

General inquiry to fellow airport managers:

Airports that provide hangar space for lease, do you require the tenant to base the hangered aircraft in the local county? And how do you manage the process?

<p>Yes, part of the lease.</p>	<p>Bob Heuts Airport Director Raleigh Executive Jetport</p>
<p>We have language in our lease agreements stating that aircraft based in our hangars are considered domiciled here. I suggest that you talk with your county tax administrator.</p>	<p>Dan Danieley Executive Director Burlington-Alamance Airport Authority</p>
<p>KMQI doesn't require the aircraft to be based/registered in the county for a hangar lease. We do require that to receive discounted full-service fuel.</p>	<p>David Daniels Airport Director Dare County Regional Airport</p>
<p>At LHZ, we have language in all our hangar leases that states that aircraft and equipment have to be listed with the county tax department and paid in full yearly. We also stipulate the aircraft on the tie-downs that to receive the county-base discount, they have to list with the tax office as well. I hope this helps.</p>	<p>Bo Carson Airport Director Triangle North Executive Airport</p>
<p>KRWI does require our long and short term lease tenants with aircraft that are owned by them and hangared at the airport to base those aircraft in this county and we send a list to the County tax office.</p>	<p>Dion J. Viventi, CM, PE, CFII Director Rocky - Mount Wilson Regional Airport</p>

Jesse Vinson

From: airportmanagers@lists.ncsu.edu on behalf of GEORGE.FUTRELLE
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Sent: Wednesday, February 23, 2022 9:48 AM
To: Dion Viventi; David Daniels
Cc: Jesse Vinson; airportmanagers@lists.ncsu.edu
Subject: Re: [airportmanagers] General Question
Attachments: GS 105-316 Reporting of Based Aircraft for Taxation.pdf; FAA Compliance Order 5190.pdf

Here's some information that might be helpful. I have used GS 105-316 over the years as backup when tenants complain about us "*turning them in*" to the tax office. If they're here on January 1, hangared or renting a long-term tie down, we do in fact *turn them in* to our Tax Office, and they in turn provide us with the aircraft "blue book" values and tax revenue amount that we boast about at budget time. Some like their values, some don't, and those take it up themselves with the Tax Supervisor. Our Tax Supervisor has always pointed to NCGS 105-304 and the situs, or where the aircraft is principally housed or "more or less permanently located."

The second document, from the FAA Compliance Order, was recommended to me by someone who rightly said, or so it seems from the Order, that we were giving a "*based aircraft*" discount in error. It seems we had been doing it wrong for over 30 years. In order to right the wrong, we recently moved away from the *based* discount to a "volume purchase discount" and "branded" (P-66 cardholder) discount so that the discount is not based on whether or not they pay ad-valorem property tax and all have the same opportunity to receive a discount.



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§ 105-316. Reports by house trailer park, marina, and aircraft storage facility operators.

(a) As of January 1 each year:

- (1) Every operator of a park or storage lot renting or leasing space for three or more house trailers or mobile homes shall furnish to the assessor of the county in which the park or lot is located the name of the owner of and a description of each house trailer or mobile home situated thereon.
- (2) Every operator of a marina or comparable facility renting, leasing, or otherwise providing dockage or storage space for three or more boats, vessels, floating homes, or floating structures shall furnish to the assessor of the county in which the marina or comparable facility is located the name of the owner of and a description of each boat, vessel, floating home, or floating structure for which dockage or storage space is rented, leased, or otherwise provided.
- (3) Every operator of a storage facility renting or leasing space for three or more airplanes or other aircraft shall furnish to the assessor of the county in which the storage facility is located the name of the owner of and a description of each airplane or aircraft for which space is rented or leased.

(b) Any person who fails to make any report required by subsection (a), above, by January 15 of any year shall be liable to the county in which the house trailers, mobile homes, boats, vessels, floating homes, floating structures, or airplanes are taxable for a penalty to be measured by any portion of the tax on the personal property that has not been paid at the time the action to collect this penalty is brought, plus two hundred fifty dollars (\$250.00). This penalty may be recovered in a civil action in the appropriate division of the General Court of Justice of the county in which the personal property is taxable. Upon recovery of this penalty, the tax on the personal property shall be deemed to be paid. (1939, c. 310, s. 1002; 1955, c. 1069, s. 3; 1965, c. 592; 1971, c. 806, s. 1; 1985, c. 378, ss. 1, 2; 1987, c. 45, s. 1.)

FAA Compliance Order 5190.6B

9.10. FAA Policy on Granting Preferential Treatment Based on Residency. The FAA has received complaints about a sponsor's policy of granting preferential treatment in the assignment of aircraft storage hangars or **other services** to residents of the sponsor's locality. Such preferential practices are unreasonable and unjustly discriminatory, and can result in the granting of an exclusive right contrary to Grant Assurance 22, Economic Nondiscrimination, and Grant Assurance 23, Exclusive Rights, implementing 49 United States Code (U.S.C.) § 40107(a) and 49 U.S.C. § 40103(e) respectively.

A federally obligated airport sponsor has received federal aid in support of the national air transportation system. All users of the national airport system pay taxes to support and maintain the system and all its component airports, including the airport in question. The fact that certain users at a particular airport pay district or other local taxes, while others do not, does not justify preferential treatment, differential rates, or other unjustly discriminatory practices having the effect of unreasonably restricting or excluding users who do not pay those local taxes.

Nonresident aeronautical users have the same rights as resident aeronautical users regarding reasonable access to, and services provided at, a federally obligated airport. Accordingly, the airport must be available on reasonable terms to all public aeronautical users, and a local tax obligation does not establish a reasonable basis upon which to discriminate between resident and nonresident airport users.

Grant Assurance 22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical

activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

(1) Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

(2) Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-base operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-base operators making the same or similar uses of such airport and using the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-base operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, nontenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and use similar facilities, subject to reasonable classifications such as tenants or nontenants and signatory air carriers and non-signatory air carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform. 09/30/2009 5190.6B

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

Grant Assurance 23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-base operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-base operator to provide such services, and

b. If allowing more than one fixed-base operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-base operator and such airport.

It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including,

but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.