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STATE CAPITOL  
PHOENIX, ARIZONA

December 20, 1965

DEPARTMENT OF LAW OPINION NO. 66-3 (R-37)

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REQUESTED BY: THE HONORABLE EINO M. JACOBSON  
Yavapai County Attorney

QUESTION: Where an aircraft is in storage for one year and not registered or licensed in that period, may the County Assessor assess the aircraft as an unsecured personalty.

ANSWER: Yes.

Article IX, Section 15 of the Arizona Constitution provides that:

"Commencing January 1, 1965, a license tax is imposed on aircraft registered for operation in Arizona, which license tax shall be in lieu of all ad valorem property taxes on any aircraft subject thereto, . . . ."

The above-quoted constitutional provision specifies that the license tax is in lieu of the ad valorem property tax on aircraft which are subject to the license tax.

Arizona Revised Statutes, Sec. 2-401 D provides that:

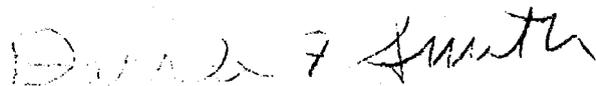
"D. The owner of an aircraft not registered because it was in storage or because of repairs to it shall, upon being registered, pay the full registration fee,

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and also taxes prorated on the basis of one-twelfth for each month remaining in the registration year beginning with the first month the aircraft is restored to use."

This statutory provision clearly implies that licensing of aircraft in storage or aircraft in repair is not required while the aircraft is in storage or in repair. In Attorney General Opinion 65-17 involving the question of whether or not aircraft not subject to the lieu tax could be taxed as unsecured personal property, we concluded that such aircraft could be taxed as unsecured personal property if they were otherwise subject to taxation. That opinion is applicable to this situation. Under Article IX, Section 2 of the Arizona Constitution all property in the state not exempt under the laws of the United States or the Arizona Constitution or exempt by law under the provisions of that Section 2 are subject to taxation. Since the lieu tax only applies to registered aircraft and since aircraft in storage or repair are not required to be registered, such aircraft are taxable as unsecured personal property unless a specific exemption is applicable to the particular aircraft sought to be taxed.

Respectfully submitted,



DARRELL F. SMITH  
The Attorney General

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