

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1041

By: Joyner

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5  
6 AS INTRODUCED

7 An Act relating to aircraft and airports; amending 3  
8 O.S. 2011, Section 254.1, which relates to aircraft  
9 dealer licenses; directing that certain fees be  
10 deposited in the Oklahoma Aeronautics Commission  
11 Revolving Fund; amending 3 O.S. 2011, Section 256,  
which relates to registration fee for aircraft;  
12 modifying disbursement of certain fees and taxes;  
13 providing an effective date; and declaring an  
14 emergency.

15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. AMENDATORY 3 O.S. 2011, Section 254.1, is  
17 amended to read as follows:

18 Section 254.1 A. It shall be unlawful for any person to engage  
19 in the business of selling new or used aircraft in this state, or to  
20 serve in the capacity of, or act as a dealer of new or used aircraft  
21 in this state without first obtaining a dealer license as provided  
22 in this section. Any person utilizing more than one location where  
23 such business is carried on or conducted shall be required to obtain  
24 and hold a current license for each such location.

1 B. Dealer licenses issued pursuant to this section shall be  
2 issued only to persons that prove to the satisfaction of the  
3 Oklahoma Tax Commission that they are clearly recognizable as bona  
4 fide dealers. Proof of bona fide dealer status shall include, but  
5 not be limited to, the following:

6 1. Consistent identification of the business as a dealer  
7 establishment in advertising, signs, telephone book listings, web  
8 sites, and other similar means. The dealership shall be clearly  
9 identifiable as such by any person who visits or deals with the  
10 business; and

11 2. A picture, upon application for a new license, of the  
12 business location which includes the office and business sign.

13 C. Applications for licenses required to be obtained pursuant  
14 to this section shall be verified by the oath or affirmation of the  
15 applicant and shall be made on forms prescribed by the Tax  
16 Commission. The form shall contain such information as the Tax  
17 Commission deems necessary to enable it to fully determine the  
18 qualifications and eligibility of the applicant to receive the  
19 license requested. The Tax Commission shall require in such  
20 application information relating to:

21 1. Whether the applicant has an established place of business  
22 and is primarily engaged in the pursuit or business of selling  
23 aircraft;

24

1        2. Whether the applicant is able to properly conduct the  
2 business for which the license has been requested; and

3        3. Such other pertinent information consistent with the  
4 safeguarding of the public interest and the public welfare.

5        All applications for licenses shall be accompanied by the  
6 appropriate fees in accordance with the provisions of this section.  
7 In the event any application is denied and the license requested is  
8 not issued, the entire license fee shall be returned to the  
9 applicant.

10        D. All licenses issued pursuant to this section shall expire on  
11 December 31 of the second year following the date of issue. All  
12 licenses shall be nontransferable. All applications for renewal of  
13 a license shall be submitted by November 1 of the year of renewal,  
14 and such license shall be issued by January 1. If a licensee has  
15 not made an application for renewal of the licenses by December 31,  
16 it shall be illegal for that licensee to sell new or used aircraft  
17 in this state or to serve in the capacity of or act as a dealer of  
18 new or used aircraft in this state. If after December 31 the  
19 license has not been renewed, then such licensee shall be required  
20 to apply for a license as a new applicant.

21        E. The license fee to be charged and received by the Tax  
22 Commission for the license issued pursuant to this section shall be  
23 Two Hundred Fifty Dollars (\$250.00). There shall be no fee for  
24 renewal of a license unless the licensee is required pursuant to

1 this section to apply for a license as a new applicant. One hundred  
2 percent (100%) of the fees collected pursuant to this section shall  
3 be deposited in the Oklahoma Aeronautics Commission Revolving Fund.

4 F. The Tax Commission may deny an application for a license, or  
5 revoke or suspend a license, or impose a fine not to exceed Five  
6 Hundred Dollars (\$500.00) against a dealer for each day that any  
7 provision of this section is violated, or for any of the following  
8 reasons:

9 1. On satisfactory proof of unfitness of the applicant in any  
10 application for a license pursuant to this section;

11 2. For any material misstatement made by an applicant in any  
12 application for a license pursuant to this section;

13 3. A change of condition after a license is granted resulting  
14 in failure to maintain the qualifications for a license;

15 4. Being a dealer who:

16 a. uses false or misleading advertising in connection  
17 with the business as a dealer,

18 b. has committed any unlawful act which resulted in the  
19 revocation of any similar license in another state,

20 c. has failed or refused to perform any written agreement  
21 with any retail buyer involving the sale of an  
22 aircraft,

23 d. has been convicted of a crime involving moral  
24 turpitude,

1 e. has committed a fraudulent act in selling, purchasing,  
2 or otherwise dealing in aircraft, or has  
3 misrepresented the terms and conditions of a sale,  
4 purchase, or contract for sale or purchase of an  
5 aircraft, or

6 f. has failed to meet or maintain the conditions and  
7 requirements necessary to qualify for the issuance of  
8 a license; or

9 5. Being a dealer who does not have an established place of  
10 business.

