An Act

ENROLLED SENATE
BILL NO. 773

By: Rosino of the Senate

and

Miller, Alonso-Sandoval,
and Menz of the House

An Act relating to aerospace and aeronautics; amending 3 O.S. 2021, Sections 251, as last amended by Section 15 of Enrolled Senate Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, 254, 254.1, 255, 256, as last amended by Section 16 of Enrolled Senate Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, 256.1, 256.2, and 257, which relate to registration of aircraft; transferring authorities and duties of the Oklahoma Tax Commission to Service Oklahoma; transferring rules promulgated by the Commission relating to aircraft registration provisions to Service Oklahoma; requiring the Secretary of State to provide adequate notice for the transfer; designating jurisdiction for administrative rules on certain date; amending 68 O.S. 2021, Sections 6002, 6003, 6004, as amended by Section 1, Chapter 169, O.S.L. 2022, 6006, and 6007 (68 O.S. Supp. 2022, Section 6004), which relate to aircraft excise tax; transferring authorities and duties of the Commission to Service Oklahoma; updating statutory language; updating statutory references; amending 3 O.S. 2021, Section 374, which relates to the Oklahoma Advanced Mobility Pilot Program; modifying scope of certain program; allowing certain department to select pilot programs; amending 3 O.S. 2021, Section 421, as last amended by Section 18 of Enrolled House Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, which relates to unmanned aircraft systems development; expanding scope of certain commission; updating statutory language; creating the Oklahoma Advanced Air Mobility Revolving Fund; updating statutory references;

updating statutory language; providing for codification; and providing effective dates.

SUBJECT: Advanced air mobility

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

SECTION 1. AMENDATORY 3 O.S. 2021, Section 251, as last amended by Section 15 of Enrolled Senate Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, is amended to read as follows:

Section 251. A. It is hereby declared that it is the policy of the Legislature to make registration procedures for aircraft similar to those for automobiles, with the authority to accomplish the same vested fully in ~~the Oklahoma Tax Commission~~ Service Oklahoma separately from the Oklahoma Department of Aerospace and Aeronautics, the jurisdiction of the two agencies, their directors and officers being separate.

B. It shall be the duty of ~~the Oklahoma Tax Commission~~ Service Oklahoma to promulgate any additional rules and regulations and designate forms and procedures for the implementation of Section 251 et seq. of this title.

SECTION 2. AMENDATORY 3 O.S. 2021, Section 254, is amended to read as follows:

Section 254. A. Except as otherwise provided in ~~this act~~ Section 251 et seq. of this title, every owner or person in charge of an aircraft which shall be operated on or from any airport of any type in this state shall for each such aircraft cause to be filed by mail or otherwise with ~~the Oklahoma Tax Commission~~ Service Oklahoma a certified application for registration of same, on a form to be furnished for that purpose, containing:

1. A description of each aircraft to be registered including the name of the manufacturer, aircraft registration number, type, and gross weight; and

2. The name and address of the owner of such aircraft and the county where aircraft is based. The legal basis for determining the county where the aircraft is based shall be the location and/or address on the Federal Aviation Administration Certificate of Registration for the aircraft.

B. Registration requirements shall not apply to aircraft based or operated in the state for less than thirty (30) days.

C. 1. All dealers in the sale of aircraft shall be exempt from registration requirements upon purchase of a license from ~~the Oklahoma Tax Commission~~ Service Oklahoma pursuant to ~~Section 2 of this act~~ Section 254.1 of this title. This exemption shall not apply to dealers' personal aircraft. The payment of the license fee as set forth in ~~Section 2 of this act~~ Section 254.1 of this title shall be treated as a payment in lieu of any ad valorem tax upon the value of aircraft owned by the dealer.

2. Dealers' "sales aircraft" shall be exempt from payment of ad valorem tax and registration fees and taxes as provided in Section 256 of this title upon certification to ~~the Oklahoma Tax Commission~~ Service Oklahoma that each particular aircraft is used for delivery and demonstration purposes only.

