

First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE ENROLLED ACT No. 1413

AN ACT to amend the Indiana Code concerning transportation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-6-6.5-10.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10.6. (a) A dealer may not use inventory aircraft for any purpose other than for resale and demonstration flights unless the dealer charges the fair market rental or lease value and complies with all applicable statutes, rules, and procedures of the department.

(b) Failure to comply or failure to provide proof of compliance to the department may be cause for immediate revocation of the dealer's certificate. However, the dealer has one hundred eighty (180) days after the date of the order to sell the dealer's inventory.

(c) An aircraft used for other purposes shall no longer be considered aircraft inventory and shall be treated as property of a nondealer. The registration fee and all applicable taxes become due thirty-one (31) days after the date the improper use begins.

(d) An inventory aircraft ~~held for more than eighteen (18) months that during a year has total time in service exceeding fifty (50) hours~~ is no longer considered aircraft inventory and is treated as property of a nondealer. The registration fee and all applicable taxes are due thirty-one (31) days after the date the ~~eighteen (18) month period ends~~; **total time in service exceeds fifty (50) hours for the year for that aircraft.**

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SECTION 2. IC 6-6-6.5-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 26. (a) This section applies only to an aircraft that:**

- (1) is held by a dealer on July 1, 2015;**
- (2) ceased to be considered aircraft inventory of the dealer on a date occurring before July 1, 2015, and began to be treated as property of a nondealer under section 10.6(d) of this chapter (before its amendment on July 1, 2015); and**
- (3) would not have been considered to be property of a nondealer if section 10.6(d) of this chapter after its amendment on July 1, 2015, had been applied.**

(b) A dealer who holds an aircraft to which this section applies may elect to reclassify the aircraft as aircraft inventory in the manner prescribed by the department.

(c) If:

- (1) a dealer makes an election under subsection (b) for an aircraft to which this section applies; and**
- (2) as of July 1, 2015, the dealer owed unpaid registration fees, state gross retail or use taxes, penalties, or interest because of the reclassification of the aircraft under section 10.6(d) of this chapter (before its amendment on July 1, 2015);**

the dealer is entitled to a credit against the liability in an amount equal to the total of the unpaid registration fees, state gross retail or use taxes, penalties, and interest attributable to the reclassification of the aircraft under section 10.6(d) of this chapter (before its amendment on July 1, 2015). A dealer must claim the credit in the manner prescribed by the department. The department shall notify dealers of the availability of the credit.

(d) Subject to IC 6-8.1-9-1, a dealer who makes an election under subsection (b) for an aircraft to which this section applies is eligible to receive a refund of:

- (1) the registration fees and the state gross retail or use taxes that were paid by the dealer for the aircraft because of the reclassification of the aircraft as property of a nondealer under section 10.6(d) of this chapter (before its amendment on July 1, 2015); and**
- (2) any penalties and interest that have been assessed and paid to the department by the dealer that are attributable to the registration fees or the gross retail or use taxes for which a refund is claimed by the dealer under subdivision (1).**

The department shall notify dealers of the availability of the refund.



(e) This section expires July 1, 2018.

SECTION 3. IC 8-21-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. The following words and phrases when used in this chapter shall, for the purpose of this chapter, unless a different meaning appears from the context, have the following meanings:

- (1) The singular shall include the plural; the masculine shall include the feminine and neuter, as requisite.
- (2) "Aircraft" means any contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air.
- (3) "Aircraft accident" means any mishap involving an aircraft resulting in injury or damage to such aircraft or to any person, property, or thing.
- (4) "Department" refers to the Indiana department of transportation; and "state" or "this state" means the state of Indiana.
- (5) "Guest" means any person who rides in an aircraft for which no charge is made for such ride or flight.
- (6) "Insured" means the person in whose name there is issued an aircraft liability policy (as defined in section 12 of this chapter) and any other person insured under the terms of such policy.
- (7) "Judgment" means any judgment, except a judgment rendered against this state or any political subdivision thereof or any municipality therein, which shall have become final by expiration without appeal of the time within which appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States.
- (8) "Operation of aircraft" or "operate aircraft" means the use of aircraft for the purpose of air navigation, and includes the navigation or piloting of aircraft. Any person who causes or authorizes the operation of aircraft, whether with or without the right of legal control (in the capacity of owner, lessee, or otherwise) of the aircraft, **including an aircraft otherwise considered inventory, if it is operated in flight**, shall be deemed to be engaged in the operation of aircraft within the meaning of the statutes of this state.
- (9) "Operator" means any person who is in actual physical control of an aircraft.
- (10) "Owner" means any person in whose name the aircraft is certificated, licensed, or registered by appropriate federal or state authority.
- (11) "Passenger" means any person in, on or boarding an aircraft



for the purpose of riding therein, or alighting therefrom, following a flight or attempted flight therein.

(12) "Person" means any individual, firm, partnership, corporation, company, limited liability company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(13) "Policy" or "insurance policy" means an aircraft liability policy conforming to section 12 of this chapter.

(14) "Proof of financial responsibility" has the meaning set forth in section 8 of this chapter.

SECTION 4. IC 8-21-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 8. **For purposes of this article, Proof "proof of financial responsibility" shall mean proof of ability to respond in damages for liability thereafter incurred, arising out of the ownership, maintenance or use of an aircraft, in the amount of ten thousand dollars (\$10,000) because of bodily injury to or death of any one (1) person; and, subject to said limit respecting one (1) person; in the amount of twenty thousand dollars (\$20,000) because of bodily injury or death of two (2) or more persons in any one (1) accident; and in the amount of twenty thousand dollars (\$20,000) because of injury to or destruction of property in any one (1) accident. Such proof in such amounts shall be furnished for each aircraft owned by such person and operated in this state: means proof of the ability to satisfy a claim for damages arising from liability for the ownership, maintenance, or use of an aircraft, in the following amounts:**

(1) One hundred thousand dollars (\$100,000) for the bodily injury or death of one (1) person.

(2) Two hundred thousand dollars (\$200,000) for the bodily injury or death of two (2) or more persons in any one (1) accident.

(3) One hundred thousand dollars (\$100,000) for damage to property in any one (1) accident.

SECTION 5. IC 8-21-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. In this chapter:

"Aircraft" includes balloon, airplane, hydroplane, and every other vehicle used for navigation through the air. A hydroplane, while at rest on water and while being operated on or immediately above water, shall be governed by the rules regarding water navigation. While being operated through the air otherwise than immediately above water, it shall be treated as an aircraft.

"Aeronaut" includes aviator, pilot, balloonist, and every other person having any part in the operation of aircraft while in flight.



"Passenger" includes any person riding in an aircraft but having no part in its operation.

"Pilot" means the person who has final authority and responsibility for the operation and safety of an aircraft in flight.

SECTION 6. IC 8-21-4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) All offenses, torts, and other wrongs committed by or against an aeronaut or passenger while in flight over Indiana shall be governed by Indiana laws; and the question whether damage occasioned by or to an aircraft while in flight over Indiana constitutes an offense, tort, or other wrong by or against the owner of the aircraft shall be determined by Indiana laws.

(b) This article does not impose vicarious liability for damages on an owner of an aircraft who is not the pilot unless:

- (1) the owner engages in negligent, reckless, knowing, intentional, or unlawful conduct that is the proximate cause of the damages;**
- (2) an agency relationship exists between the owner and the person who proximately caused the damages; or**
- (3) the owner's liability is based on the doctrine of respondeat superior.**

(c) This article is not intended to modify or amend Indiana law with respect to:

- (1) bailments; or**
- (2) bailor liability.**



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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