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US Federal Updates

Tariffs Update: Implications for Vertical Aviation

Summary of Facts

On Apr. 9, amid significant market volatility, President Donald Trump announced a **90-day pause on a broad set of global tariffs that went into effect at midnight.**

While delaying full implementation, Trump also escalated tariffs specifically on Chinese imports—raising them to 125%—as part of his push for “reciprocal” trade practices.

These actions could have far-reaching consequences for the vertical flight industry. Many rotorcraft and vertical aviation components—including avionics, airframes, batteries, and maintenance equipment—are sourced globally. Higher tariffs on imported parts and materials could increase costs across the supply chain, impacting manufacturers, operators, and maintenance providers alike. These cost pressures may delay new aircraft deliveries, increase service rates, and limit fleet modernization.

VAI Position and Actions

At VAI, we continue to monitor the evolving trade policy landscape and advocate for policies that support industry growth, supply chain stability, and operational safety. We are engaging with policymakers to ensure that the needs of the vertical flight industry are considered in all trade-related decisions.

US State and Local Updates

Washington Introduces Luxury Tax Bill

Summary of Facts

The Washington State Legislature has introduced E.S.S.B.5801, which proposes a **luxury noncommercial aircraft tax.** Effective Jan. 1, 2026, the bill would impose an additional 10% tax on the value of a noncommercial aircraft sale, lease, or transfer

exceeding \$500,000. The tax applies only to the amount above \$500,000, treating that threshold as a deduction. Revenue from the tax would go to the Move Ahead WA Flexible Account. The bill has passed the State Senate and is currently under consideration in the State House of Representatives.

VAI Position and Actions

VAI, in coordination with the Aircraft Owners and Pilots Association and other aviation stakeholders, plans to submit testimony opposing this provision once the Washington State House of Representatives schedules a hearing.

Labeling aircraft as luxury items based solely on value ignores their essential roles across sectors and income levels. The proposed tax could raise operational costs, limit access to vital aviation services, and drive prospective aircraft owners to neighboring states such as Oregon and Idaho. Furthermore, this provision risks discouraging aircraft ownership and undermining the financial sustainability of Washington's airports, many of which rely on revenue from general aviation activity.

To preserve Washington's aviation ecosystem, we urge the removal of the aircraft tax provision from E.S.S.B.5801.

Hawaii Adopts S.R.150

Summary of Facts

In early March, the Hawaii State Senate introduced Senate Concurrent Resolution 180 (S.C.R.180) and its companion, Senate Resolution 150 (S.R.150), urging the Hawaii Department of Transportation (HDOT) to collect and publish data on commercial air tour operators. The data to be collected would include insurance coverage, pilot training hours, and aircraft equipment specifications. The resolutions also encourage HDOT to establish a rating system with letter grades and a "Safest Commercial Air Tour Operator" designation.

Approximately two weeks ago, S.R.150 was adopted by the Hawaii Senate, and last week, S.C.R.180 passed the Hawaii House Transportation Committee with amendments. As nonbinding measures, these resolutions express legislative intent but lack the force of law. Implementation rests with HDOT.

VAI Position and Actions

VAI has concerns about S.R.150 due to legal and practical implications stemming from federal preemption.

The FAA holds exclusive authority over aviation safety and data reporting under federal law, including the Airline Deregulation Act of 1978 as well as 49 U.S.C. § 41713, § 40103 (sovereignty and use of airspace), and § 44701 (e) (safety oversight). State-level rating systems or public-disclosure requirements may conflict with federal regulations and create legal challenges.

Additionally, publishing operator-submitted data and labeling nonparticipants as “Safety Unknown” could lead to misleading safety perceptions, reputational harm, and anticompetitive outcomes. It could also violate federal nondiscrimination laws.

VAI remains committed to working with the Hawaii State Legislature and HDOT to find solutions that enhance safety without conflicting with federal preemption.

VAI Participates in Nevada Aviation Conference



From left to right: Kenneth Moen (NvAA), Juliet Jordan (NATA), Phil Derner (NBAA), and Katia Veraza (VAI) take part in the “State of the Industry” panel at the 2025 NvAA Annual Conference in Reno, Nevada, Apr. 1.