D. All manufacturers of aircraft shall be exempt from registration requirements upon purchase of an "exemption license" from ~~the Oklahoma Tax Commission~~ Service Oklahoma, cost of which shall be Two Hundred Fifty Dollars ($250.00). The payment of the fee prescribed by this subsection shall be treated as a payment in lieu of any ad valorem tax upon the value of aircraft owned by the manufacturer.

E. Registrants not having purchased registration certificates in January will be penalized at the rate of twenty cents ($0.20) per day in February and doubled on the first day of March.

SECTION 3. AMENDATORY 3 O.S. 2021, Section 254.1, is amended to read as follows:

Section 254.1. A. It shall be unlawful for any person to engage in the business of selling new or used aircraft in this state, or to serve in the capacity of, or act as a dealer of new or

used aircraft in this state without first obtaining a dealer license as provided in this section. Any person utilizing more than one location where such business is carried on or conducted shall be required to obtain and hold a current license for each such location.

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

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

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

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

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

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

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

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

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

E. The license fee to be charged and received by ~~the Tax Commission~~ Service Oklahoma for the license issued pursuant to this section shall be Two Hundred Fifty Dollars ($250.00). There shall be no fee for renewal of a license unless the licensee is required pursuant to this section to apply for a license as a new applicant.

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

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

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

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

4. Being a dealer who:

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

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

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

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

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

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

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

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

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

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

SECTION 4. AMENDATORY 3 O.S. 2021, Section 255, is amended to read as follows:

Section 255. A. Upon receipt of an application for the registration of an aircraft, as herein provided, ~~the Oklahoma Tax Commission~~ Service Oklahoma shall file such application and register such aircraft with the name and address of the owner, manufacturer or dealer, as the case may be, together with facts stated in such application, in a book or index to be kept for the purpose, under the distinctive number assigned to such aircraft, which book or index shall be open for the inspection of the public during business hours.

B. Upon the filing of such application and the payment of the fee herein provided for, ~~the Oklahoma Tax Commission~~ Service Oklahoma shall assign to that aircraft the distinctive license number used by the federal government to identify that aircraft, and issue and deliver to the owner certificates of registration number to be posted in a conspicuous place at the discretion of the owner of such aircraft. Such certificates shall display the outline of ~~the State of Oklahoma~~ this state imprinted thereupon. Such certificates shall be subject to inspection by ~~the Oklahoma Tax Commission~~ Service Oklahoma.

C. In the event of loss, mutilation, or destruction of a certificate of registration, the owner of a registered aircraft may obtain from ~~the Oklahoma Tax Commission~~ Service Oklahoma a duplicate thereof upon filing with ~~the Oklahoma Tax Commission~~ Service Oklahoma an affidavit showing the facts and upon the payment of a service charge of One Dollar ($1.00) for each duplicate.

D. Such registration shall be renewed annually, as in the registration of automobiles, and in the same manner and upon payment of the same fee as provided for the original aircraft registration.

E. The sale of registration certificates for aircraft shall be by ~~the Oklahoma Tax Commission~~ Service Oklahoma and its agents. Provided, that monies to be paid for processing or services for the sale of registration certificates shall be deducted from the fees provided by the scheduled rates.

F. Registration of aircraft may be transferred upon payment of a fee of Ten Dollars ($10.00).

SECTION 5. AMENDATORY 3 O.S. 2021, Section 256, as last amended by Section 16 of Enrolled Senate Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, is amended to read as follows:

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

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

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

SCHEDULE "A"

WEIGHT IN POUNDS	FEE
Less than 1,750	$30.00
1,751 through 2,500	$52.50
2,501 through 3,500	$82.50
3,501 through 4,500	$112.50
4,501 through 5,500	$142.50
5,501 through 6,500	$172.50
6,501 through 8,500	$202.50
8,501 through 10,000	$277.50
10,001 through 13,000	$345.00
13,001 through 17,000	$397.50

17,001 through 20,000	$450.00
20,001 through 25,000	$562.50
25,001 through 30,000	$750.00
30,001 through 40,000	$937.50
40,001 through 50,000	$1,125.00
50,001 through 75,000	$1,500.00
75,001 through 100,000	$1,875.00
100,001 and over	$2,250.00

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

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

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

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

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

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

8. Every aircraft owner shall have the right to appeal the assessment of the fee as provided for in this subsection, and ~~the Oklahoma Tax Commission~~ Service Oklahoma shall appraise the aircraft

and its avionics as personal property at the fair market value thereof, and shall apply a twelve-percent assessment rate which shall be levied at the appropriate county millage rate.

