

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1434 – SB 1659

January 30, 2015

SUMMARY OF BILL: Requires an airport owned or controlled by an airport authority to record the date an abandoned aircraft is discovered and to contact the Federal Aviation Administration, Aircraft Registration Branch, or an aircraft title search company to identify the name and address of any person with a vested interest in the aircraft.

Within 10 business days, requires the airport authority to notify an identified person with a vested interest in an abandoned aircraft of the location of the aircraft; the fees and charges accrued; that the aircraft is subject to lien for unpaid fees, charges, transportation, storage, and removal of the aircraft; and that the airport may use, trade, sell, or remove the abandoned aircraft if the vested parties do not remove the aircraft and pay in full accrued fees and charges within 30 calendar days after the receipt of the notice. Specifies that the airport authority may remove the aircraft in less than 30 days if the aircraft poses a danger to the health or safety of airport users. Requires an airport authority unable to locate a vested party of an abandoned aircraft to place a weatherproof notice on the aircraft containing the above information.

If the aircraft's owner or other interested party has not removed the aircraft in question and paid all accrued fees or other charges, an airport authority may retain, trade, sell, or dispose of property through a salvage company. Requires an airport authority that elects to sell an aircraft to sell it at a public auction and provide written notice through a newspaper advertisement at least 10 calendar days prior to the date of sale.

If an airport authority elects to sell the aircraft and the purchase price of the abandoned aircraft is less than the amount owed to the authority, the owner of the aircraft will remain liable for the fees and other charges not offset by the sale of the aircraft. All removal, storage and sale costs shall be recoverable against the owner of the aircraft. If the purchase price exceeds the balance due, the balance must be held by the airport authority and delivered by request of the owner of the aircraft. If the balance is not requested within 12 months from the date of sale, the airport authority shall be entitled to retain the funds and shall use them for airport operations.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – Net Impact - \$2,500 per Instance/Permissive

Increase Local Expenditures – Not Significant/Permissive

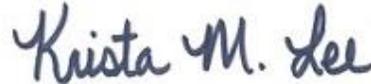
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Assumptions:

- This bill is only applicable to local government. No fiscal impact to the state government.
- Any fiscal impact to local government will be permissive.
- Based on information from Tennessee Aviation Association, abandoned aircrafts are not a common problem at municipal or county airports.
- Airport authorities may elect to trade an aircraft to a public entity or a private individual. Such trades will result in a net local fiscal impact of not significant.
- It is assumed that few airport authorities will first elect to pay a salvage company to remove an abandoned aircraft from their property before first attempting to hold a public auction for the purpose of recovering any accrued expenses associated with the aircraft. Therefore, it is assumed that the number of salvage removals will be few, if any.
- Airport authorities that elect to sell an abandoned aircraft, that would subsequently be required to notify the public before holding a public auction, will incur a permissive increase in publication costs estimated to be \$500 per publication.
- The permissive increase in local revenue resulting from an airport authority electing to sell an abandoned aircraft by auction following proper publication is estimated to exceed \$3,000. For any such instance, the net permissive increase to local government revenue is estimated to exceed \$2,500 (minimum \$3,000 from sale - \$500 publication cost).
- Based on information from the Metropolitan Knoxville Airport Authority, any increase in local expenditures to create new policies pursuant to this bill is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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