

Red Tape Review Rule Report (Due: September 1, 2024)

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| Department Name: | Department of Transportation | Date: | 7/11/2024 | Total Rule Count: | 10 |
| IAC #: | 761 | Chapter/ SubChapter/ Rule(s): | 750 | Iowa Code Section Authorizing Rule: | 328.12 |
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What is the intended benefit of the rule?

As authorized in Iowa code section 328.12, Chapter 750 establishes procedures for the registration and collection of annual aircraft registration fees and use tax for civil aircraft. The chapter provides guidance needed to administer the registration of aircraft in Iowa. Aircraft registration fees provide a key revenue source for aviation safety, planning, and development projects administered by the Department. Revenues are deposited to the State Aviation Fund for use on aviation projects as recommended by the Department and approved by the Iowa Transportation Commission.

Is the benefit being achieved? Please provide evidence.

Yes. The chapter provides clarification needed to implement the aircraft registration requirements in Iowa Code chapter 328. The collection of aircraft registration fees fund safety, planning, and airport development projects in the State Aviation Program.

What are the costs incurred by the public to comply with the rule?

Fees are required as specified in Iowa law. Registration fees vary significantly depending on the age, use, and value of an aircraft. Annual aircraft registration fees range from \$0 for unairworthy aircraft to a capped fee of \$5,000 for newer and high-performance aircraft. A one-time use tax of 6 percent of purchase price is paid at the time of initial aircraft registration, unless exemption is claimed for agricultural, or sale for resale provisions. The rules establish procedures for the collection of fees required in Iowa law and do not directly incur expenses on the public.

What are the costs to the agency or any other agency to implement/enforce the rule?

Department staff time is used to administer initial aircraft registrations, renewals, compliance efforts and customer service. Direct expenses of less than \$5,000 annually are incurred for aircraft data and maintaining an aircraft registration system.

Do the costs justify the benefits achieved? Please explain.

Yes. Approximately \$2 million in aircraft registration fees is collected annually that is invested back into the aviation system. An additional \$3 million to \$8 million in use tax is collected annually through first-time aircraft registration applications. The use tax is deposited to the State General Fund. The aircraft registration system collects user-based fees that are important to funding aviation safety and airport facility projects through the State Aviation Program. Iowa has 3,000 registered aircraft, 5,700 pilots and large numbers of visiting aircraft to Iowa airports. One million passengers visit Iowa's commercial airports each year by air. There are 62 businesses providing aviation services, 16 helicopter air ambulance bases, six military aviation units, and 400+ aerial applicators that all rely on safe and well-maintained public-use airport facilities. Aviation supports \$6.4 billion in annual economic in Iowa.

Are there less restrictive alternatives to accomplish the benefit? YES NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The Department determined that this chapter is necessary and is required by statute. Rules are needed to further define requirements of the aircraft registration process.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

Redundant fee language was found in 750.10(3). Duplicative language that repeated statute was found in 750.29(1) and (2).

RULES PROPOSED FOR REPEAL (list rule number[s]):

750.2 (Rules 750.2 and 750.3 were combined into new rule 750.1). However, a new rule was added to new chapter.

RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):

750.1 General
750.2 Registration
750.3 First registration procedure
750.4 Aircraft not airworthy
750.5 Renewal notice.
750.6 Penalty on registration fees
750.7 Application for special certificate
750.8 Lien
750.9 Hearing and appeal process

****For rules being re-promulgated with changes, you may attach a document with suggested changes.***

METRICS

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| Total number of rules repealed: | 1 |
| Proposed word count reduction after repeal and/or re-promulgation | 103 |
| Proposed number of restrictive terms eliminated after repeal and/or re-promulgation | 20 |

ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

No