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

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

2. Ninety-seven percent (97%) of such registration fees and taxes shall be deposited in the Oklahoma Department of Aerospace and Aeronautics Revolving Fund.

SECTION 6. AMENDATORY 3 O.S. 2021, Section 256.1, is amended to read as follows:

Section 256.1. A. ~~The Oklahoma Tax Commission~~ Service Oklahoma is hereby authorized to require the owner of each aircraft to pay a filing fee for the purpose of filing necessary liens with the Federal Aviation Administration when any registration fees required to be paid by ~~said~~ the owner pursuant to the provisions of Section 256 of this title, or taxes levied pursuant to the provisions of Title 68 of the Oklahoma Statutes shall become delinquent. ~~Said~~ The fee shall not exceed the actual cost of filing ~~said~~ such liens with the Federal Aviation Administration and shall be collected in the same manner as ~~said~~ such liens are collected.

B. The Special Agency Account Board is hereby directed to create an agency special account in which shall be deposited monies from subsection A of Section 256 of this title for the purpose of filing liens pursuant to subsection A of this section. All monies accruing to the credit of ~~said~~ such account may be budgeted and expended by ~~the Oklahoma Tax Commission~~ Service Oklahoma for the purpose of paying for filing all necessary liens with the Federal Aviation Administration.

The amount of any balance of ~~said~~ the agency special account in excess of Four Thousand Dollars ($4,000.00) at the close of each fiscal year shall revert to the General Revenue Fund of this state to be paid out pursuant to direct appropriation by the Legislature.

SECTION 7. AMENDATORY 3 O.S. 2021, Section 256.2, is amended to read as follows:

Section 256.2. A. Each manufacturer of aircraft shall pay a registration fee of Two Hundred Fifty Dollars ($250.00) on each aircraft in the process of manufacture, whether or not on a factory basis, including assembly and subassembly, and the personal property used or consumed therein, which, when completed, shall be the subject of a Federal Aviation Administration-approved type certificate. Such fee shall be paid by the manufacturer to ~~the Oklahoma Tax Commission~~ Service Oklahoma. ~~The Tax Commission~~ Service Oklahoma shall remit such fee to the county treasurer of the county in which the manufacturing facility is located to be apportioned in the same manner that ad valorem taxes are apportioned.

B. In calculating the number of aircraft in the process of manufacture, "personal property used or consumed therein" shall include personal property which:

1. Is or is to be used or consumed as part of an aircraft in the process of manufacture; and

2. Is held by the manufacturer or by a supplier physically located in this state who has entered into a contract with the manufacturer for the provision of such personal property.

C. The manufacturer shall submit to ~~the Tax Commission~~ Service Oklahoma and to the county assessor of the county in which the manufacturing facility is located a report which provides documentation of the personal property, the value thereof and the Oklahoma supplier thereof which is or is to be used or consumed in the process of manufacture for each aircraft registered pursuant to the provisions of this section. Each such Oklahoma supplier shall also submit to ~~the Tax Commission~~ Service Oklahoma and to the county assessor of the county in which the supplier is located a report which provides documentation of any personal property, the value

thereof and the manufacturer thereof which is used or consumed in the process of manufacture for each aircraft registered pursuant to the provisions of this section. Such reports shall contain any further information which may be required by ~~the Tax Commission~~ Service Oklahoma or the county assessor to enforce the provisions of this section and the Ad Valorem Tax Code, Section 2801 et seq. of Title 68 of the Oklahoma Statutes.

