

HB0077S02 compared with HB0077S01

~~text~~ shows text that was in HB0077S01 but was deleted in HB0077S02.

text shows text that was not in HB0077S01 but was inserted into HB0077S02.

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Representative ~~James A. Dunnigan~~Cheryl K. Acton proposes the following substitute bill:

AVIATION LIABILITY INSURANCE AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Cheryl K. Acton

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to aircraft liability insurance requirements ~~and the registration of aircraft~~.

Highlighted Provisions:

This bill:

- ▶ establishes requirements for aircraft public liability insurance coverage;
- ▶ if the aircraft owner is an airport tenant, requires an owner of an aircraft to provide proof of public liability insurance ~~when registering or renewing the registration of an aircraft~~; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

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Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

31A-22-1300, as last amended by Laws of Utah 1998, Chapter 270

~~{ 72-10-110, as last amended by Laws of Utah 2018, Chapter 436~~

~~‡ 72-10-117, as last amended by Laws of Utah 2019, Chapter 431~~

ENACTS:

72-10-111.5, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-22-1300** is amended to read:

31A-22-1300. Aircraft public liability insurance.

[Subsections ~~72-10-117(5)~~ and ~~(6)~~ apply to aircraft liability insurance.]

Policies containing aircraft public liability insurance coverage for an aircraft ~~{required to be registered under Section 72-10-109}~~ shall include minimum coverage of:

- (1) \$50,000 per person for bodily injury or death in any one accident;
- (2) \$50,000 for property damage in any one accident; and
- (3) \$100,000 in any one accident, whether for property damage, or bodily injury or death.

Section 2. Section ~~{72-10-110}~~ **72-10-111.5** is ~~{amended to read:~~

~~72-10-110. Aircraft registration information requirements -- Registration fee -- Administration -- Partial year registration.~~

- ~~(1) All applications for aircraft registration shall contain:~~
 - ~~(a) a description of the aircraft, including:~~
 - ~~(i) the manufacturer or builder;~~
 - ~~(ii) the Federal Aviation Administration aircraft registration number[.];~~
 - ~~(iii) type[.];~~
 - ~~(iv) year of manufacture, or if an experimental aircraft, the year the aircraft was completed and certified for air worthiness by an inspector of the Federal Aviation Administration; and~~

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~~_____ [(iii)] (v) gross weight;~~

~~_____ (b) the name and address of the owner of the aircraft; and~~

~~_____ (c) where the aircraft is located, or the address where the aircraft is usually used or based.~~

~~_____ (2) An applicant shall provide proof of aircraft public liability insurance coverage required under Section 72-10-111.5 with:~~

~~_____ (a) an initial application for aircraft registration; and~~

~~_____ (b) an application for renewal of aircraft registration.~~

~~_____ [(2)] (3) (a) Except as provided in Subsection [(3)], at the time application is made for registration or renewal of registration of an aircraft under this chapter,] (4) an applicant shall pay an annual registration fee of 0.4% of the average wholesale value of the aircraft [shall be paid] when filing an application for registration or renewal of registration of an aircraft under this chapter.~~

~~_____ (b) For purposes of calculating the average wholesale value of an aircraft under Subsection [(2)] (3)(a) or [(3)] (4)(d), the department shall use the average wholesale value as stated in the Aircraft Bluebook Price Digest.~~

~~_____ (c) For an aircraft not listed in the Aircraft Bluebook Price Digest, the department shall calculate the average wholesale value of the aircraft using common industry standards.~~

~~_____ (d) (i) An owner of an aircraft may challenge the department's calculation of the average wholesale value of the aircraft.~~

~~_____ (ii) The department shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish a process for challenging the department's calculation under Subsection [(2)] (3)(d)(i).~~

~~_____ [(3)] (4) (a) An annual registration fee of \$100 is imposed on an aircraft that is used:~~

~~_____ (i) exclusively by an entity that is exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code, and exempt from property taxation under Title 59, Chapter 2, Property Tax Act; and~~

~~_____ (ii) for the emergency transportation of medical patients for at least 95% of its flight time.~~

~~_____ (b) An annual registration fee is imposed on an aircraft 60 years or older equal to the lesser of:~~

