

HOUSE BILL No. 5773

February 2, 2010, Introduced by Reps. Leland, Donigan, Lindberg, Byrnes, Haugh, Lahti and Nerat and referred to the Committee on Transportation.

A bill to amend 1945 PA 327, entitled "Aeronautics code of the state of Michigan," by amending sections 51, 77, 82, and 203 (MCL 259.51, 259.77, 259.82, and 259.203), section 51 as amended by 2002 PA 35, sections 77 and 82 as amended by 1996 PA 370, and section 203 as amended by 2008 PA 25.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 51. (1) The commission has general supervision over
2 aeronautics within this state. The commission shall encourage,
3 foster, and participate with and provide grants to the political
4 subdivisions of this state in the development of aeronautics within
5 this state. The commission shall establish and encourage the
6 establishment of airports, landing fields, and other aeronautical
7 facilities. The commission shall promulgate rules that it considers

1 necessary and advisable for the public safety governing the
2 designing, laying out, location, building, equipping, and operation
3 of airports and landing fields and shall exercise exclusive
4 authority to approve the location and operation of airports,
5 landing fields, and other aeronautical facilities within the state,
6 so as to assure a uniformity in regulations covering aeronautics.
7 In order to implement this act, the commission may establish
8 programs of state financial assistance in the form of grants,
9 leases, loans, and purchases, or a combination of grants, leases,
10 loans, and purchases, for assisting political subdivisions or other
11 persons. The commission shall not grant an exclusive right for the
12 use of an aeronautical facility. The commission may by the issuance
13 of appropriate and effective rules register pilot's certificates
14 issued by the civil aeronautics authority or other similar federal
15 authority to resident pilots of the state for which it may charge a
16 fee not to exceed \$5.00; govern and regulate commercial operations
17 in intrastate commerce for which it may charge a fee of not more
18 than \$25.00; and provide for the licensing of aircraft dealers for
19 which it may charge a fee of not more than ~~\$25.00~~ **\$100.00**.

20 (2) The commission shall cooperate with and assist the federal
21 government, state governments, authorities of political
22 subdivisions, and individuals engaged in aeronautics or the
23 development of aeronautics, and shall seek to coordinate the
24 aeronautical activities of these entities. The commission may
25 confer with or hold joint hearings with any federal or state
26 governments, their agencies, the authorities of political
27 subdivisions, and individuals, in connection with any matter

1 arising under this act, and avail itself of the cooperation,
2 services, records, and facilities of those agencies in the
3 administration and enforcement of this act. The commission shall
4 reciprocate by furnishing governments and their agencies its
5 cooperation, services, records, and facilities, insofar as may be
6 practicable.

7 (3) The commission may perform acts, issue and amend orders,
8 and make, promulgate, and amend reasonable general or special rules
9 and procedures, and establish minimum standards, consistent with
10 this act, which it considers necessary to implement this act and to
11 perform its duties under this act, all commensurate with and for
12 the purpose of protecting and insuring the general public interest,
13 health, welfare, and safety. The commission may adopt and enforce
14 the provisions of the currently effective federal legislation
15 governing aeronautics. The commission shall promulgate rules to
16 implement this act. The commission may deviate from or add to rules
17 if necessary for the public safety and for the safety of aircraft
18 and airmen within the state. A rule of the commission shall not
19 apply to aeronautical facilities owned by the federal government.

20 (4) For the safety of aircraft and airmen within this state
21 the commission may designate, establish, or modify a state airways
22 system. The commission may publish and distribute maps, charts, and
23 information relating to that system.

24 (5) The commission, a commission member or employee, the
25 director, and every state, county, and municipal officer charged
26 with the enforcement of state and municipal laws shall enforce and
27 assist in the enforcement of this act and of rules promulgated

1 under this act, and of all other laws of this state relating to
2 aeronautics. In the aid of enforcement, general police powers are
3 conferred upon the commission, each of its members, the director,
4 and the officers and employees of the commission designated by the
5 commission to exercise those powers. The commission is further
6 authorized to enforce this act and rules promulgated under this act
7 by injunction in the circuit court. The prosecuting attorney of the
8 county in which an offense is committed shall prosecute offenders
9 against this act and other aeronautical laws of this state, or any
10 rule promulgated under this act or order issued by the commission.
11 When a complaint is made before a municipal court in a city having
12 such a court, or the district court in the county, district, or
13 political subdivision in which venue is proper, that court may take
14 cognizance, hear, try, and determine such matters and pass sentence
15 upon offenders in accordance with law.