D. Any manufacturer or supplier who willfully violates the provisions of this section shall be guilty of a misdemeanor and shall be punishable by a fine not exceeding Five Thousand Dollars ($5,000.00). In addition to such penalty a manufacturer or supplier convicted of a violation of this section shall not be eligible to pay the registration fee as provided by this section and shall be subject to the provisions of the Ad Valorem Tax Code, Section 2801 et seq. of Title 68 of the Oklahoma Statutes.

SECTION 8. AMENDATORY 3 O.S. 2021, Section 257, is amended to read as follows:

Section 257. Authority is hereby given to ~~the Oklahoma Tax Commission~~ Service Oklahoma and the Department of Public Safety to promulgate rules and regulations for the purpose of regulating and enforcing ~~this act~~ Section 251 et seq. of this title. Any administrative rules promulgated by the Oklahoma Tax Commission related to the administration of the aircraft registration provisions set forth in Section 251 et seq. of Title 3 of the Oklahoma Statutes after January 1, 2024, shall be transferred to and become a part of the administrative rules of Service Oklahoma. The Office of Administrative Rules within the Office of the Secretary of State shall provide adequate notice in "The Oklahoma Register" of the transfer of rules and shall place the transferred rules under the Administrative Code section of Service Oklahoma. From and after January 1, 2024, any amendment, repeal, or addition to the transferred rules shall be under the jurisdiction of Service Oklahoma. All documents issued by the sections transferred to Service Oklahoma, including but not limited to registrations and permits, shall be deemed to have been issued by Service Oklahoma.

SECTION 9. AMENDATORY 68 O.S. 2021, Section 6002, is amended to read as follows:

Section 6002. Beginning on and after July 1, 1984, there shall be levied an excise tax of three and one-fourth percent (3 1/4%) of the purchase price of each aircraft that is to be registered with the Federal Aviation Administration, upon the transfer of legal ownership of any such aircraft or the use of any such aircraft within this state. The excise tax levied pursuant to the provisions of Sections 6001 through 6004 of this title is in lieu of all other taxes on the transfer or the first registration in this state on aircraft, including optional equipment and accessories attached thereto at the time of sale and sold as a part thereof, except annual aircraft registration fees. The tax hereby levied shall be due at the time of the transfer of legal ownership or first registration in this state, and shall be collected by ~~the Oklahoma Tax Commission~~ Service Oklahoma at the time of the issuance of a certificate of registration for any such aircraft. The excise tax levied pursuant to the provisions of this section shall be delinquent from and after the twentieth day after the legal ownership or possession of any aircraft is obtained. Any person failing or refusing to pay the tax provided for in this section on or before the date of delinquency shall pay, in addition to the tax, a penalty of ten percent (10%) on the total amount of tax due. Interest shall be collected on the total delinquent tax at the rate of one and one-fourth percent (1 1/4%) per month from the date of the delinquency until ~~said~~ the tax is paid.

SECTION 10. AMENDATORY 68 O.S. 2021, Section 6003, is amended to read as follows:

Section 6003. The following aircraft shall be exempt from provisions of Section 6001 et seq. of this title:

1. Aircraft manufactured under an ~~F.A.A. approved~~ Federal Aviation Administration-approved certificate and which are owned and in the physical possession of the manufacturer of the aircraft. The aircraft shall have an aircraft exemption license as provided for in Section 254 of Title 3 of the Oklahoma Statutes;

2. Aircraft owned by dealers and in the dealer's inventory, not including aircraft that are used personally or for business. In order for this exemption to apply, the dealer shall be licensed in accordance with Section 254.1 of Title 3 of the Oklahoma Statutes;

3. Aircraft of the federal government, any agency thereof, any territory or possession, any state government, agency, or political subdivision thereof;

4. Aircraft transferred from one corporation or limited liability company to another corporation or limited liability company pursuant to reorganization of the corporation or limited liability company. For the purpose of this section the term reorganization means a statutory merger, consolidation, or acquisition;