Summary of Facts

Katia Veraza, VAI assistant director of state government affairs and regional relations, represented the association at the Nevada Aviation Association (NvAA)

Annual Conference in Reno, Mar. 31 to Apr. 2, where she spoke as part of the “State of the Industry” panel. Veraza joined Phil Derner, Western Region director, National Business Aviation Association; Juliet Jordan, managing director of industry affairs and innovation, National Air Transportation Association (NATA); and Kenneth Moen, president of NvAA in a discussion on key general aviation topics, including community compatibility, the transition to unleaded fuels, safety, and current industry trends.

VAI Position and Actions

VAI values opportunities to engage with state-level aviation leaders and advocate for the vertical flight industry. **Events such as the NvAA Annual Conference provide a critical platform to share insights, support local aviation efforts, and represent member interests across the country.**

Santa Clara County Fuel Ban Violates Federal Grant Obligations, FAA Rules

Summary of Facts

On Mar. 24, **the FAA ruled that the 2022 ban on 100LL aviation fuel imposed by Santa Clara County, California, violates federal airport grant obligations.** The decision stemmed from a complaint filed under 14 CFR Part 16, which governs airport compliance for federally funded facilities.

Santa Clara County had received approximately \$6.8 million in federal airport development funds between 1983 and 2011. As a condition of accepting those funds, the county agreed to comply with federal grant assurances, including not restricting access to FAA-approved fuels.

The FAA directed the county to submit a corrective action plan within 30 days, which must include removing the ban on the acquisition, storage, and sale of 100LL fuel at Reid-Hillview (KRHV) and San Martin Airports. The agency also found that the county created an unlawful “exclusive right” by permitting sales of only Swift Fuels 94UL and GAMI’s G100UL—fuels not yet suitable for all aircraft—effectively favoring some users over others.

The decision reinforces that federally obligated airports cannot prohibit FAA-authorized fuels without violating federal law. The county has 30 days to appeal.

VAI Position and Actions

VAI supports the transition to unleaded aviation fuels but emphasizes that such efforts must align with the FAA. Airports cannot impose bans that restrict access to 100LL while viable alternatives are unavailable. While the FAA has approved unleaded fuel for many piston engines, the fuel is not yet approved for piston helicopters. Premature bans could severely impact segments of the vertical flight industry.

News from VAI's Northeastern US Regional Representative

By Josh Rousseau, VAI Northeastern US Regional Representative

As I write this piece, my deepest heartfelt condolences go out to the families and loved ones of all involved in the tragic helicopter crash into the Hudson River in New York City on Apr. 10. In this moment of loss, we stand with those who mourn. We are deeply grateful to the first responders and medical teams who acted with urgency, care, and compassion in response to the event, and our thoughts are also with those in the broader community who grieve alongside those directly impacted.

In the face of recent tragedies such as these, our commitment to advocacy remains steadfast. New York continues to be a focal point in the Northeast for legislative efforts impacting our industry. As state budget negotiations progress, lawmakers are considering a proposed “noise tax” on helicopters operating in New York City. Simultaneously, the New York City Council is advancing Int. 0026-2024, introduced by Council Member Amanda Fariás, which would limit nonessential helicopter operations at city heliports to aircraft powered exclusively by electric engines.

While safety must always be the top priority, incidents of this magnitude require thoughtful responses, not reactionary policymaking. Efforts to introduce broad restrictions under the guise of community compatibility go far beyond reasonable compromise. These proposals represent a clear attempt to phase out an entire industry that supports one of the world’s most dynamic economic regions.

Beyond the serious jurisdictional concerns—aviation safety and airspace use are matters solely under FAA authority—the potential impact of this legislation is significant. It threatens to undermine general aviation, which plays a vital role in supporting emergency services, business aviation, and regional connectivity across New York.

Coming out of an amazing week in Dallas last month during VERTICON, our industry must now, more than ever, continue to serve as a vital resource and partner for the remaking of our airspace. Industry collaboration is critical, and investing in our current

infrastructure today to prepare for the future should be the priority for lawmakers and decision makers.

This moment also serves as a powerful reminder of the importance of safety. We encourage all rotorcraft pilots to participate in the 2025 National Pause for General Aviation Safety program. Every pilot has a responsibility to fly with discipline and care, whether flying for recreation, business, or humanitarian purposes. Visit www.gasafe.org to learn more, and join thousands of others dedicated to raising the bar on safety.

For updates on legislative developments in New York and beyond, [follow me on LinkedIn](#), check VAI's regular email communications, or [visit our website](#).

Until next time, stay safe, stay informed, **and Keep Powering Up.**

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