th, 2017

Chairman Ruby and members of the transportation committee,

On behalf of the North Dakota Aviation Council (NDAC), the purpose of my correspondence is to provide support for House Bill 1217. Our organization is in full support of the proposed changes to the state's Aircraft Registration Fees. After further review, it appears that these rates have not been adjusted in approximately 30 years. During this 30-year time span, the cost associated with airport operations and maintenance have increased substantially

We recognize that the work conducted by the North Dakota Aeronautics Commission is critical to the safety of aviation in our state and we appreciate their work to help maintain and improve the airport infrastructure. As you are aware, our airport system is crucial to providing emergency access to communities, and is a significant requirement for commerce and economic prosperity to take place within the state of North Dakota.

For reference, the North Dakota Aviation Council was founded in 1983, with our roots dating back to the late 1940's. Our organization is made up of 7 aviation membership groups. These groups represent the majority of General Aviation activity that occurs within the state of North Dakota. Our membership groups include the North Dakota Business Aviation Association, North Dakota Pilots Association, North Dakota Professional Aviation Mechanics Association, North Dakota Experimental Aircraft Association, Airports Association of North Dakota, North Dakota Aerial Applicators Association, and the North Dakota Air Museums Association.

Sincerely,

Jon Simmers

Chairman, NDAC

North Dakota Aviation Council

P.O. Box 5020

Bismarck, ND 58502

Attachment #1 pg1
3-9-17 HB 1217

Testimony of Cynthia Schreiber-Beck
District 25 Representative
ND Aeronautics Commission Chair
House Bill 1217
Senate Transportation Committee
March 9, 2017

Chairman Lafften and Members of the Transportation Committee

I am Cynthia Schreiber-Beck, Chair of the ND Aeronautics Commission and am testifying in support of House Bill 1217 which makes a minor change to the annual registration fee of aircraft registered in the state of North Dakota.

Aircraft Registration / House Bill 1217:

- The bill in its current form was reviewed by the Aeronautics Commission and they voted to unanimously support its passage.
- The bill does not raise fees, but instead eliminates a discount that is predicated on the age of the aircraft.
- The language and fee structure of aircraft registrations has not been updated since 1987 – 30 years.
- After taking into consideration of the effects of inflation over 30 years, the removal of the discount still allows for very competitive fees compared with other states.
 - Examples: Minnesota's lowest aircraft registration fee is currently \$100 and highest is \$75,000 and Montana's lowest aircraft registration fee is \$25 and highest is \$3,000. The proposed rates are also comparable to South Dakota's current aircraft registration fee structure.
- The newly proposed language simplifies the fee structure to make the process easier for aircraft owners as it would eliminate the need to factor in the age of the aircraft and the set fee would be solely based on the gross weight of the aircraft.
- Current law states that all aircraft based in North Dakota after 30 days must pay the full year fee for aircraft. For example, this means that currently a resident that purchases an aircraft in November 2014 must pay the full 2014 aircraft registration. Two months later, this individual would need to pay the full year registration for the 2015 calendar year. The proposed language states that an individual would only need to pay a half year fee if the aircraft becomes based in North Dakota after June 30th which would benefit aircraft owners transitioning into North Dakota.

All additional revenue gained from removing this discount would help support the Aeronautics Commission's programs, specifically the airport infrastructure grant program where there are considerable infrastructure needs throughout the state.

As a note: Non airworthy aircraft are not required to pay the fee until the aircraft is again airworthy.

Thank you for your favorable consideration of House Bill 1217. I will respond to any questions you may have.

Attachment # 2 pg 1
3-9-17 HB1217

TESTIMONY OF

KYLE C. WANNER

EXECUTIVE DIRECTOR, NORTH DAKOTA AERONAUTICS COMMISSION

BEFORE THE

SENATE TRANSPORTATION COMMITTEE

MARCH 9th, 2017

HOUSE BILL 1217

Chairman Laffen and members of the committee, my name is Kyle Wanner and I am the Director of the Aeronautics Commission and will be providing testimony today in support of House Bill 1217.

The Aeronautics Commission is comprised of a Governor appointed board of 5 members who appoint a director who in turn hires a staff to operate the agency. The agency was created by the Legislature in 1947 to support the aviation community in North Dakota and one of its regulatory functions pertains to the registering of aircraft that are based and operating within the state.

The proposed bill in its current form is unanimously supported by the Aeronautics Commission. I also took this bill in its current form and visited with the North Dakota Aviation Council of which they also unanimously supported its passage. The Aviation Council is a very active non-profit organization which represents all of the different aviation interests within our state. The groups represented are:

- NDPAMA – North Dakota Professional Mechanics Association
- AAND – Airport Association of North Dakota
- NDAAA – North Dakota Agricultural Aviation Association
- NDPA – North Dakota Pilots Association
- NDEAA – North Dakota Experimental Aviation Association
- NDAAM – North Dakota Association of Aviation Museums.

HB 1217 is estimated to create an additional \$150,000 per biennium for the North Dakota Aeronautics Commission special fund. This additional revenue is created not by increasing the registration fees - but by removing a section of Century Code that currently allows a discount of up to 50% of the fee rate based upon the age of the aircraft. The special fund that the additional revenue would be deposited within is utilized to fund the operations of the ND Aeronautics Commission and to provide infrastructure grant funding to maintain and update the 89 public use airports in the state.

The Aeronautics Commission appreciates your support and consideration of HB 1217



March 9, 2017

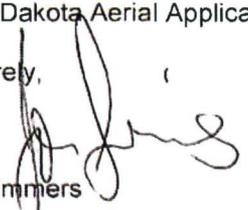
Senator Laffen and members of the transportation committee,

On behalf of the North Dakota Aviation Council (NDAC), the purpose of my correspondence is to provide support for House Bill 1217. Our organization is in full support of the proposed changes to the state's Aircraft Registration Fees. After further review, it appears that these rates have not been adjusted in approximately 30 years. During this 30-year time span, the cost associated with airport operations and maintenance have increased substantially.

We recognize that the work conducted by the North Dakota Aeronautics Commission is critical to the safety of aviation in our state and we appreciate their work to help maintain and improve the airport infrastructure. As you are aware, our airport system is crucial to providing emergency access to communities, and is a significant requirement for commerce and economic prosperity to take place within the state of North Dakota.

For reference, the North Dakota Aviation Council was founded in 1983, with our roots dating back to the late 1940's. Our organization is made up of 7 aviation membership groups. These groups represent the majority of General Aviation activity that occurs within the state of North Dakota. Our membership groups include the North Dakota Business Aviation Association, North Dakota Pilots Association, North Dakota Professional Aviation Mechanics Association, North Dakota Experimental Aircraft Association, Airports Association of North Dakota, North Dakota Aerial Applicators Association, and the North Dakota Air Museums Association.

Sincerely,



Jon Simmers

Chairman, NDAC