5. Aircraft purchased or used by commercial airlines as defined by paragraph 2 of Section 6001 of this title, provided any such aircraft does not operate under Part 91 of Title 14 of the Code of Federal Regulations, 14 C.F.R., Part 91, for more than fifty percent (50%) of its annual operations. If the operations of such aircraft are not at least fifty percent (50%) Part 135 charter operations annually, the excise tax levied pursuant to the provisions of Section 6002 of this title shall be due and payable. An aircraft owner shall provide a report to ~~the Oklahoma Tax Commission~~ Service Oklahoma on an annual basis detailing the operations of the aircraft and any supporting flight, maintenance or charter log books required by ~~the Commission~~ Service Oklahoma. For the purpose of satisfying this requirement, such operations may not include those chartered by the aircraft owner as an individual or as a business entity in which the aircraft owner owns a majority interest;

6. Aircraft transferred in connection with the dissolution or liquidation of a corporation or limited liability company and only if included in a payment in kind to the shareholders or members;

7. Aircraft transferred to a corporation for the purpose of organizing such corporation. However, the former owners of the aircraft must have control of the corporation in proportion to their interest in the aircraft prior to the transfer;

8. Aircraft transferred to a partnership or limited liability company when the organization of the partnership or limited liability company is by the former owners of the aircraft. However, the former owners of the aircraft must have control of the partnership in proportion to their interest in the aircraft prior to the transfer;

9. Aircraft transferred from a partnership or limited liability company to the members of the partnership or limited liability company and if made in payment in kind in the dissolution of the partnership;

10. Aircraft transferred or conveyed to a partner of a partnership or shareholder or member of a limited liability company or other person who after such sale owns a joint interest in the aircraft and on which the sales or use tax levied pursuant to the provisions of this title or the excise tax levied pursuant to the provisions of Section 6002 of this title have previously been paid on the aircraft;

11. Aircraft on which a tax levied pursuant to the provisions of the laws of another state, equal to or in excess of the excise tax levied by Section 6002 of this title, has been paid by the person using the aircraft in this state. Aircraft on which a tax levied pursuant to the laws of another state, in an amount less than the excise tax levied by Section 6002 of this title, has been paid by the person using the aircraft in this state shall be subject to the levy of the excise tax at a rate equal to the difference between the rate of tax levied by Section 6002 of this title and the rate of tax levied by the other state;

12. Aircraft when legal ownership of such aircraft is obtained by the applicant for a certificate of title by inheritance;

13. Aircraft when legal ownership of such aircraft is obtained by the lienholder or mortgagee under or by foreclosure of a lien or mortgage in the manner provided for by law;

14. Aircraft which is transferred between husband and wife or parent and child where no valuable consideration is given;

15. Aircraft which is purchased by a resident of this state and used exclusively in this state for agricultural spraying purposes; provided, if such aircraft is sold, leased or used outside this state or for a purpose other than agricultural spraying at any time within three (3) years from the date of purchase, the excise tax levied pursuant to the provisions of Section 6002 of this title shall be due and payable. For purposes of this subsection,

"agricultural spraying" means the aerial application of any substance sold and used for soil enrichment or soil corrective purposes or for promoting the growth and productivity of plants and animals;

16. Aircraft which have a selling price in excess of Two Million Five Hundred Thousand Dollars ($2,500,000.00) and which are transferred to a purchaser who is not a resident of this state for immediate transfer out of state;

17. Aircraft which is transferred without consideration between an individual and an express trust which that individual or the spouse, child or parent of that individual has a right to revoke; and

18. Rotary-wing aircraft purchased to be used exclusively for the purpose of training U.S. military personnel or other training authorized by the U.S. Government. The exemption provided by this paragraph shall cease to be effective on January 1, 2018.

