



North Dakota Aeronautics Commission

Monday, October 9, 2017 – 10:00 am
Aeronautics Commission Conference Room
Bismarck, ND

Chairperson Cindy Schreiber-Beck called the meeting of the North Dakota Aeronautics Commission to order at 10:00 am on Monday, October 9, 2017.

COMMISSIONERS PRESENT:

Cindy Schreiber-Beck, Chairperson
Maurice Cook, Member
Warren Pietsch, Member
Kim Kenville, Member
Jay B. Lindquist, Member

STAFF PRESENT:

Kyle Wanner, Director
Ben West, Airport Planner
Jared Wingo, Airport Planner
Gaye Niemiller, Administrative Officer

OTHERS PRESENT:

Tara Brandner – North Dakota Attorney General's Office
Jon Scrapper, Mead & Hunt
John Boe, Langdon Municipal Airport Authority

Minutes – Minutes of the August 21, 2017 meeting were reviewed. No changes were made and the minutes were accepted as printed.

Langdon emergency grant request – Two emergency grant requests were presented for consideration for the Langdon Municipal Airport. One request was for a supplemental to AIP #11 for cost overruns on the project. The other request was for an excess amount due on the Runway 14/32 Pavement Reconstruction project, due to the contractor found that the runway was in need of additional reconstruction. John Boe of Langdon Municipal Airport called in to discuss. Jon Scrapper of Mead & Hunt also called in to explained the issues that were found and resolved. The project has been completed and the airport is operational.

Kim Kenville recused herself from this action item. Jay B. made a motion to approve as requested. Warren seconded. Discussion was held and the Commission asked if the Airport could go back to the FAA on these requests. Jon Scrapper informed the Commission that Langdon Airport could not go back to the FAA because they have maxed out the amount with the FAA.

The motion was to approve two grants. The first was a supplemental grant for Runway 14/32 and Taxiway Rehabilitation in the amount of \$1,072 at 5% of the total project. The second grant was for reconstructing a section of the runway in the amount of \$41,323 at 90% of the total project.

Jay – yes Warren – yes Maurice – yes Kim – abstain. Motion carried.

Financial statements – Gaye presented and reviewed the financial statements for July and August, 2017.

Director Monthly Recap - Kyle reviewed the Director's monthly recap, highlighting a few areas for the Commissioners.

September 4th was the fly-in at the International Peace Gardens. The crack sealing and remarking has been completed, and the tree removal project will occur this fall at, more than likely in early November. Additionally, a new windsock will be installed this fall at the Garrison Dam Recreational airpark.

Sept 9th – 13th was the NASAO conference in Alabama that Kyle and Mike attended. The aviation quarterly was recognized with a national award at the conference.

Sept 27th Mike and Kyle went to West Fargo for a meeting regarding the benefits of keeping the West Fargo Municipal Airport in operation. Kyle presented to their board on the importance and the benefits of that airport. The city decided at that meeting to not close the airport nor decrease their budget.

Excise tax discussion. Kyle sent an email previously regarding the situation they're looking at. The current process has been in place for many years. Currently, if a plane is purchased with the intent to lease the aircraft, they have had the option to pay the 5% use tax over the duration of the aircraft operating within the state. The main concern at this time is regarding the question on whether or not the aircraft owner would have to pay the final balance if they no longer use the plane in North Dakota?

Discussion on this issue took place and Tara suggested we move forward with requesting an Attorney General's Opinion because the Tax Department was currently in disagreement with the Aeronautics Commission on this issue.

Jay B. discussed his viewpoint regarding tax audits back in the day and how the use tax utilization came about.

Maurice thinks the statute is absolutely clear. Maurice doesn't think we should allow delay of payment unless it is a true lease from out of state. He also doesn't think that the excise tax should be allowed to be paid on an installment basis and objects to any further authorization of that process for anyone who has bought a plane in North Dakota.

Tara explained that, that is how she interpreted the statute as well: When a plane is purchased, there is a 5% tax on the purchase price, that should be paid immediately.

Maurice wants the 5% to be paid upfront and not allow it to be paid in installments.

Maurice, Kyle, Cindy and Tara will work on this and possibly request an Attorney General's Opinion, and bring updates and any recommendations at a future meeting.

Maurice made a motion to suspend the treating of the excise tax as a use tax for any new aircraft purchased in the state until this issue is resolved. Kim seconded.

Jay B. - yes Warren – yes Maurice – yes Kim – yes Motion passed.

Tara will draft language within a letter to explain her interpretation of the language that supports the commission's motion and the ability for the commission to suspend the treatment of the excise tax as a use tax.

Old business – Commission portfolio reports – No other reports were made.

Next meeting Monday, November 13th at 10am, set tentatively.

Meeting adjourned at 11:20 a.m.