

House Study Bill 88 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON HINSON)

A BILL FOR

1 An Act relating to special certificates issued to aircraft
2 manufacturers, transporters, and dealers, providing fees,
3 making penalties applicable, and including effective date
4 and applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 328.28, subsection 1, Code 2019, is
2 amended to read as follows:

3 1. A manufacturer or dealer owning an aircraft otherwise
4 required to be registered under **this chapter** may operate the
5 aircraft for up to three years for purposes of transporting,
6 testing, demonstrating, or selling the aircraft without
7 registering the aircraft, upon condition that a special
8 certificate be obtained by the owner for each year the owner
9 operates the aircraft as provided in **this section** and sections
10 328.29 through 328.33.

11 Sec. 2. Section 328.29, Code 2019, is amended to read as
12 follows:

13 **328.29 Application for special certificate — fee.**

14 A manufacturer, transporter, or dealer may, upon payment
15 of a ~~one~~ four hundred dollar fee, make application to the
16 department upon such forms as the department may prescribe
17 for a special certificate. The applicant shall also submit
18 such reasonable proof of the applicant's status as a bona fide
19 manufacturer, transporter, or dealer as the department may
20 require. Dealers in new aircraft shall furnish satisfactory
21 evidence of a valid franchise with the manufacturer or
22 distributor of such aircraft authorizing such dealership.

23 Sec. 3. Section 328.32, Code 2019, is amended to read as
24 follows:

25 **328.32 Expiration of special certificate.**

26 A special certificate expires at midnight on ~~June 30~~ October
27 31, and a new special certificate for the ensuing year may be
28 obtained by the person to whom the expired special certificate
29 was issued, upon application to the department and payment of
30 the fee provided in **section 328.29**.

31 Sec. 4. Section 328.34, Code 2019, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 7. That the person making application for,
34 or holding, a special certificate operated an aircraft for
35 purposes of transporting, testing, demonstrating, or selling

1 the aircraft, without registering the aircraft, after three
2 years of holding a special certificate for the aircraft in
3 violation of section 328.28.

4 Sec. 5. Section 328.36, subsection 1, Code 2019, is amended
5 to read as follows:

6 1. All moneys received by the department pursuant to ~~section~~
7 sections 328.21 and 328.29 shall be deposited into the state
8 aviation fund created in section 328.56.

9 Sec. 6. EFFECTIVE DATE. This Act takes effect June 30,
10 2019.

11 Sec. 7. APPLICABILITY. This Act applies to special
12 certificates issued by the department of transportation
13 that are valid for a period beginning after midnight on June
14 30, 2019. Special certificates issued by the department of
15 transportation that are valid for a period beginning after
16 midnight on June 30, 2019, but beginning before midnight on
17 October 31, 2019, shall expire at midnight on October 31,
18 2020, and the validity period for such special certificates
19 shall count as only one year for purposes of section 328.28,
20 subsection 1, as amended in this Act, and section 328.34,
21 subsection 7, as enacted in this Act.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 Under current law, an aircraft manufacturer or dealer may
26 operate an aircraft for purposes of transporting, testing,
27 demonstrating, or selling the aircraft without registering the
28 aircraft by obtaining a special certificate from the department
29 of transportation (DOT). This bill limits the period a
30 manufacturer or dealer may operate the aircraft under a special
31 certificate to three years. The bill increases the annual
32 fee for a special certificate from \$100 to \$400, and provides
33 that a special certificate expires at midnight on October 31
34 rather than midnight on June 30. The bill provides that the
35 DOT may refuse to issue, or may revoke or suspend, a special

1 certificate if the person making application for, or holding,
2 the special certificate operated such an aircraft after three
3 years of holding a special certificate for the aircraft in
4 violation of the bill.

5 Under current law, aircraft registration fees collected
6 under Code section 328.21 are required to be deposited in the
7 state aviation fund. The bill specifies that fees received by
8 the DOT for the issuance of special certificates must also be
9 deposited in the state aviation fund, in accordance with the
10 current practice.

11 The bill takes effect June 30, 2019, and applies to special
12 certificates issued by the DOT that are valid for a period
13 beginning after midnight on June 30, 2019. The bill provides
14 that special certificates issued by the DOT that are valid
15 for a period beginning after midnight on June 30, 2019, but
16 beginning before midnight on October 31, 2019, shall expire at
17 midnight on October 31, 2020, and the validity period for such
18 special certificates shall count as only one year for purposes
19 of the bill.

20 Under current law, Code section 328.40 provides that any
21 person who violates any of the provisions of Code chapter
22 328 shall be guilty of a fraudulent practice. A fraudulent
23 practice is punishable by criminal penalties under Code
24 sections 714.9 through 714.13.