SECTION 11. AMENDATORY 68 O.S. 2021, Section 6004, as amended by Section 1, Chapter 169, O.S.L. 2022 (68 O.S. Supp. 2022, Section 6004), is amended to read as follows:

Section 6004. ~~The Tax Commission~~ Service Oklahoma shall require every person licensed as a dealer in aircraft pursuant to the provisions of Sections 251 through 257 of Title 3 of the Oklahoma Statutes to make a report to ~~the Tax Commission~~ Service Oklahoma within a period of thirty (30) days after the transfer by such person of the legal ownership of any aircraft. The report shall be made on a form prescribed and furnished by ~~the Tax Commission~~ Service Oklahoma, showing the name and address of the purchaser, a description of the aircraft including the name of the manufacturer, the Federal Aviation Administration registration number of the aircraft, the type and year manufactured, the serial number, the date of the transfer, whether the aircraft is exempt from the aircraft excise tax pursuant to Section 6003 of this title, and the amount of the sale price. ~~The Tax Commission~~ Service Oklahoma may cancel or suspend the license of any person licensed as a dealer in aircraft pursuant to the provisions of Sections 251 through 257 of Title 3 of the Oklahoma Statutes who shall fail or refuse to comply with the provisions of Sections 6001 through 6007 of this title.

SECTION 12. AMENDATORY 68 O.S. 2021, Section 6006, is amended to read as follows:

Section 6006. A. If the owner of an aircraft subject to the tax levied pursuant to the provisions of ~~this act~~ Section 1355 and Section 6001 et seq. of this title fails or refuses to pay ~~said~~ such tax after proper demand thereof by an officer or agent of ~~the Tax Commission~~ Service Oklahoma, such officer or agent shall report ~~said~~ such failure to ~~the Tax Commission~~ Service Oklahoma, and shall seize and hold the ~~aicraft~~ aircraft in the same manner as provided for in Section 116.14 of Title 47 of the Oklahoma Statutes for the seizure of motor vehicles.

B. ~~The Tax Commission~~ Service Oklahoma, upon demand of the owner of ~~said~~ such aircraft, shall accord a hearing to ~~said~~ the owner as provided for by law and enter its findings and order accordingly. If it shall be determined by ~~the Tax Commission~~ Service Oklahoma that ~~said~~ such tax is due and payable, then it shall issue its warrant directly to the sheriff of the county in which the aircraft is located, and direct the sale of such aircraft according to the same procedures provided for in Section 116.14 of Title 47 of the Oklahoma Statutes for the sale of vehicles for failure to pay the annual license fee. Such seizure and sale of such aircraft may include both the registration fee due and the excise tax levied pursuant to the provisions of ~~this act~~ Section 1355 and Section 6001 et seq. of this title, together with all costs of advertisement and sale. The sale shall be conducted in the same manner as provided for by law for the sale of personal property under execution.

SECTION 13. AMENDATORY 68 O.S. 2021, Section 6007, is amended to read as follows:

Section 6007. Authority is hereby given to ~~the Oklahoma Tax Commission~~ Service Oklahoma to promulgate all necessary rules and regulations for the purpose of implementing and enforcing the provisions of ~~Sections 2 through 6 of this act~~ Sections 6001 through 6005 of this title.

SECTION 14. AMENDATORY 3 O.S. 2021, Section 374, is amended to read as follows:

Section 374. A. There is hereby created within the ~~Oklahoma~~ Department of Transportation the Oklahoma Advanced Mobility Pilot Program. ~~Contingent upon the availability of funds, the Program will identify and select communities in this state to serve as pilot programs for the adoption of advanced mobility technologies~~ The program shall focus on developing and improving on transportation technologies, including but not limited to advanced ground transportation, autonomous ground vehicles, advanced air mobility vehicles, and autonomous electric vertical take-off and landing (eVTOL) vehicles. The program will also look to enhance the interaction between modes of transportation to ensure the state is best prepared for the interconnected transportation technologies of the future.

B. ~~The Program will focus on both advanced ground transportation, such as autonomous ground vehicles, as well as advanced air mobility vehicles such as electric vertical take-off or landing (eVTOL) vehicles.~~

~~C.~~ The Department of Transportation shall identify and select government entities in this state that are eligible to serve as pilot programs for the adoption of advanced mobility technologies. Eligible ~~communities~~ entities will be cities, counties and tribal governments. Priority will be given to ~~communities and tribal governments~~ entities that have been selected to participate in transportation-related pilot programs by the United States Department of Transportation after January 1, 2017.

