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# How can you fly after your FAA aircraft registration has expired?

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#### **James Cooling**

Senior Aviation Attorney at Cooling & Herbers, P.C. The call from an anxious client whose aircraft registration just expired usually goes like this: I just found out that the FAA registration for our aircraft expired several months ago, and I called the FAA and found out that the renewal notice went to an old address, and now it will take five to six weeks to process the application for a new registration. The FAA advised that our aircraft is grounded until we complete the re-registration process, and that we cannot fly on a pink slip. We have a very important flight next week. What can we do to speed up this process? Is there anyone you can call at the FAA to get this taken care of immediately?

We get this type of call more frequently than we would expect from individuals, corporations, and celebrities who miss their renewal dates.

In 2010, the FAA revised the aircraft registration process to require re-registration of U.S. aircraft every three years. By now, most aircraft owners have developed their own systems or purchased an app to remind them of their aircraft registration expiration dates. In order to assist the aircraft owners, the FAA also mails a notice 180 days prior to the expiration date to the address provided in the Registration Application (Form 8050-1), and sends a follow up notice approximately 60 days before expiration. If the owner fails to renew the registration before the deadline, a final notice is sent to the owner after the expiration of the certificate, along with instructions to apply for reinstatement, which, because of backlogs, currently takes five to six weeks, and there is no

way to jump the line. No exceptions—not even for the rich and famous.

We hear various explanations for how the aircraft registration could have expired, but they all have a common thread—the aircraft owner did not receive a renewal notice and also forgot to mark the three year expiration date on the calendar. In most cases, owners forget to change their mailing addresses with the FAA Registry after moving. In some cases, the FAA notice of renewal is delivered to the corporate headquarters but never makes it to the flight department. Whatever the reason, the goal is to get the airplane back in the air as promptly as possible.

For some, promptly re-applying and waiting for five to six weeks for a new registration and building up airline miles works fine. For those of you who desperately need to fly next Friday, are you going to be grounded like a gear-up landing, or is there another option that can get you back up in the air?

Fortunately, there is a legal maneuver to promptly obtain a new registration, but the FAA does not generally tell you about it. Specifically, if you transfer ownership of your aircraft to another entity and file for a new registration with the FAA Registry branch in Oklahoma City, you can fly away on a pink slip anywhere in the United States with the blessing of the FAA. We recently had an aircraft that was owned jointly by a husband and wife, and when they discovered their aircraft registration had expired just before taking off for their long-planned family vacation, the husband transferred his interest in the aircraft to his wife in a legitimate sale, filed a new Registration Application with the FAA, and flew away. He now has to ask his wife's permission whenever he wants to fly the aircraft, but at least they did not have to cancel their trip.

The same maneuver of changing the ownership of the aircraft to reapply for a new registration has been used by

LLC members, small business owners, major corporations, and celebrities to get back in the air promptly.

Tax caution—If your U.S. registration expires and you decide to transfer ownership of the aircraft to speed up the renewal process, you need to be fully aware of and consider the potential tax consequences. If you live in and base your aircraft in a state that has no sales tax, good for you. But almost all states have sales and use tax provisions that could apply to your transfer, and you need proper planning to avoid a six to eight percent sales tax on the value of your aircraft.

FAA caution—Make sure that your new ownership structure complies with applicable FAA regulations. For example, if your company conducts parent-subsidiary operations under 14 CFR 91.501, you will want to ensure that any new owner or operator can legally provide such flights.

Finally, before you take off, please also remember to advise your insurer of any change of ownership in order to maintain proper insurance coverage.

And for those of you who want to ensure that you never miss your three-year expiration date, be sure to always advise the FAA of your current address, check your mail, and if you still cannot keep track of the registration expiration date, you might think about a tattoo.

Not an AOPA Pilot Protection Services Participant? Learn more about the program here. Ready to enroll? Call Member Services at **800/872-2672**.



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