11 The Tax Commission may also assess any excise tax, including  
12 penalty and interest, against any dealer determined by the Tax  
13 Commission to be in violation of this section for any aircraft sold  
14 or purchased while such dealer was in violation of this section.

15 G. The Tax Commission may deny any application for a license,  
16 or suspend or revoke a license issued or impose a fine, only after  
17 appropriate notice and a hearing as set forth by rule of the Tax  
18 Commission.

19 H. Any person holding a dealer license on July 1, 2000, issued  
20 pursuant to Section 254 of ~~Title 3 of the Oklahoma Statutes~~ this  
21 title shall be entitled to retain such license until December 31,  
22 2000. At such time, the dealer shall apply for a new license in  
23 accordance with the provisions of this section.

1 SECTION 2. AMENDATORY 3 O.S. 2011, Section 256, is  
2 amended to read as follows:

3 Section 256. A. Registration fees and taxes on aircraft shall  
4 be paid to and collected by the Oklahoma Tax Commission and its  
5 agents in the same manner as registration fees and taxes are paid  
6 and collected on automobiles.

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

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

11 SCHEDULE "A"

12 WEIGHT IN POUNDS	FEE
13 Less than 1,750	\$20.00
14 1,751 through 2,500	\$35.00
15 2,501 through 3,500	\$55.00
16 3,501 through 4,500	\$75.00
17 4,501 through 5,500	\$95.00
18 5,501 through 6,500	\$115.00
19 6,501 through 8,500	\$135.00
20 8,501 through 10,000	\$185.00
21 10,001 through 13,000	\$230.00
22 13,001 through 17,000	\$265.00
23 17,001 through 20,000	\$300.00
24 20,001 through 25,000	\$375.00

1	25,001 through 30,000	\$500.00
2	30,001 through 40,000	\$625.00
3	40,001 through 50,000	\$750.00
4	50,001 through 75,000	\$1,000.00
5	75,001 through 100,000	\$1,250.00
6	100,001 and over	\$1,500.00

7 2. Rotary-wing aircraft shall be taxed at two times the  
8 Schedule "A" fee, based on the same weight classifications.

9 3. Multiengine piston aircraft shall be taxed at three times  
10 the Schedule "A" fee, based on the same weight classifications.

11 4. Turbo-prop aircraft shall be taxed at six times the Schedule  
12 "A" fee, based on the same weight classifications.

13 5. Turbo-jet aircraft shall be taxed at ten times the Schedule  
14 "A" fee, based on the same weight classifications.

15 6. Antique aircraft as defined by the Federal Aviation  
16 Administration, sailplanes, balloons, and home-built aircraft shall  
17 be subject to a flat-rate fee of Ten Dollars (\$10.00).

18 7. The fees of this subsection, except those in paragraph 6 of  
19 this subsection, shall be reduced at a rate of ten percent (10%)  
20 each year following the date of manufacture until the fee is equal  
21 to fifty percent (50%) of the original fee, which shall then be the  
22 fee for each year thereafter.

23 8. Every aircraft owner shall have the right to appeal the  
24 assessment of the fee as provided for in this subsection, and the

1 Oklahoma Tax Commission shall appraise the aircraft and its avionics  
2 as personal property at the fair market value thereof, and shall  
3 apply a twelve-percent assessment rate which shall be levied at the  
4 appropriate county millage rate.

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

11 ~~1. Three percent (3%) of all such funds shall be paid to the~~  
12 ~~State Treasurer for deposit to the credit of the General Revenue~~  
13 ~~Fund of the State Treasury; and~~

14 ~~2. Ninety-seven percent (97%)~~ one hundred percent (100%) of  
15 ~~said the~~ registration fees and taxes shall be deposited in the  
16 Oklahoma Aeronautics Commission Revolving Fund.

17 SECTION 3. This act shall become effective July 1, 2015.

18 SECTION 4. It being immediately necessary for the preservation  
19 of the public peace, health and safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

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23 55-1-5732 AMM 01/09/15  
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