Federal Aviation Administration

Memorandum

Date: DEC - 4 2017

To: Lewis C. Gonzales Jr., Manager,
North Texas Flight Standards District Office

From: Lorelei Peter, Assistant Chief Counsel for Regulations, AGC-200

Prepared by: Courtney Freeman, Attorney, AGC-220

Subject: Legal Interpretation Regarding Aircraft Registration

This memorandum responds to your September 26, 2016 request for legal interpretation regarding the effect of a business entity's legal status on aircraft registration. In your letter, you ask two questions:

1. May a person operate an aircraft that was registered in accordance with 49 U.S.C. 44102 and 14 CFR § 47.3 when at the time of that registration, the business entity was inactive, under administrative dissolution, delinquent paying its franchise taxes, or its business entity status was "suspended," or otherwise "not in good standing?"
2. May a person continue to operate an aircraft that was registered in accordance with 49 U.S.C. 44102 and 14 CFR § 47.3 when at the time of that registration, the business entity was inactive, under administrative dissolution, delinquent paying its franchise taxes, or its business entity status was "suspended," or otherwise "not in good standing?"

Section 47.3 defines who is eligible to register an aircraft under part 47. This includes a U.S. citizen corporation (§ 47.3(a)(1)), or corporation which is not a U.S. citizen but (1) is organized and doing business under the laws of the United States or a state within the United States and (2) is based and primarily used in the United States (§ 47.3(a)(3)).

Section 47.41 describes the terms under which a registration certificate issued by the FAA under part 47 is no longer effective. Included in these terms are (1) the holder of the certificate loses U.S. citizenship (§ 47.41(a)(3)) and (2) a non-citizen corporation is no longer (a) legally organized and doing business in the United States or (b) is no longer based and primarily used in the United States (§ 47.41(a)(6)).

Additionally, § 47.43 describes what constitutes invalid registration at the time of that registration. Included in those terms is a situation where the applicant is not qualified to submit

an application under part 47 (§ 47.43(a)(3)). If a corporation did not have legal status at the time it submitted its registration application, it would not have been qualified to submit the application.

Accordingly, a business entity that does not have or has lost legal status in the State in which it has been incorporated is neither eligible to register an aircraft nor operate that aircraft. The definition of "legal status" is a State-specific determination.

The owner of the aircraft could be subject to enforcement action if a discrepancy between the legal status of the company and its registration status is discovered in the course of an enforcement proceeding. However, the Civil Aviation Registry does not make determinations as to the legal status of a corporate entity at the time of registration or during the duration of the registration – it relies on the certification and documentation provided by the corporate entity. An owner could, however, be subject to an enforcement action if its registration certificate is invalid or lost effectiveness and was not returned to the Registry in the requisite amount of time (§§ 47.41(b), 47.43(b)).

We appreciate your patience and trust that the above responds to your inquiry. If you need further assistance, please contact my staff at (202) 267-3073. This response was prepared by Courtney Freeman, an attorney in the Regulations Division of the Office of the Chief Counsel, and coordinated with the Civil Aviation Registry Division of the Flight Standards Service (AFS-700).

Federal Aviation Administration

Memorandum

Date: September 26, 2016

To: Lorelei A. Peter, Assistant Chief Counsel, Regulations, AGC-200
THRU: John Duncan, Director, Flight Standards, AFS-1
Jana Hammer, Manager, Aircraft Registration, AFS-750
Nicholas Reyes, Manager, Regional Flight Standards, ASW-200

From: Lewis C. Gonzales Jr., Manager,
North Texas Flight Standards District Office (FSDO), SW-19

Prepared by: Chris Doherty, Aviation Safety Inspector, (214) 277-8528

Subject: Aircraft Registration

This office is requesting a legal interpretation regarding a business entity's legal status on aircraft registration. We are providing several specific circumstances for interpretation.

We understand that 49 U.S.C. § 44102 and 14 C.F.R. § 47.3 set forth the requirements for registering an aircraft in the United States. We understand that individuals as well as business entities may be United States citizens as set forth in 49 U.S.C. § 44102(a)(1)(A), and 14 C.F.R. § 47.3(a)(1). For purposes of this request, all individuals and entities are U.S. citizens. We also understand that laws regarding the formation of "business entities" are state laws, and therefore vary among the 50 states.

1. May a person operate an aircraft that was registered in accordance with 49 U.S.C. § 44102 and 14 CFR § 47.3 when at the time of that registration, the business entity was inactive, under administrative dissolution, delinquent paying its franchise taxes, or its business entity status was "suspended," or otherwise "not in good standing?"

2. May a person continue to operate an aircraft that was registered in accordance with 49 U.S.C. § 44102 and 14 CFR § 47.3, when that business entity subsequently, becomes inactive, under administrative dissolution, delinquent paying its franchise taxes, or its business entity status "suspended," or otherwise "not in good standing?"

We appreciate your assistance in this matter and look forward to your reply.