



421 Aviation Way
Frederick, MD 21701

T. 202-737-7950
F. 202-273-7951

www.aopa.org

6 February 2024

Senate Budget & Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: AOPA Support for Senate Bill 574, Repeal of Reporting Requirements and Sunset.

Chairman Senator Guzzone, Vice Chair Senator Rosapepe, and members of the Budget & Taxation Committee,

I am Sean Collins, the Eastern Regional Manager for the Aircraft Owners & Pilots Association (AOPA). We are the world's largest aviation membership organization representing the general aviation interests of 300,000 aircraft owners and pilots nationwide, including more than 4,500 in Maryland. On behalf of these members, **AOPA supports Senate Bill 574, an act to repeal the reporting requirement and sunset.**

In 2020 the legislature passed a targeted sales tax exemption on aircraft parts and components with a provision to sunset in 2025. This action was urgently needed for Maryland's aviation industry to remove a competitive barrier with neighboring states. Since that time, however, Virginia extended its exemption and West Virginia cemented its own, in line with Pennsylvania which has no sunset. Unfortunately, the inclusion of the sunset provision hinders potential new and long-term investment where business planning strategies traditionally look at 10- and 20-year horizons.

General Aviation is a mobile industry. While convenience is a chief concern, expense is the principal motive—even if it means leaving or skipping over Maryland to save money in neighboring states. For this reason, competition to entice new business at airports across state lines is fierce. The opportunity for a state to increase its competitive edge over its neighbor-states is limited, making the necessity to keep-pace, vital.

The passage of Maryland's exemption has paved the way for industry growth and investment in both existing and new aircraft maintenance facilities. Of the 9 facilities that have responded to an AOPA survey, collective employment at these companies increased from 21 staff in 2019, to 59 staff in 2023—a 280% growth in employment opportunity. At the St. Mary's County Regional Airport (2W6), the number of maintenance facilities increased from two to three while quadrupling the number of staff associated with those services from 4 to 16. Local development also included a new flight school that operates 6 new aircraft. At the Bay Bridge Airport (W29), Chesapeake Sport Pilot—a woman-owned flight school—expanded by opening a maintenance department catering to light general aviation aircraft. Last year, Chesapeake Sport Pilot expanded their maintenance operation to the Tipton Airport (FME) and is now considering additional investment to secure a more permanent future. Royal Aircraft Services at the Hagerstown Regional Airport (HGR) in Washington County, invested in new infrastructure to expand its service offerings to include an aircraft paint shop—the first of its kind in Maryland and these are just a few examples of how this targeted exemption has spurred new development and generated new good-wage paying jobs across the state.

For these reasons, **AOPA supports Senate Bill 574.** Thank you for your consideration of our views. For questions, please contact me directly at 301-695-2090 or by email at sean.collins@aopa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean M. Collins", is centered on a light-colored rectangular background.

Sean M. Collins, AOPA
Eastern Regional Manager