16 (6) The commission, a commission member, the director, or an
17 employee designated by the commission may hold investigations,
18 inquiries, and hearings concerning matters covered by this act,
19 aircraft accidents, or orders and rules of the commission. Each
20 person designated may administer oaths and affirmations, certify to
21 official acts, issue subpoenas, and compel the attendance and
22 testimony of witnesses, and the production of papers, books, and
23 documents. In case of failure to comply with a subpoena or order
24 issued under this act, the commission, or its authorized
25 representative, may invoke the aid of a court of general
26 jurisdiction. The court may order the witness to comply with the
27 requirements of the subpoena or order, or to give evidence touching

1 the matter in question. Failure to obey the order of the court may
2 be punished by the court as contempt.

3 (7) In order to facilitate investigations by the commission in
4 the interest of public safety and development of aeronautics, the
5 reports of investigations or hearings, or any part of them, shall
6 not be admitted in evidence or used for any purpose in an action or
7 proceeding growing out of a matter referred to in the
8 investigation, hearing, or report, except in case of criminal or
9 other proceedings instituted in behalf of the state under this act
10 or any other law of this state relating to aeronautics. A
11 commissioner, director, or an officer or employee of the commission
12 shall not be required to testify to facts ascertained in, or
13 information gained by reason of, his or her official capacity, or
14 be required to testify as an expert witness in an action or
15 proceeding involving an aircraft. Except as otherwise provided in
16 this section, the commission may make available to appropriate
17 federal and state agencies information and material developed in
18 the course of its hearings and investigations.

19 (8) For the purposes of executing its powers and duties under
20 this act, the commission, upon recommendations to the state
21 administrative board, may enter into necessary contracts.

22 Sec. 77. (1) If an aircraft is registered under this act, the
23 commission shall send an application for renewal registration to
24 the owner of the aircraft on or after November 1 preceding the year
25 to be designated on the registration. The registration application
26 shall be executed and returned to the commission with payment of
27 the registration fee as provided by this section before the

1 expiration date of the prior registration. If an owner of an
2 aircraft fails to receive a registration application form by
3 December 1, he or she shall inform the commission.

4 (2) The owner of an aircraft that had not been previously
5 subject to registration under this act but has become subject to
6 registration under this act shall inform the commission within 30
7 days after becoming subject to registration, shall register the
8 aircraft, and shall pay the appropriate fee as provided by this
9 section.

10 (3) A registration fee shall be payable annually on or before
11 December 31. However, for an aircraft being registered for the
12 first time, a registration certificate issued after July 1 shall be
13 issued at the rate of 50% of the annual fee. All aircraft
14 registrations shall expire on January 1 of each year.

15 (4) A registration fee shall be in lieu of all property taxes
16 on the aircraft, either general or local.

17 (5) A registration fee shall be paid at the rate of ~~1-cent-2~~
18 **CENTS** per pound of either maximum gross weight or maximum takeoff
19 weight, whichever is greater, for which the aircraft is certified
20 under the federal aviation administration airworthiness
21 certificate. **SUCH A FEE SHALL NOT BE LESS THAN \$25.00.**

22 (6) If an aircraft owner fails to register or pay the aircraft
23 registration fee due under this act by the time specified, a
24 penalty of \$50.00 shall be added if the failure is not more than 1
25 month, with an additional ~~\$5.00~~ **\$10.00** penalty for each additional
26 month or fraction of a month during which the registration fee and
27 penalty are not paid.

1 (7) If an aircraft registration fee is not paid within the
2 time specified and it is shown to the satisfaction of the
3 commission that the failure or refusal was due to reasonable cause
4 and not willful neglect, the penalty may be waived at the
5 discretion of the director of the state transportation department
6 or his or her designated representative. The period for which a
7 penalty is assessed shall not exceed 1 year.

8 (8) If an aircraft registration fee is paid by mail, the
9 postmark date is the date of payment.

10 Sec. 82. (1) A person shall not engage in the business of
11 buying, selling, brokering, or dealing in aircraft of a type
12 required to be registered, unless he or she has received a license
13 from the commission.

