

HOUSE BILL REPORT

SHB 1379

As Passed Legislature

Title: An act relating to establishing an unpiloted aircraft system state coordinator and program funding source.

Brief Description: Establishing an unpiloted aircraft system state coordinator and program funding source.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Lovick, Boehnke, Sutherland, Ryu and Dent).

Brief History:

Committee Activity:

Transportation: 2/16/21, 2/19/21 [DPS].

Floor Activity:

Passed House: 3/4/21, 92-6.

Senate Amended.

Passed Senate: 4/8/21, 48-1.

House Concurred.

Passed House: 4/12/21, 93-5.

Passed Legislature.

Brief Summary of Substitute Bill

- Establishes the Unpiloted Aircraft System State Coordinator (Coordinator) in the Aviation Division of the Washington State Department of Transportation.
- Requires state registration of commercial unpiloted aircraft systems.
- Exempts recreational drones from registering in Washington.
- Requires reports to the Legislature and other stakeholders regarding the fee schedule and Coordinator position by December 1, 2022.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Dent, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Lovick, Orcutt, Paul, Ramel, Riccelli, Slatter, Sutherland, Taylor, Valdez and Wicks.

Minority Report: Without recommendation. Signed by 3 members: Representatives Robertson, Assistant Ranking Minority Member; McCaslin and Walsh.

Staff: Christine Thomas (786-7142).

Background:

Unmanned Aircraft Systems.

Unmanned aircraft systems (UAS), also known as drones, are aircraft without a human pilot on board. The flight is controlled either autonomously by computers, or under remote control by a pilot. Washington has no laws that specifically regulate drones.

Federal Aircraft Registration.

The Federal Aviation Administration (FAA) has broad authority to regulate the use of airspace. Aircraft must be registered with the FAA. The registration fee is \$5 for three years. Since 2015 the FAA has been finalizing several rules governing the operation and certification of small civil UAS under 55 pounds.

To fly drones under 55 pounds for work or business, owners must learn the federal Small Unmanned Aircraft System Rules; become an FAA-certified drone pilot; and register their drone with the FAA. In 2018 the FAA updated the rules for drones flown for recreational purposes only, which are exempt from federal regulation if they meet certain criteria and are registered with the FAA. Government agencies and educators can also operate drones under certain conditions. In 2020 more than 14,000 non-hobbyist small UAS with a Washington address were registered with the FAA.

Aircraft Registration in Washington.

Aircraft must be registered with the Washington State Department of Transportation (WSDOT) in January of each calendar year in which the aircraft is operated or based within Washington. The state registration fee is \$15 and is deposited into the Aeronautics Account. The Aeronautics Account supports the WSDOT Aviation Division's airport preservation and improvement programs, education outreach, and air search and rescue operations. Aircraft that are specifically exempt from registration include:

- most commercial aircraft;
- government aircraft;

- foreign aircraft;
- certain nonresident owned aircraft; and
- large private airplanes in Washington for repair, alteration, reconstruction, or storage for more than a year.

Unmanned aircraft systems are not required to register in Washington.

Aviation Division.

The Aviation Division (division) within the WSDOT is responsible for registering aircraft, planning Washington's aviation system, and providing financial assistance to public-use airports in Washington. Public-use airports are operated by cities, counties, ports, and private parties. The WSDOT manages 16 state public-use airports. The division also coordinates UAS activities within the WSDOT.

Summary of Substitute Bill:

Unpiloted Aircraft System Coordinator.

An "unpiloted aircraft system" is defined in statute and must meet the same criteria and standards for an "unmanned aircraft system" established by the FAA. The Unpiloted Aircraft System State Coordinator (Coordinator) is established in the Aviation Division of the WSDOT to serve primarily in an advisory role. The Director of the Aviation Division or the Director's designee is appointed as the Coordinator. The Coordinator's duties include:

- assisting with UAS training and continuing education for state agencies;
- coordinating with local governments on state and federal UAS policies and laws;
- acting as a state-level coordinator in times of emergency;
- coordinating with the FAA and state agencies on UAS trends;
- assisting with the advancement of UAS across the state in coordination with the Department of Commerce (Commerce); and
- other duties as they relate to UAS in the state.

Registration Requirements and Exemptions.

Commercial unpiloted aircraft systems must be registered with the WSDOT and pay a \$15 annual fee. In the aeronautics chapter of the Revised Code of Washington, "commercial" means an aircraft, piloted or unpiloted, not used exclusively for hobby or recreation. Unpiloted aircraft systems used exclusively for hobby or recreation are exempted from the registration fee.

Reporting Requirements.

The WSDOT, in collaboration with Commerce, the Department of Revenue, and other industry representatives, must review the fee schedule based on the number of drones registered under any single entity. The WSDOT must make recommendations to revise the initial fee and report to the transportation committees of the Legislature by December 1, 2022.

The WSDOT must also report to the transportation committees of the Legislature, Commerce, and interested aviation and aerospace stakeholders by December 1, 2022, regarding additional information on the Coordinator position. The report must include the following:

- specifics on the activities, accomplishments, and opportunities undertaken by the Coordinator;
- a statement on the justification and need for continuing the activities of the Coordinator; and
- recommendations on any changes to the scope of the work and duties of the Coordinator, including recommendations on reassigning the duties of the Coordinator to the WSDOT's Aviation Division and the termination of the Coordinator position.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2021, except for section 3, which, because of a double amendment, takes effect July 31, 2031.

Staff Summary of Public Testimony:

(In support) Establishing a Coordinator position with the WSDOT will posture Washington for the future of flight where we can claim a birthright to aviation. It is fitting to continue the tradition of flight and recognize the rise of unmanned aerial vehicles. Drones are critical to the transportation industry and having a statewide coordinator to develop intergovernmental and industry standards will create the necessary framework needed to pave the way to sustainable transportation. A similar bill passed unanimously out of the House of Representatives last year, but this bill is modified to remove federal concerns. This bill is critical for small businesses who are already receiving orders for drones, but have nowhere to go. Aerial mobility transformation is a growing industry and is estimated to generate \$64 billion in revenue by 2025. That number could be a lot higher and Washington should attract and pursue companies to come here to provide thousands of jobs in mobility transformation.

(Opposed) None.

Persons Testifying: Representative Lovick, prime sponsor; Bob Griffiths, Aerogene LLC; and Brian Flynn, DiamondStream.

Persons Signed In To Testify But Not Testifying: None.