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- ~~—— (i) \$100; or~~
- ~~—— (ii) the annual registration fee provided for under Subsection [(2)] (3)(a).~~
- ~~—— (c) (i) Except as provided in Subsection [(3)] (4)(c)(iii), an owner of an aircraft shall apply for a certificate of registration described in Section 72-10-109, if the aircraft:~~
 - ~~—— (A) is in the manufacture, construction, fabrication, assembly, or repair process;~~
 - ~~—— (B) is not complete; and~~
 - ~~—— (C) does not have a valid airworthiness certificate.~~
- ~~—— (ii) An aircraft described in Subsection [(3)] (4)(c)(i) is exempt from the annual registration fee described in Subsection [(2)] (3)(a).~~
- ~~—— (iii) The registration requirement described in Subsection [(3)] (4)(c)(i) does not apply to an aircraft that, in accordance with Section 59-12-104, is exempt from the taxes imposed under Title 59, Chapter 12, Sales and Use Tax Act.~~
- ~~—— (d) An annual registration fee of .25% of the average wholesale value of the aircraft is imposed on an aircraft if the aircraft is:~~
 - ~~—— (i) used by an air charter service for air charter; and~~
 - ~~—— (ii) owned by a person other than the air charter service.~~
- ~~—— (e) The annual registration fee required in this section is due on December 31 of each year.~~
- ~~—— [(4)] (5) (a) The department shall provide a registration card to an owner of an aircraft if:~~
 - ~~—— (i) the owner complies with the registration requirements of this section; and~~
 - ~~—— (ii) the owner of the aircraft states that the aircraft has a valid airworthiness certificate.~~
- ~~—— (b) An owner of an aircraft shall carry the registration card in the registered aircraft.~~
- ~~—— [(5)] (6) The registration fees assessed under this chapter shall be collected by the department to be distributed as provided in Subsection [(6)] (7).~~
- ~~—— [(6)] (7) After deducting the costs of administering all aircraft registrations under this chapter, the department shall deposit all remaining aircraft registration fees in the Aeronautics Restricted Account created by Section 72-2-126.~~
- ~~—— [(7)] (8) Aircraft which are initially registered under this chapter for less than a full calendar year shall be charged a registration fee which is reduced in proportion to the fraction of the calendar year during which the aircraft is registered in this state.~~

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~~[(8)] (9) (a) For purposes of this section, an aircraft based at the owner's airport means an aircraft that is hangared, tied down, or parked at an owner's airport for a plurality of the year.~~

~~(b) Semi-annually, an owner or operator of an airport open to public use, or of an airport that receives grant funding from the state, shall provide a list of all aircraft based at the owner's airport to the department.~~

~~[(9)] (10) The department shall maintain a statewide database of all aircraft based within the state.~~

~~[(10)] (11) The department may suspend or revoke a registration if the department determines that the required fee has not been paid and the fee is not paid upon reasonable notice and demand.~~

~~Section 3. Section 72-10-111.5 is } enacted to read:~~

72-10-111.5. Aircraft public liability insurance requirements -- Proof of public liability insurance.

~~{(1) An owner required to register an aircraft under Section 72-10-109 shall:~~

~~(a) An aircraft owner shall:~~

(1) maintain public liability insurance coverage for the aircraft that conforms to the requirements described in Section 31A-22-1300; and

~~{(b) along with the required application for aircraft registration under Section 72-10-110, file with the department proof of the owner's valid public liability insurance coverage for the aircraft.~~

~~(2) An owner of an aircraft may provide proof of aircraft public liability insurance by filing with the department;~~(2) if the aircraft owner is a tenant of a public airport, provide a certificate of insurance issued by an insurer licensed in Utah {that demonstrates there is a} as proof of the owner's valid public liability insurance {policy} covering the aircraft as part of the lease agreement between the aircraft owner and the airport.

Section ~~{4}3~~. Section 72-10-117 is amended to read:

72-10-117. Aircraft landing permits -- Eligible aircraft -- Special licenses -- Rules -- Proof of insurance -- Bonds.

(1) (a) The county executive of any county may issue [permits] a permit authorizing an aircraft to land on or take off from designated county roads.

(b) ~~[Permits may be issued]~~ The county executive of any county may issue a permit to

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an aircraft operated:

- (i) as an air [~~ambulances~~] ambulance;
- (ii) as a pesticide [~~applicators~~] applicator; or
- (iii) by or under contract with a public [~~utilities~~] utility and used in connection with

inspection, maintenance, installation, operation, construction, or repair of property owned or operated by the public utility.

(2) [~~Permits may also be issued by the county executive~~] The county executive of any county may issue a permit under this section to other aircraft under rules made by the department.

(3) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules for issuing a special license to:

- (i) an aircraft permitted by a county executive to land on a county road; and
- (ii) a pilot permitted to operate an aircraft licensed under this subsection from a county road.

(b) The rules made under this subsection shall include provisions for the safety of the flying and motoring public.

(4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules for the landing and taking off of aircraft to which permits have been issued under this section, which may include annual reports of activities of the aircraft.

(5) [~~Prior to obtaining a permit or license to any aircraft~~] Before obtaining a permit or license under this section, the applicant shall file with the county executive and the department [~~a certificate of insurance executed by an insurance company or association authorized to transact business in this state upon a form prescribed by the department that there is in full force and effect a policy of insurance covering the aircraft for liability against:~~] proof of public liability insurance coverage that meets the requirements described in Section 31A-22-1300.

[~~(a) personal injury or death for any one person in an amount of \$50,000 or more;~~]

[~~(b) any one accident in an amount of \$100,000 or more; and~~]

[~~(c) property damage in an amount of \$50,000 or more.~~]

(6) In addition to the insurance required under this section, either the county executive or the department may require the posting of a bond to indemnify the county or department against liability resulting from issuing the permit or license under this section.

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