

**FIRST ENGROSSMENT
with House Amendments**

ENGROSSED SENATE BILL NO. 2073

Introduced by

Transportation Committee

(At the request of the Aeronautics Commission)

1 A BILL for an Act to amend and reenact sections 2-08-03 and 2-08-04 of the North Dakota
2 Century Code, relating to fees charged by the aeronautics commission.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 2-08-03 of the 1999 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **2-08-03. Aircraft dealer's license - Fees - Dealer's place of business.** No person,
7 partnership, association, corporation, or limited liability company may engage in the business of
8 buying, selling, leasing, or exchanging aircraft, or advertise or hold out to the public as being in
9 the business of buying, selling, leasing, or exchanging of aircraft without first being licensed as
10 provided in this chapter.

11 The aeronautics commission shall prescribe and furnish license and renewal license
12 application forms. A nonrefundable fee of ~~twenty five~~ one hundred fifty dollars must
13 accompany each application for each dealer location. A dealer's license expires on December
14 thirty-first of each year, and application for renewal must be made before the expiration of the
15 current dealer's license. For each annual ~~twenty five~~ one hundred fifty dollar license fee or
16 renewal, the dealer must be issued one dealer's registration for one demonstrator aircraft.
17 Additional dealer's demonstrator aircraft registrations must be issued to a licensed dealer upon
18 the payment of ten dollars for each additional demonstrator aircraft, provided such
19 demonstrator aircraft are not used for commercial purposes to produce rental or air taxi
20 revenue, or used for aerial spraying while awaiting sale or trade. All new or used demonstrator
21 aircraft which are for resale but are used by a dealer to produce commercial revenue, or air taxi
22 or rental revenue or for aerial spraying must be registered with the commission and the annual
23 registration fees paid in accordance with the laws of this state. Fees from license applications
24 of aircraft dealers must be deposited with the state treasurer and credited to the aeronautics

1 commission special fund. Fees received for additional aircraft registrations for demonstrator
2 aircraft must be deposited with the state treasurer, who shall deposit such funds in the
3 aeronautics commission special fund.

4 An applicant for a license or renewal of a license shall submit to the aeronautics
5 commission an inventory of aircraft held by the applicant along with a separate demonstration
6 flight log of time accumulated for those demonstration flights and aircraft tachometer readings
7 for each aircraft on the date of initial application and on November thirtieth before the yearly
8 renewal time. Information on inventory must be provided to the commission on an approved
9 report form. If an aircraft is held in inventory for more than twelve months and is flown more
10 than fifty hours of flight time in any given twelve-month period of time, the commission shall
11 determine if the aircraft is a demonstration aircraft. When the hours flown exceed fifty hours in
12 the twelve-month period, the aircraft is presumed not to be a demonstration aircraft and the
13 aircraft excise tax must be remitted to the aeronautics commission under chapter 57-40.5
14 unless upon satisfactory proof the aeronautics commission determines the aircraft is used
15 exclusively for demonstration purposes.

16 The aeronautics commission shall issue dealer's licenses only to dealers who maintain
17 a permanent place of business on an airport open for public use, whether publicly or privately
18 owned in the state of North Dakota, with runway length, aprons, and safe aircraft approaches
19 adequate for fixed wing aircraft or helicopters of the type sold by such a dealer. An established
20 central place on an airport means that such dealer has an enclosed office, building, or structure
21 owned or leased with adequate facilities and equipment for the maintenance, service, and
22 repair of aircraft. The dealer shall maintain business records in the dealer's place of business.
23 The dealer's place of business must be adequate to conduct an aircraft dealer's business
24 where selling, trading, and bartering of aircraft may be conducted and may not be a residence
25 or temporary quarters or so-called permanent quarters occupied pursuant to temporary
26 arrangements. An applicant for an aircraft dealer's license cannot qualify with only a privately
27 owned aircraft hangar as a place of business, which is usually used for storage of aircraft on an
28 airport open for public use. An aircraft dealer to qualify for a dealer's license must maintain an
29 aircraft or helicopter service and repair shop on an airport open for public use with a minimum
30 of five thousand dollars in tools, equipment, aircraft parts, and supplies, as determined by a
31 representative of the director of the aeronautics commission.

1 The aeronautics commission shall issue a license only after inspection and approval of
2 the aircraft dealer's facilities.

3 **SECTION 2. AMENDMENT.** Section 2-08-04 of the 1999 Supplement to the North
4 Dakota Century Code is amended and reenacted as follows:

5 **2-08-04. Ultralight vehicle dealer's license - Fees - Dealer's place of business.** No
6 person, partnership, association, corporation, or limited liability company may engage in the
7 business of buying, selling, leasing, or exchanging ultralight vehicles, or advertise or hold out to
8 the public as being in the business of buying, selling, leasing, or exchanging of ultralight
9 vehicles without first being licensed as provided in this chapter.

10 The aeronautics commission shall prescribe and furnish license and renewal license
11 application forms. A nonrefundable fee of ~~fifteen~~ fifty dollars must accompany each application
12 for each dealer location. A dealer's license expires on December thirty-first of each year, and
13 application for renewal must be made before the expiration of the current dealer's license. For
14 each annual ~~fifteen~~ fifty dollar license fee or renewal, the dealer must be issued one dealer's
15 registration for one demonstrator ultralight vehicle. Additional dealer's demonstrator ultralight
16 vehicle registrations must be issued to a licensed dealer upon the payment of ten dollars for
17 each additional demonstrator ultralight vehicle. Fees from license applications of ultralight
18 vehicle dealers and any other fees received for additional demonstrator ultralight vehicle
19 registrations must be deposited in the aeronautics commission special fund.

20 An ultralight vehicle dealer shall maintain a permanent place of business in North
21 Dakota which may be off or on an airport; provided, if the place of the business is off an airport,
22 such dealer shall maintain a cleared area of sufficient size and length to safely demonstrate
23 ultralight vehicles without undue approach hazards, or hazards to other persons or property.
24 The dealer shall maintain business records in the dealer's place of business. An ultralight
25 dealer to qualify for a dealer's license shall maintain at least one flyable ultralight vehicle for
26 demonstration purposes and shall maintain a minimum of five hundred dollars in tools,
27 equipment, parts, or supplies to provide service for ultralight vehicles. The aeronautics
28 commission has the option of inspection of each ultralight dealer prior to issuing a dealer's
29 license or a renewal.