~~D.~~ C. The ~~Oklahoma~~ Secretary of Transportation shall create the Advanced Mobility Program Advisory Council comprised of nine (9) members selected by the ~~Oklahoma~~ Secretary of Transportation to represent a diverse set of stakeholders involved with the adoption of advanced mobility technologies. The Council shall provide policy, regulatory, and any other necessary recommendations to the ~~Oklahoma~~ Secretary of Transportation on ~~policy and regulatory~~ issues related to the adoption of advanced mobility technologies.

~~E.~~ D. Subject to the availability of funds, the Program shall make two matching grant awards each year to the selected pilot programs to support ~~pilot~~ program activities. The awards shall be up to Five Hundred Thousand Dollars ($500,000.00) each and ~~will be~~

shall require a direct one-to-one match for nonstate funds invested or received by the pilot including funds from the pilot entity.

~~F.~~ E. The ~~Oklahoma~~ Department of Transportation shall have the power to make any contract, execute any document or perform any act in order to carry out ~~this act~~ the Oklahoma Advanced Mobility Pilot Program.

SECTION 15. AMENDATORY 3 O.S. 2021, Section 421, as last amended by Section 18 of Enrolled House Bill No. 782 of the 1st Session of the 59th Oklahoma Legislature, is amended to read as follows:

Section 421. A. The Oklahoma Department of Aerospace and Aeronautics is hereby established as the clearinghouse for unmanned aircraft systems (UAS) and advanced air mobility (AAM) in this state and shall be designated as the agency of this state for the promotion, enhancement and development of UAS and AAM as well as any associated infrastructure necessary to ensure the safe integration and use of this new technology within the state. The purpose of this clearinghouse is to create a partnership between those entities that currently operate UAS, those that desire to use this technology in the future and other entities that can support the research and development of UAS to ensure that this state can more effectively respond to the needs of this critical sector of the aviation and aerospace industry. In the operation of this clearinghouse, the Department shall cooperate, assist and coordinate with the federal government, agencies of this state, tribal entities, municipalities and other persons in the development of unmanned aircraft systems throughout the state to ensure the acceptance of this technology and the successful integration of UAS into the National Airspace System. Contingent upon the availability of funds, the Oklahoma Department of Aerospace and Aeronautics may use established program processes or may contract with other qualified entities to carry out the duties and responsibilities of the Unmanned Aircraft Systems Development Act of 2021.

B. The primary goal of the ~~UAS~~ clearinghouse within the Department is to establish a central point within state government to develop the strategy for how this state can become a leader in the UAS and AAM industry. It will focus the collective resources,

knowledge, information and assets within state government to ensure coordinated efforts amongst all parties. The clearinghouse will:

1. Conduct research on what other states and localities are doing insofar as their UAS rules and regulations so that it can provide recommendations to ensure this state is in the best position within the industry;

2. Organize and coordinate the application for any UAS and AAM test site, integration opportunity, pilot program or grant funding on behalf of this state;

3. Maintain a registry of UAS being operated by state agencies, except those UAS that are part of a university-affiliated research program; and

4. Maintain a registry of educational institutions that offer training programs for users of UAS.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 403 of Title 3, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Oklahoma Department of Aerospace and Aeronautics to be designated the "Oklahoma Advanced Air Mobility Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Oklahoma Tax Commission which are specifically required by law to be deposited in the fund, any public or private donations, contributions, and gifts received for the benefit of the fund, and any amounts appropriated by the Legislature. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Oklahoma Department of Aerospace and Aeronautics for the purpose of investing in advanced air mobility and unmanned aircraft systems and associated infrastructure. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

SECTION 17. Sections 14 through 16 of this act shall become effective November 1, 2023.

SECTION 18. Sections 1 through 13 of this act shall become effective July 1, 2024.

Passed the Senate the 25th day of May, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of May, 2023.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 26th

day of May, 20 23, at 10:25 o'clock a. M.

By: Summer Curry

Approved by the Governor of the State of Oklahoma this 7th

day of June, 20 23, at 4:02 o'clock p. M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 7th

day of June, 20 23, at 5:15 o'clock P. M.

By: Brian Bingman