14 (2) An application for a dealer's license shall be accompanied
15 by a ~~\$25.00~~ **\$100.00** license fee and shall be submitted on the
16 appropriate form furnished by the commission. ~~Applications shall be~~
17 ~~signed and accompanied by a sworn statement containing the~~
18 ~~information required by the commission to determine whether the~~
19 ~~applicant is lawfully entitled to the license.~~

20 (3) A license granted under subsection (1) expires on January
21 1 of each calendar year and may be renewed upon application and
22 payment of the required fee. The commission may issue a 1/2-year
23 license for the balance of the current year if application is made
24 after July 1 upon payment of 1/2 of the fee.

25 (4) A dealer or manufacturer shall display a dealer's license
26 in a prominent location at his or her place of business.

27 (5) A licensee shall maintain a record, to be open to

1 inspection by any law enforcement officer or authorized officer or
2 investigator of the commission, of every aircraft subject to
3 registration which is bought, sold, exchanged, received, or
4 accepted by the licensee for sale or exchange. A licensee shall
5 submit a report to the commission of aircraft sold to a resident of
6 another state and include the notice of sale or transfer and the
7 registration certificate, if any.

8 (6) The commission shall issue to aircraft manufacturers,
9 aircraft engine manufacturers, and dealers a distinctive general
10 registration number for each aircraft owned or controlled by them.
11 These aircraft shall not be used except for demonstration, for
12 sale, for ferrying, or for testing. General registration numbers
13 for manufacturer and dealer aircraft shall be issued annually under
14 the same conditions as registration certificates and a ~~\$5.00~~ **\$25.00**
15 charge made for the general registration numbers for manufacturer
16 and dealer aircraft. The general registration number issued to a
17 manufacturer or dealer shall be displayed in the aircraft at all
18 times.

19 (7) A manufacturer or dealer selling or exchanging aircraft
20 subject to registration, before delivering an aircraft to the
21 purchaser, shall apply to the commission for aircraft registration,
22 and the purchaser shall sign the application for registration and
23 other necessary papers to enable the manufacturer or dealer to
24 apply to the commission.

25 (8) A dealer dismantling or wrecking any registered aircraft
26 shall forward the registration certificate for that aircraft to the
27 commission within 15 days for cancellation.

1 (9) The commission may cancel, revoke, or suspend the dealer's
2 license for failure to comply with this section.

3 Sec. 203. (1) There is hereby imposed a ~~privilege~~ **AN AD**
4 **VALOREM** tax of ~~3 cents per gallon~~ **2.5% OF THE WHOLESALE PRICE** on
5 all fuel sold or used in producing or generating power for
6 propelling aircraft using the aeronautical facilities on the lands
7 and waters of this state **BEGINNING JANUARY 1, 2010. ON JANUARY 1,**
8 **2011, THE AD VALOREM TAX SHALL CHANGE TO 3%, AND ON JANUARY 1,**
9 **2012, THE AD VALOREM TAX SHALL CHANGE TO 4%.** The tax shall be
10 collected and remitted in the same manner and method and at the
11 same time as prescribed by law for the collection of the gasoline
12 tax imposed on all gasoline used in producing or generating power
13 for propelling motor vehicles used upon the public highways of this
14 state under the motor fuel tax act, 2000 PA 403, MCL 207.1001 to
15 207.1170. A refund of 1-1/2 cents per gallon shall be made to
16 airline operators who show proof within 6 months after purchase
17 that they are operating interstate on scheduled operations.

18 (2) If a person required to register with the department of
19 treasury under section 94 of the motor fuel tax act, 2000 PA 403,
20 MCL 207.1094, is not registered, the person shall not purchase fuel
21 under this act at the rate imposed by subsection (1), but shall pay
22 the applicable rate imposed on motor fuel by section 8 of the motor
23 fuel tax act, 2000 PA 403, MCL 207.1008.

24 (3) The tax imposed under subsection (1) is not imposed on
25 aviation fuel if the purchaser has certified in writing to the
26 seller that the aviation fuel is being purchased solely for the
27 purpose of formulating leaded racing fuel as that term is defined

1 in section 4 of the motor fuel tax act, 2000 PA 403, MCL 207.1004.
2 Aviation fuel qualifying under this subsection shall be identified
3 on shipping papers and invoices as "aviation fuel exempt for LRF".